

Green Paper

The future of the common fisheries policy



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GREEN PAPER

ON THE FUTURE OF THE COMMON FISHERIES POLICY

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GREEN PAPER ON THE FUTURE OF THE COMMON FISHERIES POLICY

1. THE NEED FOR REFORM OF THE COMMON FISHERIES POLICY

Almost twenty years from its inception, the Common Fisheries Policy (CFP) is confronted with major challenges. The policy has not delivered sustainable exploitation of fisheries resources and will need to be changed if it is to do so. Its shortcomings can be expressed in conservation, economic and political terms.

As far as conservation is concerned, many stocks are at present outside safe biological limits. They are too heavily exploited or have low quantities of mature fish or both. The situation is particularly serious for demersal fish stocks such as cod, hake and whiting. If current trends continue, many stocks will collapse. At the same time the available fishing capacity of the Community fleets far exceeds that required to harvest fish in a sustainable manner.

The current situation of resource depletion results, to a good extent, from setting annual catch limits in excess of those proposed by the Commission on the basis of scientific advice, and from fleet management plans short of those required. Poor enforcement of decisions actually taken has also contributed to over-fishing.

The precarious situation of the fisheries sector is not specific to the Community. There is world-wide concern for the critical state of many fish stocks and for fleet over-capacity in the context of increasing demand for fish consumption.

The fisheries sector is characterised by economic fragility resulting from over-investment, rapidly rising costs and a shrinking resource base: this is reflected in poor profitability and steadily declining employment. In the future the Community fisheries sector will have to be significantly smaller than it is today, if it is to survive.

Politically, the stakeholders do not feel sufficiently involved in the management of the policy and many believe that there is no level-playing field in terms of compliance and enforcement.

Apart from these internal systemic weaknesses, there are also external challenges that make reform necessary: the forthcoming enlargement of the European Union, the globalisation of the economy, the emergence of new players in world fisheries reflecting the legitimate aspirations of many developing countries to expand their own fishing industry, the increased focus on environmental and development policy considerations in fisheries management and the growing interest of civil society in fisheries matters are some of today's challenges to which the CFP needs to find satisfactory answers.

The picture is not entirely negative. The CFP has yielded some positive results during the last 20 years. It has managed, to a large extent, to contain conflicts at sea, provide some degree of stability to the fisheries sector and, so far, avoid the total collapse of stocks that some areas of the world have occasionally witnessed.

However, these results have been achieved at a high price in terms of the long-term viability of the fisheries sector. Today's situation calls for a thorough and urgent reform of the CFP independent from the legal requirements linked to the 2002 deadline¹.

2. THE BASIC PRINCIPLES OF A COMMON FISHERIES POLICY

There is a large world wide consensus on the overall objective of fisheries policy as defined in the FAO Code of Conduct for Responsible Fisheries: a responsible fisheries policy has to ensure effective conservation, management and development of living aquatic resources with due respect for the eco-system and bio-diversity in order to provide, both for present and future generations, a vital source of food, employment, recreation, trade and economic well-being for people.

Although there is no specific fisheries chapter, the Treaty establishing the European Community ("the Treaty") assigns to the CFP the same general objectives as the Common Agricultural Policy (CAP) (Article 33):

- to increase productivity by promoting technical progress and by ensuring the rational development of production and the optimum utilisation of the factors of production, in particular labour;
- to ensure a fair standard of living for the (fishing) community, in particular by increasing individual earnings;
- to stabilise markets;
- to assure the availability of supplies;
- to ensure that supplies reach consumers at reasonable prices
- to ensure the principle of non-discrimination (Article 34).

Article 6 of the Treaty stipulates that environmental protection requirements must be integrated into Community policies, in particular with a view to promoting sustainable development. Moreover, Article 174 requires, inter-alia, that Community policy on the environment shall be based on the precautionary principle.

The CFP has also to take into account consumer protection requirements (Article 153) and the objectives of economic and social cohesion (Article 159).

Finally, the CFP has also to take into account the objectives set by the Treaty in the sphere of development co-operation (Articles 177 and 178).

Article 2 of Council Regulation No 3760/92 (OJ L 389/1, 31.12.92) stipulates that as exploitation activities are concerned the general objectives of the CFP shall be to protect and conserve available and accessible living marine aquatic resources, and to

¹ The 2002 deadline marks the expiry/renewal of three components in the legislation currently in force, i.e. the rules of access to the 6-12-mile limit, to the Shetland Box and to the North Sea. (Article 14(2) of Council Regulation No 3760/92 and Acts of Accession of 1985 and 1994).

provide for rational and responsible exploitation on a sustainable basis, in appropriate economic and social conditions for the sector, taking account of its implication for the marine ecosystem, and in particular taking account of the needs of both producers and consumers.

