

CFP Reform 2002

ANALYSIS OF EU FISHERIES POLICY REFORM PROPOSALS AND COMMUNICATIONS



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CFP PROPOSALS: THE FIRST REFORM PACKAGE EMERGES

'It's make or break time for EU fisheries. If we want to give our fishermen a future, we need a new CFP. Either we have the courage to make bold reforms now, or we watch the demise of our fisheries sector in the years ahead.' (Commissioner Franz Fischler, May 2002)

On 28 May 2002, the Commission finally came forward with the first of its long-awaited proposals for reform of the Common Fisheries Policy (CFP). The proposals - the subject of intense speculation over the last few months - set out an ambitious reform agenda, particularly given the strong resistance to substantial change that has been expressed by several EU Member States. These first proposals are to be followed later in the year by a number of other Commission communications and action plans.

The first package includes three legislative proposals and two non-binding documents. Amongst these is the so-called 'Roadmap' (COM(2002)181) setting out the Commission's overall approach, based on an analysis of the problems facing the fishing sector. This first set of documents unveils the overall strategy and is likely to be the most controversial, not least because it includes a proposed new basic CFP regulation. The proposals will now be examined at the next Council of Fisheries Ministers meeting on 11 June 2002. If agreement can be reached among the Member States later in the year, the new basic CFP regulation will enter into force in 2003.

Further reports and action plans are expected during the course of 2002 and 2003, bringing the total number of reform documents due from the Commission to 18. They will relate to conservation of fish stocks in the Mediterranean, fishing on the high seas and under fisheries agreements with third countries, control and enforcement, aquaculture and the impact of fleet restructuring on coastal areas.

The Commission's prognosis: a sector in crisis

In presenting its overall strategic approach to CFP reform, the Commission has clearly identified the main problems facing the CFP: first and foremost, many EU fish stocks are in an alarming state, with as many as two thirds outside safe biological limits. Stock sizes and landings, according to the Roadmap, have declined dramatically over the last 25 years. For many commercially important

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demersal stocks, the numbers of mature fish were about twice as high in the early 1970's than in the late 1990's. If current trends continue many Community fish stocks will collapse.

The Roadmap links the poor state of EU fish stocks to excess fishing capacity. According to scientific advice, fishing mortality needs to be reduced by between one-third and one-half, depending on the type of fishery and the area concerned. The combined effect is to create an industry that is economically fragile, unprofitable, and one facing declining employment. Insufficient control and enforcement, and inadequate involvement of stakeholders have simply added to the CFP's problems. Meanwhile, the changing international climate has also meant that new challenges are created in relation to third country and high seas fisheries. Although not explicit in the Roadmap, in practice this means that the EU is no longer able to 'export' its excess fishing capacity to other parts of the world.

Overview of the reform package

The Roadmap sets out the overall direction and content of the reform proposals, although the actual reform documents are in many cases still awaited. The Commission's reform priorities are squarely focused on the conservation of commercial fish stocks and fleet reduction, with an emphasis on multi-annual management plans. Improvements are to be underpinned by strengthening systems of governance at the local and regional seas level.

An initial overview of the first set of proposals is given below, with the relevant source proposal or document indicated in brackets. This is followed by an outline of still expected measures concerning Mediterranean issues, aquaculture, third country fisheries, and control and enforcement.

Limiting the EU fishing fleet (proposed basic regulation)

The Commission has been clear that removing excess fishing capacity is its main priority for the reforms. In so doing, the Commission is abandoning the previous unsuccessful policy based on five or six year multi-annual guidance programmes (MAGPs). Instead, it is proposed that national fleet capacity reference levels are established based on objectives under the fleet MAGPs. These levels are effectively capacity ceilings, above which fleets will not be allowed to go.

Not only is there to be a permanent cap on capacity, but reference levels would be revised downwards as capacity is removed from fleet using public funds. Publicly funded capacity reduction cannot be replaced.

The fleet reference levels would apply to Member States' whole fleets. In addition, more specific and tailored fishing effort limitations would be fixed under the stock based multi-annual management plans (see below). The Commission estimates that the necessary cut in fishing effort under multi-annual plans would result in a withdrawal of some 8,600 vessels which represents 8.5 per cent of the number of EU fishing vessels and about 350,000 GT or 18 per cent in tonnage.



Reforming EU aid in support of the fleet policy (proposal regulation to reform FIFG; proposal regulation to establish an emergency measure for the scrapping of vessels)

The fleet reference levels would be closely linked to reforms in the EU's aid programmes, notably Financial Instrument for Fisheries Guidance. The Commission has proposed that the possibility to grant public aid for the introduction of new capacity, the establishment of joint enterprises and export of excess capacity be removed altogether. Eligible modernisation projects will be restricted to measures that improve safety on board and do not involve capacity increases in terms of tonnage or power.

Instead of allocating money to build new vessels, these funds will be used support reductions in fishing capacity and alternative employment or early retirement. The Commission suggests that such reprogramming would free an estimated €460.6 million that could be used to help fishermen to reconvert to other jobs. The Commission will present an Action Plan to address the socio-economic consequences of restructuring in the fisheries sector. Should further aid be required after reprogramming, the Commission will seek to identify possible sources of additional assistance from the EU budget for 2004 or subsequent years.

In addition, a new fund would be created to encourage the scrapping of vessels. An additional €272 million would be made available for the period 2003 to 2006. Aid would be targeted at the particular restructuring needs identified in long term stock management plans, and should therefore also encourage the adoption of such plans in the Council. Vessels forced to reduce their activity by more than 25 per cent under multi-annual management plans will be eligible for an increase of 20 per cent in the level of the scrapping premiums currently available under FIFG.

