

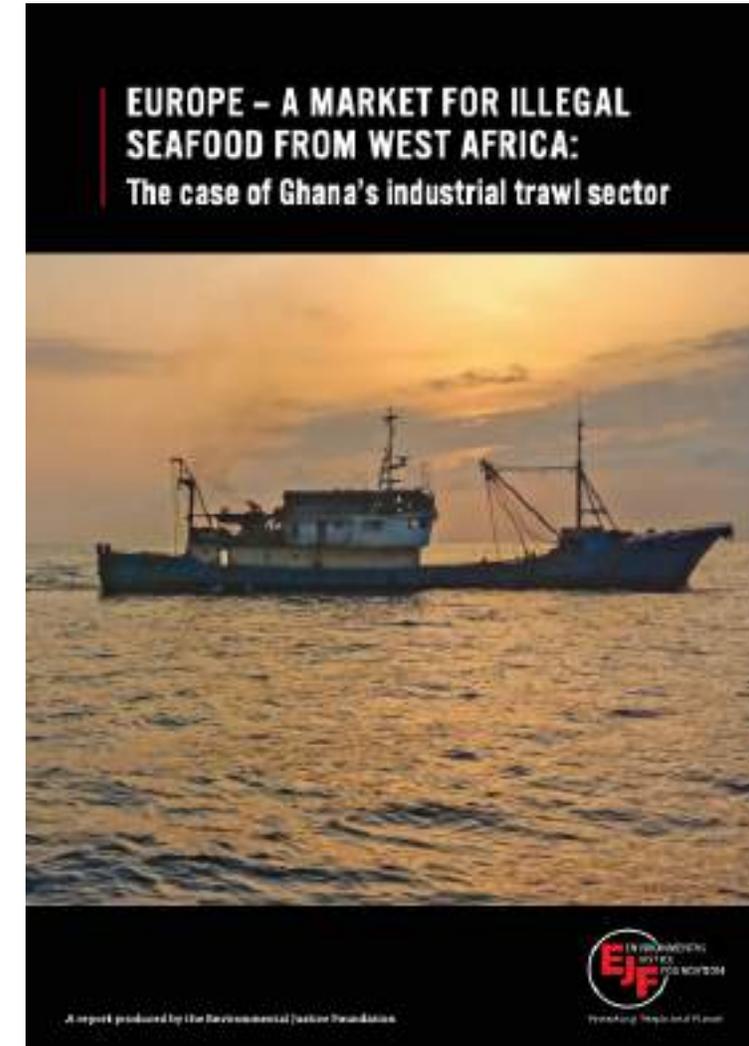
# **EJF's investigation into illegal practices in Ghana's industrial trawl sector**

Presentation to the Market Advisory Council (MAC)

