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INTEGRATING ENVIRONMENT INTO THE COMMON FISHERIES POLICY

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Introduction

The practice of catching or farming fish dates back to prehistoric times, and remains a key feature of many marine and coastal regions in Europe and elsewhere around the world. If managed properly, the fisheries sector can provide important sources of protein, employment and cultural heritage without compromising the health and integrity of the marine environment. Left unmanaged, however, the fisheries sector has the potential to cause considerable environmental damage to marine and freshwater ecosystems. The critical state of many EU commercial fish stocks is an indicator that environmental degradation is already a reality in some cases. Considerable efforts will be required in the short, medium and long term to reverse these negative trends and ensure that the fisheries sector is put on course for sustainable development.

The EU's Common Fisheries Policy (CFP) has a major impact on the development of the fisheries sector and thus also on the environmental pressures exerted by it. Yet, the policy has clearly failed to secure a sector that is environmentally, socially or economically sustainable. A major review of the CFP in the run up to 2002 consequently presents an important opportunity to realign the policy, by adjusting existing management objectives and tools and, if necessary, introducing new ones. The long-term goal of future EU fisheries policy must be to ensure environmentally sustainable management of the sector.

The European Commission is currently drafting a Green Paper on the CFP review that is expected in March 2001. Legislative proposals for reform are to follow at the end of 2001. To this end, and on the basis of already wide-ranging consultations, the Fisheries Commissioner Franz Fischler has identified the following five areas as warranting particular attention:

- fish stock conservation;
- socio-economic issues;
- Mediterranean issues;
- external policy; and
- good governance.

Despite the absence of an 'environmental' heading, the 2002 review nevertheless presents an almost unique chance to place environmental considerations at the heart of EU fisheries policy, bringing it in line with the objective of sustainable development that is now in Article 2 of the EC Treaty.

To help inform the debate on ‘greening’ the CFP as part of the 2002 review, the Institute for European Environmental Policy (IEEP) and English Nature (EN) are publishing a series of short briefings as part of a joint project funded by EN and the Esmée Fairbairn Charitable Trust¹. This, the first in the series, focuses on what environmental integration means in relation to EU fisheries policy, and what administrative and procedural adjustments may be necessary to secure full integration over the next five to ten years. Subsequent briefings will identify more specific policy instruments and approaches that could be developed in pursuit of environmental integration and sustainable development of fisheries. These will cover:

- Fish stock conservation: a role for strategic fisheries management planning?
- Mediterranean Issues: towards effective fisheries management
- Socio-economic issues: the use of taxes and charges
- Good governance: transparency and participation in decision-making

Why do we need to integrate environment into the CFP?

The fisheries sector, in particular the large scale capture and farming of fish, has potentially significant impacts on the environment. These include impacts on the commercial fish stocks, as well as impacts on other fish and non-fish species and habitats. Unlike many other sectors, however, the fisheries sector is also particularly dependent upon a healthy ecosystem for its own survival. The replenishment of fish stocks relies not only on the existence of healthy spawning stock, but also on clean water, adequate food supplies, and sufficient and accessible spawning or nursery areas to support reproduction and early life cycle stages. Farmed fish also depend on the availability of clean water. It is thus in the interest of both the environment and the fisheries sector to ensure that marine or freshwater ecosystems are maintained in a way that permits sustainable production.

The way in which the fisheries sector develops is heavily determined by the EU’s Common Fisheries Policy. The EU has grown increasingly concerned about the environment overall and the environmental impacts of certain EU sectoral policies, including fisheries policy. It has consequently accepted the importance of making its sectoral policies consistent with environmental objectives, as reflected in Article 6 of the EC Treaty that now reads as follows:

‘Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities..., in particular with a view to promoting sustainable development.’

This Treaty obligation, which was introduced in 1999 by the Amsterdam Treaty, is itself based on a number of compelling reasons for promoting environmental integration, as follows.

- *To develop a coordinated response to major problems* - integrating environmental objectives across a number of sectors is particularly critical in order to deal with

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some of the major environmental issues such as climate change, biodiversity conservation and marine environmental management. Any of these will be particularly difficult to address in the absence of action that is coordinated across the range of relevant sectors.

- *To increase the efficiency and effectiveness of environmental policy* - in particular by avoiding contradictions and internal inconsistencies with the Community's other policies. Where conflicts between fisheries and environmental policies occur, these simply create additional demands for environmental regulation in order to counter the new environmental pressures that arise. For example, excess fishing pressure on certain fish species (eg sturgeon and salmon) has resulted in these species being subject to protection under European nature conservation legislation.

