



## **NFFO Response to the Commission Green Paper on CFP Reform General**

Leaving aside the Green Paper's alarmist, often outdated and deliberately selective description of the state of European fish stocks, we can agree that the Common Fisheries Policy is in many respects dysfunctional and is therefore in need of radical reform. We also recognise that changing societal sensitivities and values have given rise to new demands that fish is caught in demonstrably sustainable ways. The CFP is in the process of adjusting to this reality.

The present reform of the CFP therefore offers a generational opportunity to adapt to meet these new challenges. At the same time, it is important to appreciate that there is much in the present arrangements that works well and so, even within a radical reform, there must be no question of jettisoning everything in the current CFP. Each component of the CFP must be weighed carefully and assessed for its utility.

It is our view that the most serious failings of the CFP are related to issues of governance. If governance arrangements are effective then secondary aspects of the CFP will fall into place. We make no apology therefore, that this response to the Green Paper focuses predominantly on issues of governance and decision-making.

The fundamental weakness of the CFP is not overcapacity, unfocussed objectives, an absence of political will or weak compliance. These are the symptoms of a more fundamental flaw: this is that the CFP has relied on an over-centralised command and control approach to managing diverse and complex fisheries that simply do not respond to blanket one-size-fits all measures. The history of the CFP is now littered with examples of broad brush measures arising from a Commission proposal that has to be amended by negotiation in the Council of Ministers to fit a variety of local circumstances. This approach breeds complexity, incoherence and is the opposite of the responsive, adaptive governance arrangements needed to manage fisheries successfully. The failings of the CFP could be (and indeed have been) deduced from its inadequate governance arrangements.

### **Regional (Sea-basin) Fisheries Management**

The 2002 reform of the CFP recognised the need for a stronger regional dimension and the regional advisory councils, seen in this light were a first, tentative step in this direction. The RACs have surpassed expectations in terms of their cohesiveness, their coherence and the overall quality of the fisheries advice that they have produced.

The present CFP reform should complete this transition by establishing regional (sea-basin) management bodies with the authority to manage the fisheries within their regional area of jurisdiction within a framework of standards and principles agreed at European institution level.

We recognise that there are legal and constitutional issues at stake here but we are also certain that pragmatic ways can be found to devolve *de facto* decision making authority to regional management bodies, comprised of fisheries managers from the member states, fishing industry representatives and NGOs, with strong knowledge underpinning provided by fisheries scientists. This kind of *administrative cooperation* at regional level involving the relevant member states and principal stakeholders would bring fisheries management decisions closer to the fisheries concerned. New approaches to old problems could evolve and where these proved unsatisfactory they can be abandoned and a new approach tested. This would be genuinely adaptive management. The rigidity of the current system locks us into failed policy decisions because of the complexity of amending a regulation that has potential ramifications in some other part of the CFP.

We don't say that regional management on its own will provide a panacea for the CFP; much will depend on working out the detail of how regional management bodies will work in practise; but we do think that the regional decision making is an important part of the solution and in fact is a precondition for dealing adequately with the realities of multi-species, multi-gear and multi-jurisdiction fisheries.

The highly migratory characteristics of the pelagic fisheries, means that a rigid regional sea-basin management focus is unlikely to be appropriate. International agreements also play a very significant part. However, the principle of bringing decision-making closer to the fisheries remains apt and relevant but arrangements must be tailored to the specifics of the biological and political realities of the pelagic fisheries.

### **Sustainable Fishing Plans: A delivery mechanism for simplification of the Common Fisheries Policy**

One of the principal challenges facing the reform of the Common Fisheries Policy is how to achieve simplification of what has developed into a complex, incoherent, often unenforceable, body of rules. It is now widely accepted the top-down, command and control approach, that has characterised the CFP to date, has failed and that that decision-making within a reformed CFP should be regionalised within a framework of standards and principles established at European level. The arrival of co-decision making with the European Parliament, requiring a longer timeframe for fisheries legislation, has added an extra impetus to find ways of moving away from a high degree of prescriptive micro-management.

Regionalisation of decision-making of those decisions that can sensibly be made at the regional (sea-basin) scale is an essential development if a more flexible, adaptive, relevant Common Fisheries Policy. However, if the CFP is to move to a system with a high degree of responsibility and stewardship it will be necessary

to move further, to a system in which responsibilities are delegated to the fishing industry itself.

One way of achieving a move away from micromanagement and simplification of fisheries regulation could be through **delegated responsibilities** via the mechanism of **sustainable fishing plans**.

