

IMPROVEMENT OF THE LEGAL FRAMEWORK FOR FISHERIES COOPERATION, MANAGEMENT
AND DEVELOPMENT OF COASTAL STATES OF WEST AFRICA

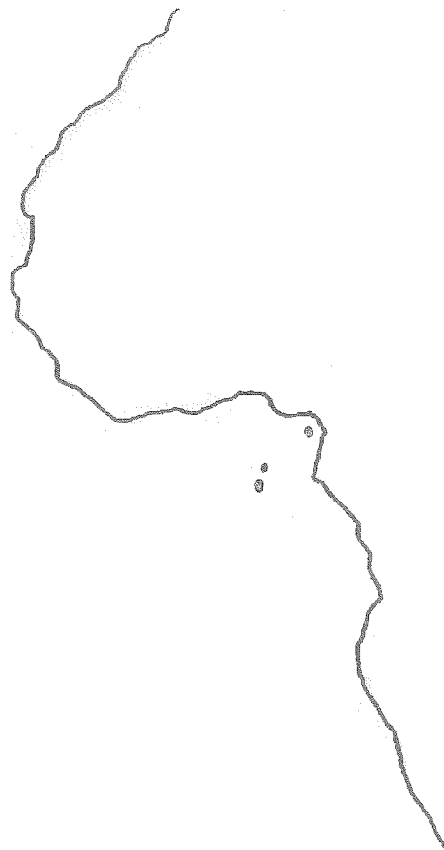
AMÉLIORATION DU CADRE JURIDIQUE POUR LA COOPÉRATION, L'AMÉNAGEMENT ET LE
DÉVELOPPEMENT HALIEUTIQUE DES ÉTATS CÔTIERS DE L'AFRIQUE DE L'OUEST

GCP/RAF/302/EEC

Document N° 22

June 1995

**Background material and guidelines for the chartering of
industrial fishing vessels in Cape Verde**



CONFÉRENCE MINISTÉRIELLE SUR LA COOPÉRATION HALIEUTIQUE
ENTRE LES ÉTATS AFRICAINS RIVERAINS DE L'OCÉAN ATLANTIQUE



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ORGANISATION DES NATIONS UNIES
POUR L'ALIMENTATION ET L'AGRICULTURE

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**Background material and guidelines for the chartering of
industrial fishing vessels in Cape Verde**

by

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**FOOD AND AGRICULTURE ORGANIZATION OF
THE UNITED NATIONS
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FOREWORD

International charter contracts have been executed in the past in West Africa. A number of these did not achieve their goals and were not therefore satisfactory. In order that this should not be repeated and good use be made of the experience accrued, the Government of Cape Verde has requested the project GCP/RAF/302/EEC "improvement of the legal framework for fisheries cooperation, management and development of coastal states of West Africa" to make a review of the fisheries of Cape Verde and lay down policy guidelines that could be easily followed by Capeverdean companies wishing to charter fishing vessels.

This report lays out the various options available to the Government for the development of their industrial fisheries. In particular it studies charter arrangements and identifies required information prior to the signing of a charter contract by both parties.

Many notes and recommendations have been made to ensure that the operation of the vessels should be smooth and efficient. Examples of letters and contracts have been included in Annexes to this report to enable the Cape Verdeans to prepare their own specific and suitable contract to fit each individual situation.

The mission relied heavily on reports written and information obtained by experts that worked on related topics in the region from 1986 to 1989 with particular reference to Mr. R. Rackowe, FAO fisheries consultant, Mr. A. Vialard of the Faculty of Law of the University of Bordeaux, Mr. Eugenio Pereira, Legal Adviser of the Ministry of the Sea of Cape Verde and Mr. A. Tavares de Pinho, Regional Fisheries Law Adviser and manager of project GCP/RAF/302/EEC. The mission wishes to express its appreciation to these persons.

1. Recommendations

The mission recommends that:

- a) Since Cape Verde lacks sufficient fishing vessels tonnage to enable it to exploit its resources to the full, it should charter or lease foreign vessels to help solve this problem on a short-term basis;
- b) Some of the maritime laws at present in force in Cape Verde be amended to facilitate the above procedure;
- c) The background information specified in this report should be required from the Cape Verde charterers as well as the foreign owners before entering into a formal charter contract;
- d) The final agreement should be clear, precise and have practical checkpoints built in, so that monitoring of the practical operations is simple.

2. Introduction

The government of Cape Verde is in the unusual and happy position of having under-utilized its EEZ fish stocks. To develop these resources further this mission has prepared guidelines for the development of industrial fishing by means of charter arrangements with foreign companies.

a) The resource

From recent reports (FAO and Forest) it would seem reasonably certain that only about 20-25% of the total Cape Verdean fisheries resource is being exploited at present. The situation appears to be as follows:

Resource *	Catches (tons)	Potential (tons)	Available (tons)
Tuna	5667	27500	21833
Small pelagics	1785	11000	9215
Demersals	1034	6200	5166
Lobster (red)	75	125	50
Shark	4	500	496
Total	8565	45325	36760

* Average catches 1986-1992

b) The fleet

i) Artisanal fisheries

About half of the approximate 1300 small boats spread out over the islands are mechanized. Most of these boats (90%) practice line fishing for high value demersal species. Some, while trolling, will catch a large tuna.

ii) Industrial fisheries

There are about 100 industrial vessels. These, according to local specifications, are longer than 7 meters and on average about 50 GT. Two-thirds of these vessels are less than 25 GT and less than 15 m. LOA, while there are 10 vessels of more than 100 GT. Half of the fleet has a main engine of less than 100 hp. The average age of the fleet is 20 years old.

		Tuna (tons)	Sm. Pelagics	Demersals	Lobster	Total
1991	Art. Fleet	2001	1559	1322	2	4884
1991	Ind. Fleet	2105	300	20	70	2495
	Total	4106	1859	1342	72	7379
1992	Art. Fleet	2915	1654	1313	8	5890
1992	Ind. Fleet	955	963	3	81	2002
	Total	3870	2617	2166	89	7892

The above table illustrates the importance of each fishery in terms of artisanal or industrial effort.

A clear definition of whether a vessel is involved in an artisanal or an industrial fishery is not always made. It is not just the size or layout of the boat, it may be the way the owner operates and how many boats he owns.

The 20 new GRP 11 m. Norwegian boats would, under the above standards, clearly fall into the industrial group while, in most countries, they would be considered artisanal boats particularly as they are operated by individual fishermen.

3. Development options

The geographical separation between fishery resources and market in the CEEAF area, and the need for added capital and expertise have necessitated some form of foreign participation in the fishery development of most of the countries in the area. The type of and basis for the participation may take several different forms ranging from free fishing by boats of neighboring

countries in each other's waters, based on intergovernmental agreements for reciprocal fishing rights, to active participation of private capital in joint equity ventures.

The options open to governments for the development of industrial fisheries fall into four broad categories. They are:

- a) to issue licenses to fishing vessels, wholly-owned by foreign interests, which permit them to have access to the fishing grounds of the host country;
- b) to promote the establishment of locally-owned companies which may obtain essential personnel and services from overseas until such time as national personnel have the necessary training and experience, and the services needed have been developed locally;
- c) to encourage the setting up of joint ventures between local private and government entities and foreign private or government partners; the profits and risks are normally shared between the partners; the foreign partner generally brings to the joint venture those elements (management, capital, technical expertise and marketing), which are scarce or lacking in the host country; and
- d) to permit the establishment of local companies which are entirely owned by foreign interests.

The licensing of foreign fishing vessels is an activity of little risk to the host country, but the returns are likely to be relatively low. Such arrangements can be set up and dismantled quickly, which enable the host country to use licensing as a means to adjust fishing effort. License fees are normally paid in cash or in fish. There may also be benefits to the host country in the form of training of technical and management personnel overseas; employment opportunities on vessels; the supply to the foreign vessels of fuel, food, water and other goods and services. Against these benefits must be set the cost of management of the licensing system, including monitoring and surveillance.

The development of locally-owned companies is often made difficult by the lack of local managers, technical personnel and key crew members with the necessary skills and experience in commercial fisheries and of expertise in the marketing of fisheries products. Essential personnel and services may be obtained from overseas, provided that the country can make available the foreign exchange needed to pay for them. The transfer of technology to national personnel may take time to achieve.

Joint ventures may provide the transfer of technology and management skills from a foreign partner by means of which a country can achieve rapid development. It can be advantageous to combine the strength of the partners, such as fisheries resources and low-cost labor in a country with management, capital and access to market from a foreign partner. However, there are many drawbacks for developing countries to joint ventures, including the

difficulty in finding suitable and compatible partners; the risk involved in putting up capital; and the possibility of financial manipulation by the dominant partner. Experience shows that in many instances joint ventures in fisheries have been unsuccessful and that governments have not normally made suitable joint venture partners.