Conservation and management – protecting fish stocks and the marine environment (proposed basic regulation)

Multi-annual management planning

Along side a new fleet policy, the Commission is also placing great emphasis on the development of long-term management plans for commercial fish stocks. This is seen as a major step forward, since plans would allow a more tailored approach to fish stock management, include multi-annual catch targets reflecting safe biological limits and associated fishing effort reduction targets. They may also include targets relating to other marine living resources and/or conservation of the ecosystem. Management plans would initially focus on stocks outside biologically acceptable limits, although the aim is that they would eventually cover all commercial stocks.

The Council would fix the catch and fishing effort limits for the first fishing year on the basis of the targets set in the plan and the most recent scientific advice about the state of the stocks. In subsequent years, the Commission would administer the plan, with assistance from a Management Committee. The effect would be to move away from the annual discussions on quotas that have become the hallmark of the



present CFP.

Technical measures – protecting juvenile fish and reducing environmental impacts

A number of technical measures are already in place to support the protection of juvenile fish. The Commission is advocating the introduction of additional measures to in favour of more selective fishing gear, and restrictions to protect juvenile fish and non-target species and habitats. Landing sizes are also to be brought in line with the selectivity of the gear concerned. The development of economic incentives for the use of more selective fishing practices will also be explored. Although such measures can already be introduced, the Commission is proposing a clearer legal basis, particularly for measures that seek to reduce impacts of fishing on vulnerable species or habitats.

Improved governance (proposed basic regulation)

Introducing Regional Advisory Councils

To ensure greater stakeholder involvement in the development of fisheries management at regional and local level, the Commission is proposing the establishment of Regional Advisory Councils (RACs). They would be composed of representatives of all parties with an interest in fisheries management in a given sea area or fishing zone, including environmental interests. The more detailed arrangements for RACs, including membership criteria, would be set out in separate legislation. RACs would effectively provide smaller, more focused groups, complementary to the Advisory Committee for Fisheries and Aquaculture; their role would be to submit suggestions to the Commission and Member States on fisheries management in a given area. Member States need to consult these Councils as well before establishing measures within their national 12-mile zones.

Simplifying management of territorial waters

In line with the other developments in governance structures, there has been some discussion of streamlining the management responsibilities for Member States' territorial waters (often out to 12 nautical miles). The Commission is proposing that coastal Member States manage all fishing activities within the zone.

Member States would also be allowed to introduce emergency measures for up to 3 months, should there be a serious and unpredicted threat of damage that would be difficult to reverse. In both cases, the Council would be given powers to challenge national measures within 20 days.

Illegal, Unreported and Unregulated fishing (action plan on IUU)

To fight illegal fishing and ensure sustainable fisheries beyond EU waters, the Commission has put forward an action plan on combating illegal, unreported and unregulated fishing practices. The aim is to eliminate the use of flag-of-convenience vessels and the practice of landings in ports without proper controls.



The next reform package: third country fisheries, Mediterranean issues, aquaculture and control/enforcement

Third country fisheries

The Commission proposes to enhance the policy dialogue between the EU and developing countries. The aim is to help them develop a fisheries policy that can gradually improve their capacity to achieve sustainable fisheries while contributing to their development objectives, including the maintenance of the quality, diversity and availability of fisheries resources in the context of food security, poverty alleviation and sustainable development.

A separate document is expected to address the scientific evaluation of stocks that are accessible to EU fishermen outside EU waters. The aim is to obtain a better scientific understanding of such stocks before the EU concludes new agreements with the third countries concerned.

Mediterranean

To strengthen conservation in the Mediterranean, the Commission will invite Member States to consider a co-ordinated approach to establishing wider fisheries protection zones (at present, most Mediterranean states do not claim jurisdiction beyond the 12-mile territorial sea). It will also propose EU measures for highly migratory fish stocks and other stocks that are shared with non-EU fleets. In addition, it will take initiatives to strengthen co-operation with its international partners to encourage the development of Mediterranean-wide management measures.

Aquaculture

Aquaculture (fish farming) provides a valuable alternative source of employment in coastal areas as well as offering quality fisheries products to consumers. The Commission proposes a strategy to strengthen the role of aquaculture through a number of measures including the improvement of scientific research and the development of new environment and health standards.

Control and enforcement

The Commission is proposing the creation of a Joint Inspection Structure to pool the EU and national means and resources for control purposes. This would include the operation of multinational inspection teams in EU and international waters. The reform package also foresees a 'peer review' process for Member States to review their each other's implementation of CFP rules. It is also proposed that the use of new technologies be extended to smaller vessels, including the use of the satellite vessel monitoring system (VMS) and of electronic logbooks.

Initial conclusions: strong basis for reform, but further work needed?

If it could be achieved, progress in these different areas should make a major

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contribution to securing a more environmentally sustainable fishing sector, reducing pressure on commercial fish stocks and, at the same time, the wider environment.

In several areas, however, such as aquaculture, the management of fisheries in the Mediterranean, and monitoring and evaluation of the effectiveness of the reformed CFP, proposals are expected to be less than comprehensive, insufficiently far-reaching and may not be legally binding. It is also unclear whether, despite statements to the contrary, the external impacts of the EU fishing sector (ie regarding fleet, processing and trade related activities) will be properly addressed. A key issue is whether the CFP reform will lead to adoption of a clear mandate for negotiating future bilateral or multilateral agreements, and whether agreements will be subject to prior Sustainability Impact Assessments. The Roadmap does not suggest that either will happen.

Finally, it is important to note that, even if agreement can be reached on the first set of proposals before the end of 2002, many of the provisions would not come into play for several years. Developing a first set of management plans in particular is likely to take some time, probably involving yet another round of lengthy negotiation. There would therefore be few immediate consequences, despite the impression given in many media reports. It will be important that fishing fleet capacity and fishing practices do not cause irreparable damage in the meantime.

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