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Europe's New Common Fisheries Policy

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In December 2002, the EU Fisheries Council agreed on the new Common Fisheries Policy (CFP). The new measures, which entered into force on 1 January 2003, have replaced the rules which governed the CFP since 1993. The previous CFP was responsible for massive overfishing and destruction of the marine environment. Through its European Fisheries Campaign, the World-wide fund for nature (WWF) worked hard throughout 2002 to ensure that the new policy would stop overfishing and protect the marine environment. While the new CFP has responded to many demands of WWF and other environmental groups and provides a more comprehensive legal basis for the management of EU fisheries it does not fully address the issue of overcapacity and other important areas, such as fishing agreements with third countries, have yet to be dealt with.

The Common Fisheries Policy (CFP)

The CFP is the European Union's instrument for the management of fisheries and aquaculture. Although, common measures in the fishing sector date from 1970, the first CFP per se was established in 1983. The CFP covers four main areas:

1. Conservation – the CFP policy sets out to protect EU fish resources. The old CFP regulated the size of catch through TACs (Total Allowable Catch) decided by the Fisheries Council each year and by setting technical measures for fishing equipment to avoid the capture of young fish.
2. Structures - The CFP funds the development of the fleet and on-shore facilities. Fleet restructuring was planned within Multi-Annual Guidance Programmes (MAGPs) which set targets for the reduction of the fishing capacity of each Member State fleet. Under the 2000-2006 Financial Instrument for Fisheries Guidance (FIFG) some 460.6 million Euro has been earmarked for fleet renewal and modernisation.
3. Markets – the CFP maintains a common organisation of the market in fish products matching supply and demand for the benefit of both producers and consumers;
4. Relations with the outside world - Fishing rights for EU vessels under “Access Agreements” have been negotiated with many non-Community countries under the auspices of the CFP. The Community is also involved in negotiations with international organisations and regional fisheries organisations.

By the late 1990s it had become clear that the CFP was not working. Stocks have been in decline since the early 1970s and an assessment of EU fish stocks in 1999 found that 67% were overfished. One of the fundamental problems of the CFP was the mechanism for setting Total Allowable Catches (TACs). These were negotiated each year between the fisheries ministers of

Member States. Although the Commission proposed quotas to the ministers based on scientific advice, the national interests of fishing fleets often took precedent over the principle of sustainable use for the common good. Ministers frequently set TACs that were too high for the stocks involved leading to overfishing and ultimately to the collapse of some stocks. .

The second big problem with the old CFP was the subsidies for new boats which led to the continuous increase of fleet capacity despite diminishing resources. The EU fleet is estimated to be 40% too big for available fish stocks. For some fisheries overcapacity is as high as 60%. Again the national interest went against the common good with Member States arguing against efforts to reduce fleet capacity. For example, for MAGP IV (1997-2001) the Commission proposed a capacity reduction of 15% but the EU governments negotiated this figure down to 3%. The Commission has since concluded that it is "likely that the real level of effective fishing effort has increased since the beginning of the MAGP IV."

By the 1990s high quotas and overcapacity had pushed EU fisheries into crisis. Between 1990 and 1998, the catching sector shed 60,000 jobs or 22% of its workforce and the processing sector declined by 14%.

The Commission's Reform Proposals

The need for reform of the CFP was laid out in the European Commission's Green Paper published in March 2001. The paper said that the policy had "not delivered sustainable exploitation of fisheries resources" and would need to be changed if it were to do so. The Commission's main criticisms of the policy (views largely shared with WWF and other environmental groups) were that many fish stocks had been pushed outside safe biological limits and were in danger of collapsing while the fishing capacity of the EU fleet far exceeded the level required to harvest fish sustainably.

With the publication of the Green Paper in 2001 the Commission embarked on a year long round of consultations with Member States and the fisheries sector which led to the development of the "Roadmap" for the reform of the CFP, released in May 2002. The Commission proposed a more coherent fisheries management system based on the sustainable management of fish stocks and the wider marine environment.

The new policy set out to ensure a balance between fishing effort and resource availability. Subsidies for building new boats would be eliminated and monies saved would be spent on scrapping vessels and 'social measures' to help fishermen leaving the industry to retrain for alternative employment.

Instead of the annual 'horse trading' between Fisheries Ministers to set TACs, the Commission proposed long term, or 'multi-annual' management plans which would set approximate catch levels several years in advance. The plans would reduce the risk of stock collapse while ensuring greater stability for the industry by allowing fishermen to plan for future years. The multi-annual management plans would also establish the desirable fishing effort for any given fleet, or region, based on the scientific assessment of stocks. This would mean cutting fishing effort in some regions by as much as 30-60% which the Commission estimated would lead to the withdrawal of 8,600 vessels from the EU fleet.

The Commission also proposed setting up Regional Advisory Councils. The councils would bring together fishermen and all other relevant stakeholders at the regional and local levels. The Councils would submit suggestions to the Commission and the Member States on matters relating to fisheries management and would express an opinion on proposals that relate directly to the area concerned. These Councils would also be consulted by Member States before establishing measures within their territorial 12-mile zones.

The Commission's proposals were broadly supported by the northern Member States and environmental groups but were strongly opposed by the six 'southern' states: France, Greece, Ireland, Italy, Portugal and Spain. Between May and December 2002 the six 'Friends of Fishing' states led by France did their best to maintain subsidies for new boats. Despite differences between Member States over subsidies for new vessels, all states appeared to oppose additional responsibility for fisheries management being given to the Commission especially in regard to setting catch levels under multi-annual management plans.