Where there is shortage of capital, technology and suitable entrepreneurs, the government may encourage foreign investors to set up local companies in which there are no national shareholders.

The fourth option is the establishment of local companies which are entirely owned by foreign interests, and in which the largest investment is frequently the fishing vessels. This option is not relevant to the report and will not therefore be gone into any further.

Cape Verde would probably, at this stage of its development, benefit most from a combination of option a) and b) together with the chartering of some fishing vessels.

4. Nature of charter parties

Charter parties are highly standardized and there are three main types:

a) The voyage charter

In this form, the ship is engaged to carry a full cargo on a single voyage. The vessel is manned and navigated by the owner. Manifestly, such a charter is merely a special kind of contract of carriage. This form is adaptable to any commercial situation in which it is agreed to move a shipload of cargo from one point to another. It is the form frequently encountered and used particularly for bulk cargoes.

This type of charter is not suitable for vessels engaged in fisheries.

b) The time charter

In this form, as in the voyage charter, the owner's crew continue to navigate and manage the vessel, but her carrying capacity is taken by the charterer for a fixed time for the carriage of goods anywhere within stipulated geographic limits on as many voyages as approximately fit into the charter period. She is therefore under the charterer's orders as to ports touched, cargo loaded, and other business matters. The time charter is used where the charterer's affairs make it desirable for him to have tonnage under his control for a period of time, without undertaking the responsibilities of ship navigation and management or the long term financial commitments of vessel ownership.

This type of charter with several adaptations of clauses may be used for the charter of fishing vessels. Particular clauses for the type of operation Cape Verde has in mind will be reverted to later in this report.

c) The demise or bareboat charter

In this form, the charterer takes over the ship or fishing vessel, stocks, and mans her with his own people. He becomes, in effect, the owner as does the lessee of a house and lot, to whom the demise charterer is analogues. Obviously, such an arrangement is suitable to the needs of anyone who wants, for a time, to be in the position of the owner of a fishing vessel, but who does not want to go through the expense and trouble of buying one or having one built. The demise, as well as the time charter, may answer the need of the shipping line or fishing company or government, temporarily short on tonnage. In recent years, the main use of the demise charter has been as a device for putting the government into the shipping or fishing picture and to gain experience in the fishing industry if a government so wishes.

In the context of this report, we are not interested in the Bareboat charter since the training element of the local crew by a skeleton foreign crew is of too great an importance in this operation.

d) Practices regarding the chartering of fishing vessels in the region

It appears that a number of practices similar to time charters mostly, have developed in various West African countries. However, they are not strictly speaking time charters insofar the charterer has limited control and responsibility over the commercial activities of the boat. Under these practices a fishing boat is usually chartered by a local fishing company. Most of the crew is provided by the owner of the boat but part of the crew may be also provided by the local company. This company purchases and pays for a number of local costs. The owner of the boat operates it. He is paid by a percentage of the catches or its value. This percentage is usually between 65% and 75%. The local company retains the rest of the catch or its value. There is no precise rule regarding the sale of the production. Sometimes this production is sold by the owner of the boat, sometimes by the local company (Mauritania, Mozambique). In this latter case, the local company retains substantial control over the whole operation.

Most of the charters that were concluded in Cape Verde so far - but not always - fall under this sui generis category of charters. For this reason, it may be of interest to consider the experiences with chartering of foreign fishing vessels in the countries of the region.

It should also be noted that regulating this type of arrangement is not an easy task. A first question arises as to whether there is a real need to regulate this issue. The answer has generally been affirmative. The vessels are chartered by national companies that claim normally local access conditions. The system provides an entry to the fishery of foreign boats. As to the content of the regulations two approaches have been taken by States of the region. A first group of countries adopted model contracts for the chartering of boats by nationals and imposed a

number of conditions. This has been the case of Mauritania. Another group of countries imposed a number of minimum conditions. This was the case of Mozambique. In this country the Government defined a number of conditions that the companies must fulfil in order to be allowed to charter foreign boats. These conditions include: maximum age of the chartered boat; requirement that all the production be marketed by the local company; requirement that all the payments be processed through a bank based in Mozambique and obligation that the foreign boat be purchased after a given period of time (in practice this condition is not always met and may raise difficulties as the experience of Senegal demonstrates).

5. Regional experiences with chartering of foreign fishing vessels

Within the West African area some experience has been gained with the chartering of fishing vessels, in particular in Senegal, Mauritania and Guinea-Bissau. Although, by and large, this information concerns the period 1988 and 1989, the main difficulties and conclusions that it presents remain very much relevant.

a) Senegal

The following conclusions may be drawn in regard to the Senegalese experience with chartering of foreign fishing vessels:

- GOS felt that chartering was abused in that it provided an entry to the fishery for boats whose flag country had no agreement with Senegal;
- the obligation to buy the chartered vessels is probably one of the reasons why the Senegalese fleet is obsolete, since owners would have seen the chartering cum purchase arrangement as a means to employ and then sell their older vessels;
- GOS is now prepared to authorize charter contracts on a highly restricted basis and as a temporary measure, until the fleet replacement programme has reached a satisfactory level, to improve supplies of raw material to shore processing plants; and GOS clearly wishes to discourage chartering both by means of differentials in licence fees, which make it more attractive to fish under Senegalese flag, as well as by the requirement that chartered vessels must be put under Senegalese flag within 3 years.

Senegal's overall situation is that GOS considers the fleet based there is already too large and is thus trying to reduce effort. In the short term there are shortages of fish for processing owing to the need to renew much of the existing fleet.

b) Mauritania

The agreements referred to in Mauritania as charter parties (contrats d'affrètement) are of the nature of those referred to under Paragraph 4 d) above. There is no real transfer of the use of the fishing vessel to the charterer by the owner. They arrangements are mainly a mechanism by which a foreign owner can obtain access to fish in Mauritanian waters, under some restrictive conditions.

Under these agreements, a share of the gross value of the catch is paid to a Mauritanian, who is referred to as the charterer. The so-called charterer would probably be best described as a commission agent, since he takes no part in the management of the vessel nor in the marketing of its catch. He is responsible for the payment of certain local expenses, which include licence fees, export duties, port charges, handling, cold storage and the cost of Mauritanian crew members. He also undertakes to obtain the necessary authorization from GOM that the vessel may fish under this type of arrangement.

The foreign owner provides the vessel and from his share of the gross value of the catch, pays for all the remaining expenses, including fuel, lubricants, food, fishing gear, repairs, maintenance, insurance and the cost of foreign crew members.

It would appear that GOM expected the charter contracts to:

- enable Mauritanian agents to build up capital from the surplus, remaining after the payment of local taxes and expenses, of their share of the gross value of the catch of the chartered vessels and use it to purchase fishing boats which would thus be nationally owned;
- bring about a transfer of technology from foreigners to Mauritania in so far as the management and operation of fishing vessels were concerned; and
- provide employment as crew members for a number of Mauritanian fishermen.

Relatively little was achieved in any of these areas.

c) Guinea-Bissau

The major part of the fish caught in the waters of Guinea-Bissau is taken by foreign vessels operating under licence or without licence.

There has been no true chartering of fishing vessels, since in no case has the use of the vessels been transferred from the owners to the so-called charterers. However, the form of contract used by Estrela do Mar with the USSR vessels is in some respects like a time-charter. The vessels are contracted against payment of a daily rate and are crewed and managed by the owner. Estrela do Mar markets the products, but is not otherwise in control of business matters.

