

# ***Green Paper on the*** **Reform of the** **Common Fisheries Policy**

The European Commission has published a Green Paper outlining its proposals for reforming the Common Fisheries Policy (CFP). The objective of these proposals is to make the CFP more efficient in ensuring the economic viability of the European fleets, conserving fish stocks, integrating it with the Maritime Policy and providing good quality food to consumers.

The Green Paper is intended to ‘trigger and encourage public debate and to elicit views on the future of the CFP’. The consultation runs until 31<sup>st</sup> Dec. 2009.

## **Introduction**

The current European Common Fisheries Policy (CFP) is due to be renewed before the end of 2012, having come into force at the start of 2003. As part of the process of reviewing and renewing the CFP the European Commission has published a Green Paper that summarises its vision for the future of European Fisheries, reviews the failings of the current CFP, and outlines its proposals for the reform of the CFP. The CFP has a major influence on the Shetland fishing industry, so any changes to the policy will be highly significant.

This paper summarises the main elements of the Green Paper that may be of significance for Shetland’s fishing industry.

## **The Vision<sup>[p.3]</sup>**

The Green Paper includes a vision for European Fisheries by 2020 based on an end to overfishing and fish stocks restored to their maximum sustainable yields. According to this vision in 2020: Fishermen earn more and fishing is once more seen as an attractive career choice for young people in coastal communities. The fishing industry is more financially robust with an efficient and profitable 'industrial segment', and 'small-scale fisheries' producing high-quality fresh fish for local consumption.

The CFP has become streamlined and cheaper and simpler to manage. Fishermen are more closely involved in specific technical decisions, are given incentives to behave responsibly, and are expected to demonstrate that they comply with the basic principles of the CFP. Stakeholders fully participate in decisions and policy debates and enforcement has become more effective.

## **The Current Situation<sup>[pp.3-4]</sup>**

The Commission's view is that European fisheries are currently characterised by overfishing, fleet overcapacity, heavy subsidies, low economic resilience, and declining volumes of catches.

However, it believes that a 'whole-sale reform' of the CFP can reverse this situation. This must not – it states – be 'yet another piecemeal, incremental reform but a sea-change cutting to the core reasons behind the vicious circle in which Europe's fisheries have been trapped in recent decades'.

Key strands of the Commission's view are: that fish stocks have been overfished for decades; that fishing fleets remain too large; that 'too many vessels chase too few fish'; and that many parts of the European fleet are economically unviable or have low economic resilience.

The Commission also believes that fisheries can no longer be viewed in isolation from the wider marine environment and from other maritime activities.

## **Failings of the Current CFP<sup>[p.7]</sup>**

The Commission believes that there are five main failings in the current CFP:

- ◆ a deep-rooted problem of fleet overcapacity;
- ◆ imprecise policy objectives;
- ◆ a decision-making system that encourages a short-term focus;
- ◆ a framework that does not give sufficient responsibility to the industry; and
- ◆ poor compliance, and a lack of political will to ensure compliance.

The Green Paper poses questions about how these failings can be addressed, and offers some possible options.

### **Fleet Overcapacity<sup>[p.7]</sup>**

The Commission appears to be inclined towards the wider adoption of market mechanisms, such as transferable fishing rights (e.g. ITQs – individual transferable quotas), as a more efficient and cheaper way of reducing overcapacity. It suggests that such systems can include safeguards to avoid excessive concentration of ownership or adverse effects on smaller-scale fisheries and coastal communities.

### **Policy Objectives<sup>[p.8]</sup>**

The Commission highlights the current confusion over the objectives of the CFP, e.g. between environmental, social and economic objectives. It also highlights the conflicts between short-term economic and social considerations and longer-term environmental considerations. The Commission suggests that the basic objective of the CFP should be ‘ecological sustainability’, to provide a basis for the economic and social future of European fisheries.

A number of questions are asked about how ecological, economic and social objectives should be prioritised, and about whether the CFP should aim to sustain jobs in the fishing industry or to create alternative jobs in coastal communities.

### **Focussing on Long-Term Principles<sup>[p.9]</sup>**

The Commission acknowledges that the current situation where all decisions under the CFP are taken at the highest political level is ‘highly unsatisfactory’ and the main reason why the CFP is criticised by stakeholders. It also points out that if and when the Lisbon Treaty is implemented the European Parliament will have an active say in

most fisheries management decisions (under the co-decision procedure), which will considerably slow down decision making.

The Commission offers two possible options to address these problems: More of the detailed management could be delegated to the Commission in cooperation with Member States (the so-called comitology procedure). Or, detailed management decisions could be delegated to Member States, subject to Community standards and control. Under the latter option, broad policy decisions on principles, standards, etc., would be taken at Community level, but Member States would be left to regulate their fisheries within that framework. In most cases the Commission anticipates that this delegation would need to be organised at the level of marine regions, requiring Member States to cooperate.

### **Encouraging the Industry to Take More Responsibility<sup>[p.10]</sup>**

The Commission suggests that the fishing industry should be given more responsibilities and rights to involve them more closely in the implementation of the CFP. Responsibility could be given through 'self-management', such as 'results-based management'. Instead of establishing rules about how to fish this would focus on outcomes and leave the detailed implementation decisions to the industry. The existing management of members' quota uptake by Producer Organisations is cited as an example of 'self-management'.