*27 November 2020*

# Background

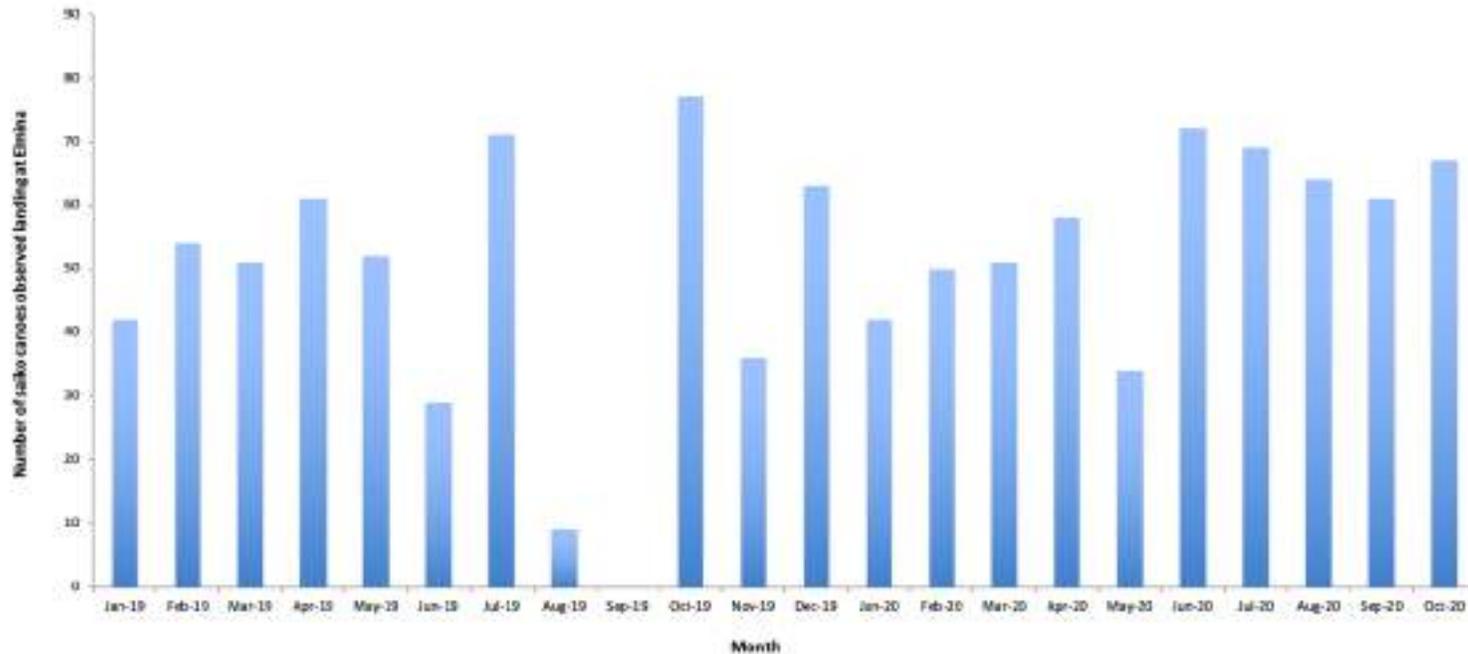
- Report published July 2020 - findings presented to MAC (WG2) in September 2020
- Report identified systemic illegal practices in Ghana's bottom trawl industry and a high risk of seafood caught by illegal fishing reaching EU market
- A number of Ghana-flagged industrial trawlers, with licences to catch demersal species such as snappers and cephalopods, are authorised under EU health legislation to export fisheries products to the EU market.
- Each year, Ghana's industrial trawl fleet exports between 2,000 and 3,500 tonnes of cuttlefish, octopus and squid to the EU, primarily to Portugal, Italy and Spain, worth around €10 million
- Currently ~75 industrial trawlers licensed to operate under the Ghanaian flag: over 90% linked to Chinese corporations
- Widespread illegal and destructive fishing practices –devastating impacts on local fishing communities:
  - Over 2.7 million Ghanaians depend, directly or indirectly, on marine fisheries for their livelihoods
  - Ghana's small-scale fishery: over 100,000 fishers; 11,000 canoes



# Illegal trans-shipment at sea from trawlers to canoes (“saiko”)

- Daily monitoring by EJF staff of landings of saiko canoes at Elmina port
- Over 600 saiko canoes have landed at Elmina since the start of 2020
- An average of 12 saiko canoes have landed each week. Equates to around 300-500 tonnes of fish or 5,000-9,000 artisanal fishing trips (approx.)
- 2020 Budget Statement (published November 2019) – government committed to ending saiko

*Number of saiko canoes landing monthly: Jan 2019 to Oct 2020*



*A saiko canoe unloads blocks of fish trans-shipped from an industrial trawler (Elmina, Ghana - 26 June 2020)*



# Illegal trans-shipment at sea from trawlers to canoes (“saiko”)

- Fortnightly analyses of species composition of landings of saiko canoes at Elmina port
- Sept 2018 to Sept 2019 – 18 blocks of saiko fish analysed:
  - *Sardinella* spp. present in 12 out of 18 blocks analysed (67%)
  - Over 99% of individual *Sardinella* spp. were below the minimum accepted landing size (2010 Fisheries Regulations)
- Findings indicative of use of prohibited mesh sizes/trawl gears (and possible IEZ incursions) to illegally target small pelagics for sale on local markets
- Small pelagics, especially sardinella, are a key target species for small-scale fishers
- *Sardinella* landings in Ghana declined by around 80% between 1996 and 2016 >> FAO recommended closure of regional fishery



“The nets that we trawl with are the bigger size mesh nets but the captain wants to catch plenty fish so he puts small mesh size nets into it.”