The New Common Fisheries Policy

In December 2002, the Fisheries Council reached agreement on the three legislative CFP reform proposals, concerning the conservation and sustainable exploitation of fisheries resources (Regulation 2371/2002), adaptation of the allocation of structural aid under the Financial Instrument for Fisheries Guidance (Regulation 2369/2002), and emergency aid to support vessel decommissioning (Regulation 2370/2002). In summary the major changes to the CFP brought in by the new regulations were:

1. the incorporation of a more ecosystem-based approach to fisheries management;
2. the abolition of public aid for building new fishing boats after the end of 2004 and tougher conditions for subsidies for the modernisation of boats;
3. increased premiums for the scrapping of vessels in order to achieve additional reductions in fishing effort resulting from recovery plans; and
4. the adoption of a number of action plans to integrate environmental protection into the new CFP and deal with specific issues such as bycatch and illegal fishing.

The Ecosystem-based Approach

From January 2003 the 'basic CFP Regulation' (3760/92) was replaced by a new Regulation on conservation and sustainable exploitation of fisheries resource (2371/2002). The new framework Regulation is more comprehensive than its predecessor, covering a larger range of issues than previously dealt with under the CFP and setting broader objectives. It aims for sustainable use, more long-term resource management and greater coherence with other EU policies. However, it does not address international relations.

The new Regulation provides a legal basis for measures to reduce negative impacts on the environment as well as for multi-annual recovery and management plans. Application of the

precautionary approach is laid down in the objectives together with progressive implementation of the ecosystem-based approach to management.

While the new Regulation offers greater scope for the sustainable exploitation of fish stocks and the conservation of the marine environment it has a number of setbacks. Firstly, although multi-annual management plans have been adopted in principle, they will only be compulsory as “recovery plans” for endangered stocks. Also the limitations on fishing effort in these plans must be agreed by the Fisheries Council which may lead to fishing levels being set too high as ministers bow to national interests. According to the Institute for European Environmental Policy “a major setback” of the new CFP has been the “failure to delegate responsibility from annual adjustments of recovery plans and management plans, including setting subsequent catch limits, from the Council to the Commission. This was intended to put an end to the annual horse-trading over fishing quotas, which is now likely to continue.”

The new CFP also contains new elements for the enforcement of fisheries regulations, for example, remote vessel monitoring systems will be compulsory for boats over 18 meters from 2004. However, the Fisheries Council did not accept proposals to strengthen the Commission’s role in enforcing the CFP.

Building and modernisation of boats

Under the new policy public aid for new fishing boats and export of capacity will be eliminated after the end of 2004 and tougher conditions for subsidies for the modernisation of boats have been put in place. Modernisation projects continue to be eligible for aid, but will be restricted to projects involving equipment, vessel monitoring systems and safety systems. Aid should not increase tonnage, apart from improvements made above the main deck. Eligibility for aid is now conditional on compliance with fleet reference levels and updating of the national fleet register. While the abolition of subsidies is welcomed they still pose a problem to Europe’s fisheries in that aid will be available for two years, potentially enabling Member States to use up all the aid allocated to them from the period 2000-2006. Also, subsidies for fleet renewal and capacity export could be reinstated during the review of the overall EU structural funds regulation in 2006.

Reduction of Fleet Capacity

The new CFP also sets out measures to reduce fleet overcapacity. An exit/entry ratio of 1 to 1 still applies i.e. each new boat introduced to the fleet still requires the withdrawal of an equivalent sized vessel. However, for boats over 100 GT built with public aid, the ratio is 1 to 1.35 which is intended to counter ‘technological creep’. Each Member State has a national reference level identified under the previous fleet management programme (MAGP IV) which will be reduced as public aid is used to scrap vessels. States that use aid to build new boats will see their reference level reduced by 3%.

In addition to effort limitation under Recovery plans, the new CFP has an additional emergency measure for scrapping vessels (EC 2370/2002) which will make an extra 32 million Euro available for decommissioning boats. In addition an increased percentage of EU funding (20%) will be available for decommissioning. However, this aid will only become available where

recovery plans call for a 25% or greater effort reduction. Hopefully this measure will prove to be an incentive for decommissioning.

Action Plans for Environmental Protection

As part of CFP reform, various 'Community Action Plans' were adopted in 2002. These plans aim to reduce the impact of fishing activities on marine habitats and species and reinforce the ecosystem-approach. However, the action plans are voluntary and Member States are not obliged to implement them. The following Community Action Plans were adopted and implementation is scheduled for 2003:

- integration of environmental protection requirements into the CFP;
- eradication of illegal, unreported and unregulated fishing (IUU);
- reduction of discards of fish; and
- fisheries management in the Mediterranean.

In conclusion, the 2002 reform of the Common Fisheries Policy has established a more comprehensive legal basis for management of EU fisheries. The greatest improvements have been made in the environmental area, with the new basic regulation providing a clear legal basis for measures intended to reduce the negative impacts of fishing on the marine environment. The precautionary approach is now one of the basic principles of the CFP and the aim has been set for application of ecosystem-based management rather than management on a stock-by-stock basis.

Substantial improvements have also been made in the area of subsidies, in particular the end of funding for new builds and export of capacity by 2005, and the additional economic incentives created to bring capacity down by scrapping vessels. However, the issue of overcapacity, by many seen as the key obstacle to any substantial improvements in the state of the resources, has not been resolved in a convincing way. Any real reduction will depend heavily on the content of the future recovery plans and the will of the Council to introduce effort limitations - something that has already proved to be highly contentious. Other important areas, such as fishing agreements with third countries, have yet to be dealt with.

References

CFP Reform 2002 Assessing the 2002 Reforms, the Institute for European Environmental Policy (IEEP) Briefing No. 10, January 2003.