The CFP is confronted with a number of objectives and legal requirements which sometimes may seem contradictory or incompatible, in particular, in the short-term. As it stands today, the CFP aims at:

- ensuring the conservation of increasingly fragile fish stocks while promoting the continuation of fishing activities;
- modernising the means of production while limiting fishing effort;
- ensuring the proper implementation of conservation measures while Member States retain responsibility in the field of monitoring and sanctions;
- maintaining employment while reducing fleet capacity;
- ensuring a decent income for fishermen even though the Community's own supply of fish products is declining and the EU market depends more heavily on imports each year; and
- acquiring fishing rights in the waters of third countries without threatening the sustainable exploitation of fisheries.

It is now time to think more clearly about the objectives of the CFP and to prioritise them.

3. WHERE ARE WE AND WHAT WILL HAPPEN WITHOUT CHANGE ?

3.1. Conservation policy

- From a biological point of view, the sustainability of a high number of stocks will be threatened if the current levels of exploitation are maintained and, at present, this risk is highest for demersal round fish stocks. Improvement in the state of many stocks is urgent.
- The CFP has not made use of all the available tools foreseen by Regulation 3760/92. There has been limited progress in adopting multi-annual approaches and effort management has yielded poor results.
- Council has fixed some TACs systematically at levels higher than those proposed by the Commission on the basis of the indications of scientific advice; over-fishing, discards and fleet over-capacity have also contributed to the current problems.
- There are significant gaps and weaknesses in scientific advice and information.

3.1.1. The current state of the main fish stocks

The quantities of mature demersal fish in the sea as assessed by the International Council for the Exploration of the Seas (ICES) have, in many cases, declined significantly over the last 25 years. On average, these quantities were about 90 % greater in the early 1970's than in the late 1990's. The general decline in landings is similar. For some stocks such as cod even more drastic reductions in mature fish have occurred. The biomass of pelagic and industrial species increased by, on average, 20% since the late 1970's and mid 1980's at least in part following the recovery of herring from the low levels of the late 1970's.

The overall trend is of an increased proportion of the stocks being taken each year (increased fishing mortality rate) which has led to the erosion of the quantities of mature fish. In recent years, for many stocks quantities of mature fish in the sea have been below or very close to the minimum levels required to provide high probability of sustainability (precautionary levels of stock biomass), whereas historically they tended to be above such levels. Similarly, many stocks have been subject to a level of fishing mortality rate in excess of precautionary levels whereas, historically, the fishing mortality rate was less than the precautionary level.

From a biological point of view, the sustainability of a high number of stocks will be threatened if the current levels of exploitation are maintained and, at present, this risk is highest for demersal round fish stocks which are of high commercial value. Recent scientific advice has indicated the very poor state of cod stocks in the North Sea, to the West of Scotland and in the Irish Sea and for the northern hake stock which inhabits the geographical area from the Skagerrak to the Bay of Biscay. In all cases, fishing mortality rates are currently at or close to historical maxima and the quantities of mature fish are at or close to historical minima. In addition, recent year classes have tended to be of low abundance. Specific rebuilding plans are required for these stocks. A start was made for cod in the Irish Sea in 2000, similar measures have been taken this year for North Sea cod and others are in preparation for cod stocks in the West of Scotland.

The situation is better for pelagic stocks. Stocks of small pelagic species (herring, sprat, mackerel, horse mackerel, anchovy, sardine) and species which support industrial fisheries (Norway pout, sandeels) have generally not deteriorated over the last twenty years and especially not over the last ten years. It was possible to implement effective rebuilding measures for the North Sea herring rapidly in 1996 and 1997, whereas this fishery had to be completely closed in the late 1970's because catch limitations had not been adopted early enough. As far as bluefin tuna is concerned, the stock is subject since 1994 to catch limitations agreed in the International Commission for the Conservation of Atlantic Tunas (ICCAT). Despite these limitations, ICCAT's scientific committee considers that the stock is clearly over-exploited and that in order to stop the decline of the biomass, a reduction of 25% in fishing mortality would be necessary.

In the case of benthic resources (Norway lobster, flatfish) a general economic overexploitation pattern can be observed but at the biological level the situation cannot be considered as systematically serious. Within this group of resources, fishing of the most important stocks (sole, plaice, Norway lobster, megrim, monkfish) could be maintained with reduced fishing effort and therefore with lower production costs. Finally, there are also resources such as skates and rays, and the

minor flatfish species (including turbot, brill, lemon sole, witches, dabs) that are not subject to detailed scientific follow-up but which may also be overexploited.

The situation varies from one zone to another, especially in terms of apparent evolution of fishing mortality in the mid-to long-term. In the Baltic, the current situation does not seem to be sustainable. In the North Sea, it has not been possible to reverse the decline of round fish stocks nor to ensure in the case of sole and plaice a security margin in accordance with the precautionary principle which would have also improved the economic situation for these fisheries. In Western waters, fishing mortality rates have been increasing catching up with and often exceeding historical levels observed in the North Sea. In the Mediterranean, the available scientific data are less complete but there is a large consensus that many important stocks are being over-fished.