Ghanaian crewmember #2, industrial trawler

Block of saiko fish analysed in April 2019 - juvenile *Sardinella* spp. contributed 44.6% by weight.

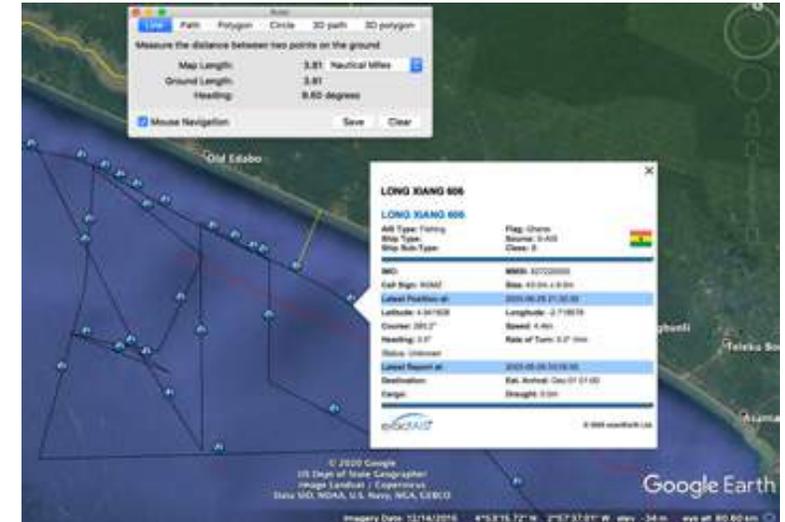


# Illegal trans-shipment at sea from trawlers to canoes (“saiko”)

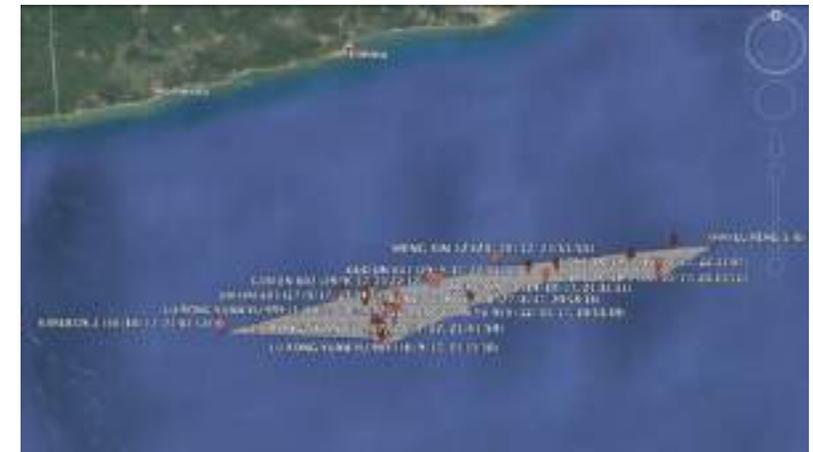
- Remote vessel monitoring via ExactEarth, corroborated by investigations at sea
- Routine monitoring of AIS positions identified:
  - Vessel behaviour consistent with trans-shipment
  - Incursions into the IEZ reserved for artisanal fishers
- Identification of an alleged “trans-shipment zone” around 12-16 nautical miles off the coast of Elmina
- Informed at sea trips in December 2018 and February 2019 to film saiko in progress



