



European Commission

The Common Fisheries Policy

A USER'S GUIDE



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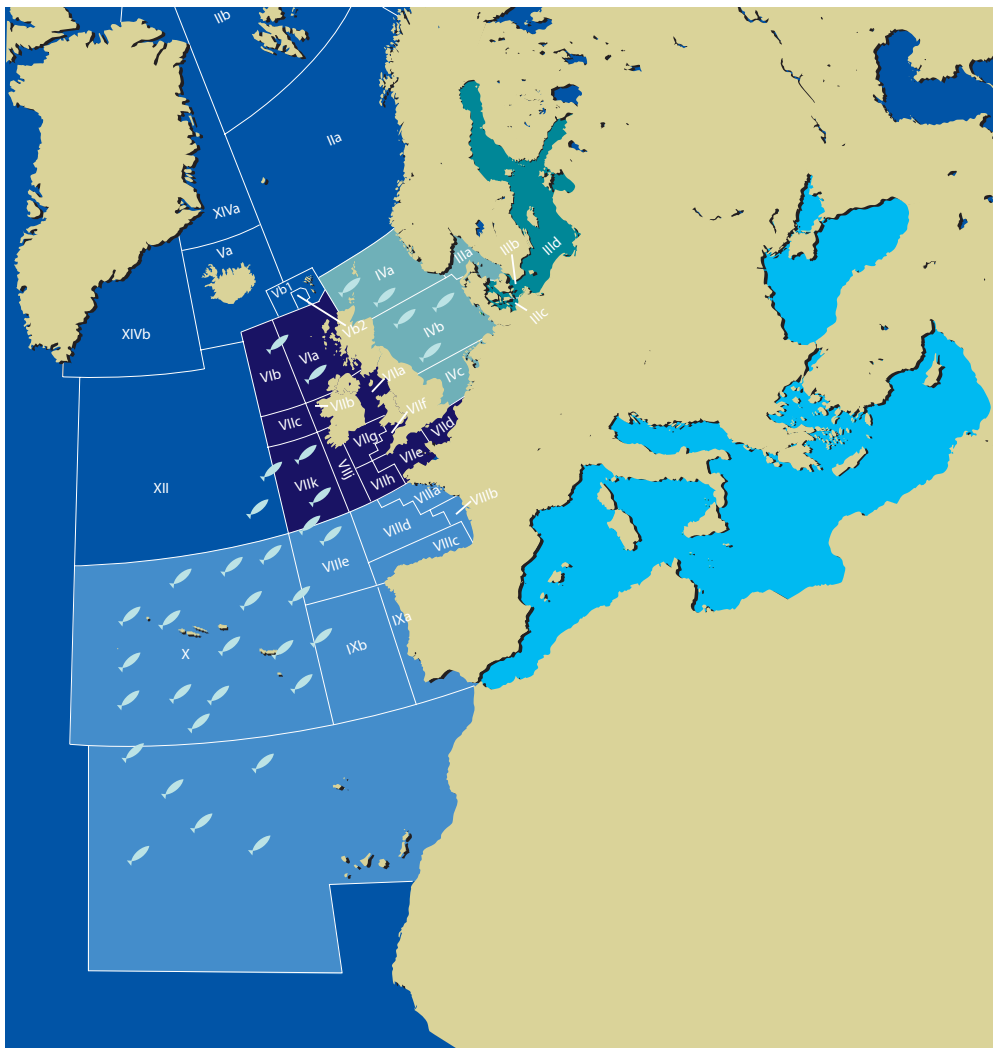
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Fishing areas in the EU



There are seven Regional Advisory Councils under the CFP. Five are based on geographically and biologically coherent zones. The two others are based on the exploitation of certain stocks: pelagic stocks in Community waters (except in the Mediterranean and Baltic Seas), and high-sea fisheries outside Community waters.

- Baltic Sea RAC (IIIb, c, d)
- Mediterranean RAC
- North Sea RAC (IV, IIIa)
- North-western Waters RAC (Vb (Community waters), VI, VII)
- South-western Waters RAC (VIII, IX, X, 34.1.1, 34.1.2, 34.2)
- Pelagic Stocks RAC
- High-sea RAC

- I Barents Sea
- IIa Norwegian Sea
- IIb Spitzbergen and Bear Island
- IIIa Skagerrak and Kattegat
- IIIb Sound
- IIIc Belt
- IIId Baltic Sea
- IVa Northern North Sea
- IVb Central North Sea
- IVc Southern North Sea
- Va Iceland
- Vb Faroes

- VIa West Scotland (Clyde stock)
- VIb Rockall
- VIIa Irish Sea
- VIIb West Ireland
- VIIc Porcupine Bank
- VIIId Eastern English Channel
- VIIe Western English Channel
- VIIIf Bristol Channel
- VIIg South-east Ireland
- VIIh Little Sole
- VIIj Great Sole
- VIIk West Great Sole

- VIIIa South Brittany
- VIIIb South Biscay
- VIIIc North and North-west Spain
- VIIId Central Biscay
- VIIIe West Biscay
- IXa Portuguese coast
- IXb West Portugal
- X Azores
- XII North Azores
- XIVa East Greenland
- XIVb South-east Greenland

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Preface by Commissioner Borg: Redefining the Common Fisheries Policy for the



The story of the European Union is one of unity in diversity. The EU provides its Member States with the means to pool their influence, and present a united position in the world on matters of great importance to our peace, prosperity and economic well-being. But it does so without flattening out the differences between its Member States and its regions: instead, it seeks to preserve the diversity of their cultures and their traditions.

The same is true of the Common Fisheries Policy. The EU fishing industry is one of the most varied in the world. The European fleet ranges from the factory trawler fishing for Arctic cod in a force nine gale to the 30-foot longliner catching sardines in calm waters a few miles from the Adriatic coast, and the purse seiner chasing tuna through the tropical heat of the Indian Ocean. The Common Fisheries Policy has to get the measure of a sector which extends from the private recreational fisherman at one extreme, to multi-million-euro listed companies at the other, and which covers the entire market chain, from the point of capture, through landing, transport, processing and distribution, to final sale.

I believe that we have every reason to preserve this diversity as we move into the 21st century. Fishing is not only an economic activity, it is also a way of life. Closely tied to the unique characteristics of different marine ecosystems, it is central to the identity and prosperity of many coastal communities.

Yet that prosperity now faces many challenges. While fish and fish products are today more widely consumed across Europe than ever before, the new techniques and commercial structures which have made it possible to meet that growth in demand have also led to a massive increase in fishing pressure in European waters. As a result, many fish stocks are over-exploited, and the ecosystems of which they are an integral part are under threat.

This is not a uniquely European phenomenon. The fishing industry is now a truly globalised business, and a similar pattern of events can be observed throughout the world. But it is also a European problem, and a European solution can help to meet the challenge of restoring the industry to sustainable profitability, while preserving the diversity and vitality of our fishing cultures and communities.

In doing so, we ought to remember one important characteristic of the Common Fisheries Policy. Its aim has never been to impose a one-size-fits-all model of how Europe's fishing industries should be run. Instead, it seeks to establish the basic framework within which diversity can be cultivated and conflict forestalled, on the basis of a number of common principles. Launched in the 1970s to prevent and resolve disputes between the EU Member States over how to share resources, it now functions as the forum to define a common baseline for sustainable fishing and for allocating funds to support the goals the EU and its Member States have chosen.

The Common Fisheries Policy therefore does not represent a fixed body of rules. It is rather a work in progress that has to adapt to changing biological and political circumstances. All major decisions in this context are taken by Member States' governments in Council after consultation with the Members of the European Parliament. Every measure proposed is based on substantial input from independent experts and stakeholders' representatives.

When I was appointed European Commissioner for Fisheries in 2004, the Common Fisheries Policy was in a state of optimistic turmoil. A major reform had been undertaken in 2002, and many of its consequences were still being worked through. Since then, I have had the satisfaction of guiding to realisation a number of initiatives which I believe will make European fisheries more sustainable in the future than they have been in the recent past. Today, we have more stocks that are managed under long-term plans. We also have clearer biological targets for sustainability. And, above all, we have involved stakeholders more closely than ever before in the policy-making process.

Nevertheless, despite these advances, the majority of commercial fish stocks in EU waters continue to give cause for concern. In 2007, independent fisheries scientists assessed the condition of 33 of Europe's most important commercial fish stocks, and concluded that 29 (some 88 % of them) were over-fished. This compares with the situation outside the EU as

21st century

reported by the FAO, where the global average is 25 % of stocks being overfished. Yet, despite these warning signs, decisions on catch levels remain dominated by short-term thinking, and the catching capacity of the European fleet remains more than twice what is needed to harvest our own fish stocks sustainably.

This is bad news for the fish and for marine biodiversity. It is also bad news for fishers, and for all the associated industries which depend upon the wild capture sector. Shrinking catches, rising costs and the need to travel further and fish longer to catch fewer and often less valuable fish mean that, in some sectors of the industry, many boats now operate at, or close to, a loss.

Promoting aquaculture is certainly an important alternative, which deserves our full support through appropriate regulatory measures, awareness-building and market measures, as well as with the help of targeted financial support. I welcome the increasingly important role that aquaculture is playing in the EU and beyond, but it will be a long time, if ever, until it could make up the shortfall in supply.

In view of the poor situation of many fish stocks it is both justified and understandable that many people are calling for a decisive change in the way fisheries are managed, both at Member State and at European level.

In 2008 the European Commission announced its intention to launch a new root-and-branch review of the Common Fisheries Policy. The Green Paper, which is currently being prepared for publication later in 2009, will trigger a radical and wide-ranging debate with our stakeholders and citizens on how Europe's fisheries can best be managed to ensure the maximum return to society over the long run. The 2002 reform gave the Common Fisheries Policy a new fundamental orientation towards sustainability, but it did not foresee and pre-empt all the obstacles that lay in the way of achieving this goal, both at the economic and the institutional level. If we want to remove these obstacles, and create the conditions for a genuinely viable and sustainable EU fishing industry, then we need to be prepared to question every aspect of the way the current system operates.

We will also have to recognise that the fishing industry can no longer be viewed in isolation from the wider maritime seascape, in which it is one actor among many. The next reform of the Common Fisheries Policy must set it in the context of the EU's Integrated Maritime Policy, with its focus on sustainable growth in coastal regions. There are many positive feedback

loops and virtuous circles to be explored here. But we need to keep an open mind when we engage with this more joined-up approach to policy making. We also need to be aware of the new obligations which come with it, and which will impact on our fisheries sector. I believe that fisheries have a positive role to play in realising the goals of the Marine Strategy Framework Directive, which obliges Member States to ensure the good environmental status of the seas under their jurisdiction by 2021. And the benefits will not be all one way, either: the healthier our seas, the more resilient our fish stocks should be, and so the more profitable our fishing industry.

Above all, the forthcoming reform of the Common Fisheries Policy, which we are now preparing, will require the active participation of all those who may be affected by its outcome. Fisheries management in Europe, at regional, national and EU level, is increasingly driven by knowledge and advice generated from the bottom up. The review process we have launched will likewise require not only extensive consultation with stakeholders, but also broad-based public support, if it is to produce a fisheries management framework which is capable of putting the common good before narrower national and/or sectoral interests.

Against this background, I hope that this brochure will serve a double purpose. On the one hand, it spells out and explains where we are today on the road to sustainable fisheries in Europe, and how the management framework of the Common Fisheries Policy functions at present. But on the other hand, it also presents an open and frank account of the problems we still face, and the distance that still remains to be travelled.

I would warmly invite you to join us in defining the path that we will take in the future. For whether you work in the sector, campaign for its reform, or simply eat the wonderful and nourishing produce which it provides – your contribution and support will be vital in defining the future of the Common Fisheries Policy.

Joe Borg
European Commissioner
for Maritime Affairs and Fisheries

How we manage our fisheries

CHAPTER 1

The Common Fisheries Policy was formally created in 1983, but its origins date back to the early 1970s, when fisheries were originally part of the Common Agricultural Policy. Ministers' main concern in those early days was to avoid conflict between nations, at a time when many countries around the world were extending their territorial waters, until they finally created Exclusive Economic Zones (EEZs) extending 200 nautical miles from their baseline. If the nations of the European Union had simply followed this path without some form of coordination, the consequences could have been both chaotic and disastrous. Europe's fisheries were already highly 'international', with many fleets used to fishing a long way from home. To avoid the enormous disruption which the new EEZ regime could have caused, the emerging European institutions brokered a deal under which Member States agreed to grant free mutual access to each other waters, so that each nation's traditional fishing grounds and practices could be preserved.

The CFP, then, began life not as a radical exercise in supra-national regulation, but as an attempt to preserve the diversity which characterised the traditional fabric of the European industry. And the problems which it sought to resolve are, if anything, even more relevant today. Many of Europe's fleets continue to fish far from home, yet within EU waters. As a result, if the CFP did not exist, it would be necessary to invent something very much like it to deal with the complex, overlapping patterns of mutual access on which Europe's fishers depend.

The success of the policy can be measured by the fact that, a quarter of a century later, we take it for granted that fisheries disputes between Member States are settled by negotiation, not by war. Instead our focus is on the alarming decline of stocks in European waters, which is dragging the capture sector down with it. Clearly something needs to be done to reverse this trend: more than ever before, we need a European fishing industry that is both sustainable and profitable.

Of course, this is not a new problem. Over the last decade, awareness of the serious threat facing fish stocks not only in European waters, but throughout the world, has grown. Sustainable fisheries are now firmly at the top of the international fisheries agenda – including in the EU. As a result, the annual EU regulations setting Total Allowable Catches (TACs) and quotas for the most important commercial species are no longer simply a mechanism for dividing up a common resource. They are also called on to provide a comprehensive system of rules for the protection and preservation of vulnerable fish populations.

Relative stability

One of the oldest elements of the CFP is the principle of 'relative stability'. The question of how to divide fishing opportunities up into national quotas was sparked by the setting of the first catch limits affecting EU fleets by the North East Atlantic Fisheries Commission (NEAFC) in 1975. Following the Hague Declaration of 1976, Council defined the system of relative stability in 1980. The key criteria used were catches during the reference period (1973-78), preferences for certain fleets in Scotland and Ireland (and Greenland, which was then still a member of the European Community), and compensation for losses in third country waters. Relative stability was first applied in practice with the adoption of the CFP in 1983.

Under this system, Total Allowable Catches (TACs) for each fish stock are shared out between the Member States of the EU according to a fixed allocation key based on their historic catches. The purpose of relative stability is, as the term

suggests, to prevent repeated arguments over how quotas should be allocated, and to provide fishers with an environment which is stable relative to the overall state of the stock in question.