To sum up, many stocks are at present outside or almost outside safe biological limits. They are too heavily exploited or have low quantities of mature fish or both. At present, the situation for most stocks is not catastrophic. If current trends continue, however, many stocks will collapse. Improvement in the state of many fish stocks is urgent.

3.1.2. The causes of current management deficiencies

To control exploitation rates of fish stocks, the CFP has almost exclusively used upper limits on the quantities of fish which may be caught in a year (Total Allowable Catches or TACs and associated national quotas) and establishment of measures such as mesh sizes, closed areas, closed seasons (technical measures). Attempts in the past to combine such measures (to control output from fisheries) with measures to control fishing effort (input to fisheries) have been largely unsuccessful. It has not been possible to take advantage of all tools available in Regulation 3760/92. There was limited progress in adopting multi-annual approaches and fishing effort management yielded poor results.

Difficulties with TACs are due to the Council's systematic fixing, in some cases, at levels higher than indicated in the scientific advice, over-fishing, discards and illegal or black landings and to the over-capacity of the fleet. Moreover TACs can only play a limited role in the management of fisheries in which many species of fish are taken simultaneously by each operation of the fishing gear (the mixed or multi-species fisheries).

It is still too early to judge the effectiveness of the new technical measures Regulation in force since the beginning of 2000. But this set of measures can only partially remedy the current problems. For many stocks, the authorised mesh-sizes remain too small for the effective protection of juveniles. Control of mesh-sizes remains difficult especially when more than one mesh size can be used during the same fishing trip. Compliance with technical measures also remains problematic because of the complexity of the regulations and their geographic disparities. The use of selective techniques is far from having fully achieved its potential. It has also not been possible to sufficiently involve fishermen to guarantee their support and contribution of their expertise.

The protection of small juveniles is particularly difficult to put into practice. The situation has deteriorated to such an extent that larger fish have become rare and the

economic benefit from fishing depends on catching small fish, even if they are subject to protective measures. The failure to implement several technical measures in the Mediterranean illustrates this point.

There are also weaknesses in scientific advice and information. The number of competent fishery scientists and economists in Member States is limited. The fishery scientists are often, but inevitably, too involved in the year-to-year routine of providing advice on TAC's and quotas to allow time for innovative thought and investigation of alternative possibilities for management measures. The economists suffer from the fact that no international organisation exists through which their work can be co-ordinated and developed. Data are not complete for all areas and domains. Overall there is a lack of analysis of economic aspects, multi-species fisheries, and the inter-relationship between fishing effort and fishing mortality rate and hence appropriate level of TAC.

3.2. The environmental dimension

- The CFP should do much more to integrate the environmental dimension into policy-making in a proactive manner.
- There is a lack or insufficiency of knowledge about the functioning of marine ecosystems and the side-effects of fishing which exacerbates the environmental shortcomings of the CFP.
- Pollution from industrial or other human activities has a negative impact on fish quality and fish availability and on the ecosystems. Appropriate measures need to be taken to counteract such negative effects.

All fishing activities have an impact on the ecosystem but the severity of this impact and the time required to reverse its effects are often not known. There is increasing concern over degradation of habitats as a result of fishing activities. Removals of individuals from natural populations may also have consequences on biodiversity and/or the effective functioning of ecosystems, whether such removals are at a level which threatens species with extinction or local disappearance.

A reasonable balance has to be struck between environmental and fisheries interests. On the one hand the very nature of fishing means that in order to keep the mortality of species of no commercial interest within tolerable limits, some forms of fishing should be subject to restrictions. On the other hand, the sustainability of the fishing sector is dependent on a well-functioning ecosystem and the species within it.

The CFP has still much to do to integrate the environmental dimension into policy-making. The over-capacity in EU fleets has resulted in overexploitation of target stocks and excessive pressure on non-target species and on habitats. The CFP has not managed to sufficiently integrate the environmental problems into all management considerations in a proactive manner. The problem has been exacerbated by a lack or insufficiency of knowledge about the functioning of marine ecosystems and the side-effects of fishing.

But to be fair it is important to underline that many problems in the marine environment are not due to fishing activities only and that fishing has suffered from environmental damage. Pollution has a negative impact on the quality of fish which

reaches the consumer. Pollution from industrial and other human activities and climate change have also contributed to stock decline or lack of fish in some areas. Measures to counteract the effects of these factors on stocks are urgently needed otherwise conservation and management policy for the fishery resources will be constantly undermined.

It is also important to recall that in many areas environmental problems may be the result of the combined impacts of fisheries and another activity. For instance, the joint impact of tourism and fisheries may degrade habitats which would not have been damaged by only one of these activities. This implies the need to ensure that fishing activity and other activities, especially close to the shore, are managed in a coherent manner. The process of Integrated Coastal Zone Management (ICZM) provides a set of tools to ensure the necessary policy co-ordination.