Greater rights for the fishing industry appear to be focussed around transferable fishing rights, as discussed above. The question of whether the fishing industry should share the costs of fisheries management is also raised.

### **Developing a Culture of Compliance<sup>[p.12]</sup>**

The Commission has already separately published proposals for a control system to ensure compliance with the rules of the CFP, but invites suggestions on how a culture of compliance can be further developed.

### **Improving the Management of EU Fisheries<sup>[p.13]</sup>**

The Commission makes a number of further proposals for improving the management of European fisheries, including:

### **Protecting Small-Scale Coastal Fleets<sup>[p.13]</sup>**

The Commission recognises the importance of fishing to many coastal communities and that it is essential to secure a future for coastal, small-scale, and recreational fishermen. It accepts that there is a legitimate social objective in trying to protect the most fragile coastal communities from the trend of reducing employment in fishing.

One option might be to have different management regimes for large-scale fleets (possibly including economic incentives such as transferable fishing rights), and small-scale fleets in coastal communities (possible including direct allocation of quota or effort, or collective schemes).

### **Making the Most of Our Fisheries<sup>[p.14]</sup>**

The Commission recognises the failings of the current single-species quota system, especially in multi-species fisheries. It poses a number of questions including: whether the CFP should shift its focus from managing stocks to managing fisheries; how the objective of Maximum Sustainable Yields (MSYs) can be achieved; whether management should focus on limiting catches or limiting effort; and how discards can be eliminated.

### **Relative Stability & Access to Coastal Fisheries<sup>[p.14]</sup>**

The Commission highlights a number of disadvantages of the current system of relative stability (the principle that each Member State's quota share remains constant), raises the question of whether it should continue in its current form, and suggests that a more flexible system might be introduced.

On the other hand, there is no suggestion that the current system whereby access within the 12 mile limit is largely limited to national fleets should be changed. Indeed the Commission suggests that this system might be enhanced to afford greater protection for coastal small-scale fleets.

### **Other Issues**

The Green Paper also addresses a number of other issues including:

- ◆ the need to integrate the CFP with broader maritime, and other, policy issues including the ecosystem approach to marine management, spatial planning, sustainable development of coastal communities, climate change, etc. <sup>[p.17]</sup>;
- ◆ the need to improve the knowledge base for fisheries management<sup>[p.18]</sup>;
- ◆ public financial support of the fishing industry<sup>[p.19]</sup>;
- ◆ the activities of EU fishing fleets in non-EU waters<sup>[p.20]</sup>; and
- ◆ whether aquaculture should be integrated into the CFP<sup>[p.22]</sup>.

## Discussion

The Common Fisheries Policy has a major influence on Shetland's fishing industry, so any changes to the CFP will be highly significant.

Some of the Commission's proposals appear to be fairly radical, and appear to represent a significant departure from previous policy, but some time will be required to digest all the details and consider their full implications. As always, the devil will be in the details of the proposals, many of which will have to be clarified. There is also the potential for significant changes to be made to the Commission's proposals before the new CFP comes into effect in 2013. Proposals that are perhaps of particular significance to Shetland include:

- ◆ The central theme of continued over-capacity in European fishing fleets, with the attendant threat of further cuts in fleet size.
- ◆ The proposed shift towards greater use of transferable fishing rights to reduce overcapacity, with the risk that in a free-market fishing rights could be lost to communities like Shetland.
- ◆ The proposed devolvement of management away from Brussels towards Member States or regional management bodies.
- ◆ The proposed differentiation between small-scale coastal, and large-scale 'industrial' fishing fleets. While the proposal that the former should be protected is welcome, it is not clear where substantial elements of Shetland's fishing fleet would fall in this proposed division.
- ◆ The possible replacement of relative stability with some 'more flexible' system.

- ◆ The suggestion that aquaculture might be brought under the CFP.

As noted below, the consultation on these proposals runs until the end of 2009, which will give Shetland time to respond to the proposals and to seek clarification or explanation where necessary.

## What Happens Next ?

Interested parties are invited to comment on the proposals contained in the Green paper, and respond to the questions asked, by **31<sup>st</sup> December 2009**<sup>[p.24]</sup>.

The Commission will then sum up the debate during the first half of 2010 and produce conclusions on the direction of the CFP reform. Following further consultation a draft proposal will be drafted for agreement before the end of 2012.

At the same time, work will continue on making the current CFP more effective, including: reforming the control policy; reducing discards and protecting sensitive species and habitats; integrating the CFP with broader maritime planning; and developing a strategy on aquaculture<sup>[p.23]</sup>.

## Further Information

The Green Paper is available online at:

[http://ec.europa.eu/fisheries/reform/docs/greenpaper\\_en.pdf](http://ec.europa.eu/fisheries/reform/docs/greenpaper_en.pdf)

Further information on the reform of the CFP is available at:

[http://ec.europa.eu/fisheries/reform/index\\_en.htm](http://ec.europa.eu/fisheries/reform/index_en.htm)

Please contact me if you have any queries or require any further information.

**Ian R. Napier**

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