These inconsistencies can be particularly visible in relation to funding programmes such as fisheries aid programmes. Over the last two decades, EU fisheries aid under the 'Structural Funds' has supported the gradual modernisation of the EU's fishing fleets, as well as the development of large-scale port facilities, processing and marketing installations, and new gear to target and catch fish. In many cases, the combined effect has been to encourage overall increases in fishing effort, to levels that are simply not sustainable. This has undermined environmental objectives as well as other CFP policies aimed at managing fisheries.

- *To adopt policies that are mutually supportive* - apart from improving consistencies between policies, successful environmental integration can in fact lead to environmental improvements. Funding programmes are a good example of a policy that can potentially be used to support both social and regional development, and simultaneously assist in the delivery of environmental goals.

How green is the CFP so far?

The first pieces of EC fisheries legislation were adopted in the early 1970s, driven by the desire to increase the production of fish within the EU sector, while reducing barriers to trade between the Member States. The policy was nevertheless relatively limited, focusing on marketing and restructuring measures. It was not until 1982 that a more comprehensive regime was adopted to support the management of capture fisheries. The regime depended on a combination of measures, predominantly involving fishing gear restrictions and total allowable catch limits. This was accompanied by largely separate measures to support the restructuring of fishing fleets.

Since its inception, there have been significant improvements to the CFP and yet the policy has clearly failed to secure a sector that is sustainable. Latest scientific advice from the International Council for the Exploration of the Seas (ICES) suggests that commercial stocks of cod and hake are at historically low levels and in danger of collapse.

A key issue is that the policy is still predominantly focused on managing single commercial fish species using total allowable catch limits and technical conservation measures. The fact that TACs are set on an annual basis is a particular concern. As the Commission communication (COM(2000)803) recently highlighted, 'the annual pattern of decision-making has resulted *de facto* in a dilatory policy of stock management that

has failed to safeguard or restore stocks'. The scientific advice also does not, in general, give consideration to the long term impacts on either targeted fish species, or non-target species and habitats. Furthermore, there is a continuing tendency to exploit new fishing grounds, notably by developing fisheries on the high seas and in third country waters, in order to supply the growing EU market in fish and fish products. Although not in themselves problematic, these developments are often not accompanied by adequate safeguards to protect the environment.

There has also been remarkably little shift in the type of policy instruments used to deliver sustainable development of the sector. Thus, policies continue to be based on traditional 'command and control' type legislation, largely to the exclusion of more 'innovative' instruments, such as taxes and charges on the use of resources, eco-labelling initiatives to encourage demand for environmentally sensitive products, and strategic and integrated planning tools for managing fisheries.

Some important steps have nevertheless been taken, since the early 1990s, in support of 'greening' the CFP. It is outside the scope of this paper to list all of these, but the following are among the most significant.

- Since 1992, the basic Regulation for *conserving and managing EU fisheries* (Regulation 3760/92) has included a requirement for management policies to take account of the marine ecosystem (among other issues). The Regulation also includes scope for using a range of alternative policy instruments which could help to achieve this, although specific opportunities to develop these, including multi-annual management strategies and economic instruments, have not been taken up.

Within this framework, there has been growing recourse to stock recovery and management plans, as well as introducing precautionary reference points to develop scientific fisheries management advice. Several measures have aimed to protect juvenile or spawning stocks in the Baltic and Mediterranean Sea, as well as the North East Atlantic area. A small set of regulations has also sought to mitigate the wider environmental impacts associated with fishing. These primarily include a prohibition on the use of most surface drift nets, a restriction on the use of purse seine nets to protect small cetaceans; and a closure of industrial sandeel fisheries in order to safeguard sea bird populations.

- Aid to support the *structural adjustment of the fisheries sector* under the Financial Instrument for Fisheries Guidance (FIFG) is now subject to more stringent environmental 'safeguards', alongside the other EC Structural Funds. The changes, introduced as part of the broader Agenda 2000 reforms, also provide greater scope for environmental projects to be funded by FIFG, although there is no dedicated 'environmental' funding measure.
- The specific challenge presented by the structure and size of the EU's fishing fleets has been subject to a series of national multi-annual guidance programmes which have, since the early 1990s, established legally binding capacity reduction targets. The implementation of the targets has been supported by the deployment of FIFG funds for vessel decommissioning. However, the overall effectiveness of these programmes is questionable – experts suggest that there is still as much as 40 per cent overcapacity in the EU fishing fleet.