Like any attempt to manage a complex, multi-factorial situation through a formula which is relatively simple and straightforward to understand and to apply, the principle of relative stability has disadvantages as well as advantages. It is widely considered to encourage short-term decision-making and a focus on national share at the expense of common long-term interests, and some critics even go as far as to declare that it is incompatible with the EU's commitment to a single market. Nevertheless, EU Fisheries Ministers have constantly upheld the principle of relative stability as the basis of quota allocation under the CFP, and the allocation key has been adapted over the years to accommodate the rights of new Member States.

Is this asking too much? In many ways, our efforts to ensure that the interests of fishers are aligned with those of the fish are hampered by the fact that the tools at our disposal were devised in a very different context. They were designed to divide up a resource that was assumed to be both reliable and plentiful, not to manage complex and unpredictable biological systems in times of scarcity and crisis.

The industry has changed, too. The amount of capital deployed throughout the sector has multiplied many times, while technological advances have radically increased the power of fishers to catch and market fish.

The result is a system in which in many ways the incentives are the wrong way round. A system in which operators can often gain advantage by concealing information from the authorities, rather than sharing it, and in which individual interest tends to trump the common good whenever the two conflict. Add in a fleet which has the capacity to catch far in excess of the sustainable yield of our seas, and control systems in which the penalties for ignoring the rules are often so small they can be treated as 'normal' operating costs, and you have a recipe for overfishing.

A new approach is clearly needed, one which can keep the best achievements of the CFP to date, while providing new tools more clearly

focused on promoting the long-term sustainability of the European fishing industry. A first step towards this goal was taken in 2002, when the European Union undertook a major reform of the Common Fisheries Policy.

The 2002 reform process diagnosed a number of specific problems. The European fleet had grown far too large for the dwindling fish stocks in our oceans, which it was capable of catching many times over. Too many management decisions at both EU and national level were short-term measures, often taken under political pressure, and were not backed up by any coherent long-term strategy. And what regulations and rules there were were often not respected – in some cases, because they were too difficult to enforce, in others, simply because the will and means to enforce them were not there. At the core of all these failings lay a lack of trust between stakeholders and regulators, which seemed to overshadow even the successes of those parts of the CFP which clearly did work.

The 2002 reform addressed these issues in four main ways:

- It promoted greater involvement of stakeholders in all aspects of policy development, both through existing channels, and through a major new

exercise in permanent consultation – the creation of the Regional Advisory Councils (RACs);

- o Subsidies were carefully redirected to support the life of coastal communities while the industry restructures and fleet capacity is reduced: aid for the building of new capacity was discontinued, while responsibility for capacity management reverted to the Member States;
- o Regulations were simplified and streamlined across the board, to reduce the burden on both fishers and administrators, and to ensure a 'level playing field' for control and enforcement;
- o Annual decisions on TACs and quotas became increasingly subordinate to long-term strategic commitments, through the establishment of multi-annual plans.

These new principles led to a number of substantial changes in both the letter and the spirit of EU fisheries management. Many important stocks are now under long-term management plans. Some fisheries have seen significant improvements in control and enforcement, and some Member States have substantially resized their fleets to bring them more into line with the current condition of the resource.

Nevertheless, EU fisheries continue to be characterized by short-term decision-making and short-sighted behaviour. TACs continue to be set well above the levels which scientists advise are sustainable, overfishing and illegal fishing still take a substantial toll on many stocks, and many fleets are still too large for the available resources. As a result, the industry as a whole remains far less profitable than it should be. Indeed, in recent years, as the soaring price of fuel has put pressure on operators' margins, it has become blatantly obvious that the practice of putting short-term economic and social interests before long-term ecological imperatives had only ended up undermining the very economic interests which it was meant to protect.

If the European fishing industry is to survive and prosper in the 21st century, we need a fisheries management system that can help bring the economic interests of the sector back into line with society's long-term interest in healthy seas and thriving fish stocks. This may mean radical changes to the way Europe's fisheries are managed – changes which will reverse economic and institutional incentives to overfishing and replace them with a system which positively encourages good stewardship of our oceans and seas by all those who live from them. That is why the Commission will be launching in 2009 a major consultation exercise on the future of the CFP. The Commission has a legal obligation to

review the conservation and fleet elements of the CFP by 2012. But if we are really going to tackle the drivers which have brought our fish stocks to such poor condition, and undermined the profitability of the sector, then we will need to look at every aspect of the policy, and be prepared to question all our assumptions.

The main aim of this brochure is to provide a snapshot of how European fisheries policy worked at the beginning of the year 2009. But it also seeks to point out some of the unresolved problems and contradictions which will need to be addressed by any future reform of the CFP.



Healthy seas for a thriving industry

CHAPTER 2

The core principles on which the CFP currently rests are clearly stated in the legal text commonly known as the 'Basic Regulation'. Since its adoption in 2002, *Council Regulation (EC) No 2371/2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy* has provided the main legal basis for all subsequent fisheries legislation at EU level.

According to this text, agreed by the Fisheries Ministers of the 15 nations who were then members of the EU, the aim of the CFP is to promote:

- **Sustainable fisheries and aquaculture** in a
- **Healthy marine environment** which can support an
- **Economically viable industry** providing employment and opportunities for coastal communities.

The intention of the authors of this text is that these three goals should complement each other – and they do so when they are all working well. But this synergy between them depends upon a virtuous circle. Once that circle is broken, conflicts emerge between the medium- and long-term measures required to restore the ecological balance and the short-term needs of the industry to maintain profitability. The result can be some hard choices. Most often, the only way to get back into a virtuous circle is to give nature the time and space to do her work. In other words, while economic and social sustainability are core goals of the CFP, ecological sustainability is necessarily more fundamental: for it is the biological cycle of reproduction and renewal which determines whether the human activities based on it are sustainable or not. Many of the problems of the CFP come from the well-meaning but misguided belief

that, when fish stocks have been severely depleted, it should still be possible to reconcile immediate economic and environmental imperatives, without giving short-term priority to the ecological foundations on which the economic future of the fishing sector rests.

When we talk about 'conservation' in the Common Fisheries Policy, we are not talking about preserving fish in aspic, or turning the oceans into a wildlife reserve where only nature lovers and tourists are welcome. By conservation, we mean harvesting the seas' bounty sustainably, so that the resources we draw on are able to replenish themselves, and are resilient enough to withstand other external shocks over which we have little or no direct control, such as the impact of climate change. By fishing sustainably, we are choosing to leave something, not just for future generations, but for next year, too.



Partners in sustainability: stakeholders

Trust between stakeholders and fisheries managers has a vital role to play in the future of the CFP. Without active collaboration between them, even the best-drafted regulations founded on the best-researched science, and supported by carefully targeted subsidies can achieve little. Policy is only as good as its implementation. And in the final analysis, it is the people who work in the fishery who have to make that policy a reality, by adopting it fully in their daily practice.

Ensuring that these people's voices are heard is an integral part of the management framework of the CFP. Fisheries managers need to take full advantage of the expertise and experience which only stakeholders can bring. And stakeholders need to be confident that the decisions taken by the European institutions respect their real long-term interests and reflect their needs. Everyone who is involved in fishing has something to contribute – whether they crew on trawlers for a living or fish bass for pleasure at the weekend, whether they are workers in a processing factory or activists campaigning for the protection of fragile ecosystems. They may not always agree with one another, but they all have a role to play in safeguarding living marine resources and building a sustainable future for our fishing industry.

From the beginning, the Commission has always listened to the concerns of the industry, not only through the Advisory Committee on Fisheries and Aquaculture (ACFA – see box) which was set up in the early 1970s, but also through a range of *ad hoc* meetings and fora convened as necessary to address particular issues. And the creation in 2004 of the Regional Advisory Councils (RACs) takes this principle much further, giving a wide range of stakeholders a real opportunity to influence policy development on an ongoing basis.

RACs are stakeholder-led organisations: it is up to the stakeholders themselves to set them up and to run them. They are organised geographically and/or by fishery: they are seven in number – five covering the different maritime areas which surround Europe, one for the pelagic sector, whose boats range widely, and one for the long-distance fleet which fishes outside European waters.

Each RAC bring together representatives of the fisheries sector with other interest groups, such as environmental organisations, consumers, sport fishers and aquaculture producers. Their role is to advise the Commission on strategic policy decisions, drawing on the practical experience of their members in the waters and/or fisheries concerned.

A long tradition of advice

The Advisory Committee on Fisheries (and, now, also on Aquaculture – ACFA) was set up in 1971, to provide industry advice to the Commission on fisheries issues and promote an ongoing dialogue. Since then, its composition has changed several times, reflecting the evolution of the sector and of the CFP itself. Today, the Committee's 21 members are drawn from organisations representing not only the production sector, the processing industry and trade in fishery and aquaculture products, but also the interests of consumers, the environment and development. Members are appointed by the Commission on proposal from the main representative organisations at European level.

ACFA works through the Committee itself, together with four working groups made up of experts which prepare the Committee's opinions. The working groups also send representatives to attend ACFA plenaries, as does the Sectoral Dialogue Committee, which brings together the social partners.

The four working groups are:

- Group 1: Access to fisheries resources and management of fishing activities
- Group 2: Aquaculture: fish, shellfish and molluscs
- Group 3: Markets and Trade Policy
- Group 4: General questions: economics and sector analysis.

ACFA currently adopts around 7-8 opinions a year, following consultations at the request either of the Commission or of one of its members. In recent years, these opinions have dealt with almost every area of the CFP – from rights-based management tools to the European Fisheries Fund, from the Green Paper on Maritime Policy to the Commission's proposals for management plans for eels. Alongside the RACs, ACFA remains a crucial tool through which the Commission can engage in dialogue with the sector and understand stakeholders' points of view.

The RACs do not manage fisheries, though there have been calls from some quarters for them to become more directly involved in the way the CFP is run. But they nevertheless have a vital role to play, not only in creating a dialogue with the Commission, but also in engaging directly with other parties. And their regional structure, which prefigures recent developments in both the CFP (technical measures – see chapter 7) and environmental policy (Marine Strategy Directive – see chapter 15 and the fact sheet on the ecosystem approach), may provide one clue as to how Europe's fisheries could be managed more effectively in the future.

Today, the RACs provide fisheries managers from the Member States with an insight into issues which may affect their fleets, but which also go far beyond their national borders. They act as a forum in which fishers can start to work more closely with scientists, and overcome the barriers of mistrust which exist between them. And perhaps most importantly, they provide a real opportunity for stakeholders from different sectors and different countries to meet regularly to argue out their differences and discuss their common interests and problems. For the future of the European fishing industry depends upon

our ability to put conflict and suspicion behind us, and to identify and work together to realise our common interests.

In June 2007, the EU Council of Fisheries Ministers recognised the great value of the work being done by the RACs by turning the start-up funding which was set to be phased out after five years into a continuing annual allocation to support their activities.



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Taking the lead on control

The RACs are 'advisory' bodies, but they are far from purely reactive. Indeed, they provide a tool through which stakeholders can help to set the agenda under the CFP. In addition to participating in consultations launched by the Commission and responding to EU and national policy proposals, RACs may also act on their own initiative to propose solutions to problems which they feel need to be addressed.

Thus, the Baltic RAC convened a major conference on control and compliance in the Baltic Sea in Copenhagen in March 2007. This came on the back of a very negative report by the Commission's inspectors on unreported landings in the Baltic cod fishery, which confirmed scientists' suspicions that underreporting was running at rates of up to 45%. However, it was the RAC which took the lead in bringing the different parties involved together around the same table to try and thrash out a common

position on how this major problem could be resolved.

The Conference concluded that unreported landings of Baltic Sea cod had had a range of damaging effects both on the fisheries of the Baltic, and the way in which they were managed. Those present agreed that all parties should work together to eliminate unreported landings through specific concrete measures, including adjusting fishing capacity to a level more in line with the available resource, more transparent systems of national quota utilisation, more harmonised and effective control, including market controls, and the effective application of the regulations intended to provide a system of traceability.

While the debate did not eliminate all differences of opinion among the groups represented, these conclusions in themselves represent a powerful mandate from all

those involved in the future of Baltic sea fisheries to undertake real, concrete action to eliminate this major threat to the survival of Baltic cod as a commercially viable fishery. This is tangible proof of the power of the RACs to replace conflict and mistrust with dialogue that leads to the identification of common interests. It also augurs well for the future of fisheries in what is one of Europe's most fragile ecosystems. While it is too early to judge the full impact of this initiative, recent events suggest that illegal landings in the Baltic have since declined significantly.

The Baltic RAC's example was subsequently emulated by the North Sea RAC, which joined forces with the Scottish government to convene a similar meeting on control and enforcement in the North Sea in February 2008.

Partners in sustainability: Europe and its Member States

The European Commission plays a leading role in drafting EU legislation. All proposals made by the Commission are informed by scientific advice and further based on consultation with a wide range of parties, and the final form which policy takes is decided by the elected governments of the European Union, through their representatives in the Council of Fisheries Ministers and after consultation with the elected representatives in the European Parliament.

Indeed, national authorities are closely involved throughout the process of policy development. The dialogue between Commission and Council is not limited to the major ministerial meetings, but functions as a continuous consultation through the Council's working groups, where drafts are discussed and criticised, positions outlined and possible compromises defined. In this way, too, the Commission is informed not only of governments' positions, but also of the input they have in turn received from their national stakeholder groups. The Commission also consults directly with Member State experts in parallel with seeking advice

from stakeholders. This close exchange of views is essential, since it is the Member States who must finally approve any legislation which is proposed. A proposal which is not acceptable to a qualified majority of the elected governments of the EU can never be passed into law.

Even more importantly, perhaps, the Member States are responsible for the implementation and control of fisheries policy. Having established common targets through their decisions in Council, along with minimum conditions to be met, and criteria which must be respected to ensure a level playing field, each EU nation then has to determine how these basic guidelines can best be translated into practice. It is *their* fisheries administrations which decide and carry out the detailed implementation of every policy. And it is *their* authorities which have sole responsibility for control and enforcement – one of the most complicated and crucial aspects of any successful fisheries management regime.

Diversity should be a source of strength, not a weakness. That is why, within the common

ecological standards set at EU level, each Member State is free to choose the kind of national fishing industry it wants to encourage, in line with its fundamental economic choices, its social priorities and its cultural traditions. The role of the European institutions, and particularly the Commission, is not to impose a uniform industrial model, or to micro-manage tasks which can be performed far more effectively and transparently by people close to the ground, but to ensure that this freedom is not misused to distort competition and unfairly advantage the nationals of one nation with respect to others.

A further level of democratic control is provided by the European Parliament. Its members play a significant role in reviewing and amending proposed legislation, through the detailed scrutiny of the Fisheries Committee of the Parliament (and of other committees, when the issues at stake will have an impact beyond the fisheries domain), and the subsequent debates in plenary session.



In addition to the Parliament, the Economic and Social Committee and the Committee of the Regions also receive all legislative proposals tabled by the Commission, and have the opportunity to provide an opinion on them. Proposals are also communicated to national and regional parliaments in all 27 Member States, and there are strict minimum time limits in the EU legislative process which are specifically designed to allow time for the elected members of these bodies to consult and provide guidelines to their governments on how they should negotiate on their behalf in Council.

