



Annex 1 on the reform of the Common Fisheries Policy (CFP)

The reform of the CFP will yet again be an important topic of discussion at the upcoming Fisheries Council meeting. We therefore offer views on the following three issues, which have been in focus in discussions over the past month: individual transferable rights (ITRs), reduction of overcapacity and future subsidies to the sector.

1. Alternatives to Individual Transferable Rights (ITRs)

Fishing opportunities have so far been allocated under the principle of relative stability, which establishes a fixed allocation key for the distribution of fishing opportunities among Member States based on historic catch records. We agree with the Commission's view in the Green Paper (COM(2009)163) that the "historical" concept of relative stability has been an incentive for Member States to put short-term, economic interests before the common good and has consequentially contributed to overfishing. We therefore support the proposal to (partially) abandon relative stability.

The Commission is suggesting either replacing relative stability with a pan-European market of individual transferable fishing rights (ITRs) or compulsory ITRs at national level, arguing that this would reduce overcapacity, improve conservation and maximise the economic efficiency of the fishing fleet. We are concerned about the proposed approach for the following reasons:

- There is no evidence that ITRs translate into consistent recovery of stock biomass;
- An EU wide trading system will not support the objective to decentralise the current governance structure and will make it more difficult to adapt fisheries management systems to regional and local circumstances;
- Control of access to resources should remain at the Member State level. If the national aspect of fishing quota is lost, it may disenfranchise Member States from the strategic objectives of the CFP, resulting in an erosion of political will to ensure good governance, control and proper regulation of fisheries activities;
- An ITR system is likely to gradually privatise what is currently a public resource and may increase the level of speculation in the market place for quotas and rights trading, particularly amongst non-fishery actors, thereby threatening the prospects for genuine fishers and fishing communities to access resources and sustain their livelihoods;

- Access would not be granted to those who fish in the most sustainable way but to actors with the better access to financial resources. The industry is thus not encouraged to behave more responsibly, or to effectively self-regulate or self-manage fishing activities;
- Moreover, ITRs may lead to concentration of ownership of access rights and consequently marginalise the small-scale fishing sector. Even in a system where ITRs apply only to industrial fisheries, there is a risk of marginalising the small-scale sector in cases where both groups are accessing the same resources – a property right such as an ITR, with some monetary value attached to it, may well take precedence over other access rights at times when further restrictions in access are necessary.

For the above stated reasons, we do not support any compulsory implementation of ITRs, be it at European or Member State level. Rather, we recommend a gradual phasing out of the current quota allocation system. In the future, access to fish resources should instead be based on a set of transparent criteria for environmentally and socially sustainable practices, providing priority access for fishing operators who:

- use more selective fishing methods and gears with low environmental impact;
- use vessels and fishing methods consuming less energy;
- ensure a higher level and good quality of employment; and
- have a good record of compliance.

Essentially, priority access should be granted to those who most contribute to achieving the overarching objectives of the CFP.

Should national or a European market-based allocation system nevertheless be introduced, access to transferable rights or quota should be equally subject to environmental and social criteria, and non-compliance should result in a loss of such rights.

2. Necessary capacity reduction

Overcapacity in the EU is estimated at two to three times the sustainable level¹. It encourages overfishing, leads to illegal, unregulated and unreported (IUU) fishing, and results in low economic performance and inefficiency. To counteract this, the reformed CFP must ensure that fishing capacity is reduced to match available resources.

Overcapacity is not only a size (number of fishing vessels) issue; the “quality” of the capacity is also important. Different fleet segments and gears have different impacts on the environment. While the introduction of an ITR system may result in capacity reduction, it would not be possible to effectively steer its effects on fleet composition and ensure that it contributes to a qualitatively sustainable fleet.

Instead of introducing ITRs, the reformed CFP should address the quality of capacity as well as the quantity of the fleet. The balance between fishing capacity and fishing opportunities should be assessed on a fishery-by-fishery basis. Based on this assessment, quantitative and qualitative mandatory and time-bound reduction targets should be established for each fishery to balance fishing capacity with available resources in each area. These targets should lead to the removal of

¹EC (2008) Reflections on further reform of the Common Fisheries Policy – non-paper.

destructive and unsustainable practices whilst promoting low impact fishing methods, gears and practices.

Also, a robust system for handling decommissioned capacity is needed. There are currently examples of EU vessels taken out of service, as a result of the ITQ system or even through EU funding for scrapping, and later operating in 3rd country waters under a different flag. Overfishing is a global problem and the EU needs to make sure that its excessive fishing capacity is not exported elsewhere.

3. Public money for public good

The EU should seize the opportunity of the CFP reform to end all subsidies that contribute to maintaining and increasing overcapacity and overfishing, not only through structural funds but all financial instruments. This would contribute to the recovery of fish stocks, reduce pressure on the marine environment and improve the long-term profitability of the fishing sector.

Most subsidies are potentially harmful to fish stocks, particularly in the current absence of effective management. Subsidies that contribute directly to increased fishing capacity or effort are among the most harmful, such as subsidies for the construction of new vessels, modernisation of existing vessels and fuel tax exemptions/supports. The previous reform process and the current European Fisheries Fund (EFF) brought some improvements, as direct funds for new builds were removed. However, further improvements are needed for the next programme period (2014-2019).

We also consider subsidies for fisheries infrastructure, access to 3rd country waters, capital costs, reduction of operating costs such as fuel tax exemptions, as well as marketing and price support potentially harmful to fisheries resources and the marine environment, as they all have the potential to contribute to higher fishing effort.

We do believe, however, that fisheries subsidies properly designed and used can contribute to more sustainable management. Future subsidies should be targeted to provide and support goods and services that will improve the management system, and thereby benefit society. Under a reformed CFP, public funds should primarily contribute to:

- better control and enforcement;
- improved data collection and more accurate stock assessments;
- closer collaboration between fishers and scientists (in order to improve scientific data, we strongly support the inclusion of fishermen in research projects);
- research and development of more environmentally friendly gear;
- supporting stakeholders wanting to engage in CFP consultation processes;
- implementation of Marine Protected Areas and other conservation measures; and
- a transition towards sustainable fisheries, including aid to alleviate the negative social impacts of fleet capacity reduction, which will result in temporary increased unemployment rates.

Finally, Community Financial assistance should be conditional upon Member States' adequate implementation of the CFP. Currently, for instance, a number of Member States fail to adequately assess and report on fleet capacity (as legally required) but can continue to spend EU funds on modernisation measures. Also, public funding should only be accessible to operators

complying with the rules of the CFP. Operators convicted for breaking laws under the CFP should have their financial assistance withdrawn. In order to make this possible, Member States need to publish comprehensive lists of convictions for illegal fishing.

FISKESEKRETARIATET
ASÖGATAN 140, 1TR
SE 116 24 STOCKHOLM
SWEDEN
www.fishsec.org

SEAS AT RISK
RUE D'EDIMBOURG 26
B1050 BRUSSELS
BELGIUM
www.seas-at-risk.org