A number of conclusions may be drawn with regard to the chartering of foreign fishing vessels by these countries:

- there has been no true chartering of fishing vessels, since the use of the vessels has in all cases remained with the owners and not passed to the so-called charterers;
- there could be a place for the use of bareboat charters as a means of providing vessels to local operators who do not have the capital or working capital from their own resources to purchase and operate fishing boats;
- the experience with Estrela do Mar, as well as that of Mauritania, indicates that the so-called chartering of foreign fishing vessels has not led to the acquisition of a locally-owned fleet and has been unsuccessful in causing a transfer of technology;
- Mauritania has been successful in getting the demersal fleet to unload in Nouadhibou and has arranged for SMCP (Société mauritanienne de commercialisation de poissons) to purchase the entire catch, thus ensuring the return of all foreign exchange and the collection of all export taxes and other local dues; GOGB will not be in a position to require vessels to unload in Bissau until such time as constraints are eliminated and vessel owners can have confidence in an assured supply of the goods and services which they need;
- strong surveillance and trip control have been fundamental in enabling GOM to insist that all catches be unloaded in Nouadhibou; the same would be true for Guinea Bissau;
- under present conditions it is not practicable to base fishing vessel operations in Bissau, so that an attempt to implant Mauritania-style so-called chartering would mean that vessels would unload and market their catch outside Guinea-Bissau, GOGB would have no means of controlling landings or prices and there would be no benefit to Guinea-Bissau, except for the possible employment of some local fishermen;
- both Senegal and Mauritania consider that this type of chartering was largely unsuccessful and did not achieve its objectives; both countries are tending to phase it out;
- the benefits which have accrued to Guinea Bissau in the period (13 years) since Estrela do Mar started to have USSR vessels under contract have been very limited and consist chiefly of some fish supplied to the local market and some employment of local personnel;

the type of arrangement envisaged between Gualp and EPV appears to present all the difficulties encountered by Mauritania in the first stage of the so-called charter contracts, especially in the control of catches, landings, prices and operating costs; furthermore, the boats are probably unsuitable and uncompetitive on account of their age and main engine horsepower, which is higher than is needed for fishing the species envisaged in Guinea-Bissau waters.

6. Future charter arrangements

a) Background information required

In this section some of the factors which a local company would consider important before entering into a foreign industrial fisheries agreement are described.

Legal

The foreign partner will wish to know if the vessel can operate under the flag of its home country, whether it must transfer to the flag of the host country and, if so, whether any preferences are given to the flag of one country over others. If the vessel must transfer to the flag of the host country, the procedure can later be reversed if he decides to move the vessel to another country.

Licences

Governments should provide potential charter parties with full details of the licences and permits required by fishing vessels including the term for which they are issued, the cost, special conditions and the procedure for renewal.

Resources

A very important question for a potential charter party is the abundance and the availability of the fisheries resources in the host country, since earnings are directly related to catch. Governments should be prepared to provide detailed information from an authoritative source for each species, and seasons for catching; catch rates; sizes caught; principal fishing areas, including depth at which fish is caught and type of bottom; number of vessels already fishing, with details of size, horsepower, type of gear and the number of days per trip, including details of days lost because of bad weather, running to and from the fishing grounds and others.

Port facilities

Suitable and efficient port facilities are an integral part of a successful fishing vessel operation, since they will assist vessel management to ensure that boats spend the least possible time in port and the greatest possible amount of time in production at sea.

Entering and leaving port

The host country should provide the charter party with details of requirements for clearing fishing vessels into and out of port, time needed to obtain clearances; and of charges which will be levied. Wherever appropriate, it should be made possible for vessel operators to obtain multiple clearances for their boats from the various authorities, which would cover a period of several weeks or months and would not have to be renewed each time fishing vessels enter or leave harbour.

Repairs and maintenance

In order to ensure that fishing vessels are kept in good operating condition, facilities and personnel for repair and maintenance are required. Details should be available on the services offered by local drydocks and marine railways.

Fishermen

For reasons of cost and training, the charter agreement would normally try to keep the number of expatriate fishermen to the minimum required, yet ensuring good operations. Remittance of earnings by expatriates should not be restricted. The captain should be free to deal with the fishermen whether local or expatriate, without interference. Regarding remunerations, fishing crews normally perform best when paid on the basis of results.

Fuel, lubricants and hydraulic oil

Fuel is an essential input and generally a major item of cost. It must be readily available in the quantities and quality required without notice, if not, operators of fishing vessels should be permitted to make whatever arrangements are required.

Food and water

It is necessary to provide food which is acceptable to both local and expatriate crew. Tastes may vary markedly. Sufficient storage tanks of drinking water should be available in the port, so that vessel sailings are not affected by the lack of this essential commodity.

Ice and other means of conservation at sea

Industrial fishing vessels usually maintain the quality of their catch while at sea by the use of ice or of refrigeration. The captain may wish to know whether ice is always available at what cost and in what form and quality.

Spare parts, stores and materials

Supplies of spare parts, stores and materials including fishing gears must be available and of good quality. The vessel operator will wish to have details of the availability and cost from the inventories of local ship's chandlers and from the inventories of local representatives of manufacturers of marine engines and other equipment.

Management facilities

Good communications are essential. Details should be available of licences and costs for radio communication ship-to-ship and ship-to-shore.

Import arrangements

Since it will be likely that during the charter period certain spare parts and equipment from overseas will have to be brought in details should be available of which products are dutiable, together with rates and the basis for calculation of import duties; and information on products which are exempt from duty.

Shore infrastructure

Information should be available in respect of the availability and cost of infrastructure ashore, including unloading, handling, processing, storage and transportation of fisheries products.

Export marketing

The charter party should be aware of any restrictions (if any) on fisheries products which may be exported, on delivery of fishery products directly to ports in other countries and on transshipments at sea in the waters of Cape Verde. It is recommended that vessel operators should be permitted to market their products freely, for export or in the domestic market, wherever they get the best return. If incentives are one of the government's policy instruments, then they should be structured in such a way as to encourage management of the fishing vessels to do what the host country wants them to do. When the host country's objective is to maximize exports, then an export incentive will probably achieve more than a legal requirement to export.

Export arrangements

Information on export duties or incentives will be required with details on how they are calculated and on what products; on the frequency and cost of transportation, by sea and by air, to the principal market countries; and on the availability and size of containers and whether they can be loaded directly at processing plants or cold storage facilities.

The domestic market

If there is a requirement that a part of the catch be delivered to the domestic market for local consumption, the vessel's management will wish to know what are the rules in this regard, including the share to be delivered locally and how this is measured; the species involved; the form in which delivery is to be made; how prices are negotiated or established; and who is responsible for marketing this part of the vessel's production.

Working capital

Information on local custom in respect of terms of payment of inputs will be required. Supplier's credits often form a significant part of the working capital of the owners of fishing vessels. The suppliers of fuel, for example, may allow owners to pay for the fuel taken at the beginning of avoyage out of the proceeds from the sale of the catch at the end of the trip.

Foreign exchange

Access to foreign exchange is frequently one of the most important factors which affect the viability of fisheries operations in developing countries. Success in fishing operations depends to a great extent on obtaining a high number of vessel days at sea. This in turn depends greatly on the ready availability of spare parts, materials and maintenance facilities which must often be paid in foreign currency. If the foreign currency needed is not available, operations will very quickly come to a halt.

Facilities for expatriates

Expatriate crews of fishing vessels will wish to know what facilities are available in the host country for rest and relaxation, whether there are suitable hotels and the range of accommodation.

Administration procedures

It will be necessary to provide potential charter operators with information regarding the presentation of the proposals/ agreements which must be submitted to the government. Furthermore, they will wish to know if the government is required to approve them (or not) within a specific period.

b) Objectives to be specified

The Capeverdean party who wishes to charter a foreign fishing vessel should clearly define what its objectives are.

The company should also know what are the aims of the people chartering a vessel and a brief description of what the charter is aiming to achieve should be written up as a project

document. Such a document will be useful in discussions with prospective foreign owners of vessels who may be interested in a charter agreement with a Capeverdean company, and can also be used in discussions with the government.

The following information will be required, particularly if a broker is involved. It sets out what kind of a vessel the company is looking for. The kind of data listed below should give an adequate description of these requirements:

type of vessel required	(size, engine hp, bunks, max. age)
type of fishery	(fishing gear and amount)
type of expertise required	(expatriates with skills, CV's)
fishing area	(to define by species)
days at sea/month/year	(performance of the vessel)
expected catches	(related to remuneration)
participation of local fishermen	(specify skills)
specify training required	(programme for crew/officers training)
homeport(s)	(where catch to be landed/transshipped)
treatment of the (by-)catch	(type of packing, temperature)
remuneration crew	(proposal incentive scheme)
penalty clauses	(proposal for non-performance/seadays)
time of the agreement	(options for extension/purchase of vessel)
reporting of catches/position	(vessel's logbook/reports)
record of the vessel	(past performance)

The above data will have to be adapted for each particular charter as each item is agreed upon, it should become part of the overall charter agreement.

c) Negotiations

Roughly speaking, one can divide the shipping market into an "owners market" or a "charterers market". One speaks of an owners market when the demand for fishing vessels is abundant, or if all fishing vessels have sufficient employ. The owners are therefore in a position to dictate their demands and ask high fees (or time charter hire) for their fishing vessels. Contrary, when there is little demand for fishing vessels or there is insufficient employ for them, one can speak of a charterers market, since the charterers can more or less offer a time charter hire which they deem acceptable under the prevailing market conditions. It is very important to know the market situation as this not only determines the hire level, but it also sets the tone for the negotiations between the charterers and the owners. For instance, an owner is most likely to accept the wording of a certain clause proposed by the charterers, or a certain time charter hire

level; if the market is against him (i.e. a charterers market). The situation with which we are faced today is much like a charterers market (e.g. the tuna industry). At present, given the measures taken in Europe to reduce drastically the fishing capacity a charterers market is developing.

d) A charter agreement for Cape Verde

So far as the mission has been able to assess, no specific charter agreements, that is has in mind for future industrial development, have thus far been carried out in Cape Verde. One of the reasons may be a complicated inherited Portuguese legislation which is still largely in force after 20 years of independence. These laws are at present in the process of being amended.