The CFP, then, is best conceived not as a rigid bureaucratic straightjacket laid down by 'Brussels', but as a collaborative work in progress, in which stakeholders, administrators and elected politicians from throughout Europe work together to lay down management measures which are both scientifically defensible and politically feasible. The Commission is just one actor in this process. In the future, it is quite possible we will see further radical simplification of the fisheries management framework at EU level, and even greater delegation of responsibility to the regional and national levels.

However, the Commission does have one very specific role in which it acts on its own initiative, and without consulting the other institutions. As guardian of the European Treaties, the Commission is responsible for ensuring that EU law is applied correctly and fairly across the European Union, and that failures to do so do not result in the citizens of one Member State being discriminated against by having to comply with conditions which are not imposed on others. One of the main complaints made by stakeholders against the CFP is that it does not result in

Decision-making in an enlarged Europe

Qualified majority voting (QMV) is a system which is intended to ensure that the decisions taken by the Member States' Ministers in Council are legitimate in the eyes of the citizens of Europe. This means that instead of simply allocating one vote to each state, irrespective of their size, the votes which each Member State holds are weighted to reflect their demographic status. As a result, following the most recent enlargement of the Union on 1 January 2007, there are now a total of 345 votes. The Member States with the largest populations have 27-29 votes, the medium-sized countries have 7-14 votes and the small countries 3 or 4 votes.

Today, 255 votes are required for a qualified majority. This means that every decision taken by QMV represents the choice of both a majority of the Member States, and more than 62% of the population of the EU as a whole. If there is any doubt, any Member State may request verification that the 62% threshold has indeed been met. If this is not the case, then the decision is not carried.

QMV replaced the earlier system of unanimous decision-taking, which was used during the early days of the EU, when there were only a handful of Member States.

a level playing field in practice. The Commission thus has a vital role to play in ensuring that, once the Member States have agreed on a policy, they all live up to that commitment equally.

At present, the Commission has the power to launch proceedings against the Member States before the European Court of Justice if they fail to implement the CFP correctly. Recent criticism of control and enforcement of the CFP by, among others, the EU Court of Auditors, raises the question whether the Commission's powers in this particular domain should not be increased, so that it is able to act in a more timely and effective manner to safeguard sustainable fisheries. This will be one issue that is likely to be the subject of considerable debate during the preparation of the next reform of the CFP.

Partners in sustainability: scientists

Any stock of wild seafish is just one part of a complex biological system, whose behaviour is necessarily difficult to predict. So many factors come together to determine how a stock is distributed, and how successfully it reproduces, that there can be few certainties about its future evolution. And the factors involved are becoming more complex, not less, under the impact of technological progress – from the innovative gear and sophisticated fish-tracking equipment used by some commercial fishers, to the broader impacts of marine pollution, coastal development and even global warming. Indeed, the pace and scale of such changes is part of what makes it so hard for marine science to track and model the living systems which make up our oceans.

Fishers have a great deal of knowledge about how fish stocks behave – a kind of knowledge which it is difficult to acquire in any other way. It is vital that fisheries managers draw on this experience when formulating conservation policy. But while they know many things which escape other observers, fishers see only one part of what is going on in the oceans. The full meaning of their experience only emerges when it is placed in a broader context – not only that of other boats and other fisheries, but also that provided by the scientific disciplines which study the dynamic ecosystems hidden beneath the surface of our seas.

Independent advice

The European Commission's Scientific, Technical and Economic Committee for Fisheries (STECF) was established in 1993 (Commission Decision No 93/619/EC) and renewed in 2005 (Commission Decision No 2005/629/EC).

The main objectives of the STEFC are

- To improve the quality of policy decisions and to speed up the decision-making process;
- To provide rapid response mechanisms to urgent political needs; and
- To promote the participation of researchers in the policy arena.

STECF produces an annual report on the current status of fisheries resources and their future potential, which is used as the basis for setting annual TACs and quotas. It can also be called on at any time to comment on fisheries proposals and data and advise the Commission on the best course of action in specific cases. Thus STECF plays a leading role in helping the Commission to formulate policies ranging from long-term plans to emergency closures, by providing an authoritative and highly

targeted scientific opinion which goes well beyond the purely biological dimension and can be made available at short notice.

It also provides extensive economic and social advice, not only on the impact of policy proposals, but also as a support for better management (for instance, on the impact of discarding), or on fleet dynamics and economic performance.

The Committee reports to the Commission and its members are nominated by the Commission from highly qualified personnel in the scientific, technological and economic fields. In many cases, especially for biological scientists and gear technologists, the members of STECF are also members of working groups and other groups within ICES (see box p. 14). STECF cannot, therefore, act as a body completely independent of the ICES system. But it does provide a genuine second opinion on advice received from ICES, and often gives a dissenting opinion on either the analysis proposed by ICES, or the conclusions drawn from them.



Until recently, fishers and scientists tended to inhabit two different worlds, and often viewed each other with suspicion. But recent years have seen these barriers begin to break down. This is a crucial step towards more sustainable fisheries in Europe. There are far more fishers spending far more time at sea than there will ever be marine biologists. Scientists need to leverage the wealth of insight which fishers' experience can provide; fishers need to understand how scientists reach their conclusions. Only then will both sides feel able to trust both the results of this research, and the fisheries policies which rest on it.

The Commission receives scientific advice on EU fisheries from its Scientific, Technical and Economic Committee for Fisheries (STECF – see box p. 13). STECF is composed of independent scientists and experts representing a broad range of opinion, and is systematically consulted before any proposals are drafted. Nor is STECF's role limited to the strictly scientific – its membership includes experts on economic and social issues, as well.

On biological issues, STECF depends to a great extent on advice from the International Council for the Exploration of the Sea (ICES – see box) for the North-East Atlantic, North Sea and Baltic Sea. (STECF also provides advice, where necessary in association with national researchers and *ad hoc* consultation groups, for fisheries in the Mediterranean and the Black Sea, which ICES does not cover.) The advice provided by ICES includes the stock assessments and deeper analysis on which the Commission bases both its annual recommendations for setting TACs and quotas, and more long-term proposals on how fisheries in European waters can be managed

Exploring the sea

Founded in 1902, the International Council for the Exploration of the Sea (ICES) brings together more than 1 600 marine scientists from 20 countries to coordinate and promote research into the ecosystems of the North Atlantic. As such, it is the main provider of scientific advice to the governments and regional organisations responsible for managing fisheries in the North Atlantic and adjacent areas (including the North Sea and the Baltic Sea).

With its permanent secretariat in Copenhagen, Denmark, the bulk of ICES's work is carried out through more than 100 working groups, each dedicated to a specific topic of research. The conclusions of the working groups which work on stock assessment

are then fed into the deliberations of the Advisory Committee (ACOM), which meets regularly throughout the year, virtually or in the flesh, in order to review and approve the final recommendations.

ACOM provides regular advice on the harvesting of around 135 species of fish and shellfish in the North Atlantic area. To do so, it draws on a wide range of data – including, increasingly, information provided by fishers themselves.

All ICES advice, along with the studies on which it is based, is published, and can be accessed easily via the Council's internet site at www.ices.dk.

sustainably. Nor does ICES restrict itself to simply analysing the condition of specific fish stocks; increasingly, it provides a great deal of integrated advice at ecosystem level, in support of the shift towards a more holistic approach to managing Europe's seas (see further chapter 15 below).

ICES works by comparing and cross-referencing data acquired in different ways from a range of sources. Some of the information is provided by fishers, some comes from dedicated research cruises, and some is provided by the fisheries authorities in the ICES member states. All the European states have major sampling and data collection programmes in

place to evaluate catches and landings specifically for research purposes. And the EU directly supports these programmes through its Data Collection Regulation.

STECF's work is essential to ensure that all the Commission's proposals are based on sound data and sound reasoning. But while scientific and technical knowledge must guard its independence, it cannot be isolated from broader issues. That is why advice from ICES and/or STECF is systematically shared with the RACs and ACFA for them to discuss and comment on.

Funding data

The EU is not simply a user of fisheries science, but a major facilitator and funder of research in all domains connected with fisheries and the seas. This funding is provided through two main channels: support for national fisheries data collection programmes, along with associated studies; and financing for advanced EU-level research projects managed under the Research Framework Programme (see fact sheet on fisheries research).

Data collection may sound like a fairly basic task, but in fisheries it can be both a complex and an expensive business. As part of the core functioning of the CFP, the EU defines the biological and economic data which the Member States must provide to support the scientific advice process. (Scientific data is collected entirely independently of the catch data which Member States must supply to the Commission for the management of TACs and quotas).

Since 2001, the EU also provides substantial financial support for national data collection programmes. Under the first Data Collection framework, which ran from 2000 to 2008, the EU provided about EUR 30 million per year in financial support. A new framework covering the period 2009 to 2013 has now raised the total EU spend to around EUR 50 million a year.

The new Regulation extends the range of the national programmes supported in line with the new requirements created by the reform of the CFP. This means, specifically, launching work in the following fields:

- Fleet-based management;
- The ecosystem approach;
- Regional approaches to fisheries management; and
- Improving access to data.

Moreover, the new Regulation provides support not just for the physical collection of data, but for the whole process from collection through to processing, analysis and advice. Previously, access for scientists was limited to aggregate data, which was a severe obstacle to their studies. The new Regulation establishes clear rules for the transmission of data, and thus ensures that scientists now have much broader access to the data collected both under this regulation and through other instruments (for example, VMS data). Detailed data can now be made available, on certain conditions, not only for the purpose of elaborating scientific advice to fisheries managers, but also to inform debate with stakeholders and for use in scientific publications. The rules also ensure that proper measures are in place to protect the privacy of all the parties concerned. By making this basic data more widely available, the EU has taken an important step towards improving the level of debate on fisheries management, and opening it to a wider range of actors and opinions.

Planning for the long term

In the past, the lynch pin of the CFP was the annual exercise of setting TACs and quotas. Fisheries Ministers from the Member States would meet in Council in late December, just before the Christmas break, and argue long into the night over how many tons of haddock or sand eel each of them would be able to take away.

While this system worked well when it was simply a way of allocating fishing possibilities between the Member States, it is not the best way to tackle the major conservation challenges which increasingly face the EU. The industry complains that the annual 'horse-trading' simply adds another layer of uncertainty to an already highly unpredictable trade, as quotas are shrunk or expanded in the light of the latest scientific advice; while scientists and environmentalists argue that sustainability will never be achieved without setting long-term goals and sticking to them.

A first step away from short-term decision-making has already been made with the shift towards management by multi-annual plan, based on coherent long-term targets. These plans are designed to ensure sustainable exploitation and, where necessary, to assist recovery from near-collapse. They approach these tasks in a graduated way, so as to avoid excessive economic and social disruption where the state of the stock is not critical. Building on its earlier experience of long-term management arrangements for stocks shared with Norway and in the Baltic Sea, the EU adopted its own first long-term plans in 2003, for the recovery of northern hake and of certain major commercial cod stocks. These include the symbolic North Sea cod stock, which was until recently highly popular with consumers in northern Europe, and which scientists feared may be close to collapse.

Since then, the principle of long-term management based on clearly defined biological targets and accompanying measures has been extended to cover a number of major commercial fish stocks, and the Commission regularly schedules new proposals. The aim is to see all the most important EU stocks under multi-annual management arrangements. This includes species which spend part of their life cycle in freshwater, such as eel and salmon, and short-lived species, such as anchovy, whose abundance is highly dependent on the number of young fish entering the stock each spring. It may seem paradoxical to talk about long-term planning for stocks made up of individuals that live for only a few years. But even fisheries where the number of fish in the stock can and do vary so dramatically from year to year will benefit from stable parameters for decision-making,

Going over the top

In its 2007 annual Policy Statement on fishing opportunities, the Commission reviewed the evolution of both scientific advice, and the catch limits adopted by Council, since 2002. The conclusions were clear: the number of stocks 'at risk' showed little sign of improvement, with around four fifths of stocks outside safe biological limits. This is hardly surprising, since the TACs set each year have remained consistently well above the levels advised by scientists (in excess of 40%, on average) throughout the same period. As a result, all attempts to bring stocks back to optimal health and productivity were being severely hampered, if not made impossible.

In the Commission's own words, short-term decision-making has led to 'very small decreases in the impact of fishing. Only three stocks under TACs (North Sea haddock, North Sea saithe and megrims in the Bay of Biscay) are exploited consistently with the commitments made at the UN World Summit on Sustainable Development in Johannesburg in 2002 about Maximum Sustainable Yield. Continuing to set TACs at much higher levels than advised means that fisheries have been taking a high risk. And all the more so as many of these TACs are substantially over-shot due to insufficient enforcement.'

Communication from the Commission to the Council. Fishing Opportunities for 2008. Policy Statement from the European Commission, COM(2007) 295 final.

that will help provide fishers with the minimum visibility they need for forward planning.

Instead of constantly revisiting the political argument over how to respond to scientific advice, multi-annual plans provide simple rules defining how scientists' stock estimates are to be translated into fishing possibilities for the coming year. This not only provides a strong element of predictability from year to year, but also means there is more time for in-depth consultation and debate on underlying principles while the plan is being set up. The result is a process which is both more transparent and more likely to lead in time towards the emergence of a genuine consensus on how to manage Europe's fisheries sustainably.

Long-term plans have also strengthened the role which effort limitation plays in EU fisheries. Limiting the days which vessels can spend at sea is now a systematic element in all long-term plans, and provides an additional form of leverage through which to reduce fishing pressure on sensitive stocks. However, a number of studies show that the impact of the current days-at-sea system may itself be limited (see box p. 16). The Commission is therefore looking at alternative ways to measure and reduce fishing pressure during times of overcapacity in the fleet.

The long-term approach to stock management is also in line with the commitment made by the European Member States at the 2002 Johannesburg World Summit on

Long-term principles

The detail of the multi-annual plans proposed by the Commission vary from one stock to another, but they all share certain core principles:

- they set harvest control rules for the stock, based on clear quantifiable biological targets, and a graduated approach to achieving them over time;
- they usually limit the maximum year-on-year variation in TACs to 15% in either direction, unless there is an imminent risk of the stock collapsing, so as to provide a minimum stability for the industry; and
- TACs and quotas are accompanied by a scheme to limit effort in line with annual changes in fishing possibilities.

Following recent advice from STECF, the Commission now proposes that the limits on year-on-year variation in TAC be made more flexible in 2009, to allow both for more effective action for stocks at risk of collapse, and for fishers to reap greater benefits in the case where a stock is clearly thriving.