### **Sustainable Fishing Plans**

The essential approach of delegated responsibility through sustainable fishing plans would be as follows:

1. Sustainable fishing plans would be developed by self-defined fishing industry groupings. Producer organisations would be well placed in this respect but similarly the kind of industry groupings that are currently organising themselves to obtain Marine Stewardship Council accreditation would, equally, be the type of grouping with the organisational capacity to develop and submit a fishing plan.
2. The sustainable fishing plan would detail how the vessels in that group will fish sustainably over a defined period, say, 3 to 5 years.
3. The plan would have to meet certain preconditions and criteria in accord with standards and principles established at European level by the Commission, Council and European Parliament
4. The plans would vary according to the specificities of the fisheries but could be expected to cover all the areas currently dealt with through prescriptive legislation such as technical conservation, quota uptake, discards reduction and seabed impact mitigation.
5. Once developed, in collaboration with fisheries scientists and possibly economists, the plans would be submitted for approval by the authorities. (member state, or regional management body, to be decided)
6. One of the key features of the plan will be an obligation to document the vessels' activities in a way that allows for periodic **audit**. This amounts to reversing the burden of proof.
7. Audits would be undertaken by the authorities to confirm that the vessels in the group are complying with the terms of their own plan
8. A system of stepped sanctions would apply to groups whose vessels failed at audit, culminating with the removal of delegated responsibilities and enforced return to the micro-management system of prescriptive rules.
9. It would be expected that a high degree of social pressure (or internal sanctions) would apply to any individual vessel operator breaking the terms of the group plan.

10. Plans would be adapted over time to take account of new circumstances.
11. Sustainable fishing plans would be a way to give effect to a genuine bottom up approach with appropriate safeguards for fisheries managers.
12. The regional management body would oversee the process of producing and implementing the plans to ensure that overall objectives for the fishery are met.

## **Implementation**

The advent of sustainable fishing plans would be an important departure for the CFP. It is fortunate therefore, that there are examples from other countries where systems similar to that described above are currently in operation.

Australia operates a system of delegated authority where fishing groups judged capable, are offered the option of taking on responsibility for their fishery. A system of graduated responsibility is in effect, through which the group can elect to take on partial or full responsibility. For those taking on responsibility, a contractual relationship between the group and the management authorities is put into place. It is possible for groups of fishermen to take on partial responsibilities as a steppingstone to full delegated responsibility. The Australian model recognises a progression through different phases: conflict, cooperation, co-management and delegated responsibility.

A move to delegated responsibility through sustainable fishing plans would be a major step for some fishermen, control authorities and fisheries managers. However, it is important to recognise that some parts of the fishing industry already undertake quota management responsibilities or other forms of co-management. Whilst some industry organisations are at present capable of moving quite rapidly to delegated responsibility, if the facility was offered, for others, there will need to be a period of capacity building. The different levels of preparedness reflect different objective conditions in each segment of the fleet and the challenges of history and geography. Capacity building would proceed more rapidly if supported by whichever financial instrument for fisheries is in place.

The prime motivation for fishermen to form groups to develop and submit sustainable fishing plans will be to escape the impact of blunt micromanagement measures, to increase the security of their investments and ultimately, to take their destinies into their own hands.

The present top down system has routinely introduced broad brush measures that have been weakened by (necessary) derogations to fit at local level. Within a regionalised CFP, legislation is made closer to the fishery and measure introduced in this way should have greater coherence from the start. In any event, adapting measures quickly when they are underperforming should be a great deal quicker without having to take into account the views of all member states. Sustainable fishing plans should take this flexibility a step further as the plans will be periodically updated in light of new information and new circumstances. Ongoing, progressive improvement to deliver sustainability and profitability would be hardwired into the system.

## **Fisheries Science**

Various fisheries science projects across Europe have demonstrated the value of fishermen and scientists collaborating to deliver improvements in data and a shared view of the stocks. Sustainable fishing plans would take this a step further as fishermen and fisheries scientists would collaborate on the design and content of the plans to ensure that each plan would meet approval preconditions. One can foresee that fisheries science would adapt to play three distinct roles in the new system:

1. Advisors in the development of fisheries plans
2. Along with control experts and others, auditors of fishing plans
3. The customary role of impartial stock assessment scientists

Whether these roles can be played by the same scientists wearing different hats or whether they have to be performed by separate individuals is for discussion.

### **A Differentiated Regime?**

The Green Paper considers a differentiated CFP which posits a clear and firm separation and between inshore and offshore fisheries. This distinction is seen as synonymous with the distinction between small scale/large scale and inshore/offshore, low impact/high catch. The reasoning behind this suggestion is that a move to a full international rights-based management system, with fully transferable fishing opportunities, would have adverse consequences for smaller fishing vessel operators because of the concentration of capital and fishing opportunities associated with such a system.