Cape Verde is in a position where it only exploits about one quarter of its estimated marine resources (lobster excluded). However, already at this rate, fisheries is one of its most important sectors for export earnings. It would make perfect sense to develop both the artisanal and industrial sectors of this industry further as speedily as possible.

Both sectors have development plans. In the short term, though it may be considered advantageous, in the industrial sector, to resort to charter arrangements, to explore and exploit the resource and train fishing crews.

Charter arrangements although perhaps not giving the highest return in terms of cash are, under certain conditions, preferable to committing large funds in the building of a permanent fleet which is difficult to specify at this stage. Charter arrangements permit more flexibility.

It is therefore recommended that the government adapt its regulations in such a manner that private local owners, or government for that matter, can enter charter arrangements with foreign parties without too many legal difficulties. Such clauses which set out the achievements to be obtained within a certain period of time should be retained.

In order to aid lawyers in drawing up a type of contract or agreement, several samples of related legal documents have been annexed to this report (see ANNEX I and II).

7. Summary of various related discussions

a) INDP

Through this organisation 20 artisanal multipurpose GRP 11 meter boats have been introduced. The vessels arrived in mid 1994 and six of them have now been sold to private fishermen. In spite of a 25% government subsidy, it is felt that the boats priced at \$ 180.000 each are still expensive for the fishermen. The vessels appear to be well constructed, but the mission queries the need for installing such a large main engine (Volvo Penta 185 hp.). This would partly explain the high initial cost, and means excessive future running and maintenance costs.

b) PESCAVE

PESCAVE acquired in 1984 several pole and line vessels from the Dutch shipyard Damen (4-16 m. and 4-22 m. vessels). The fishing operations of these vessels have never been a great success, largely because of lack of speed and management problems within PESCAVE. This firm is in the process of liquidation.

Indeed the Caterpillar main engines of these vessels, 140 and 220 hp. respectively, are very low for these type of heavy displacement vessels. The fishing arrangement whereby the pole and line fishermen have to fish from the relatively high main deck aft over the railing (compare Japanese/Korean system) may have also been a contributing factor.

While the mission was visiting Praia, a party from the Seychelles had just concluded the purchase of the four smaller vessels. These are going to be converted into longliners (Lindgren Pittman reel).

The four 22 m. vessels are still for sale at roughly \$ 340.000 each.

ANNEX III on Management Practices for fishing vessels has been appended to this report.

c) ONAVE

This newly equipped and refurbished government shipyard was visited briefly since it is one of the shipyards most suitable to service vessels from the fisheries sector. The yard was completed about six months ago and has not yet begun production.

The yard has 2 slipways with a capacity for vessels of about 30 m. length up to 250 tons each. There is a carpentry and a mechanical engineering workshop. Next door to the yard is a foundry and a repair shop for GRP boats. These were earlier all part of this yard but are now in private hands.

The mission understood that the government is considering that ONAVE should be run by private investors. Since CABNAVE is too large a shipyard to service the smaller vessels of the fishing fleet, this yard would be a great asset and the mission feels it should be put into production as soon as possible.

d) INTERBASE

This cold store plant seems to be in excellent mechanical condition. Unfortunately, the throughput of fish products is very low and operation is therefore inefficient.

Chartering of foreign fishing vessels and any other fishing agreements to be made in the future should, wherever possible, stipulate that catches be landed at INTERBASE.

Storage charges may have to be revised, since from the client's point of view these do not appear acceptable. They are now on a monthly basis, which means that if a company requires storage for a ton of fish, it is charged the same price, whether this be for 1 day or 1 month.

e) Centro de Formação Náutica

Up to now, the school has been offering three courses. These are for Navigation officers, Engineers and Radio operators. Recently, however, a fourth course has been added on administrative matters related to shipping and port management.

Each course is for 3 years with 1 extra apprenticeship year to gain some practical experience. Students are taken in every 3 years and classes range from 12 to 18 students. In addition, short courses have been specially set up for training of deck and engine personnel for the fisheries sector. The school supported by Norwegian funding also caters for students from other Portuguese speaking countries in Africa.

The mission has been given to understand that qualified students have found it hard to obtain employment. During a meeting with the Director of the firm Ship Management & Crewing from Lisbon, Portugal, who acted as broker on this occasion for the sale of the Damen vessels, the mission was told that in the near future 400-500 merchant vessels will be put on a Capeverdean second registry, i.e. fly a Cape Verde flag. This should facilitate employment of officers and crew of Cape Verde nationality.

f) Ministério do Mar

When the mission discussed future development plans with the Projects Coordinator, it was informed that project plans had been worked out for obtaining 10 new pole and line vessels of 24 m. LOA for a total sum of \$ 15,- million (see ANNEX IV) with the assistance of ADB.

Having just visited Mindelo, where 4 fairly similar 22 m. vessels are in the process of being sold, since for one reason or another they had been found unsatisfactory. The mission was informed that the acquisition of other types of vessels is being considered.

A pre-investment study for the above had been made by ADB. The vessels they have proposed spend 268 days at sea/year and divide their time equally between lobster and pole and line fishing. The vessels are supposed to be operated by private fishing companies, but some doubts have been expressed as to whether the vessels are large enough.

The mission recommends chartering a couple of pole and line vessels from, for example, a Ghanaian/Korean company operating from Las Palmas/Tema to do some trial fishing and check the figures of the study. In this manner, it would also be easy to obtain some essential skeleton crew and training as part of the deal.

Alternatively, pole and line boats could be bought on the second hand market in Japan.

In this respect, it might be interesting for the Capeverdean authorities to study the "Preinvestment study for the Ghana fish industries investment programme" DP/GHA/92/007 and in particular Volume IV - Opportunity study on the renovation of the tuna fleet. (May 1994 by UNIDO).

If the government decides to go in for new building, the mission recommends an experienced designer should be employed as well as a shipyard very familiar with this type of fishing.

g) Capitania of Praia Port

Cape Verde gained independence in 1975, but all general rules of the Capitania of the ports go back to 1972 and are basically still Portuguese laws. Some of these laws are now in the process of being amended.

The modern maritime law is from May 1993. If there is contradiction between the two, the modern law is given priority. The mission will not go into the legal aspects, but it can be said that very strict regulations exist for chartering or leasing vessels with regard to flag and time. This is probably the reason why the mission did not come across any companies which have had charter contracts. A legal follow-up will be undertaken by the Regional office.

h) Fishing company MILMAR

This company has a second hand 33 m. Portuguese type pole and line vessel with a 500 hp. main engine. The vessel is reported to work satisfactorily and during the tuna off-season works a surface longline.

MILMAR is trying to purchase a 10 m. GRP vessel equipped with jiggers and longline winches. The president of the firm felt that the Norwegian vessels were overpowered and not well equipped for diverse fishing methods. He explained further that artisanal fisheries could have a good future in Cape Verde, provided the administration helped in setting up infrastructure and changed certain laws which require too many crew on a small boat.

One of their main problems in operating the large pole and line vessel is the purchasing of sufficient ice and drinking water. The mission visited the ADB/IFAD financed artisanal project in the port of Praia and feels that hopefully the ice supply problem should be solved when the 10 ton/day flake ice plant (50 ton storage capacity) goes into production in April 1995.

ANNEX I

MINISTÈRE DES PÊCHES ET DE
L'ÉCONOMIE MARITIME

REPUBLIQUE ISLAMIQUE DE MAURITANIE

Honneur - Fraternité - Justice

/) /^A 002 /MPEM. D^A 31/1/87

LE MINISTRE

CIRCULAIRE RELATIVE AUX AFFRÈTEMENTS
DES NAVIRES DE PÊCHE

Il est porté à la connaissance des opérateurs intéressés par l'affrètement des navires, ce qui suit :

En raison du nombre nécessairement limité de navires susceptibles de bénéficier d'autorisations de pêche, face une très forte demande qui ne saurait être satisfaite sans porter de graves préjudices à l'équilibre des ressources halieutiques et à la rentabilité de l'armement national, d'une part, et le souci du Département d'accorder un traitement égal et juste à tous ceux qui sont intéressés par les problèmes d'affrètement de navires, d'autre part.