Sustainable Development to bring all European fish stocks to a state where they can produce at Maximum Sustainable Yield (MSY) by 2015. In 2006 the Commission launched a debate on how this commitment could best be implemented within the Common Fisheries Policy. Multi-annual plans already incorporate two features which are essential to any MSY-type approach: targets which are set in terms of fishing mortality rates (i.e. the rate at which fish are being removed from the stock by fishing), and a truly long-term perspective which respects the right of future generations to benefit from the bounty of the sea as much as we do.

Multi-annual plans are not a panacea, though they can work when they are properly implemented. Witness the northern hake stock, which was in need of recovery in 2003. The stock is now in such good condition, that 2008 saw the Commission propose a long-term management plan to replace the present recovery plan.

However, critics still point to a contradiction between the long-term perspective of such plans, and other features of the institutional framework which continue to encourage short-term thinking and decision-making by both politicians and stakeholders. In particular, questions of principle and operational details are still too often lumped together in a single decision-making procedure, in which the latter can easily come to dominate the former. That is why the Commission continues to reflect on how institutional incentives can be best aligned with the long-term sustainable development of the fishing industry.

Other avenues need to be explored in parallel, including shifting more responsibility for ensuring sustainable use of resources away from the public authorities, and on to the industry itself. One example of such 'results-based' management is the EU's new policy to eliminate discarding in EU fisheries which was launched in 2007 (see fact sheet on discards).

Wasted effort?

Under the CFP, fishing effort limitations are currently set for western waters, deep sea stocks and stocks under long-term and multi-annual management plans.

According to national data provided to the STECF, the overall fishing effort deployed in 2005, compared to 2000, had fallen by 15% in the Kattegat, by about 20% in the North Sea, Skagerrak and eastern Channel, by about 35% to the West of Scotland and by a similar amount in the Irish Sea.

At the same time changes in fishing gear, such as greater recourse to large-mesh trawls (over 100 mm), have also reduced overall fishing effort. To some extent, however, this has been offset by an increase in the effort deployed using smaller-mesh gear (70-89 mm) which may have caused more small cod to be caught.

However, the Commission believes that the declining effort which has been witnessed may not be entirely linked to the policy of reducing the number of days

vessels may put to sea. The decreases began well before these limits were introduced and no significant change in the rate of decline was noticed when the restrictions were introduced. Indeed, according to national data, only 72% of the fishing effort allowed was actually deployed in 2006, indicating that in general, reductions in fleet activity are largely due to non-regulatory factors.

This suggests that the contribution of days-at-sea limits to stock recovery remains limited. The system has proved difficult to manage for both Member States and the Commission. It has been criticised as overcomplicated, non-transparent and difficult to monitor. There is also a problem of overlap between different effort regimes.

Despite these reservations, the effort management system has at least led to a much a better understanding of the way the fishing fleet operates, and may serve as a basis for devising more effective management tools in the future.



Technical measures, targeted regulations

A fishing expedition is a complex operation, which involves a whole chain of choices by skipper and crew. Which fishing ground should be targeted today? What will the sea conditions and the weather be like? Which stocks are likely to be met with at this season? And which of these offer the best potential catch?

The decisions which the skipper makes will determine whether his boat returns home on time, safely, with a profitable catch and a contented crew. At the core of these decisions is the need to target the vessel's fishing activities so as to maximise returns and minimise costs. This is not a simple decision, but it is implicit at every stage, from charting the course to be taken as the boat leaves port, to deciding which kind of gear to use, how to set it, and when to haul the nets.

The choices which fishers make also have important consequences beyond the success or failure of any particular fishing trip. If they catch lots of fish belonging to species for which they have no quota, or which are too small to be landed and marketed, they will have to throw them back into the sea, even though they know that many of them will not survive. The result is pure waste – the

destruction without benefit of any kind of the very resources on which the fishery depends for its future. If, on the other hand, they catch lots of marketable fish, but do so only by dragging nets weighed down by heavy metal bars through fragile ecosystems, such as coral reefs or thermal vents, then they may unwittingly destroy the irreplaceable environment which nurtures the fish stocks on which they themselves depend.

In both ways, careless and crude fishing methods can jeopardise the livelihoods of other fishers, and compromise the future of the industry. That is why the CFP does not simply lay down rules which limit the *quantity* of what fishers can catch to what the underlying biological systems can sustainably provide. It also provides a *qualitative* framework to protect fish stocks and the ecosystems in which they live, by encouraging certain kinds of fishing practice, and discouraging, or banning, others.

These qualitative rules are collectively known as *technical measures*. This term embraces a wide and varied range of measures many of which may at first sight appear to have little to do with one another. Some of the main types of measure used include:

- minimum mesh sizes for nets;
- closed areas and seasons;
- minimum landing sizes;
- limits on by-catches as a percentage of total catch; and
- incentives to adopt specific kinds of fishing gear which have been shown to reduce by-catch of unwanted organisms.

What they all have in common, however, is that they oblige, or encourage, fishers to be more *selective* in the way they go about trying to catch fish. In other words, they guide and channel fishing effort, so that it is applied in ways which both maximise the economic return to fishers, and minimise unwanted damage to the common resource on which all fishers depend.

Fishing selectively is a complex task, which is very dependent for success on the particular conditions that prevail in any given fishing ground. As fishers and scientists know all too well, developing effective and commercially-viable selective gear is a long process, fraught with disappointments and false hopes. Nevertheless, such gear does exist, and given the right incentives for fishers to adopt it, could be more widely used.

Discards: an economic and ecological calamity

One of the greatest scandals of contemporary fishing is the number of fish which are discarded – that is, which are simply thrown back overboard, without being landed.

This may happen for a number of reasons – because the fish are below the minimum landing size, because they are of a species for which the vessel has no quota, because they are not the species which the skipper had chosen to target, or because, although large enough to land, they are rejected to make space in the hold for other, more valuable fish ('high grading').

The full extent of the discarding phenomenon is unclear, and varies widely from one fishery to another. However, one 2005 study published by the Food and Agriculture Organisation estimated the amount of discards in the North Atlantic at 1 332 000 tonnes per year – 13% of the

catches. The estimated total discards for the North Sea alone ranged from 500 000 to 880 000 tonnes. To the west of Ireland and Scotland, discards ranged from 31 to 90% of catches depending on the fleets, target species and depth. In other areas, the figures are much lower: in the Mediterranean and Black Seas, the FAO put discards at 18 000 tonnes or 4.9% of the catches. In the Baltic, the rate was only 1.4% on average. However, all these figures should be treated with caution, as they are liable to understate the true extent of the problem.

Whatever the true situation, however, it is clear that the discarding on this scale of unwanted fish, many of which will not survive the experience, is both an ecological and an economic disaster, and is undermining the future of the fishing industry.

In 2007, the Commission published a Communication on reducing by-catch and eliminating discards in EU fisheries. The policy outlined in this proposal represents a radical innovation for the CFP, for it would manage the discard problem on the basis of the results to be achieved, not the means to be used. So, instead of specifying what gear fishers should use, or which areas they should not fish in, the EU would simply lay down the goal of a phased reduction in discards to the minimum feasible level, and leave fishers and national authorities to determine how that should be achieved.

At the time of going to press, the Commission intended to introduce its first proposals for 'discard bans' of this type on a fishery-by-fishery basis during 2009.

Other technical measures, too, can make a real difference to a stock's reproductive chances and to the integrity of its environment. In all cases, though, it is crucial that these measures should be as well-adapted as possible to the conditions which obtain in different seas, and in different fisheries. This means taking account of what stakeholders tell us about regional variations and the specific nature of given ecosystems. It also means making only the most essential decisions at European level, and leaving those who know by experience what works and does not work in practice to adopt the methods which are best suited to a particular fishery, subject to them meeting certain minimum conservation and environmental performance standards.

In the past, the EU has adopted many technical measures, often on an *ad hoc* basis. The introduction of multi-annual management plans since 2002 only made this situation more complex, as each of them brought its own new set of accompanying measures with it. The result was a legislative labyrinth – a mass of overlapping, and sometimes contradictory provisions, allowing multiple derogations and exceptions, scattered throughout a range of very different legal texts.

One of the Commission's priorities over the past few years has, therefore, been to simplify these rules, and make them easier for fishers to apply and for inspectors and managers to enforce. This has meant:

- recognising the specificity of Europe's different seas and oceans, by grouping technical measures into regional regulations;
- ensuring that all the rules that apply in any given region can all be found in a single regulation, and are coherent with each other; and
- distinguishing clearly between a few general overarching rules which need to be established at EU level (e.g. minimum landing sizes, or banning destructive fishing practices), and the more detailed and context-specific rules which should be set at regional level.

Selectivity saves the fishery

Selective gear which can go to commercial scale is difficult to devise, but when it works, it can have a major impact both on the economics of a fishery, and on its environmental impact. The Skagerrak coast of Sweden is famous for its langoustines. By-catch of cod used to represent 50% of the catches. The cod stock in this area is so fragile, that it is the subject of an EU recovery plan.

In an effort to save the cod, the use of trawls was banned inside a 4-nautical-mile exclusion zone. As a result, fishers no longer had access to a large part of their traditional langoustine grounds.

The Fisheries Laboratory at Lysekil started looking for ways to avoid taking cod as a by-catch so as to allow the inshore langoustines fishery to continue. The solution they came up with was a square mesh net which incorporated a selective 35-mm 'grid'. The grid filters out any larger organisms, including almost all cod, while the square mesh enables the smallest fish to escape unharmed.

These grids are now compulsory for all the boats fishing close to the Swedish coast. Since they were introduced, by-catch has been reduced from 50% to 5% of the total catch – and the inshore fishery has been saved.

As a result, we now have three Council regulations covering technical measures for the Baltic Sea, the Mediterranean and the North-East Atlantic (including the North Sea). The Baltic and Mediterranean regulations were adopted in 2005 and 2006 respectively.

The existing North-East Atlantic Regulation, meanwhile, covers a large and diverse area of ocean. The Commission has now introduced a proposal to simplify this by dividing it into a general regulation containing the core provisions which apply across the whole of this area, accompanied by four 'regional' regulations, which can lay down more detailed, fishery-specific rules. The four subsidiary regulations will divide these waters up into the areas covered by the relevant Regional Advisory Councils – North Sea, North West Waters, South West Waters, and the fisheries dealt with by the Pelagic RAC.

This division will simplify the existing rules for these areas, and facilitate the development of new rules based on first-hand knowledge of the fisheries concerned through a bottom-up process driven by the RACs themselves.

A fleet for the future

One of the main problems facing the fishing industry globally is that there are too many boats chasing too few fish. This is not just a European problem. As long ago as 1992, the FAO estimated that the total fishing capacity of the world fleet was approximately *twice* what was needed to harvest the oceans at the highest rate that was sustainable in the long run. And analogous studies at EU level have concluded that many European fleets can exert a fishing pressure which is two to three times the sustainable level.

As with every other aspect of fishing, ecological, social and economic sustainability are inextricably intertwined. Overcapacity is not just a problem for fish stocks, it is also a problem for fishers. It exacerbates competition in a number of fisheries, to the point where it becomes almost impossible to make a living. As long as there is no permanent reduction of the fleet to more sustainable levels, there will always be a powerful temptation for some fishers to bend rules, exceed quotas and under-declare catches, just in order to survive.

Keeping within limits?

Every year, the Commission produces a report analysing the progress made by the Member States in 'achieving a sustainable balance between fishing capacity and fishing opportunities'. This report is based on the reports provided by the Member States, together with data gleaned from the EU fishing fleet register.

The EU fleet is managed through what is known as the 'entry/exit' scheme. This lays down a few simple principles, which are designed to ensure that the capacity of the fleet in tonnage cannot rise above the level of 1 January 2003 (or, for the Member States which joined the EU on 1 May 2004, above its level on that date).

This cap on fleet capacity in nominal terms is complemented by an obligation for Member States to adapt the capacity of their fleets to the resources made available to them. This adaptation should ideally take into account technological creep, through which the same tonnage comes to mean more fishing power over time.

In its recent reports, the Commission has concluded that while EU fishing capacity overall is declining, the reduction is coming too slowly (on average, an annual reduction of 2-3% over the last 15 years) for it to have any substantial impact on fishing pressure and thus alleviate the poor state of many EU fish stocks, in particular demersal stocks. It is estimated that technological creep runs at around 2-4% annually, thus effectively cancelling out any nominal reduction.



Subsidies and other forms of aid have too often played a perverse role, maintaining fishing capacity in excess of what is economically and ecologically justified. Under cover of assisting communities in need, ill-designed programmes can lead to the creation of enterprises which may never be able to operate viably, or simply shift fishing pressure from one fishery to another, thus displacing the problem without resolving it.

The European fleet needs to be brought into line with the resources of our seas. Such restructuring has been a priority for the CFP for many years, and the recent and dramatic rise in the price of fuel – by as much as 240% since 2002 in some Member States – has only underlined the urgent need for action. However, any restructuring that takes place under the CFP is now the responsibility of the Member States, and of the operators concerned: it is up to the Member States to set up decommissioning schemes, and it is up to the operators to apply for decommissioning under them. The EU institutions have no unilateral power to reduce the size of the national fleets. For there to be real progress towards more sustainable fisheries for the long term will therefore require a real commitment by both national authorities and stakeholders to creating a more economically profitable and more ecologically sustainable European fleet.

The 2002 Basic Regulation introduced a number of important new rules intended to produce a better match between fleet capacity and resources, and more specifically to prevent any further expansion of the EU fleet:

- o Member States shall put in place measures to adjust the fishing capacity of their fleets in order to achieve a balance between this capacity and their fishing opportunities;
- o no public money can be used to build new capacity or to 'modernise' boats, in the sense of making them more efficient fishing machines;
- o nor can public money be used to 'export' overcapacity to third countries;
- o no new capacity can be introduced into the fleet using private money unless at least an equal amount of capacity is withdrawn, also using private money; and
- o capacity withdrawn using public money (decommissioning programmes) can *not* be replaced (*).

These changes were immediately incorporated into the financial instruments available to support EU fisheries policy. The Financial Instrument for Fisheries Guidance (FIFG), which ran till the end of 2006, was amended accordingly. And the European Fisheries Fund, which became operational as of 1 January 2007, has been designed from the bottom up to support the shift towards a fleet that is actually in line with the present level of resources. In July 2008, the Council adopted a number of temporary derogations to the EFF rules, to make it easier for the Member States to accompany the process of fleet restructuring in response to the 'fuel crisis' that was sweeping through the industry. These included the creation of Fleet Adaptation Schemes, which provide additional support to encourage substantial capacity reductions in those fleet segments which are the most fuel-intensive. These derogations will last for two years, and will be subject to ongoing monitoring and assessment.

Clearly, the incentives for capacity reduction need to be reinforced. At present there are two main incentives provided at EU level – a carrot, and a stick. The stick is the negative incentive provided by the effort limitation schemes associated with long-term management plans. The carrot is the funding made available for capacity removal under the EFF. But it is up to the Member States both to choose their priorities for EFF funding, and to ensure that effort limitations are properly implemented and respected.