- Recent reforms to the *Common Organisation of the Markets (COM) in fishery and aquaculture products* strengthen arrangements in favour of fish stock management, for example, by reducing the amount of financial compensation available for products that have been withdrawn from the market due to low prices. Producer Organisations are also required to develop plans for balancing market supplies with demand. The reforms also introduce a new initiative to bring together representatives of the catching, retailing and processing sectors, potentially to support environmentally sensitive production methods. Unfortunately, the reforms stop short of introducing explicit environmental requirements, such as environmental information or labelling mechanisms, or trade provisions that favour environmentally sensitive production systems.
- *Aquaculture developments* are subject to provisions of the environmental impact assessment Directive 85/337 which requires an assessment to be made of aquaculture projects considered *likely* to have significant environmental impacts. Note, however, that the results of such assessments do not have to be reflected in subsequent planning decisions.

Improving environmental integration

Environmental integration is about reconciling environmental objectives with those pursued in other policy areas, including fisheries policy. It does not necessarily require readjustments to long term policy objectives such as that of ‘achieving sustainable fisheries’. But the ways in which these objectives are interpreted and pursued, and the intermediate targets and measures that are put in place, will in many cases need to be realigned.

There are various degrees of environmental integration, ranging from a gradual refocusing of fisheries activities to take account of environmental objectives, to a more widescale integration which could, for example, result in fisheries and environment departments merging completely.

The practical mechanisms for achieving integration are also varied, but are likely to include changes to the way in which institutions work, how they interact with other institutions and stakeholders, the development of alternative policy instruments and approaches, and the elaboration of clear integration strategies.

Overall, integration is probably most likely to succeed through a gradual process that contributes to a broader shift in values in those managing the sector, as well as in those responsible for implementing policies at national and local levels, including the fisheries sector and the general public.

Perhaps most importantly, integration needs to take place at the earliest stage in the process of defining policies, as well as in later stages of agreeing and finally implementing them. Thus, in relation to the CFP, integration is the responsibility of the EU institutions involved in development and adopting laws, as well as the Member States and the fisheries sector implementing and abiding by them.

Greening the institutions

There is a growing body of documentation on the various ways in which institutions and administrative procedures can and actually have been altered in support of environmental integration. These potentially include, but are not limited to, the three key areas outlined below.

- *Integration across sectoral departments* - inter-departmental integration can be supported in a number of different ways, for example, by establishing good communication channels and systems for information exchange between fisheries and environment departments. Joint fisheries/environment committees at the level of the Commission, Council, European Parliament or scientific advisory bodies (eg ICES and the European Environment Agency) could be particularly advantageous. The process can also be encouraged by rotating officials between departments, identifying qualified environmental experts in sectoral departments and providing adequate resources to support their work, and by instituting environmental training programmes. Joint initiatives, such as the Commission's Fisheries Biodiversity Action Plan, can also provide a real and ongoing platform for strengthening inter-departmental relationships.

There have been some attempts to introduce these approaches within the Commission's internal working procedures, although their impact has been weakened by the lack of binding and enforceable integration 'targets'. Also, as is the case for fisheries, environmental issues have tended to be handled by departments with a very specific focus, rather than the responsibility being given to departments with a crosscutting interest.

- *Coordination between different levels of administration* - there is also a need to bring together actors and activities across different levels of administration, and between administrations and other stakeholders. Ways of doing this include improving transparency and participation in the process of developing policies. Coordination units can support such initiatives, potentially involving administrators from all relevant levels, as well as environmental and industry stakeholders. Consideration might thus also be given to establishing a dedicated environment and fisheries advisory body or committee that includes national and non-governmental representation, focusing on EU wide, as well as regional issues.

Some advances have been made in this respect, particularly through the series of informal regional committee meetings organised by the Commission. These provide an opportunity for exchanging information on specific fisheries or regions between the fishing industry, scientists and national and Commission officials, although environmental interests are not normally invited to attend. The fisheries Council working groups also provide an opportunity for exchanging information between the Commission and national administrations, but further improvements are nevertheless needed to strengthen the level of involvement of environmental interests.

Improving the basis for decision-making

In fisheries as in other sectors there is still considerable uncertainty as to the actual environmental impacts of activities, either at the local, regional or EU level. Particular weaknesses relate to the Mediterranean Sea, as well as high seas and third country fisheries. This uncertainty can seriously undermine attempts to integrate environmental concerns into fisheries policies. Strengthening the body of reliable information on environmental aspects of fisheries policies, as well as the potential economic or social benefits of improving environmental integration, is therefore essential if actors are to be convinced of the importance and merits of environmental integration.