There are, however, examples where progress has been achieved and action is in hand to improve the situation, such as the restriction on the North Sea sandeel fisheries to safeguard seabirds and the drift net ban which can contribute to the protection of sea mammals. The Community has begun to implement medium-term strategies in accordance with the precautionary principle.

The Commission is in the process of integrating environmental concerns into the CFP, as for other policy sectors, in accordance with the mandate of Article 6 of the Treaty. The forthcoming Communication "Elements of a strategy for the integration of environmental protection requirements into the Common Fisheries Policy" indicates specific objectives and means to accomplish that mandate. Essential elements of the suggested strategy are i) the adoption of an ecosystem-based approach to fisheries management, ii) the embracing of the environmental principles of Article 174 of the Treaty, and iii) the implementation of the forthcoming "Biodiversity Action Plan for Fisheries" and other specific initiatives, some of which were described in the Communication "Fisheries management and Nature Conservation in the marine environment" (COM(1999)363).

3.3. Fleet policy

- The current fleet is much too large. Technological progress is increasing the efficiency of fishing vessels and it undermines the efforts of capacity reduction programmes.
- The Multi-Annual Guidance Programmes (MAGPs) were set by the Council at levels that were not ambitious enough to address the problem of excess capacity effectively and have often not been enforced. They were also complex to administer.
- Subsidies for construction/modernisation and running costs may have aggravated the current situation.

Fishing capacity is currently defined in terms of tonnage and engine power, but there are many other factors that determine the fishing mortality generated by the fleet. Advances in technology and design mean that new vessels exert much more fishing effort than old vessels of equivalent tonnage and power. What is clear, in any event, is that the fleet is currently much too large. The "Gulland" report produced in 1990 and the "Lassen" report produced in 1995, suggested that the necessary reductions of

fishing mortality for the prudent management of stocks should be about 40% and in many cases much higher.

The problem of excess capacity has been addressed by multi-annual guidance programmes (MAGPs). MAGP III (1992 to 1996) was relatively efficient and the reduction actually achieved over this period was approximately 15% in tonnage and 10% in power. It has to be recognised, however, that the efficiency of fishing vessels is increasing every year due to technological progress. Advances in vessel gear and design, fish finding equipment and telecommunications all contribute to this.

Contrary to the Commission's proposal, the current programme, the MAGP IV (1997 – 2001), is much weaker, calling for reductions in the Community fleet of just 3% in capacity and 2% in activity over its 5 year period of application. Indeed, so weak are these objectives that the Community fleet as a whole had already met the final capacity objectives for 2001 when the MAGP IV was adopted in 1997. In addition, the introduction of combined activity and capacity reductions make the MAGP IV very complex and costly to administer, both for Member States and for the Commission.

Aid policy has also often undermined the objectives pursued by the fleet policy. Subsidies for construction, modernisation and running costs may have aggravated the current situation since they have not been accompanied by a sufficient decrease in capacity.

Continuation of the current system would not only be unable to cut the excessive capacity of the fleet but would lead to an increased fishing effort in a situation where the state of the stocks cannot even support the present effort.

3.4. Decision-making process and stakeholders' involvement

- The current framework is not well suited for responding quickly to local and emergency circumstances.
- Stakeholders do not feel sufficiently involved in some important aspects of the policy.

Taking decisions at the Community level is not well suited for responding quickly to local and emergency circumstances affecting one or more Member States and involving measures such as the real-time short-term closure of a fishing area, in cases where a decision needs to be taken within hours to avoid irreparable damage on stocks. It might, therefore, be necessary to adjust the legal framework to permit such action by one or more Member States.

It has been clear from the application of the CFP so far and from the regional consultations on the 2002 review that the stakeholders do not feel sufficiently involved in some important aspects of the Policy, such as, for example, the elaboration of scientific advice and the adoption of technical measures. Many fishermen, in particular, believe that their views and knowledge are not sufficiently taken into account by managers and scientists. This lack of involvement undermines support for the conservation measures adopted. The interested parties do not consider satisfactory the existing consultation arrangements, such as the Advisory Committee on Fisheries and Aquaculture, which are designed to take into account the full range

of views of the fisheries sector and other stakeholders. The regional workshops that have been recently organised by the Commission to address specific management problems have been considered as a move to the right direction but it is clear that the stakeholders request more than that.

Various proposals have already been put on the table to rectify the lack of adequate involvement of the full range of stakeholders. These include a system of decentralised regional or zonal management, a system of regional advisory committees providing advice to the Commission and a system of Community individual fishing rights administered through a centralised Community management framework with adequate involvement of scientists and industry.