It should be noted that in certain Member States, effective fleet consolidation has been achieved through the creation of property rights in fishing opportunities, without the need to spend public money. Such property rights, if properly conceived, can be a powerful tool for aligning the interests of the industry with those of long-term conservation, though they remain controversial as they might seem to effectively privatise a public resource. At present, decisions on whether to use such tools remain the prerogative of the individual Member States. The Commission conducted a public debate on the arguments for and against emulating such an approach during 2007, and this discussion is likely to continue in the context of the consultations leading up to the next reform of the CFP.

However it is achieved, though, bringing about a meaningful reduction in the size of the EU fleet will require strong, pro-active decisions from the EU Member States. A more sustainable European fishing industry cannot simply be legislated into existence: it requires a true culture shift in the way we think about European fisheries.

(*) The EFF allows for aid for engine renewal, though with a requirement to reduce the size of the new engine compared to the old one, and the July 2008 emergency restructuring measures to address the fuel crisis in the sector included a derogation to allow for 'partial decommissioning' as part of the Fleet Adaptation Schemes.

Controlling fisheries for the common good

In the early days of the CFP, the main concern for Europe's governments was preventing conflict, not conserving fish stocks. And this was true of fisheries policy not only in Europe, but throughout the world. As a result, control and enforcement was fairly low down most fisheries managers' agenda. The purpose of fisheries policy was to protect the continuity of national industries in a period of rapid change, not to burden them with additional 'constraints'.

This perception has long since changed. As the mismatch between fish stocks and fishing capacity has become more and more blatant, and its impact has begun to show up in the deteriorating profitability of the industry, the incentive to bend and break rules has grown. For the vast majority of honest fishers, the actions of the small minority who breaks the law represent a form of unfair competition and an additional obstacle to the survival of their increasingly fragile businesses.

Controlling the controllers

The Commission employs 25 inspectors on a full-time basis. Between them they make around 130 inspection trips in any one year. Their role is to test national inspection systems for flaws and loopholes. Their work requires as much care and precision as the work of national inspectors, especially in cases where major failings are detected. The results they bring back are crucial in providing the Commission with a solid basis for action against Member States where necessary, and must be able to withstand the highest levels of legal questioning.

Thus, in 2007 when the Commission suspected that the level of cod landings in the Baltic Sea was being severely under-declared, it was the Commission inspectors who visited ports along the coast and double-checked the results of the national declaration and inspection systems. And it was their analysis and estimates of the true weight of uninspected landings which formed the basis for the Commission's decision to close the fishery and for the subsequent arrangements for payback of overfished quota by one Member State. In the same year, they also played a major role in demonstrating that several Member States had not taken proper measures to keep catches within limits in the bluefin tuna fishery in the Mediterranean.

The Commission inspectors are a small body, compared to the national inspection systems they control, and therefore have to target their missions carefully to ensure they have maximum impact. By choosing their targets wisely, they can have a major influence on improving control and enforcement of the CFP. Thus, in 2003-2005, one of their targets was the weighing system for landings of pelagic fish, which is governed by complex rules which could easily be misunderstood – whether deliberately, or not. By the end of this three-year programme, a marked improvement in reporting had been seen, especially in the case of Ireland and the UK, where the national authorities were able to identify and put an end to a systematic misdeclaration of catches which had blighted the industry for many years.

Thanks in part to the inspectors' tenacity and focus, the Commission was also able to persuade Norway and the Faroe Islands, with whom these stocks are shared, to adopt similar control measures as the EU for this fishery. This represents a significant step towards ensuring a level playing field in these fisheries between EU fishers and those from non-EU countries.



The full force of the law

The Commission's power to take the Member States to court is one of the most significant weapons in its arsenal. And the costs to those who do not take it seriously can be substantial. The most striking example is the decision delivered against France by the ECJ in July 2005 for failing to put an end to the systematic capture and landing of undersized hake. The Court imposed a EUR 20 million fine on France, along with a periodic penalty of EUR 57 million every six months, until the failings were remedied.

This case may be exceptional – by far the largest penalty ever imposed by the ECJ in a fisheries case – but it illustrates the dissuasive power which such proceedings

can wield. Such cases bring a heavy workload, and a very high burden of proof, so they cannot be launched lightly. But they are a vital last resort, when reasoned dialogue and administrative procedures fail. In 2007, the Commission opened three new and important infringement proceedings for failures of control leading to under-declaration of landings and over-fishing: against Italy and France in connection with the bluefin tuna fishery, and against Poland in relation to the Baltic cod fishery.

The Commission has a duty to act to see the CFP properly enforced – especially when the survival of historic European fisheries is endangered.

The need for effective compliance with regulations is now universally accepted. And it is not only fisheries ministers and managers who are asking for better control and enforcement of the CFP. Fishers, too, are aware that their long-term livelihoods depend upon keeping fishing effort within sustainable limits. Indeed, what the industry wants is to be sure that fisheries rules are being applied with equal rigour throughout the EU – that the same constraints are applied equitably to all.

This is where the European Commission comes in. Ensuring that the CFP rules are enforced on a day-to-day basis, and that those who break them are sanctioned effectively, is the work of the Member States. It is up to the national inspectorates to monitor what gear is being used, or how many tonnes of fish are caught and then landed. The Commission has its own inspectors, but they do not police the fishers. Rather, their role is to inspect the control systems put in place by the Member States, and make sure that the CFP rules are enforced effectively and fairly across the whole of the EU.

In addition to on-the-ground monitoring of the effectiveness of national inspection systems, the Commission is active in a number of other ways to ensure a level playing field for all European fishers. It processes catch and effort data reported by the Member States, and has the power to close fisheries when quota is exhausted. It publishes two regular reports, one summarising the conclusions of its own inspectors' missions, and

another comparing the sanctions imposed by different Member States for offences against the CFP rules which are categorised as 'serious infringements'.

And of course, in cases where a Member State is gravely endangering the sustainable management of resources by not implementing rules agreed at EU level, the Commission can bring proceedings against the Member States before the European Court of Justice. This is a very serious step, and one which makes heavy demands on the Commission's limited resources. However, when it is used, the consequences can be highly dissuasive if the Commission's complaint is upheld, and thus have real power to bring about a change for the better.

Much has been done in recent years to improve the CFP control framework. The EU has also played a leading role in pioneering new technologies which have made control and monitoring both more efficient and more cost-effective. Satellite vessel monitoring systems (VMS) are now a standard tool of fisheries inspection worldwide, but it was the EU which led the way, becoming the first fisheries authority to implement compulsory VMS tracking for all the larger boats in its fleet. Here, the Commission plays a dual role, helping to establish the legal framework necessary and ensure that it is consistent from one Member State to another, and also channelling funding to ensure that all the Member States have the means to acquire state-of-the-art equipment, and train their people to use it.

And the recently-adopted Regulation on Electronic Reporting Systems and Remote Sensing technologies means that, once again, the EU will lead the world in making real-time reporting and monitoring a practical reality.

Most importantly, the creation of the Community Agency for Fisheries Control in 2006 is destined to radically change the way in which the national inspection services of the EU work together, by coordinating cross-border collaboration with the help of Community inspectors drawn from the Member States (see box p. 23).

Nevertheless, the results remain disappointing, as recent reports by the Commission and the Court of Auditors have pointed out in some detail. National catch registration systems have numerous shortcomings. Basic data are incomplete and unreliable. The existing legal framework is inadequate and not properly applied by Member States. As a result, the Commission is unable to identify errors and anomalies and take necessary decisions in due time.

As the Commission noted at the time: 'Inspection systems do not guarantee efficient prevention or detection and there is an absence of general control standards. Member States do not make optimal use of inspection activities, dedicating too many resources to controls at time of harvest at sea and not enough resources to controlling the landing and marketing of the catch. What controls are carried out are too often ineffective and insufficient. Follow-up procedures do not guarantee that sanctions are imposed. Sanctions are either non-existent or not dissuasive. [The result is] an 'infringement culture' in the sector and administrations which puts the whole CFP into question.'

No small wonder then that ICES has declared the biological condition of 57 % of European commercial fish stocks to be 'unknown', largely due to the unreliability of basic catch data.

That is why in late 2008 the Commission proposed a thorough overhaul of the CFP control framework. If adopted, the new Regulation will bring added value in a number of areas:

- **Simplification of the legal framework:** The Regulation will bring together the control standards for all the rules of the CFP. It puts the principles in place, while leaving the task of defining the details to a single implementing regulation.
- **Enlarging the scope of control:** The Regulation covers fields that were until now neglected (transport, markets, introduction of a comprehensive traceability system, surveillance),

and addresses new control needs that have arisen (such as discards, recreational fisheries, or marine protected areas).

- **Creating a level playing field:**

The introduction not only of harmonised inspection procedures, but also of harmonised and deterrent penalty systems (including the introduction of a penalty point system) will ensure fair treatment for fishermen wherever they operate, and give confidence in the system to all players.

- **Rationalisation of the approach:**

The systematic use of risk management and of modern technologies, to ensure that all data received is routinely cross-checked, will allow the Member States and the Commission to concentrate their control resources on those areas where the risk of infringement is highest. It will also make the system more cost-effective.

- **Reduction of the administrative burden:**

The new system will be quicker, more accurate, less expensive and will allow automated processing of data. The effectiveness and efficiency of validation systems for catch data will be greatly improved. For the fishermen, the use of modern technologies will lower the administrative burden and save time.

- **More effective application of the CFP rules:**

The new tools at the disposal of the Commission and of the Agency will ensure a quicker and stronger reaction where infringements are detected, and both bodies will be able to carry out their missions more effectively. The Commission will develop a macro-management approach, and re-orient its tasks towards the control of the control systems of the Member States.

These measures should make real and effective control possible. There are examples of fisheries in which major improvements in control and enforcement have been achieved in very short periods of time. The Commission now wants to achieve a similar improvement not just in individual fisheries, but across the board at European level.

At the same time, the Commission is also committed to attacking the problem at its root – in the culture of overfishing and irresponsible behaviour which is driven by broader systemic incentives, and not just by poor control systems. Truly effective implementation of the CFP rules will best be achieved if we can create a culture of compliance, rather than coercion.

If fishers see EU regulations as tools to serve their own best interests, rather than constraints to be avoided wherever possible, then the task of the authorities in enforcing them will be greatly simplified. Associating stakeholders, and especially fishers, with every stage of the policy development process, will not only ensure that the decisions taken at EU level are transparent, but can also help to forge a genuine consensus as to what is best for the fishing industry, as well as for the fish in the sea.

For the seas are vast, and the boats that sail them in search of a living so small in comparison. The only way to ensure that the CFP is consistently respected in practice is to make sure that fishers see it as truly fulfilling its function – a guarantor of equity between nations, fleets and individuals, and a warrant of a sustainable living for them, now and in the future.

Pooling our resources

In April 2005, the Council of Ministers agreed to set up a Community Fisheries Control Agency (CFCA) as a key part of the drive to improve compliance with the rules of the Common Fisheries Policy (CFP). The main purpose of the Agency is to tackle the shortcomings in enforcement resulting from disparities in the means and priorities of the control systems in the different Member States.

Through the CFCA, Member States are able to pool their control and monitoring resources – both human resources (inspectors) and physical means (vessels, airplanes, infrastructure, etc.). These means are then mobilised through Joint Deployment Plans, targeting specific fisheries which involve more than one Member State. The CFCA acts as adviser and coordinator, working with the Member States concerned to select the fisheries to be targeted, draw up an operational plan, and oversee its implementation. However, all the inspection and control work is done by personnel from the Member States them-

selves. The role of the CFCA is to encourage cooperation and coordination between national inspectorates – not to replace them with a pan-European control agency. In this way, it contributes to the EU's mandate in terms of control and enforcement – to ensure a level playing field for European citizens, and to foster a culture of compliance. The creation of the Agency does not change the obligations of the Member States in enforcing CFP measures or those of the European Commission in ensuring that Member States fulfil these obligations.

In July 2007, the CFCA launched its first Joint Deployment Plan in the North Sea, targeting the implementation of the cod recovery plan. This exercise brought together resources from seven EU Member States: Belgium, Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom. Each of the Member States took turns to steer one of seven inspection campaigns, supported by the Agency.

Fishing in wider waters: the benefits of partnership

The European fleet has a long history of fishing outside European waters. Today, the EU fleet takes around 40% of its catch (by weight) under agreements with partner countries, and another 20% is caught on the high seas. It is estimated that bilateral agreements alone provide direct employment for some 40 000 EU workers, and fishing opportunities for around 3 000 boats.

Nor are the benefits all one way. Bilateral agreements are based on the principle of reciprocity, whether that takes the form of access to EU waters and stocks for operators from the partner country, or support – both financial and technical – for sustainable fisheries in the partner's territorial waters.

Agreements based on *exchange of fishing opportunities* dominate the EU's relations with its neighbours to the North, in particular Norway, Iceland and the Faroe Islands. We have a long history of mutually overlapping fisheries with these nations. Since the creation of the Common Fisheries Policy, the EU has negotiated the annual exchange of quotas on behalf of the Member States, between whom they are then shared out on the basis

of relative stability (see box). Like the CFP itself, these agreements play a vital role in preserving the continuity of traditional fisheries for both sides, following the declaration of 200-mile EEZs. They enable each fleet to continue to fish in the other parties' waters. Indeed, one of the main purposes of these negotiations is to enable mutual access to stocks which straddle territorial boundaries, and which shift back and forward between EU waters and those of our partners according to the time of the year.

The EU has a particularly close relationship with Norway, which is one of the leading fishing nations in the world. Seven of the stocks (cod, haddock, saithe, whiting, plaice, mackerel and herring) which are fished by both EU and Norwegian fleets are subject to joint management under long-term arrangements. In the case of both haddock and saithe, this approach has been remarkably successful in ensuring a high sustainable yield. For the mutual benefit of both partners, the Commission continues to explore the possibility of extending long-term management principles to as many of these jointly-managed stocks as possible.

Partners in the North

The EU's fishery relations with its northern neighbours are a major dimension of the Common Fisheries Policy – especially with Norway. The agreement between the EU and Norway goes back to 1981, and currently provides for shared access to around 750 000 tonnes of fish, worth well in excess of EUR 2 billion.

In addition to these bilateral agreements, there are also multilateral arrangements in place – the so-called 'coastal states' agreements. These agreements cover three major pelagic fish stocks: Atlanto-Scandian (Spring-Spawning) herring (1 266 000 tonnes), mackerel (385 366 tonnes) and blue whiting (1 250 000 tonnes).



These partnerships based on quota exchange play a vital role in providing fishing opportunities for many EU fleets. Equally important are the **partnership agreements** we enter into with nations which have no interest in fishing in EU waters, but which can benefit from our financial and technical support as they seek to develop their own national fisheries sector on a sustainable basis. Many, though not all, of these Fisheries Partnership Agreements (FPAs) are with countries in the developing world.