Vessel allegedly carrying out a saiko trans-shipment at sea off the coast of Elmina in Dec. 2018. At the time, the vessel was authorised to export fisheries products to the EU (China’s list of establishments)



Vessel behaviour consistent with alleged fishing in IEZ (vessel authorised to export fisheries products to the EU)



Alleged zone of saiko trans-shipment identified through AIS monitoring

# Foreign beneficial ownership in the trawl sector

- 2002 Fisheries Act - prohibits foreign ownership or control of trawlers operating under the Ghanaian flag
- Analysis of vessel/company databases (CN/GH govt, IHS Sea-web), SANTE lists of authorised establishments, interviews with officials, literature review, online searches, etc.
- Engaged local lawyers to assist with legal interpretation

SUMMARY  
March 2018

Key points

- The provisions of Section 40(1) of the 2002 Fisheries Act (Act 603) ensure that Ghanaian are the beneficiaries of local industrial fishing licenses.
- To comply with Section 40(1), the local fishing vessel must not only be locally owned and controlled, it must be locally beneficially owned as well.
- It is illegal for any fishing vessel, irrespective of its flag State, that is partly or wholly beneficially owned by a non-Ghanaian to be granted a local industrial fishing license.
- The new 2002 Companies Act (Act 602) repeals the definition of Director 'beneficial owner' and constitutional obligations, so companies to disclose information on beneficial ownership.
- Due to the common rule of interpretation that provides that law legislates implicitly amends earlier legislation, the provisions of the new Companies Act have implications for the nature of beneficial ownership in Section 40(1) of the 2002 Fisheries Act.
- Fisheries with potential foreign participation (according to sector legislation) are required to register with the Ghana Investment Promotion Centre.

Introduction

This finding summarizes the key findings of a legal opinion delivered by the Taylor Crabb Institute (TCI) to the Environmental Justice Foundation (EJF) in November 2017. In the opinion, TCI analyses the law governing the nationality of industrial trawler fishing in

## Findings:

- Estimated 90% of vessels linked to Chinese beneficial ownership
- Foreign companies use opaque corporate structures to register and licence vessels
- In 2015, Chinese nationals captained >95% of operational trawl vessels
- New vessels continue to arrive from China despite severe depletion of stocks

### Foreign (beneficial) owner

### Local (registered) owners/ licence holders

LURONGYUANYU 910 (RongCheng Marine Fisheries CO., LTD)	Rongchang / Shandong	ZV	07/12/17	LU RONG YUAN YU 910	BEONQ FISHERIES CO. LTD.	8673889	Current (June 2018)
LURONGYUANYU 918 (RongCheng Marine Fisheries CO., LTD)	Rongchang / Shandong	ZV	07/12/17	LU RONG YUAN YU 918	GAINSVILLE VENTURES LTD.	8673918	Current (June 2018)
LURONGYUANYU 919 (RongCheng Marine Fisheries CO., LTD)	Rongchang / Shandong	ZV	07/12/17	LU RONG YUAN YU 919	CONNADO ENT. LTD.	8673920	Current (June 2018)
LURONGYUANYU 920 (RongCheng Marine Fisheries CO., LTD)	Rongchang / Shandong	ZV	07/12/17	LU RONG YUAN YU 920	NYAME DOME COLDSTORE LTD.	8673932	Current (June 2018)
Lu Rong Yuan Yu 906 (RongCheng Marine Fisheries Co., Ltd)	Rongchang / Shandong	ZV	29/08/13	LU RONG YUAN YU 906	DANAC FISHERIES LTD.	8683640	Current (June 2018)

# Human rights and labour abuses

- Interviews with 10 crew members and 3 observers
- Report published in October 2020
- Abuses reported:
  - Violence and threats against observers and crew
  - Extremely long working hours, limited rest
  - Poor living conditions
  - Lack of drinking water and food
  - Absence of written contracts
  - Suppression of access to collective bargaining

Living conditions for crew working on board an industrial trawler. Crew members sleep on sheets of cardboard laid out under a tarpaulin on the deck.