In any case, more political determination is needed to face the problems and take the corresponding decisions. But some procedural changes are also needed. Continuation of the existing procedures would without doubt lead to further mistrust and scepticism. The reform of the CFP can only succeed if fishermen consider that fisheries policy takes into account their interests views and experience.

3.5. Monitoring and control

- The current arrangements are insufficient and cannot ensure a level-playing field across the Union.
- The organisation of monitoring and control is fragmented. Better co-ordination and optimal use of monitoring and inspection resources are needed.
- A satisfactory follow-up of infringements has not been achieved.

Monitoring and control activities to enforce the CFP are widely seen as insufficient and discriminatory. In almost all Member States, fishermen are calling for a more centralised and harmonised control system at Community level which, they believe, would provide more efficient action and equal treatment throughout the Community.

Although the latest amendments to the "Control" Regulation No 2847/93 (OJ L 261, 20.10.93) went in the right direction, proposals to strengthen Community rules and to increase the powers of Community inspectors did not obtain agreement from the Member States. The absence of harmonisation of sanctions and the limited powers of Community inspectors (in particular due to the fact that they are not allowed to conduct independent inspections) are major obstacles to effective action at Community level.

A satisfactory follow-up of infringements has not been achieved. Heterogeneous legal systems often result in different treatment of infringements from one Member State to another with respect both to the follow-up of an individual case and to the imposition of sanctions. Moreover, the Commission has not been able to pursue Member States' infringements adequately due to the legal limitations of the current system.

At present, the organisation of control and monitoring is fragmented. The use of inspection and monitoring resources is far from optimal. The Commission has not been granted either the human resources or the powers to enable it effectively to

execute the task assigned to it. The situation in the Member States is not satisfactory either.

It has also not been possible to adopt a Community position on control of fishing activities in the framework of regional fisheries organisations (RFOs). There is a need to define the respective responsibilities of the Commission and the Member States with the latter assuming the central role in the implementation of monitoring arrangements adopted and applied by RFOs. The lack of a clear Community strategy on control and monitoring of fishing activities in international waters jeopardises efforts to meet the Community's international obligations and to ensure the continuation of the Community fleet's presence in those waters.

The CFP reform offers the opportunity to reopen the debate on the improvement of control arrangements and to explore new options for more effective penalties. If this opportunity is missed the CFP will suffer a fatal blow to its credibility.

3.6. The economic and social dimension

- The CFP has a significant economic dimension. 1.1 billion € of public money (Community and national) is injected into the fisheries sector each year.
- Over-capacity has negative economic effects on the profitability of the fleet. Improvement of the economic and financial performance of the fleet requires a reduction of the overall level of the capital employed.
- There is a steady decline of fisheries employment.
- If current policies and approaches are not changed the European fishing sector will become less and less sustainable and economically viable.

Reference is made in Regulation No 3760/92 to the long-term development of the sector, the particular needs of regions where local populations are especially dependent on fisheries and related activities and the economic and social consequences of restructuring. The economic and social impact of the CFP, however, has been neglected.

The CFP has a significant economic impact. The common market organisation and the common commercial policy offer price support and tariff protection to the Community producer. The Community, through the Financial Instrument for Fisheries Guidance (FIFG), intervenes significantly in the fisheries sector, financing investment in both fishing vessels and onshore installations for processing and aquaculture. It also finances the costs of fishing under external Fisheries Agreements. Finally, some state aids falling outside the FIFG are also provided to the sector. The combined effect of these policies at Community and national level leads to the injection of about € 1,1 billion of public money into the fisheries sector each year, which represents a significant proportion of the value of the total Community production (about € 7 billion for fishing landings and € 2 billion for aquaculture).

The problems arising within the fisheries sector itself have consequences for fisheries-dependent areas. The long-term development of the sector, the particular needs of regions where local populations are especially dependent on fisheries and related activities and the economic and social consequences of restructuring are

referred to in Regulation N° 3760/92. In addition, under the Structural Funds, the European Union's less prosperous coastal areas and islands are eligible for major programmes of support under Objective 1 (regions where development is lagging behind) during the period up to 2006. These programmes cover the major part of the coastal areas and islands belonging to four countries: Portugal, Spain, Italy and Greece. Other areas are supported under Objective 2 (areas undergoing restructuring) which targets, among others, fisheries-dependent areas in difficulty. Under this heading, areas in five Member States containing 1 million of population are eligible for Objective 2 support. A special common programme, PESCA, was also introduced in the previous planning period, 1994-99, to help the adaptation of fishermen to the changes affecting the sector and to prepare them for alternative activities.

Despite the importance of Community economic involvement in fishing, however, the definition of an economic or "industrial" strategy for the fishing industry has remained the responsibility of the Member States, which pursue very different and sometimes conflicting objectives in this area (in contrast to other sectors where the Community has followed a policy of structural adjustment). In order to improve the effectiveness of Community intervention there is a pressing need for greater clarification of policy objectives.