Le Ministère des Pêches et de l'Économie Maritime a défini les règles ci-après, en ce qui concerne les problèmes d'affrètement.

I - Nombre de Navires pouvant être autorisés :

Ce nombre sera établi périodiquement par le Département en fonction des stocks prélevables disponibles.

II - Conditions minimales exigées pour la recevabilité des demandes d'affrètement.

Les conditions minimales exigées sont les suivantes :

1°) - Chalutiers congélateurs pêchant le poisson de fond et les céphalopodes.

Le pourcentage revenant à la partie Mauritanienne sera au minimum de 33 % de la valeur du produit qui devra être cédé à la S.M.C.P. La partie Mauritanienne supportera les taxes à l'exportation, les diverses taxes locales et la rémunération des marins Mauritanien.

L'armateur étranger, avec un pourcentage maximum de 67 % des recettes de vente, supportera les autres frais.

Le nombre de marins Mauritanien embarqués ne sera pas inférieur à 35 % du total de l'équipage par navire.

La production sera débarquée à Nouadhibou et vendue à la S.M.C.P..

2°) - Chalutiers congélateurs pélagique :..

Le pourcentage revenant à la partie Mauritanienne ne sera pas inférieur à 30 % de la valeur FOB du produit.

Les marins Mauritanien à embarquer représenteront 35 % de l'équipage.

La répartition des charges sera la même que dans le cas des chalutiers pêchant les espèces de fond.

La partie Mauritanienne supportera, sur les 30 % lui revenant, les charges liées aux impôts et taxes locaux et aux salaires des marins Mauritanien

L'armateur étranger supportera les autres frais.

3°) - Navires de pêche fraîche (glaciers) :

Le produit frais devra être débarqué et traité en Mauritanie.

A cet effet, un contrat de traitement ou de cession du poisson doit être signé avec une des industries à terre et présenté au Ministère des Pêches et de l'Economie Maritime en même temps que le contrat d'affrètement.

Le produit sera vendu à la S.M.C.P.

4°) - La priorité sera accordée aux navires de pêche fraîche qui approvisionnent les industries à terre.

5°) Les dossiers et contrats devront, pour être recevables, satisfaire à ces conditions

6°) - Une Commission spéciale du Département sera chargée de l'examen des dossiers de demandes d'autorisations d'affrètements. Elle sélectionnera les meilleurs contrats dans la limite du nombre de navires pouvant être autorisés.

Cette Commission se réunira quatre (4) fois ^{revenus par} par an pour l'examen des dossiers/le Département.

Les dates des réunions seront portées à la connaissance des opérateurs par voie d'affichage au Ministère des Pêches et de l'Economie Maritime.-

- SIDI OULD CHEIKH ABDELLAHI -

ANNEX II

CONTRAT D'AFFRETEMENT

ENTRE :

- La Société _____ (Nom, siège social et N. d'immatriculation au registre du commerce, forme sociale; s'il s'agit d'une personne physique, Monsieur _____) représenté(e) par Monsieur _____ (fonction dans la société et justification de son pouvoir),
ci-après dénommé(e) L'AFFRETEUR MAURITANIEN, d'une part,

et

- La Société _____ (Dénomination et siège social, N. d'immatriculation au registre du commerce, forme sociale), représentée par Monsieur _____ (fonction dans la société et justification de son pouvoir),
ci-après dénommée l'ARMATEUR, d'autre part,

IL A ETE CONVENU CE QUI SUIIT :

Article premier

(Navire objet du contrat)

Sous réserve de l'obtention de la licence de pêche correspondante, l'armateur s'engage à exploiter dans la zone de pêche autorisée le navire ci-dessous désigné :

- (a) - nom du navire ;
- (b) - port et numéro d'immatriculation ;
- (c) - nationalité du pavillon ;
- (d) - tonnage brut ;
- (e) - année de construction ;
- (f) - capacité de stockage et mode de conservation ;
- (g) - capacité et type de traitement.

(h) type de pêche pratiquée et espèce cible.

En action de pêche le navire consomme en moyenne _____ tonnes de combustible à l'heure. En route, il consomme en moyenne _____ tonnes de combustible à _____ noeuds.

Ce navire sera muni de tous les titres de navigation et de sécurité requis par les conventions internationales, les règlements de l'Etat mauritanien et de l'Etat dont il bat le pavillon.

Article 2

(Durée du contrat)

Le présent contrat est conclu pour une durée de douze mois. Il est renouvelable par tacite reconduction sous condition de prorogation de la licence de pêche correspondante.

Chacune des parties peut éviter sa reconduction en dénonçant le contrat, par lettre recommandée, un mois avant son arrivée à expiration.

Article 3

(Evénements affectant l'exécution du contrat)

En cas de survenance d'un événement de force majeure, empêchant l'exploitation du navire :

- le contrat est suspendu lorsque l'événement de force majeure a un caractère provisoire ;
- le contrat est résilié de plein droit si l'événement de force majeure est définitif ou lorsqu'il se sera prolongé pendant une durée supérieure à (trente, soixante, quatre-vingt-dix jours).

En cas de résiliation pour force majeure, les droits de chacune des parties à la convention sont liquidés proportionnellement au temps d'exploitation effectif du navire avant survenance de l'événement de force majeure. Il n'y a lieu à aucuns dommages intérêts de part, ni d'autre.

Lorsque l'événement provoquant l'arrêt temporaire ou définitif de l'exploitation du navire est dû à une faute de l'une des parties, l'autre contractant pourra demander la résolution judiciaire du contrat, avec dommages-intérêts s'il y a lieu.

Les arrêts d'exploitation dus à des opérations d'entretien normal ne sont pas considérés comme des fautes, non plus que les réparations dues à des événements ou accidents n'engageant pas la responsabilité de l'armateur.

Article 4

(Obligations de l'armateur)

L'armateur s'oblige à:

- (a) Utiliser un navire en bon état de navigabilité et apte, à tous les points de vue, à réaliser les opérations de pêche envisagées;
- (b) Supporter tous les frais de gestion du navire, comprenant notamment:
 - le traitement des marins qu'il emploie directement à l'exception de l'observateur mauritanien;
 - l'approvisionnement en tous combustibles et ingrédients;
 - la fourniture du matériel de navigation;
 - la fourniture des pièces détachées pour l'entretien du navire et du matériel de pêche ;
 - les dépenses nécessaires à la conservation, au traitement ou conditionnement du poisson à bord du navire ;
 - la fourniture de vivres pour tout l'équipage, mauritanien ou d'autres nationalités, y-compris les observateurs mauritaniens, et de tous autres ravitaillements.
- (c) Assurer l'entretien du navire et ses réparations, l'entretien du matériel de pêche et ses réparations dans le respect de la législation et réglementation applicables en Mauritanie.
- (d) Apporter tous ses soins à la conservation et au conditionnement du poisson pêché, pendant tout le temps où celui-ci se trouvera à bord du navire ;
- (e) Fournir, en tant que de besoin, les moyens de manutention et de levage du bord à l'occasion des opérations de déchargement du poisson. Cette obligation cesse lorsque le poisson est placé sur le quai ou déposé sur allège.
- (f) Débarquer aux fins de commercialisation l'ensemble de la production au Port de Nouadhibou entre les mains de la Société mauritanienne de commercialisation du poisson (S.M.C.P.).
- (g) Assurer le respect effectif des obligations de déclaration de captures et de position dans les termes et conditions prévus par la réglementation mauritanienne des pêches applicable.
- (h) Souscrire et payer toutes les assurances maritimes garantissant le navire et le couvrant de sa responsabilité à l'égard des tiers.

- (i) Prendre à sa charge tous les frais engendrés par les infractions commises dans le domaine de la réglementation des pêches au cours des opérations de pêche proprement dites, sous réserve des dispositions de l'article 5, lettre (i). Sont notamment visées par le présent alinéa les infractions prévues à l'article 53 de l'ordonnance N° du portant loi sur les pêches.