A Fisheries Partnership Agreement (FPA) comprises two main components: carefully regulated access for the EU fleet to resources which the partner country's national industry is not in a position to exploit to the full, and a financial contribution from the EU of which a large proportion (sometimes, 100%) is earmarked to support the partner country's national fisheries policy, fight pirate fishing operations, and reinforce sustainable fishing practices within its EEZ. Whether this means helping install new monitoring and control systems, advising on scientific research, or supporting the modernisation of the local fleet, FPAs can make a meaningful contribution not just to the country's fisheries sector, but more generally, to its overall development goals.

At the same time, there are also obligations for EU boats to take on local fishers, or to land a certain part of their catch for processing in the partner country. Exclusivity clauses – which forbid EU operators from making private arrangements with third-country authorities with whom the EU has an FPA – ensure that this responsible approach is taken by *all* European boats fishing in our partners' waters. And the EU is the *only* fishing power in the world which conducts its relations with third countries in total transparency, by making all their details publically available.

In the past, the EU's agreements with countries in the developing world have been criticised from a number of angles. Some NGOs describe them as 'exporting' overfishing, while certain politicians charge the EU with 'overpaying' for opportunities which are not taken up in full by the European fleet. The current generation of Fisheries Partnership Agreements seeks to answer those criticisms, so as to ensure both value for money for the EU taxpayer, and a positive contribution to our partners' own development goals. While much progress has been made, there is certainly still room for improvement.

Some of the expectations placed on FPAs are unreasonable: they are there to support and assist, but they are not a tool for imposing what we think are the 'right' policies or governance systems on our partners. Their sover-

Undermining food security?

Over the last few years, articles have regularly appeared in the European and international press charging the EU fleet with having overfished certain coastal waters in West Africa to such an extent, that the local fishing industry is now facing collapse, thus driving yet more people to become illegal migrants undertaking perilous sea crossings to try and enter Europe via the Canary Islands.

These articles are often moving, but do nothing to help the plight of the people who are driven to such desperate action, as they are based on a number of misconceptions:

- There is overfishing in some areas and on some species in West Africa, but this is not caused by EU fleets, which represent less than 20% of total fishing pressure in the area. EU boats fishing under FPAs are generally not permitted to fish within the 12-mile zone, which is reserved for the local artisanal fleets.

- In many West African fisheries, the overfishing is a response to economic migration, not its cause, as governments have chosen to build up the local inshore sector, often in an uncontrolled way, in order to absorb large scale labour movements from the countryside to the coastal urban strip. The fishing pressure exerted by these so-called 'artisanal' fleets can be many times that of the EU fleet in the region.
- The vast majority of the people who undertake the illegal and often tragic journey by sea to the Canary Islands are not fishermen or other locals, but people who have already travelled hundreds, if not thousands of miles to reach the coast before embarking.

Overcoming poverty and ensuring food security in West Africa are major challenges, both for the governments of the region, and for international donors, such as the EU. But the EU's FPAs are not part of that problem. Indeed, they may be part of its solution.

eighty is always paramount. However, the EU does retain the right to walk away from an agreement when our criteria are not met. And that means not only fair financial terms, but also appropriate guarantees that fisheries are sustainable, biodiversity is not at risk, and funds will be used in ways that genuinely contribute to local economic development and thus strengthen national food security.

Still, the FPAs are not perfect, and the EU encourages open and frank debate on how they might be improved, particularly in the context of the next reform of the CFP. Fisheries data are sometimes only patchily available once the initial evaluation study has been completed, certain provisions and conditions remain 'aspirational' when compared to the current level of infrastructure and resources available on the ground, and there are inconsistencies in practice as well as synergies in theory. All these problems need to be looked at, and solutions found.

The EU remains committed to creating a genuinely level playing field between all fishing nations, and to assisting the developing nations as they establish robust and sustainable fisheries policies which find the right balance between local food security and trade for revenue. In the absence of the FPAs,

European fishing vessels would not leave West Africa – they would simply be left to their own devices, and the EU would have no easy way of controlling what they do there, or of ensuring that our presence contributes to local development priorities. The challenge, then, in a global context that is itself rapidly evolving, is to ensure that we are constantly adapting and improving our partnership approach, so that the CFP continues to make a real contribution to the development of sustainable fisheries, not just in Europe, but around the world.

Fishing in wider waters: leaders on the international stage

The widespread extension of national jurisdiction over fishing grounds in the 1980s had a major impact on fishing patterns all over the globe. Yet, while this was a major change from a fisheries point of view, it actually concerned only a tiny portion of the surface area of the world's oceans. The vast majority meanwhile remained international waters, or what are commonly referred to as the 'high seas'.

Since at least the 17th century, international waters had been governed by the concept of the 'freedom of the seas' – namely, they were held to be free to all nations, and the property of none. However, the last thirty years have seen a rapid and far-reaching evolution of the Law of the Sea, driven by the process associated with the United Nations Convention on the Law of the Sea (UNCLOS), which was formally adopted in 1982 and which entered into force in 1994.

UNCLOS enshrined the right of nations to extend their EEZs up to 200 nautical miles from the baseline, and made the freedom to fish in the high seas conditional on each state's willingness to cooperate with other states to ensure the conservation and good management of the fish stocks concerned. In effect, UNCLOS entrusted responsibility for translating this goal into practice to the Regional Fisheries Management Organisations (RFMOs). It was followed in 1995 by the adoption of the UN Fish Stocks Agreement (UNFSA), which established the pre-

Protecting sensitive habitats

The EU believes that RFMOs can be a powerful tool for environmental protection, as well as for sustainable fisheries management. A good example of this is provided by the measures adopted unanimously by the General Fisheries Commission for the Mediterranean (GFCM) in January 2005 to protect three highly sensitive deep-sea habitats which lie beyond national jurisdiction.

Thanks to these measures, the areas concerned are now closed to those kinds of fishing activity which could represent a threat to the habitats they contain. The areas in question are: the deep water coral reefs in the Ionian Sea off Capo Santa Maria di Leuca, Italy, which are home to a unique colony of the white *Lophelia coral*; the cold hydrocarbon seeps north of

the Nile Delta, which constitute a unique ecosystem based on chemo-synthesis; and the Eratosthenes seamount located to the south of Cyprus, which hosts a number of rare types of coral.

This proposal was tabled by the European Union, on the basis of an initial proposition from the WWF which had been approved by the GFCM's Scientific Advisory Committee. This shows how the international community, including stakeholders and civil society, can work together through RFMOs to protect sensitive environments against damage by fishing. The EU will continue to work actively to strengthen existing RFMOs, and to encourage the creation of RFMOs in areas of the high seas where none yet exist.

cautionary principle as the basis for the management of fisheries in the high seas, as well as provisions for mutual control by fishing nations.

UNCLOS did not create the RFMOs, most of which were in fact established in the immediate aftermath of the Second World War, through direct negotiations between the

states concerned. As a result, their missions and procedures were laid down well in advance of both UNCLOS and UNFSA. While they have evolved to fit the new demands made on them, and the new legal context in which they operate, even today, no two RFMOs are alike. However, a shared culture and shared standards for governance and regulation have begun to emerge. The EU



has been a major player in this process. The broad geographical range of the European long-distance fleet means that the EU is one of the few parties which is a member of almost every major RFMO around the world.

RFMOs have many critics. For some they are authoritarian bodies which infringe on the freedom of non-coastal states to exercise the traditional freedom of the seas; for others they are weak, ineffective organisations, whose consensual decision-making process leaves them open to political manipulation and blocking manoeuvres which prevent them from taking adequate steps to manage the fisheries in their charge.

While the Commission recognises that RFMOs in their current state may be imperfect, it also believes that they can and should be improved. Moreover, they are the only bodies which have the legal authority to regulate and control high seas fisheries for the common good. The EU's approach is therefore to work with them and through them, so as to empower them as effective tools for sustainable fisheries management, founded on the precautionary approach. Much has been done in this direction in recent years, with several RFMOs in which the EU is a key player adopting state-of-the-art provisions for both conservation and control.

One of the major challenges facing fisheries in the high seas is illegal, unreported and unregulated (IUU) fishing. Since RFMOs are voluntary organisations, while their rules are binding, they are only binding on those parties which have become members. Fishing operations in open waters many thousands of miles from shore are very difficult, and exceedingly expensive, to control. The situation is made more complex by the fact that only the flag state has the authority to institute proceedings against a vessel found breaking fisheries rules, and some states have made a lucrative business out of providing illegal operators with safe havens from international law.

The 17 RFMOs which exist today, or are in the process of being created, jointly manage some of the richest deep sea fishing grounds in the world. But not all international waters have fisheries rules and regulations to be broken. And even in those areas which do have RFMOs, not all fish stocks are regulated: some RFMOs specialise in certain species (tunas, salmon), and others lack the resources, both scientific and administrative, to issue regulations covering any but the most commercially valuable of their stocks.

IUU fishing is a huge business. Recent estimates suggest that the IUU industry has

a global turnover of EUR 10 billion, making it one of the largest fish producers in the world. And IUU is a big problem for the EU, as the largest market for fish in the world. IUU imports into the EU have been conservatively estimated at EUR 1.1 billion. All this is money lost to honest fishers who abide by the rules. And IUU is not just an economic problem, it is also an ecological disaster. Operating outside any rules, and often without any ethics, IUU vessels deliberately target overexploited stocks (which are often the most valuable), and commonly employ destructive fishing methods without fear of retribution. The profits can be so large, that the biggest IUU operations constitute criminal organisations comparable in scale and ruthlessness to the narcotics trade.

Recent years have seen moves in many RFMOs to come to grips with the problem of IUU fishing. The EU has played a leading role in this work. And in 2007, we adopted a new and comprehensive approach to eradicating IUU operations. The aim of this package of measures is to close the EU market to pirate fishers, by implementing systems which focus not just on inspections at sea and in fishing ports, but which provide real control throughout the supply chain, from net to plate. If we can shut the pirates out of our markets, we can hit them where it hurts them most: in their purse.

IUU fishing is a threat not just to fish stocks, but more broadly to biodiversity. Much of the high seas consist of deep waters which until recently were largely unexplored. However, scientists have now begun to piece together a better picture of what life may be like several thousand metres below the sea surface. While much still remains to be done, one thing is already clear: there is far more life, and far more variety of life, at the bottom of the sea than was previously suspected.

One consequence of this discovery has been mounting concern about the impact of destructive fishing practices on vulnerable marine habitats in the high seas. It is also clear from recent research that deep sea biodiversity is not evenly distributed. Rather, it is concentrated in specific 'biodiversity hot spots', where local conditions are especially favourable to the multiplication of varied life forms. Features such as cold water corals, seamounts and deep sea vents function as concentrators of nutrients and provide the basis for complex, highly localised ecosystems.

We know that such hot spots exist. What we do not know is where they are. And often, we only find out too late – after much of the life which they support has been destroyed. This is a true tragedy, especially given the

extremely slow rates of growth and reproduction associated with many of the key populations living at such great depths. A cold water coral reef can take many decades, if not centuries, to form, yet it can be destroyed in only a few hours.

In December 2006, the UN General Assembly adopted a resolution calling on all states to act, individually, in collaboration with one another, and through the Regional Fisheries Management Organisations of which they are members, to promote a truly precautionary approach to destructive fishing practices in the high seas. The key to this approach is to require a prior environmental impact assessment before licensing any deep sea fishing activity, as well an obligation for vessels encountering a vulnerable ecosystem where none had previously been detected to move on immediately, and to notify the location to the relevant authorities. In areas where no RFMO exists or is planned in the near future, the UN also called on flag states to take appropriate measures to implement procedures for their own vessels to see that the precautionary approach is respected. The EU played a key role in seeing this resolution through the UNGA, and in 2008 the Council of Fisheries Ministers adopted measures in line with the UN guidelines to govern the activities of EU vessels fishing in international waters which are not covered by an RFMO, or an appropriate multilateral interim arrangement.

At the RFMO level, the EU is now playing a leading role in developing measures and systems to address this problem. Recently it has promoted measures in the Northwest Atlantic Fisheries Organisation (NAFO) and the South-East Atlantic Fisheries Organisation (SEAFO) to close deep water vulnerable marine ecosystems to fishing, in particular those associated with seamounts. It has also recently proposed further measures in NAFO to prevent damage when undertaking new fisheries in areas that have not yet been exploited.

Our recent actions to close our doors to IUU fish products and ensure that destructive fishing practices are stopped before they can do irreparable damage demonstrate the EU's commitment to be a leader in sustainability in international fisheries. For the Common Fisheries Policy is not just concerned with protecting fish stocks in EU waters. It aims to ensure that European fishers are among the most responsible in the world – wherever they fish, and whatever flag they fly.

Aquaculture in the EU

Fish farming is an ancient practice. The earliest known examples, in China, date back as far as 2500 BC. In Europe, fish raised in ponds became a common source of food during the Middle Ages, when wild-caught fish were rare and expensive in inland areas – a trend which continued until the 19th century.

Today, aquaculture plays a major role in global fish supply, thanks to developments in rearing and processing technologies. According to FAO estimates, 47% of all fish for human consumption now comes from aquaculture. Catches of wild fish levelled off in the 1980s, yet between 1973 and 2003, world fish consumption doubled. Freshwater fish, and molluscs and crustaceans, which lend themselves to cultivation, have been the main sources of this increased supply. Between 2000 and 2005 world aquaculture production increased by one third – largely due to spectacular growth in Asia and South America.

As the world's population continues to increase over the coming decades, and global living standards rise, demand for fish is set to keep on growing. With most wild capture fisheries already fully exploited, much of that new demand will have to be met from aquaculture. At the same time, we need to ensure that our aquaculture sector is itself genuinely sustainable.

The EU aquaculture sector is a significant player, with a turnover today of roughly EUR 2.9 billion, which generates some 65 000 jobs. Yet it has failed to share in the millennium boom in the industry, as EU production remained more or less constant since the turn of the century (around 1.3 million tonnes per annum in 2005).

Europe has a number of key strengths in aquaculture. We are leaders in technology and research, we have a strong and highly

trained entrepreneurial base, and our climate is appropriate for many of the species currently most in demand by consumers. Perhaps our greatest asset is the rigorous quality standards we have set, to ensure that aquaculture products are good for human consumption, good for the environment in which they are raised, and respectful of the health of the animals themselves.

Yet these strengths also bring with them challenges. High standards inevitably mean higher costs, and make it more difficult for our fish farmers to compete in markets both at home and abroad. Increasing demands on both coastal and inland environments lead to increasing competition for space with other activities, including residential housing and tourism. And occasional image problems, even if unfounded, continue to prevent the industry from



reaping the full benefit of the rigorous standards it has established for both public and animal health.

While many of the drivers of aquaculture development are to be found at national or local level, the EU still has a significant role to play in establishing a framework for the sustainable development of the industry which will ensure a level playing field for entrepreneurs and provide a solid basis for consumer confidence.