Given the heterogeneity of the fishing sector it is difficult to provide a single diagnosis of its economic and financial performance and of the conditions for its viability in the short and long term. However, the financial returns of large-scale fishing - data on small-scale fisheries are scarce - are often modest and fluctuate greatly from year to year, placing the sector in a permanently unstable situation. In a number of cases, profit margins frequently do not make it possible to cover costs and capital depreciation. After several years of substantial deficit, there was some improvement in the mid-1990's. This improvement was not the result of any fundamental change in conditions but rather of an increase in the value of landings and a reduction, in real terms, of the cost of fuel (which has now been sharply reversed). In other words, financial improvement has been the result of cyclical rather than structural factors.

The close correlation between turnover and the capacity of fishing enterprises to make a profit is an indicator of the critical importance for profitability of the balance between the number and capacity of vessels, on the one hand, and available fishery resources, on the other. Where there is excess capacity, a more-or-less constant value of landings has to be shared between a larger number of players. Over-capacity has a number of negative economic effects. It reduces the capacity of each vessel to earn an adequate income. The profitability of the fleet is jeopardised by the under-utilisation of investments; at the same time, the absence of sufficient return on capital delays modernisation and further weakens competitiveness. Improvement of the economic and financial performance of the Community fishing fleet therefore requires first-and-foremost a reduction in the overall level of capital employed.

Today's subsidies to investment in the fishing industry and certain taxation measures, such as tax-free fuel, do not contribute to this objective. By artificially reducing the costs and risks of investment in an already over-capitalised industry, they promote over-supply of capital. Each newly-subsidised vessel reduces the productivity and profitability of every other vessel in the fishery concerned. Such a policy also has an adverse effect on competition, as subsidised and unsubsidised vessels share the same fishing grounds and market. And the high costs to vessel-owners of repayments on

capital investment reduce their ability to reward their labour-force better (or to expand it). As a consequence, the sector has attracted more resources than would have otherwise been the case and has thus imposed a cost on the rest of the economy as resources utilised could be more profitably exploited elsewhere.

The fisheries sector is steadily shrinking. Over the period 1990 to 1997, employment has decreased in catching (-19%) and processing (-10%) and increased in aquaculture (+22%); total employment in these areas shows a decrease of 13% (i.e. a loss of 60.000 jobs). This loss of employment is very different among the countries and regions (with, for example, Greece showing a global increase and Denmark showing a sharper decrease in all the sectors).

Over the same period, the dependence of the Community on fisheries showed some changes. Although the vast majority of the areas dependent on fisheries in 1990 were still dependent in 1997, the map of fisheries dependent regions strongly evolved. There was a sharp fall in the degree of dependence of the most dependent areas, particularly in Spain, but at the same time there has been an increase of dependence in regions of Greece. A decrease in dependence on the catches/landings was, in some areas, compensated by an increase in employment in aquaculture. A tendency towards increased dependence can be observed in some Objective 1 areas suffering from low economic development and from the scarcity of alternative activities.

The general picture is characterised by a steady decline of fisheries employment. The form of aid most favoured by the Community, i.e. aid for capital investment, may have intensified the problem of over-capacity, low profitability and replacement of labour by capital in the catching sector. It may also have tended to increase fisheries-dependency, by giving more favourable treatment to the fisheries sector than to sectors which might provide alternative employment to those leaving the fisheries sector. A notable exception was the PESCA programme, in which the Community actively sought to promote the adaptation of fishermen to alternative economic activities; this programme was modest compared to other aids, however, and the innovative elements were not sufficiently used.

A policy of trying to save jobs in fisheries-dependent regions by granting aid to the fisheries sector may be self-defeating. Such a policy has not prevented the steady shrinkage of EU fisheries employment at the rate of which has averaged 2 per cent per annum in the catching sector, driven by scarcity of fisheries resources and technological progress which has dramatically increased labour productivity. The attraction of safer and better-paid jobs in other sectors has meant that in many areas it is increasingly difficult to find crews for fishing vessels, in particular for distant-water fishing fleets.

The economic policies so far pursued in the fisheries sector at Community or national level leave much to be desired. If current policies and approaches are not changed the European fishing sector will become less and less sustainable and economically viable and its competitiveness even in its own market will be threatened. Moreover, an overcapitalised and oversized fleet will jeopardise the sustainability of fishery resources without solving the problem of employment in regions in which fishing is economically important. It is imperative therefore that the Community explores a new approach to economic management of the fisheries sector.

A sustainable management of fisheries which restores fish stocks' productivity will offer improved economic and social returns to both the industry and society as a whole. In the long run, increased fish stocks will translate into higher catch per unit of effort and increased profitability for the fishery possibly attracting new entrants. Low stock levels have the opposite effect, leading to revenues that are too low to cover total costs and to capital and labour exit. Even in the short to medium-term, a reduction in capital and labour inputs will have a positive impact on net income for those continuing to be employed since remaining vessels will be able to harvest more fish at roughly the same operating costs.