Article 5

(Obligations de l'affrêteur mauritanien)

L'affrêteur mauritanien s'oblige à:

- (a) Obtenir l'autorisation d'affrètement ainsi que la licence de pêche correspondant aux opérations envisagées. La non-délivrance de cette autorisation, qui ne serait pas le fait de sa négligence, n'engage pas sa responsabilité;
- (b) Fournir le nombre minimum de marins et observateurs imposé par la législation mauritanienne et satisfaisant aux conditions d'emploi déterminées dans cette législation;
- (c) Fournir et rémunérer les équipes de manutention au port de Nouadhibou pour le déchargement de la production et, généralement, pour toutes les manutentions au service du navire au port;
- (d) Commercialiser la production auprès de la Société mauritanienne de commercialisation du poisson (S.M.C.P.) conformément à la réglementation des prix du poisson en vigueur;
- (e) Payer les droits à l'exportation;
- (f) Payer les frais de stationnement du navire au port et les taxes publiques et parapubliques nationales ou locales qui y sont reliées;
- (g) Acquitter les frais de stockage et s'il y a lieu, de gardiennage du produit;
- (h) Payer le salaire des marins et observateurs mauritaniens embarqués à bord du navire sous réserve des dispositions de l'alinéa b de l'article précédent;
- (i) Supporter, solidairement avec l'armateur, les conséquences des infractions commises en matière de commercialisation du poisson et en contravention de la réglementation des changes, et notamment les infractions à l'obligation de débarquement.

L'affrêteur mauritanien fera son affaire d'une éventuelle assurance la couvrant de tous les dommages subis par la cargaison du poisson, depuis le moment de la capture jusqu'au moment de la commercialisation.

Article 6

(Rapports entre l'affrêteur mauritanien et l'équipage)

Le capitaine exécutera toutes les campagnes de pêche avec la plus grande diligence et prêtera l'assistance coutumière avec l'équipage du navire. Si l'affrêteur mauritanien a des raisons d'être mécontente de la conduite du capitaine, des officiers ou des membres de l'équipage, l'armateur à la réception de la plainte devra procéder sans retard à une enquête sur l'affaire et, si nécessaire et praticable, faire un changement dans les attributions d'emplois.

L'affrêteur mauritanien fournira au capitaine toutes les informations et instructions sur les dispositions législatives et réglementaires relatives à l'exercice de la pêche dans les eaux maritimes mauritaniennes.

Article 7

(Production et valeur minimales garanties)

L'armateur fournit une production annuelle de _____ tonnes métriques de poisson. Les espèces et la ventilation des quantités par espèces et les valeurs minimales garanties sont définies à l'annexe I. Cette production sera commercialisée par l'affrêteur mauritanien conformément aux dispositions du paragraphe premier (d) de l'article 5.

Article 8

(Rémunération de l'affrêteur mauritanien)

L'affrêteur mauritanien devient propriétaire des captures au fur et à mesure de leur mise à bord. Après commercialisation il conserve _____ pour cent de la valeur obtenue.

Au cas où le tonnage minimum garanti ne serait pas atteint, l'affrêteur mauritanien aurait droit à une somme correspondant à _____ de la valeur de cette production garantie, calculée sur la base de la valeur minimale garantie indiquée à l'article précédent ou de la valeur réelle de cette production si sa valeur est supérieure à la valeur minimale garantie.

L'armateur s'engage à fournir, dès l'obtention de la licence de pêche par l'affrêteur mauritanien, une garantie bancaire correspondant à cette somme et disponible, à l'expiration du contrat, au profit de l'affrêteur mauritanien sur justification de sa créance.

Article 9

(Rémunération de l'armateur)

L'armateur a droit à _____ pour cent de la valeur de la production, calculée sur la base de la valeur réelle de commercialisation et, en tout cas, sur une base qui ne saurait être inférieure à la valeur minimale indiquée à l'article 7 du présent contrat. Toutefois, dans le cas où le tonnage de production garantie ne serait pas atteint, les droits à rémunération de l'armateur se réduiraient au solde de la valeur obtenue après déduction de la part revenant à l'affrêteur mauritanien ainsi qu'indiquée au paragraphe 2 de l'article précédent.

L'affrêteur mauritanien s'engage à verser cette rémunération sous forme d'un acompte à la fin de chaque mois (variante : chaque trimestre) pendant les onze premiers mois (variante : les trois premiers trimestres). Cet acompte est égal au douzième de la valeur minimale de production garantie et sera versé par _____ (lettre de crédit, lettre de change,...) (variante trimestrielle : "cet acompte est égal au quart de _____ etc...).

Le solde restant éventuellement dû à la fin du contrat sera calculé à partir de la valeur réelle de la production annuelle, déduction faite des acomptes déjà versés, ou sur la base des sommes dues à l'armateur telles qu'indiquées au paragraphe premier du présent article.

Au cas où les acomptes ne lui seraient pas versés aux échéances prévues, l'armateur aurait le droit de consigner la production entre les mains tierces, en garantie de sa créance.

Article 10

(Sous-affrètement)

Le sous-affrètement, sous quelque forme que ce soit, est interdit.

Article 11

(Responsabilité à l'égard des tiers)

L'armateur réparera seul les dommages matériels ou corporels subis par des tiers et causés par un accident de la navigation ou de la pêche engageant sa responsabilité.

L'affrêteur mauritanien sera seule tenue de réparer les dommages matériels ou corporels subis par des tiers et causés par un accident de manutention, de débarquement, d'entreposage ou de gardiennage du poisson à terre.

Chacune des parties au présent contrat fait son affaire personnelle des assurances et responsabilités correspondantes.

Article 12

(Sauvetage et assistance)

Toute rémunération de sauvetage et assistance à d'autres navires par le navire affrété sera partagée par moitié entre l'armateur et l'affrèteur mauritanien, après déduction de la part revenant au capitaine et aux membres de l'équipage ainsi que de combustible consommé, et sous déduction encore du coût des réparations des avaries causées par le sauvetage du navire affrété. L'armateur représente l'affrèteur mauritanien dans la procédure de fixation de la rémunération de sauvetage et dans toutes les mesures prises pour en assurer le paiement.

Article 13

(Application de la législation des pêches)

Aucune stipulation du présent contrat ne saurait avoir pour effet limiter la portée des dispositions et conditions de la législation et réglementation des pêches mauritaniennes ainsi que les conditions dont est assortie la licence de pêche. De même, aucune de ses stipulations ne saurait porter atteinte à des mesures adoptées en vertu de l'article 18 de l'ordonnance N° du portant loi sur les pêches.

Article 14

(Clause attributive de compétence et droit applicable)

Toutes les contestations qui pourraient découler de l'interprétation et de l'application des clauses du présent contrat seront soumises aux tribunaux mauritaniens compétents.

Article 15

(Annexes)

Les annexes au présent contrat en font partie intégrante, toute référence au contrat s'entendant également comme une référence aux annexes.

Article 16

(Entrée en application)

Le présent contrat entrera en application le _____, les parties ayant constaté que la licence de pêche correspondante a été délivrée.

Article 17

(Visas)

Le présent contrat sera approuvé par le Ministre des pêches et de l'économie maritime et par le Gouverneur de la Banque centrale de Mauritanie sous peine de nullité.

Article 18

(Originaux, copies et langues du contrat)

Le présent contrat a été établi en double original en langue française (ou en langue arabe). Des copies seront établies en sept exemplaires destinées à la Direction des douanes, à la Direction des pêches, à la Direction de la marine marchande, à la Banque centrale de Mauritanie, au Trésor public, à la Marine nationale et à la Société mauritanienne de commercialisation du poisson.

En cas de contestation, l'original détenu par la partie mauritanienne fera foi.

FAIT A....., LE.....

L'ARMATEUR

L'AFFRETEUR MAURITANIEN

Lu et approuvé,

Lu et approuvé,

LE MINISTRE DES PECHEES
ET DE L'ECONOMIE MARITIME

LA BANQUE CENTRALE

ANNEXE

BASES DE CALCUL DE LA PRODUCTION ET DE LA
VALEUR MINIMALE GARANTIES

ANNEX III

Management practices for fishing vessels

The effective management of boat operations requires the following general characteristics and structure:

- a clear definition of policy from the entity to which management is responsible, which is normally the board of directors in the case of a company;
- management must be autonomous and independent of interference from the policy giving entity in its daily functions; and
- management must be funded to act independently without requirement to seek approval for operating expenditures; management should be granted freedom to make capital expenditures up to a limit set by the policy-making entity.

An effective management is characterized by its rapidity in action for taking decisions and solving problems; any structural arrangement which inhibits such rapidity will adversely affect operations.

One fundamental measure of the effectiveness of a boat management is days at sea. It is axiomatic that a boat which is not at sea cannot catch fish, so that one of management's prime objectives is to ensure that boats are at sea for the maximum number of days possible. Days at sea should be carefully budgetted each year, making due allowance for turn around time between trips for unloading catch and preparing for the next trip, together with the allocation of time for maintenance, overhaul and drydocking. Management must maintain daily control of days at sea in relation to budget. Maintaining the number of boat days at sea called for by the budget will be achieved only by constant vigilance on the part of management to ensure that immediate action is always taken to reduce time spent in port to the minimum compatible with sound operating practices.