Much has happened since the Commission adopted its strategy for the sustainable development of European aquaculture in 2002, with most of the actions set out then now well underway. The European Fisheries Fund specifies sustainable aquaculture as one of its priority axes. The EU's 7th Research Framework Programme will continue to allocate substantial support to research in this

area, following on from the EUR 80 million which went to support aquaculture research under its predecessor. Spatial planning methods, such as integrated coastal zone management, are among the priority initiatives being explored as part of the new European Maritime Policy. And a number of specific proposals for legislation, on organic labelling of aquaculture products, for instance, or the conditions for introducing alien species into the EU, have recently been adopted or are currently being finalised.

Yet none of these initiatives have been able to avert the stagnation that has beset the sector. Indeed, a number of the challenges identified in 2002 are still very much with us, and the market situation continues to evolve rapidly. That is why, as this brochure went to press, the Commission was preparing a new strategy for EU aquaculture based on a year-long consultation with stakeholders. While

many of the drivers for the growth of aquaculture are necessarily found at regional or national level, the Commission remains persuaded that more joined-up policy making at EU level can help unlock the sector's potential, while continuing to uphold the highest standards of environmental sustainability, public health, and animal welfare.



Enhancing water quality in EU aquaculture

As the European aquaculture sector has experienced increasing competition from non-EU countries, especially Asia and South America, the role of research and development has become ever more crucial in adding value. Freshwater fish farming depends on high quality water control, if it is to reach its full productive capacity.

The Fishtankrecirc project brings together 8 partners in Austria and Belgium to develop a water treatment system based on the technique of 'electro-coagulation' technique to enhance the performance of water recirculation. Electro-coagulation is a cost-effective method of water purification which is capable of removing organic particles, phosphates, nitrates, ammonia as well as soluble organics in such a way as to make more intensive recirculation possible, while maximising the growth rates of the fish. The result will be a treatment system geared to meet the specific challenges of European aquaculture, including scarcity of water resources, environmental degradation and customer demand for health and quality guarantees. Its main advantage compared to conventional filtration methods,

in addition to space and cost advantages, lies in the fact that it would operate without interruption for maintenance, and should also be less prone to system failure.

Through the 6th Framework Programme, the EU contributed more than EUR 650 000 to this two-year research project which involved not just technical innovation, but also basic research into the aquaculture environment and the electro-chemical processes involved in electro-coagulation. This made it possible to build a full-scale pilot system, which was installed and tested in two very different contexts in Norway and Greece. Work now continues on the next stage of development, which will hopefully lead to a market-ready system.

Research such as this, which is not close enough to market to attract commercial funding, but which can have very real consequences for the competitiveness of the sector if it succeeds, illustrates the important role which EU Framework Programme funding can play in promoting the future of the aquaculture sector. (For more details on FP6, see the fact sheet on fisheries research.)

Support for an industry in transition

The European fishing industry has great opportunities before it. But it is also facing great challenges as it seeks to redefine itself for the future – challenges which have been further highlighted by the dramatic rise in the price of fuel over the last few years.

Bringing fishing capacity and effort into line with the real potential yield of stocks; refocusing the fleet's activities on less fuel-intensive, more sustainable fishing methods; building up the potential of the processing and marketing industry to add value throughout the chain; developing sustainable aquaculture activities to help meet growth in demand; preserving the social fabric and reinvigorating the economies of coastal communities that depend on fishing – success in all these areas will require major changes to the way in which the industry is organised. A period of adaptation is inevitable. And in some cases, the price of a sustainable and profitable future may be temporary hardship. Yet some parts of the industry, certain fisheries, are already pressed almost to the point of breaking.

Getting fishers involved in managing their own coastline

In Eastern Corsica, the Biguglia Lagoon has long been a focus for fishers. This 11-km-long stretch of salty water, separated from the sea by only a narrow lido, provides exceptional conditions for spawning, which in turn had formed the basis for a thriving local industry. However, in recent years, many of the fish stocks emblematic of this fishery had begun to decline. This is particularly true of langoustine, the single most important species for the local fishing industry.

To try and remedy this situation, the local industry, represented by the Regional Committee for Maritime Fishing and Aquaculture (CRPMEM), launched a project to enhance the natural habitat on which the fishery depends through the creation of a series of inshore artificial reefs. After a long period of research and preparation, the reefs are now ready and will soon be sunk in the sea facing the

lagoon. The aim is to provide a supportive environment in which alevin fry (very young fish still carrying their egg sacks) can grow on to maturity.

To ensure the best possible chance of success, an area of one nautical mile around each reef will be closed not only to fishers, but to every form of navigation. The CRPMEM hopes that the reefs will not only restore many of the key fish stocks of the Biguglia ecosystem, but that they will also bring about a change in attitude among local fishers. A spokesperson said: 'These first reefs will encourage the industry to get involved with really managing the coastline they depend on.'

The total cost of this first phase of the project is EUR 300 000, of which half has been funded by FIG, and the other half by the Corsican Environmental Agency and the Regional Council of Upper Corsica.



Solidarity between peoples and communities has been at the heart of the European project ever since the Treaty of Rome was signed in 1957. To meet challenges such as those facing the European fishing industry, the EU has developed a series of programmes known as 'structural funds'. 'Structures' here refers to the basic equipment or 'plant' required to produce, process and market goods. All four existing funds are used to assist the implementation of specific European policies, in particular through help with capital investment to fit operators to face new challenges. By doing so, they aim to stimulate the development of regions which are lagging behind, and support the modernisation of sectors of the economy which are facing the need for radical change.

Since 1995, there has been a specific structural fund dedicated to fisheries. The Financial Instrument for Fisheries Guidance (FIFG) ran until the end of 2006, and while it was undeniably successful in some areas, in others the results were more ambivalent. Certain priorities for funding, such as aquaculture or economic diversification for coastal communities, saw only a low take-up rate; while others seemed to be in conflict with one another, such as support for the reduction of fishing effort and capacity on the one hand, and aid to modernise and renew the older segments of the European fleet on the other. While many billions of euros were spent to make the industry more competitive and more sustainable, complex procedures and conflicting political priorities made that investment less effective than it should have been.

It was therefore decided that, rather than simply extending the FIFG again, an entirely new funding instrument should be introduced. The result is the European Fisheries Fund (EFF), which became operational on 1 January 2007. The EFF has been designed to be far simpler to manage and to implement than the FIFG. It is structured to meet the needs of the enlarged EU, which now numbers 27 members. Above all, it has been tailor-made to support the core principles which underpin the CFP in line with the Basic Regulation of 2002. It will thus provide a real and effective tool for achieving environmental, social and economic sustainability.

The EFF will run for seven years initially, with a total budget of EUR 3.8 billion. The main priorities for action laid down are:

- helping the fleet adapt fishing capacity and effort to available fish resources;
- support to aquaculture, inland fishing, processing and marketing of fisheries and aquaculture products;

Fisheries co-management in a unique environment

In 2004, the Swedish Board of Fisheries invited groups to take part in a pilot study concerning locally based co-management of fisheries. Among the initiatives that were selected to take part was the local branch of the Swedish Fishermen's Federation in Northern Bohuslän.

The Northern Bohuslän area is a unique marine environment in Sweden. It is centered on the Koster Fiord whose biodiversity is unmatched anywhere else along the coast. Local fishers, however, were worried about plans to create a national marine park around the fiord, and the impact which this might have on their livelihood.

In the context of the co-management initiative, they were able to work out a management plan for the area, which seeks to balance interests so as to create a fishery

which is sustainable in both environmental and economic terms. The proposal for the national marine park now explicitly states that the fishery in the park is a sustainable activity. The future of the fishery has been secured.

Several projects launched by the branch have since received funding from the FIFG. Thus, a number of fishers have been enabled to take a course in basic marine ecology at the Tjärnö Marine Research Lab. In turn, the fishers have developed their own courses for local decision-makers and other interested parties, to explain in detail the different types of fishery being practiced in the area. Other projects include piloting new types of fishing gear and developing a system for self-management and easy compliance with catch reporting requirements.

- aid for organisations which represent the collective interest of the sector;
- sustainable development of fisheries-dependent areas; and
- technical assistance to Member States to facilitate the delivery of aid.

It will be up to Member States to decide how they allocate funds between these different priorities, on the basis of a national strategic plan. These plans have been drawn up in close collaboration with the Commission, to ensure that they are in line with the Fund's priorities. They are then translated into operational programmes which are approved by the Commission before they are implemented.

Many of the measures found in the FIFG will continue under the EFF. But the new Fund also introduces a range of innovative mechanisms in response to the changing needs of the industry. These include measures to accompany the implementation of recovery plans and to encourage more selective fishing methods alongside funding for local strategies for sustainable development in fisheries areas. The new Fund provides enhanced aid for inland fisheries and environmentally-friendly aquaculture. In addition, the Member States will benefit from simpler implementation rules and greater flexibility in the application of eligibility criteria, so that they can adjust them more easily to the needs of their national industries. All assistance will be

channelled through a single national EFF programme, rather than the many different programmes which often existed in the past.

As noted above (chapter 8), in July 2008 the Council adopted a number of temporary derogations to the EFF rules proposed by the Commission which were designed to reinforce and facilitate the much-needed restructuring of the EU fleet in response to the 'fuel crisis'. Both through this temporary regime and beyond, the EFF will provide targeted, transparent and flexible support for the fishing industry and fishing communities to help them meet our common goal of truly sustainable fisheries.

The final product: producers, processors, consumers

When most people think of the Common Fisheries Policy, they will think of the catching sector, or possibly aquaculture. Some will make the connection with broader environmental issues. Some will focus on the social and economic challenges facing coastal communities. But in every case, their basic image of the European fishing industry is of a sector which takes fish out of the water in order to sell them to consumers.

What is missing from this picture is that large part of the industry which in fact represents the majority of the value chain, and which performs a vital role in turning raw fish not only into nourishing food, but also into a source of wealth and employment for the EU and its citizens.

This omission, however, is an error of perception. From the very beginning, the CFP has been concerned not just with catching fish, but with how they are processed and marketed. Indeed, the very first measure enacted as part of what was to become the CFP was the establishment of the Common Organisation of the Market (CMO) in 1970.

Organising to maximise value

Producers' organisations are commonly associated with the intervention mechanisms, which compensate fishers for taking product off the market when prices fall below certain reference levels. However, the main task of POs nowadays is to draw up and implement comprehensive operational programmes for the fisheries their members work in.

Such operational programmes are comprised of a number of elements, including a marketing strategy and a catch plan. The programmes must be notified to the national authorities within the first seven weeks of the fishing year. The main purpose of the marketing strategy and the catch plan is to maximise the value of the catch taken, both by spreading fishing effort evenly throughout the year to avoid gluts, and by targeting members' efforts on those activities which are likely to

bring the greatest return. A catch plan can include provisions such as seasonal catch limits and minimum sizes. Operational programmes can also include specific measures to support the marketing of species which are traditionally difficult to sell, and internal penalties which can be used to ensure that members actually comply with the programme.

Producers' organisations are also actively involved in actions to improve the quality of their members' products, for example by reducing handling throughout the production chain, or by reducing the time fish are held onboard between capture and landing.

Both quality improvement plans and operational programmes are eligible for support from the European Fisheries Fund during the initial set-up phase.

Fisheries are essentially different from most other industries, since they are based on a finite yet renewable natural resource whose abundance does not simply fluctuate over the years, but can vary widely from season to season, and even from month to month. The key measures established by the CMO recognise the special conditions which hold when working with a 'wild' and inherently unpredictable natural resource. They were designed to help smooth out variations in price and supply caused by factors beyond the industry's control, and which would penalise both producers and consumers, as well as causing significant disruption for the processing industry.

The main instruments established by the CMO are:

- Common marketing standards, which facilitate the creation and operation of the EU's internal market in fish and fisheries products;
- Producers' organisations (POs), which bring together fishers to manage the take-up of fishing possibilities over the course of the season so as to stabilise first-sale prices;
- Market support funds, which can intervene to compensate fishers who work in POs when prices fall below a certain level, despite their best efforts to manage supply; and
- Autonomous Tariff Quotas (ATQs), which facilitate the availability of raw material



Trading fish in a globalised world

In the early days of the CFP, EU trade policy on fish was decided by the EU alone. However, since the launch of the WTO process, trade policy and tariffs in all economic sectors are now dealt with multilaterally at the highest international level.

The EU is fully committed to the WTO process, which can bring many advantages beyond those associated with the extension of free trade. An international consensus on rules of origin, for instance, could greatly facilitate trade in fish for the EU and its partners, at a time when

globalisation is making it more and more difficult to say where exactly any given product comes from.

The debate on subsidies, which was so prominent during the Doha Round, is only one part of a larger context. While it is too early yet to prejudge what may emerge from the collapse of the Doha Round, it is clear that it opens broad perspectives for future negotiations. The Commission remains committed to working for an outcome which is positive for the EU fishing industry, and for the promotion of sustainable fishing worldwide.

from third countries for the processing industry when EU production threatens to fall short.

Initially, the focus of the Common Organisation of the Market was on ensuring a balanced price for fish, which would give both fishers and consumers a fair deal. However, over the years, balancing supply and demand has come to be seen as an ecological, as much as an economic, issue. In this sense, the CMO was arguably ahead of its time, since a fair price for fish is inherently a force for sustainability. Low prices, particularly at a time of high costs, are one of the principle factors driving overfishing in the short term.

The CMO has been reformed regularly since 1977, to adapt it to each successive step towards the enlargement of the European Union, and to refine its use of market measures so as to support a genuinely sustainable European fishing industry. Thus the intervention mechanisms established more than 30 years ago are increasingly used to store fish, rather than to simply withdraw them from the market. The percentage of fish stored for release back on to the market when prices increase has risen from 30% in the 1980s to 70%, and is destined to rise further. This is a shift which makes both economic and ecological sense. At the same time, the main focus of the producers' organisations is no longer simply on delivering intervention aid to members, but rather on designing and implementing full-scale operational programmes for their fisheries so as to maximise responsible management of their resources. Once again, financial and environmental responsibility go hand in hand.

Producers' organisations also play an important role in facilitating the work of the processing industry, by providing a more regular source of domestic supply. However, with the best will in the world, they cannot make up the shortfall in supply to the processing sector. Today, 60% of the raw fish used by EU processing firms are imported from third countries. And for certain species, at certain periods, that figure can reach 100%.

The CMO therefore also includes measures to try and ensure a more stable and predictable supply of this vital raw material. One of the main tools which the EU can use to this end are the so-called Autonomous Tariff Quotas (ATQs). The aim of ATQs is to enhance access for EU processors to fish from third countries by granting reduced tariff rates on the import of specific products for which domestic production is in deficit. These tariff rates are intended to provide balanced incentives, which give priority to EU production where it exists, while ensuring that the European processing industry is not unfairly penalised when it has to compete on the world market for its inputs.