Whilst there may be circumstances in which it is possible to define a useful distinction of the type proposed, it is inconceivable that this could be done at European level, without risking extreme dislocation at the level of the fisheries. Some large vessels sometimes fish quite close to the shore, some relatively small vessels fish far outside any normal definition of "inshore". Some small, inshore vessels take up to 25% of some TACs. The catch capacity of some under 10metre vessels exceeds some over 10metre vessels by a considerable margin. This all suggests that what is classed as an "inshore" vessel varies enormously by area and by member state and so the definition of inshore/small scale/artisanal/ low impact is far from straightforward. In any event, there is a fundamental problem in positing a CFP in which decision making responsibility is devolved to regional level and then imposing broad brush measures such as a differentiated regime from the centre.

One final consideration is that experience in the UK has demonstrated that when an arbitrary line is drawn through the fishing fleets with a more relaxed regime on one side of that line, fishing effort will find ways of deploying to the operate under the favourable regime. The aim of providing additional protection for the inshore fisheries is thereby undermined by the protective measures themselves. There will be cases when a differentiated regime makes sense but this is best judged by those close to the fisheries concerned and taking all of the above points into account.

We remain committed (as indeed do all member states) to the retention of the exclusive 6 and 12 mile zones, subject to historical access rights between 6 and 12 miles. Effective and coherent management of the inshore fisheries can only really be done at member state level or sub-member state scale. We would therefore favour giving member states authority to set the terms of the management regime out to 12 miles, subject to clear mechanisms to filter out discriminatory measures.

“Light touch” management of the inshore fisheries is feasible only where there is a balance between the capacity of the fleet and the available resources and in this context both indigenous fleets and fleets operating in the inshore zone under access arrangements are very different from when the 6 and 12 mile limits were first applied.

### **TACs and Quotas, Effort Control and Relative Stability**

Leaving aside the allocatory keys for a moment, the TACs and quotas system provides a relatively effective and precise mechanism for distributing fishing opportunities between Third Countries and the EU, between different member states and between different groups of fishermen within the member states.

Certainly, the accuracy of scientific stock assessments on which TACs are based, discarding which results from a rigid application of TACs in mixed fisheries; and the monitoring and enforcement of TACs are, or have been, real problems associated with the TACs and quotas system. But it is very far from clear if any superior alternative is available.

1. Effort control would be an exceedingly blunt distributive mechanism as effort allocation would be related to the weakest species in a mixed fishery and would give rise to high grading in favour of the higher value species
2. Reciprocal negotiations with Third Countries like Norway are undertaken on the basis of quantitative limits measured in cod equivalents

Against this background, even though a minority of member states voice dissatisfaction about their relative stability shares to the extent that they would wish to scrap the whole system, it is not at all obvious that viable alternatives are available.

For our part, we would argue strongly for the retention of the TACs and quotas system and the existing allocatory keys under the principle of relative stability. We would however make the point that the system could be strengthened by making it more flexible and pliable by:

1. Streamlining the swaps and transfers arrangements to facilitate full uptake across member state and to reduce the scope for underutilisation
2. Making adjustments to the relative stability keys to reflect changing catching patterns, where there is full agreement by all the parties.

It is important to appreciate that some member states have developed quite sophisticated rights based management systems and it is imperative that these

positive experiences are built upon rather than undermined by some grandiose (and risky) pan European system of property rights.

### **CFP Objectives**

We consider that the purpose of the CFP should be something along the lines of *the catching and gathering of marine resources for the benefit of humankind in ways that do not prejudice future generations.*

If this definition is accepted and it is also accepted that an ecosystem approach is dependent on the economic and social as well as the environmental pillars of sustainability, the suggestion that the CFP should give priority to the environmental objective is misplaced and cosmetic.

### **External Waters**

The Green Paper where it discusses external waters, tends to focus almost exclusively upon the Southern partnership agreements. It is therefore worth underlining that the most significant agreement in economic terms for the EU is the annual reciprocal agreement with Norway. In terms of effective management of joint stocks and access to valuable fishing opportunities within the Norwegian exclusive economic zone it is extremely important that sufficient resources are allocated to the successful negotiation of mutually acceptable arrangements.

### **Conclusion**

We agree that the opportunity provided by this reform should be taken to set the CFP on a different track. A move away from the over-centralised micromanagement system that has characterised the CFP to date is a prerequisite for a CFP that is responsive, adaptive and relevant and that is characterised by a high degree of compliance.

Regional management bodies with, at the very minimum *de facto* management responsibilities, should be established and micro-management should be incrementally replaced through delegated responsibilities and the fishing industry's sustainable fishing plans.