A second fundamental measure of the effectiveness of boat management is catch per day at sea. An annual budget should be prepared, on the basis of historical data, by species; management must constantly compare actual catches against the budget. Management will require intelligence of the catch of other fleets; the skippers must be advised of any information which may help them to find the most productive fishing grounds. Seasonal variations in species and catch per day at sea must be monitored and recorded. Improvement in catch rates will be achieved by the application of gear technology, e.g. improved and/or new fishing methods.

An important measure of results lies in prices for product. Prices must be carefully budgetted for the year, with projections made on the basis of historical information and the best available market predictions, for

both local and export sales. Market intelligence is required; communications by mail, telex, telefax, and telephone will be necessary. Trends in prices must be carefully monitored, so that management may be in a position to maximise income by timely sales and operating dispositions.

In order to obtain the optimum number of days at sea, and maintain the boats in good working condition, adequate maintenance staff and facilities must be provided. A detailed maintenance programme for all equipment and machinery should be drawn up and strictly controlled. The necessary workshops, tools and vehicles must be provided, whether within the organization or through independent contractors. Boats must be drydocked at regular intervals; arrangements must be made to provide drydocking facilities which are available not only for routine work, but also for emergencies, e.g. loss of propeller.

The boats' crews will, initially, consist of both expatriate and local personnel. It is strongly recommended that they be paid on the basis of results; transfer to this type of payment from the present fixed salaries should be made as soon as sufficient experience has been gained to enable appropriate payment rates, which can be based on tonnage caught or can be a percentage of the value of the catch, to be worked out. Replacement crews must be constantly available to cover illness, accidents and leave, so that boat days at sea shall not be lost for lack of crews.

Both shore-based and seagoing expatriate staff should at all times bear in mind their complementary objective of training local fishermen. Gradual replacement of expatriates by local fishermen with consequent reduction in costs, should start in the second year of operations. Competitive salaries and incentives will have to be offered to retain trained local personnel.

The boats need fuel, lubricants, ice, water and food. All must be of good quality and available immediately. It is recommended that the operation be provided with tanks in which it can hold its own inventory of fuel which will thus be available for instant delivery to boats whenever required.

Spare parts and fishing gear must be available immediately and of good quality. Since a high proportion will be provided from overseas sources adequate stocks must be held in inventory in the country. Arrangements must be made to enable immediate purchases, both local and overseas, to cover emergency requirements. An adequate stock of replacement units, e.g. radios, echosounders, propellers, tailshafts, pumps and so on, must be provided. This enables a damaged unit to be immediately replaced; it can then be repaired ashore, without loss of boat days at sea.

An adequate system of warehousing and inventory control of all supplies, materials, spare parts, fishing gear and replacement units must be set up. Maximum and minimum stock levels must be established to enable timely purchasing. Great care must be taken to maintain stock in good condition and protect it from the effects of heat and humidity.

Good communications, both ship to ship and ship to shore, are essential. Contact should be made with the boats from the shore station several times each day. Coordination of maintenance may require the use of radios in workshops and vehicles.

Licences and permits should be obtained to permit effective and rapid operation. For example, an annual permit should be given by port authorities to allow boats to enter and leave port at any time and as many times as may be required, without having to request permission on each occasion. Arrangements must be made to provide adequate space in port alongside a jetty to permit boats to unload their catch, take fuel and stores and attend to maintenance.

The administration must be autonomous. Management will hire and dispense with personnel, both expatriate and local, and set terms and conditions of employment. Management will purchase the goods and services required for operations, and will sell the products. Management will make capital expenditures in accordance with the policies laid down by the entity to which it is responsible.

There must be provision of funds, such that management can pay for the goods and services purchased, whether locally or overseas, in a timely manner.

Management must ensure that a proper accounting is maintained. A monthly set of financial statements should be prepared and should include:

- Income statement
- Capital expenditures
- Balance sheet
- Cash statement
- Comparisons with budget

Annual financial statements must be audited by independent auditors, who are appointed by the policy-making entity. Cost information must be provided to enable management to make operating decisions.

An essential tool in effective management is the annual operating budget, which should be prepared on the basis of historical data, adjusted to allow for anticipated changes in income and expenses as a result of expected market, catch and cost variations. The budget should be prepared, for approval by the policy-making entity, on a total annual basis. Once approved it should be spread on a monthly cumulative basis. A monthly comparison of actual results to budget must be prepared and included in the monthly financial statements, together with an explanation of positive/negative variations of actual results in relation to budget. For management purposes, it is useful to calculate the effect of price and catch variations over/under the budget, also break even points under different assumptions of catch and prices.

An annual capital expenditure budget must be prepared for approval by the policy-making entity. When approved it too should be spread on a monthly, cumulative basis. A monthly comparison of actual expenditures to budget should be included in the monthly financial statements, together with an explanation of positive/negative variations of actual expenditure in relation to budget.

An annual cash flow must be prepared and is chiefly derived from the annual operating and capital expenditure budgets. It will show monthly fluctuations in estimated requirements for funds, and thus is an essential tool in financial planning.

ANNEX IV

New project vessels ADB

Haute mer

Caractéristiques générales et description

Longueur hors tout	24,00 m
Longueur entre pp	20,00 m
Longueur à la flottaison	21,00 m
Largeur hors membres	6,80 m
Creux au milieu	3,50 m
Profondeur de carène	2,60 m
Volume des viviers	4 x 10 m ³
Volume cale	40,00 m ³
G.O.	26,00 m ³
Eau douce	10 t
Puissance appareil propulsif	400 cv/500 cv
Equipage	16/17 hommes
Vitesse	10,5 nds
Déplacement en charge	160 t

Description générale

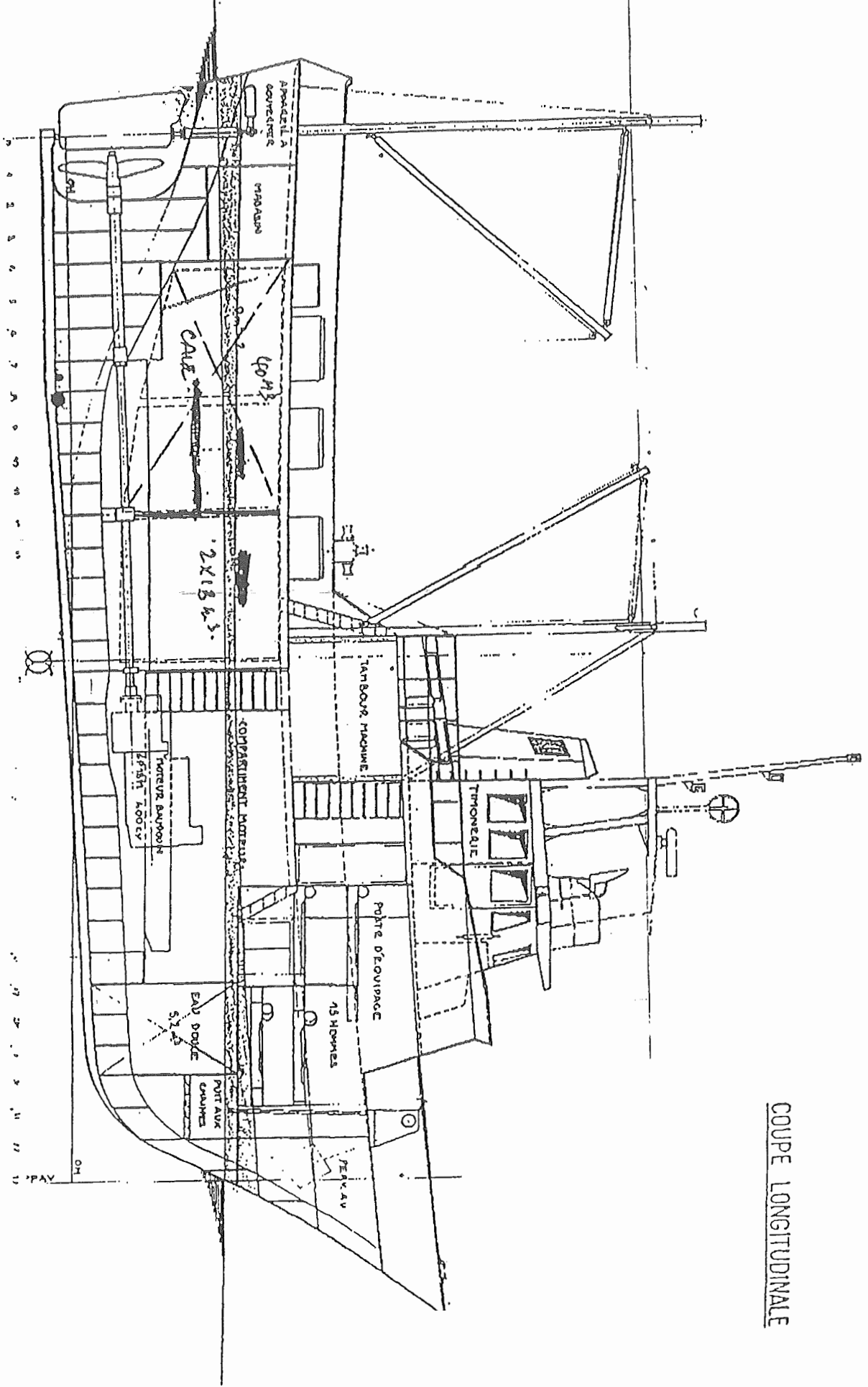
Le navire serait de type "clipper" avec toute la superstructure sur l'avant du milieu et le pont de pêche et les viviers sur l'arrière du milieu.