The CMO seeks to support producers and processors as they face up to the vicissitudes inherent in any industry which is so completely dependent on the evolution of complex natural systems. But it does not ignore the needs of the consumer, either. This is true not only in its attempt to ensure a balanced price, which is fair for all parties, but also when it comes to laying down standards and market norms.

One of the earliest historic tasks of the CMO was to create common marketing standards for the emerging single market in European fish products. This meant ensuring that descriptions of products – in terms of quality, grades, packaging and labelling – were equivalent across all Member States.

Today, traceability represents one of the most important contributions which the CFP can make so that consumers know what they are buying, and can be sure they are paying a fair price for it. People want to know that the fish they are eating is healthy, and has reached them through a chain which respects real standards of hygiene and freshness. They want to know that the fish was caught fairly within quota – that it has not contributed to the possible collapse of a fragile stock, and is not the result of black market trade or illegal fishing. Many times, they want to know exactly where it comes from, whether it was caught wild or farmed, and if wild-caught,

what fishing techniques were used. Where there are specific environmental concerns around particular fishing techniques, they want to be satisfied that the fish they eat meets their own personal ecological and ethical standards.

There are many kinds of labelling which could be used to provide this kind of information. The new regulation on fighting IUU fishing provides for one kind of traceability, which will ensure that all fish on sale in the EU has been caught legally by vessels with the appropriate fishing permits and quotas. Another, very different approach is 'ecolabelling', on which the Commission completed a major public consultation in 2007. However, while the EU is convinced of the value of ecolabelling for specific ('niche') market segments, there is also a need for greater transparency in the way that the fishing industry presents and delivers *all* its products to the consumer. For consumers are, quite rightly, concerned about the sustainability of the fishing industry in general. They want to know not just that there is a special sub-set of fish products which they can eat with a clear conscience, but that all the fish they see in the supermarket has, so to speak, a right to be there.

It is the consumer who is the final judge of the success or failure of the Common Fisheries Policy. If people do not want to eat fish caught by European fleets or farmed in the EU, then it does not matter how good our fishers are at catching them, or our farmers at raising them, or our processors at turning them into mouthwatering products.

A major part of the challenge that faces the CFP in the coming years, therefore, will be to support the sector not only in the difficult transition to sustainability, but also in restoring the image of fish as a food which is not only healthy and good for you, but is also harvested in a genuinely responsible way.

The last major reform of the CMO dates back to 1998, and further substantial changes should be anticipated in the coming years. In particular, the Commission believes that producers' organisations can play a crucial role in meeting many of the main challenges facing the European fishing industry. Rising fuel costs, stagnant or falling first-sale prices, increasing reliance on imports and aquaculture, the increasing power of the major retail chains, and the increasingly complex demands of consumers – faced with challenges in all these areas, POs can strengthen the bargaining position of individual fishers and contribute to a more viable, and thus more sustainable, industry. Following a series of evaluation exercises in 2008, and a broad-based consultation with stakeholders, the Commission will be proposing a major reform of the CMO in the course of 2009.

Beyond the precautionary principle

As we have seen throughout this brochure, the environmental and economic dimensions of fisheries are inseparable. Without healthy fish stocks, the industry cannot make money. While the profit motive and ecological sustainability may conflict in the short term, in the medium and long term they form a powerfully virtuous circle, if only we can get them to work together. Healthy fish stocks lead to a profitable industry. And a profitable industry is one which has a natural interest in more sustainable fishing practices.

When we talk about ecology, we have to talk about 'systems'. Fish stocks do not exist in isolation. Each is only one component in the complex ecosystems which structure the life of our oceans. As such, they are caught up in an extraordinary web of connections and interdependencies. Every part depends upon the whole, and disturbing one single element can set off a far-reaching chain of cause and effect.

The Common Fisheries Policy is committed not only to sustainability and to applying the precautionary principle to fisheries management, but also to an 'ecosystem-based approach'. This is laid down in the Basic Regulation, and echoes our international commitments under the Convention on Biological Diversity (CBD) and the Johannesburg Declaration of the 2002 World Summit on Sustainable Development. Under these international agreements, the EU shares with many other nations the objective of pursuing an ecosystem-based approach not only in European waters, but worldwide. The approach the EU follows in putting this into practice was outlined in a Communication from the Commission published in April 2008.

An ecosystem-based approach should harmonise the extraction of those goods and services which natural resources provide to human society with respect for the diversity and integrity of natural living systems, and for

the needs of future generations. Of all maritime activities, fishing is probably that which is most directly dependent on the health of our marine ecosystems. It is therefore fisheries which have the most to gain from an ecosystem-based approach. But such an approach cannot exclude from consideration all the other human activities which affect the seas around us. If we protect our coral reefs and our seamounts from the negative effects of fishing, but not from the impact of oil drilling or cable laying, then we will have not provided them with the protection that they need. It is only in the context of a cross-sectoral Maritime Policy that an ecosystem-based approach can be properly implemented.

The EU's new Integrated Maritime Policy is fully committed to an ecosystem-based approach to managing not just fisheries, but all human activities which impact on the health of our marine resources.

An ocean of opportunity

In October 2007, after a year-long public consultation, the European Commission published a Communication describing its vision for an Integrated Maritime Policy for the EU, together with a detailed action plan setting out an ambitious work programme for the years ahead. These documents were the conclusion of two years of work, during which the groundswell of stakeholder support for a coordinated cross-sectoral approach to managing Europe's seas and oceans had been continuously growing.

In December 2007, the European Council endorsed this vision without reservation, and called on future EU presidencies to work to establish an Integrated Maritime Policy by pursuing the objectives set out in the Action Plan.

The result is one of the most ambitious new policy initiatives in the recent history of the EU. Europe's maritime regions generate around 40% of the EU's gross domestic product (GDP). The maritime sector is vast, and enormously varied: transport, shipping, trade, coastal and port-based industries, off-shore, traditional and alternative energies, fisheries, aquaculture, marine research, tourism, all seek to coexist and inevitably affect one another. All of them have an impact on

our oceans and the quality of the life they help sustain.

An Integrated Maritime Policy will be a key tool in meeting the challenges of sustainable development and competitiveness in the 21st century, and in addressing Europe's main priorities. It will help the EU to make the most of globalisation, fight climate change and adapt to its impacts, and achieve energy sustainability. All these goals require a coherent and coordinated approach if we are to tap the potential of our oceans and seas in a sustainable manner.

The Action Plan sets out a range of concrete actions to be launched during the mandate of the Barroso Commission. These cover a wide spectrum of issues ranging from maritime transport to the competitiveness of maritime businesses, employment, scientific research, fisheries and the protection of the marine environment.

Particularly important are the three tools for Integrated Policy Making. These are:

- o a more integrated network of surveillance systems for European waters;
- o the development of maritime spatial planning, assisted by a road map drawn up by Commission; and

- o an EU Marine Observation and Data Network (EMODNET) to optimise and bring coherence to the current fragmented initiatives that gather data on oceans and seas.

The new integrated governance framework for maritime affairs requires cross-cutting tools to help policy makers and economic and environmental actors to join up their policies, interlink their activities and optimise the use of the marine and coastal space in an environmentally sustainable manner. The improvement in data and information, in planning, and in the monitoring and surveillance of our oceans and seas which these actions will bring about will itself facilitate cross-fertilisation between all Maritime Policy activities, ultimately leading to a more integrated approach.

The Commission will shortly be launching preparatory/pilot projects in all three of these areas. When these are up and running, then the new EU Maritime Policy will no longer be just an idea – it will have become a reality.

At the core of the integrated ecosystem-approach lie two major instruments: the Marine Strategy Directive adopted in December 2007, and the Habitats Directive of 1992. The Marine Strategy Directive officially forms the environmental pillar of the EU's Maritime Policy. It deals with ecosystems at the bio-regional level, and calls on the Member States which share a given maritime region to establish jointly their standards for 'good environmental status' and a roadmap of how they intend to get there. The concept of 'good environmental status' includes biodiversity conservation, as well as broader ideas of ecosystem integrity and health. The Habitats Directive, on the other hand, deals with specific habitats which have their own specific characteristics and are clearly delimited in space. In order to ensure the protection of vulnerable environments and living structures both on land and at sea, the Directive provides the legal basis for establishing a Europe-wide network of representative protected areas.

It is above all through the implementation of these two Directives that the EU will be able to ensure that Europe's fish stocks have a healthy environment in which to grow and thrive (see fact sheet on ecosystem approach).

This is not to say that the CFP can simply continue to focus on conserving fish stocks, and leave the environment in which they swim to other policies and other actors. On the contrary, as part of an increasingly holistic approach to the maritime sector and the marine environment, the integration of ecosystem factors into the CFP rules has already begun, and will become increasingly important over the coming years. We need to increase research on interactions between fisheries and marine ecosystems, and we need to make sure this research is included in all the decisions which are made under the CFP. And we need to ensure that the impacts of fisheries operations are in line with and support the policies being implemented under the broader instruments of the Marine Strategy and the Habitats Directive.

In concrete terms, there are three main ways in which fisheries management can contribute to protecting marine ecosystems and ensuring a healthy and robust marine environment for all its users.

It can **reduce the overall fishing pressure** exerted. The less time boats spend at sea, and the less they need to fish in order to make a decent living, the fewer organisms will be killed, deliberately or incidentally, and the less disturbance there will be to the environments that protect and support the target species.

It can **protect sensitive marine habitats and species**, sometimes more rapidly than other more integrated instruments allow. The CFP has often been used in recent years to provide immediate protection from destructive fishing practices for ecosystems for which broader protection has been sought under the Habitats Directive, without having to wait for this lengthy procedure to conclude. Such measures can also be taken independently of the Natura 2000 process, as for example in the measures to protect the Darwin sea mounds north of Scotland, or the coral reefs around the Azores, the Canaries and Madeira.

It can also **take account of the environmental drivers which impact on fish populations**, and which in turn can lead to major disruptions for the fishing industry. We should not organise our fisheries in such a way that they risk exposing both fish stocks and fishers to major negative impacts in the case of sudden changes elsewhere in the ecosystem, such as climate change. This means, above all, not over-exploiting fish stocks to the point where the least change in their environmental conditions could provoke their collapse. Long-term management for MSY is thus key to ensuring an integrated ecosystem approach.

Of course, the ecosystem approach is, at heart, just shorthand for something we have always known, and which the industry has often practiced instinctively. Fishers tend to be highly aware of the interlinked nature of marine life in all its forms. And they know that it is in their own long-term interest to keep the seas healthy, so that they will provide them with the plentiful fish stocks which make their job a pleasure, not a burden.

The task for the Commission now is to work with fishers, and with all maritime stakeholders, to build not just a policy, but a **culture** of integrated ocean management based on a deep understanding of the potential and the constraints of our natural environment. A culture in which ecological limits are respected, and the power of the seas works for us, not against us, for the greater benefit of both the present generation, and generations yet to come.

The way forward

The Common Fisheries Policy has come a long way since 1982 – or indeed, since the first instruments of European fisheries policy were established in the early 1970s. What began as a set of tools to preserve traditional fishing patterns and defuse tension between a handful of nations is now a complex legal-scientific framework which seeks to harmonise the interests of 27 Member States, while protecting a natural resource whose finite, though renewable, nature can no longer be ignored.

Recent years have seen many improvements. Long-term planning and fishing for maximum sustainable yield now go hand in hand with the growing role of aquaculture and the recognition that value should be fairly distributed throughout the market chain. Funding has been re-directed to support the industry through a period of transition, and to help coastal communities keep their character as they diversify their economic base. Stakeholder participation has been reinforced, as have control and enforcement. And our international role gives us the opportunity, and the responsibility, to uphold the banner of responsible fisheries wherever EU boats may roam.

Yet these achievements have to be balanced against the many areas in which substantial improvement is still urgently needed. The institutional framework of the CFP still tends to confuse the definition of long-term principles with their concrete day-to-day implementation, and provides not only scope, but even incentives for short-sighted and irresponsible decision-making. Fleet capacity remains so far in excess of the potential sustainable harvest, that it is a direct incitement to a culture of overfishing, under-reporting, and various kinds of rule-bending and illegal activity. We need to create a framework for the industry in which it pays to be responsible, rather than one where people can profit by ignoring the rules and putting themselves first, whatever the cost to others.

This may require a number of radical and innovative changes to the way the CFP works, and the Commission aims to organise a truly open public debate to define the terms of the next reform. Market-based management tools to reduce fleet size, greater powers for the Commission to discipline Member States, a substantial simplification of regulation at EU level, and the delegation of many implementing decisions to national and/or regional level: none of them represent a panacea, and some of them are deeply controversial, but all of them need to be on the table as we explore the way forward for the CFP over the coming years.

Timetable for reform

On 29 September 2008, the Council of Fisheries Ministers unanimously endorsed European Commissioner for Maritime Affairs and Fisheries Joe Borg's call to kick-start preparations for the next reform of the Common Fisheries Policy by launching a truly open, no-holds-barred debate with stakeholders, Member States and the general public.

The Commission intends to table a Green Paper in the first half of 2009 which will provide the basis for a broad-based public consultation. A summary of the consul-

tation results will be published in early 2010, and the Commission will aim to table reform proposals later in the same year, with a view to their coming into force in 2012.

Commissioner Borg commented: 'An economically, socially and environmentally healthy fishing industry depends on healthy fish stocks and on the fishing fleets being in balance with their fishing opportunities. Ecological sustainability will therefore be fundamental to any future reform of the CFP.'

We also face the challenge, and the opportunity, of integrating the CFP fully into the broader perspective of a truly cross-sectoral Maritime Policy. We need to ensure that it is coherent with the EU's Marine Strategy Directive, and with the IMP's focus on sustainable growth in coastal areas. The search for better ecological and environmental status for our seas and oceans will go hand in hand with more, not less, support at EU level for coastal communities affected by this new approach to fisheries management.

Both the EU's emerging Maritime Policy, and the CFP which has just celebrated its 25th birthday, are rooted in consultation and participation with the people of Europe. And both of them are, by their very nature, works in progress. Throughout this brochure we have tried not only to explain the basic principles which now guide the CFP, but to show how the CFP is not a body of regulations which are set in stone, but an unfolding process, which stakeholders and citizens can actively criticise and shape.

The goal of the CFP is to ensure that we have healthy fish stocks in a healthy marine environment, for without that there can never be a profitable fishing industry. To bring this about, the European Commission is ready to do whatever is required to ensure that stakeholders, consumers, scientists and managers can work together, and replace the vicious circle encouraged by past policies with a genuinely virtuous cycle – a true win-win situation.

The CFP is not a set of rigid constraints, but a dynamic framework within which Member States and stakeholders can identify and work towards the kind of fishing industry they

would like to have. For in the final analysis, the only ultimate constraints are those of biological sustainability – and they are set not by any political institution, but by Mother Nature herself.

European Commission

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