3.7. Aquaculture

- Aquaculture contributes substantially to the supply of fish products and provides alternative employment in many fisheries dependent regions.
- European aquaculture needs to confront effectively the challenges arising from environmental and health protection requirements.

Aquaculture development has contributed to the supply of fish products without increasing pressure on wild stocks. It has also provided alternative employment in many fisheries dependent regions.

Aquaculture has played a significant role in the improvement of the socio-economic situation of coastal communities. Nonetheless, while the overall framework shows a positive development, Community aquaculture still experiences a number of problems. In particular, as aquaculture expands, it is increasingly seen as a threat to other activities. The tourism industry is especially critical of aquaculture, which is blamed for occupying space that could be used for recreation, as well as for producing waste materials that affect the quality of nearby bathing water. In order to ensure a stable future for aquaculture, it is important to address these conflicts with other users of the coastal zones.

Competition from international trade has also affected Community aquaculture during the last decade. The ex-farm value per kilo of all fish farmed products was reduced encouraging increased productivity and generating innovative approaches in marketing.

Some of the legislation introduced over the last decade, in particular on environmental or health protection requirements, increased production costs leaving less money for marketing and promotion.

With regard to aquaculture, the Community policy is expressed primarily through its principal financial instrument, the Financial Instrument for Fisheries Guidance (FIFG), which intervenes everywhere but with preferential aid rates in Objective 1 areas. If this fund is undeniably a powerful European integration tool, the fact remains that the FIFG has until now provided support mainly by capital grants for the productive investments of companies.

3.8. The processing industry

- The European processing industry is made of mainly small and medium enterprises coping with insufficient and irregular and non-competitive

supplies, health and hygiene requirements, competition from third countries and the appearance of major retail companies which set prices at lower levels.

- Significant Community structural aid has been given to the sector.

There are some 2000 processing enterprises in this industry. These are mainly Small or Medium Enterprises (SMEs) which have had to cope with a number of problems: insufficient, irregular and non-competitive supplies, combined with difficulties due to outdated production equipment, partial conformity with health and hygiene requirements, major competition from third countries products and the appearance of the major retail companies which set prices at lower levels.

Supplies are a major problem, since the EU has a deficit in fishery products and diminishing Community resources make the situation worse. The Community industry is able to import fish at a reduced duty rate in order to be competitive. Imports primarily involve semi-processed and frozen products that the Community firms in turn process, adding value to these products.

In response to the problems the industry experienced in recent years, there was an important restructuring movement which gave rise to a concentration process with the emergence of major companies (often integrated into agri-feedstuff, financial or major distribution groups), having, at least, a national, or even European dimension, in general, producing multi-products with high-added value, or of major vertically integrated companies which developed around the principle of privileged access to raw material. These conglomerates have become major actors in the sector.

Between 1986 and 1999 Community aid policy to the processing industry evolved from an accompanying policy to development and modernisation of the sector, to a policy of restructuring and encouragement for the adoption of production techniques allowing for an overall improvement of competitiveness.

3.9. The international dimension of the CFP

- The current policy needs to adapt to changing circumstances and new challenges such as the emergence of new players, the legitimate aspirations of many developing States to develop their fishing industry and the requirements of sustainable development and responsible fisheries.

The Community has one of the largest fishing fleets in the world and although most of it operates within Community waters, a significant part of the Community fishing sector depends on access to non-Community resources, i.e. those which are shared with third countries, those in the waters under the jurisdiction of more distant coastal States or those in international waters. In all these cases, the definition of the conditions of access has to be agreed between the Community and one or more coastal or flag States.

Technical progress, the emergence of new fishing powers, the increasing number of flag of convenience vessels not respecting the international rules and the aspirations of newcomers to develop their fisheries sectors are changing the conditions of competition beyond the traditional conflicts which characterise the world of fisheries (gear conflicts, competition between small-scale and large-scale fisheries, etc.). Moreover, the European distant water fleets are becoming less and less competitive

vis-à-vis the fleets of the new emerging fishing nations which are operating at lower costs.

The future of the fisheries bilateral relations of the EC is uncertain. Many States are trying to enhance their ability to develop their own fisheries and even to participate in high seas fisheries. To that end there is an increasing need for co-operation in areas such as financial assistance, assistance related to human resources development, technical assistance, transfer of technology, advisory and consultative services, training and capacity to better manage their resources.

Many third countries where European fleets used to fish are also facing the problem of resource depletion while fish supply is crucial for their food security and economic development. Fishing activities in waters under the jurisdiction of the developing countries meet difficulties seriously enhanced by the economic and social situation such as the lack of knowledge about the aquatic resource and about the impact of fishing activities on ecosystems, the difficulty in determining the "surplus" of resource available for foreign fleets, the instability and risks which are contradictory with long term investment, the lack of monitoring and control of fishing activities and the difficulties to fight piracy and illegal fishing. Moreover, in third countries where there is a necessity to reduce fleet capacity it is inconceivable to ask for an increase of fishing possibilities for European vessels.