To support environmental integration within the CFP as a whole requires information at the EU level, not only to monitor and assess the impacts of policies, but also to evaluate the effectiveness of new or alternative policies. The new EU framework for collecting and managing data (Regulation 1543/2000) provides a useful basis for evaluating the state of resources and the activities of fishing fleets, but stops short of evaluating the overall environmental impacts of policies or their effectiveness in achieving state objectives.

Indicators reflecting changes in the state of the environment, as well as changes in environmental pressures and policy responses, provide a critical means of monitoring these impacts, alongside other social or economic indicators on employment and output. Some work has already been done, notably by the FAO², to develop sustainability indicators for the fisheries sector. These include indicators on the state of the environment, as well as indicators to signal changing environmental pressures and policy responses. This work, as well as indicators being developed within the framework of ICES and at national level, should be used to help monitor progress on environmental integration in the short term. However, additional efforts are needed to strengthen work in this area, particularly to monitor progress on integration at the EU level. Experiences of developing indicators and monitoring systems in other EU sectors could be used to inform work in this area, including work by the European Environment Agency on the Transport and Environment Reporting Mechanism (TERM) project.

Ways forward – an overarching environmental integration strategy

Environmental integration is only likely to be progressed when a favourable political climate has been created and adequate political pressure exerted. The debate on integration within the fisheries sector is also behind that in other sectors; fisheries was not included as a target sector in the EU's Fifth Environmental Action Programme. The fact that a Fisheries Biodiversity Action Plan is being developed under the EC Biodiversity Strategy (COM(98)42) should contribute to the integration process. It is critical that environmental integration is also further promoted through other environmental integration processes and initiatives, most notably the forthcoming 6th Environmental Action Programme and EU's Sustainable Development Strategy.

² FAO (1999) Indicators for Sustainable Development of Marine Capture Fisheries, Technical Guidelines for Responsible Fisheries No.8. UN Food and Agriculture Organisation, Rome

For a review of the state of play on environmental integration indicators, see also Coffey C and Baldock D (2000) Towards a Fisheries Council Integration Strategy. Institute for European Environmental Policy and English Nature, London/Peterborough

Over the next nine months, the fisheries Council will be engaged in drafting and/or agreeing an environmental integration strategy in response to a request from the Cardiff and Cologne Summits of Heads of State and Government, in 1998 and 1999 respectively. The success of this high level initiative will partly depend on the extent of meaningful engagement with the range of stakeholders, including policy makers, industry and environmental interest groups. Importantly, the substantive content of the strategy itself will need to be suitably demanding, reflecting the critical and urgent nature of fisheries problems. Particularly the strategy needs to present the following:

1. a rigorous and honest *assessment of the environmental impacts* and trends associated with the EU fisheries sector - including impacts that may be occurring outside the EU's waters, and those resulting from policies on aquaculture, subsidies, markets and trade;
2. a set of *environmental objectives*, for the medium and long term, to reflect the urgency and extent of problems. While it will be important for the strategy to be realistic, it needs at the same time to be suitably ambitious to ensure the fisheries sector is brought more in line with sustainable development objectives;
3. *concrete targets and actions*, including those to be pursued over the next five or so years. The 2002 review of the CFP will be the first major test for the integration strategy and targets for furthering environmental integration as part of that review should be clearly identified by the Council;
4. *specific timetables* for taking action forward, as well as for further elaborating or refining the strategy over the next five or ten years. In the absence of a firm commitment to timetables, the targets will be in danger of representing nothing more than a 'wish list' of activities; and
5. *monitoring and reporting* arrangements for implementing the strategy, allowing an evaluation of the effectiveness of the measures in addressing environmental issues. This should include an initial set of state, pressure and response indicators, as well as a commitment to further work in this area.

Developing a Council integration strategy that meets all these requirements presents a considerable challenge. If successful, it could mark a critical point in the history of the Common Fisheries Policy. At the very least, it would signal a more widespread and fundamental acceptance of the environmental problems associated with the EU fisheries sector, as well as a commitment to addressing them in a more coherent and considered fashion.

A final strategy is to be presented to Heads of State and Government in Göteborg in June 2001, under the forthcoming Swedish Presidency of the Council. The Presidency intends to give priority to this issue but it will only be able to succeed if it can mobilise support within other 'sympathetic' Member States, potentially including the UK, Austria, Denmark, Netherlands and Germany, as well as Greece and Portugal. Environmental authorities and interest groups also have a pivotal role to play in this process, by demonstrating how, in practice, integration can be delivered, based on their

considerable experience and expertise in promoting environmentally sensitive fisheries practices at the local level.

CC
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