Sous le pont principal, on trouverait à partir de l'arrière :

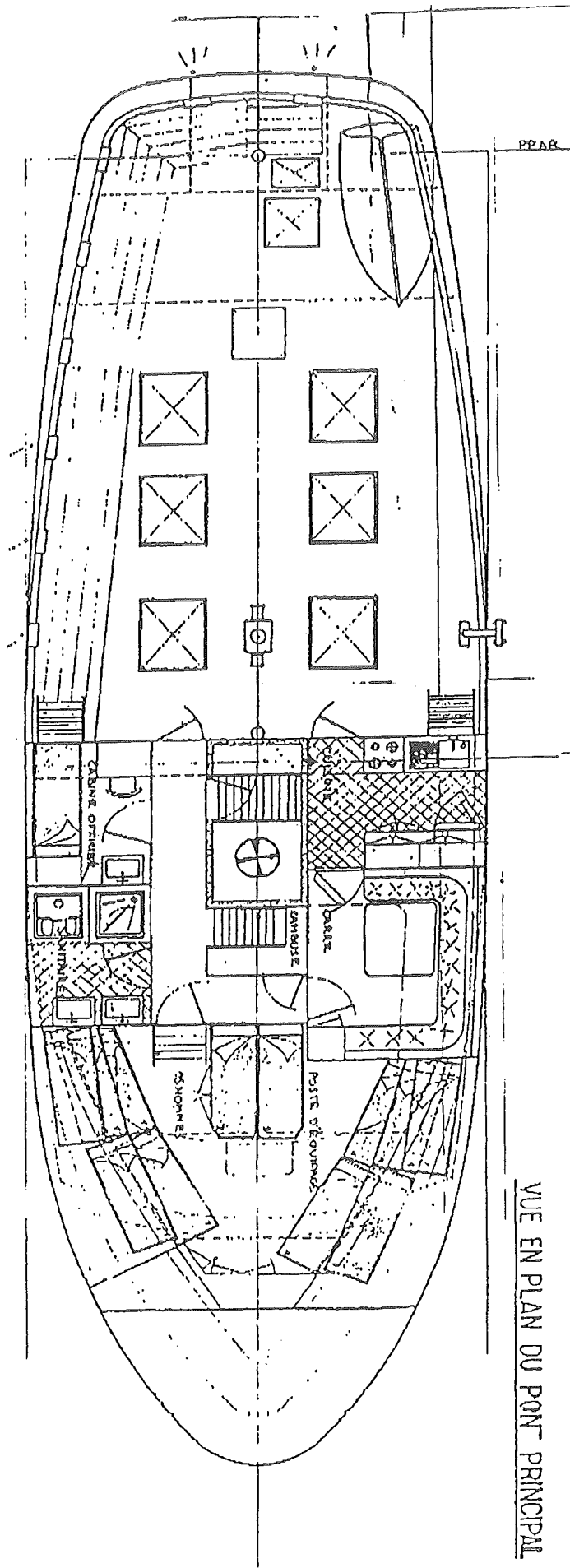
- un local appareil à gouverner,
- deux soutes à G.O. en abord de l'appareil à gouverner,
- un magasin de pont pour matériel divers,
- une cale à poissons isolée et refroidie pour y maintenir une température de - 20°C,
- quatre viviers cloisonnés dont 2 avec équipement de production de froid pour une congélation en saumure et 2 réfrigérés,
- un compartiment machine avec soutes combustible et auxiliaires,
- une soule à eau douce,
- un puits aux chaînes.

Sur le pont de l'arrière vers l'avant on trouverait :

- le pont de pêche avec mâture et panneaux pour les viviers, petit cabestan de senne avec potence,
- un cabestan de 15/20 cv pour le levage des casiers,
- un ensemble hydraulique tambour/éjecteur pour la palangre dérivante à thon,



COUPE LONGITUDINALE



VUE EN PLAN DU PONT PRINCIPAL

ANNEX V

Terms of Reference for Mr. Paul Knoops

Under the general framework of project GCP/RAF/302/EEC and the technical supervision of the Fishery Planning and Policy Division (FIPP), the consultant will prepare a report advising the Government of Cape Verde on the policy that could be followed with regard to the chartering of foreign fishing vessels by national citizens. The report should take into account such factors as the situation of the fishing sector in Cape Verde, the situation of the fishing industry in the sub-region and the overall international context in which the vessels operate.

The report should provide clear guidelines to be incorporated subsequently into regulations setting out the Government's policy in that area. It should also contain a concise executive summary presenting its main conclusions.

ANNEX VI

Diary Report

March

- 13 briefing FAO
- 16 collecting ticket, passport/visa and travel to Dakar
- 17 Dakar, further briefing at FAO regional office
- 18 report reading for mission
- 19 (sunday)
- 20 travel Dakar to Praia, Cape Verde and meet counterpart
- 21 meet FAO Repr. and travel from Praia to Mindelo
- 22 FAO artisanal project, INDP, CABNAVE shipyard
- 23 Capitania, ONAVE, INTERBASE (coldstore + Damen vessels)
- 24 PESCAVE, Nautical school, travel back to Praia
- 25 start report writing
- 26 report writing (sunday)
- 27 Fisheries, Director's office, Legal office, Projects office
- 28 Capitania, Dutch P & L vessel, MILMAR company
- 29 harbour + ADB/IFAD project, fisheries
- 30 travel Praia to Dakar
- 31 report to Regional office

April

- 1/2 travel back to Rome and continue home
- 3 report writing at home
- 4 report writing at home
- 5 report writing at home
- 6 debriefing FAO Rome

ANNEX VII

People met

Dakar	Mr. Antonio Tavares	FAO, CTA
Praia	Mr. P. Vandor	FAO Representative
	Mr. C. Evora Rocha	Fisheries, Director General
	Av. J. Nascimento	Fisheries, Lawyer
	Mr. M. Fortes	Fisheries, Project director
	Mr. E. Pereira	Fisheries, Director Legal office
	Capt. J. de Deus Silva	Captain of the port
	Mr. J. de Sá Barbosa	President MILMAR fishing company
	Mr. A. Lechance	Fisheries technical advisor
	Mr. M. Hoekstra	Fisheries planning advisor
Mindelo	Mr. T. dei Almeida	FAO, CTA
	Mr. P. Roma Ramos	INDP, Director
	Mrs. M.F. Duarte Vieira	PESCAVE, Director
	Mr. H.E. Monteiro Evora	Nautical School, Director
	Mr. A. Santos	ONAVE, Engineer
	Mr. M. Karsijns	CABNAVE, Engineer Damen shipyard
	Mr. C. Faria	INTERBASE, Director
	Mr. L.M. Delgado	Shipmanagement & Crewing, Director

LISTA DOS RELATORIOS DO PROJECTO GCP/RAF/302/EEC
LISTE DES RAPPORTS DU PROJET GCP/RAF/302/EEC
LIST OF REPORTS OF PROJECT GCP/RAF/302/EEC

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1994 de la Guinée-Bissau, de la Mauritanie et du Sénégal, Projet GCP/RAF/302/EEC
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décembre 1994, Projet GCP/RAF/302/EEC Amélioration du cadre juridique pour
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framework for fisheries cooperation, management and development of coastal
states of West Africa, 52 pages, December 1994, Document 7.

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- N'Goran, Ya - Elaboration d'un plan d'aménagement des pêches artisanales en Lagune Aby, 1994 le point de vue halieutique, (Contribution à la préparation d'un plan d'aménagement des pêches pour la Lagune Aby), Projet GCP/RAF/302/EEC-Amélioration du cadre juridique pour la coopération, l'aménagement et le développement halieutique des Etats côtiers d'Afrique de l'ouest, 42 pages, Décembre 1994, Document 9.
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