The external fisheries policy, as expressed in the Community's bilateral Agreements, faces also a number of weaknesses:

- the Fisheries Agreements are not always flexible enough to respond quickly to emergency circumstances such as stocks decreasing, they are not multi-species oriented, the precautionary principle is rarely mentioned and applied;
- the fishing possibilities offered to European vessels are not always based on the real evolution of the resource;
- the fishing mortality generated by the European fleet is not always known;
- some Fisheries Agreements do not offer enough guarantees for the protection of small-scale coastal fisheries;
- there is a problem of coherence inside the CFP between Fisheries Agreements on one hand and vessel transfers subsidised by FIFG on the another. Vessels owned by companies with predominantly European financial interests are competing for the same resource but with different rules;

By adhering to the Code of Conduct for Responsible Fisheries the Community has accepted to co-operate with developing States and to help them develop their fisheries sectors. The future fisheries bilateral relations of the Community need to take account of these commitments.

The Community external fisheries policy is often attacked in international fora and therefore there is a need to improve both its credibility and image vis-à-vis international public opinion.

If the current external fisheries policy is not adapted to changing circumstances and to new challenges, the status of the Community as a major and responsible international player will be undermined.

3.10. Mediterranean fisheries

- Community policy in the Mediterranean has not met expectations: implementation of the technical measures Regulation for the Mediterranean has not been satisfactory, data are lacking and there has been slow progress in international co-operation.

The Mediterranean is a strategic area linking countries of very different cultural, religious, ethnic and economic heritage and background. The CFP could play an important political role in inter-Mediterranean co-operation based on a widespread awareness of the importance of common resources and goals.

In contrast to structural and market policies, which have been fully implemented, conservation and management measures have only been partially applied in the Mediterranean. This is mainly due, amongst other things, to the specific characteristics of the Mediterranean fisheries:

- The continental shelf is generally very narrow and most fisheries take place in waters under the jurisdiction of the coastal States. Most States do not claim jurisdiction beyond the 12-mile territorial sea. Vessels flying the flag of non-Mediterranean States, conduct intensive fishing of tuna and of other valuable fish resources in international waters;
- Mediterranean fisheries are small-scale and local fleets predominantly consist of small fishing boats in both national and international waters. Centuries-old traditions and institutions, such as the Prud'hommies in France and the Cofradias in Spain, still play a significant role in Mediterranean regions;
- Fisheries and aquaculture play an important role in the economy of a number of areas. Indeed a major part of the Community's regions dependent on fisheries are situated in the Mediterranean.

Since the early 1990's, the Community has taken a number of initiatives to try to improve fisheries management in the Mediterranean. These included harmonisation of technical measures, increasing the selectivity of fishing gears (including a ban on driftnets) and strengthening international co-operation (organisation of the Crete and Venice Diplomatic Conferences and the Community's accession to the relevant regional fisheries organisations, i.e. the General Fisheries Commission for the Mediterranean (GFCM) and the International Commission for the Conservation of Atlantic Tunas (ICCAT).

However, the results did not meet expectations: both international co-operation and the strengthening of GFCM procedures are progressing slowly while the internal measures suffer from lack of acceptance (and therefore compliance) by fishermen and from poor monitoring by Member States.

The main tool for the management of resources at the Community level has been, until now, Regulation No 1626/94 laying down certain technical measures for the

conservation of the fishery resources in the Mediterranean (OJ L 171, 6.7.1994), which aimed at the harmonisation of the legal provisions of the coastal Member States. However, implementation of the Regulation has not been satisfactory.

The application and enforcement of minimum landing sizes has encountered difficulties. The existence of a market for undersized fish, the absence of a tradition of strong control in some areas of the Mediterranean and a widespread feeling among fishermen that they have not been sufficiently associated with the decision-making process have contributed to this situation. Moreover, fleets from third countries are not subject to the same strict rules.

At the external level, there has been slow progress in multilateral co-operation. There is a lack of effective monitoring, control and surveillance and lack of scientific advice based on quality data. If this situation is not improved some parties may be encouraged to take unilateral measures such as further extension or proclamation of new fishery zones, which could create severe problems for Community fishermen and legal complications in Community relations with third countries.

If no action is taken on the issues identified above, the situation of the stocks will deteriorate. The lack of relevant data to support management decisions, the lack of effective monitoring and enforcement, the absence of international co-operation with the bordering States and the increased recourse to unilateral actions would be the consequences of the Community's inaction.

4. A SET OF CLEARER OBJECTIVES FOR THE FUTURE

As outlined above, many of the CFP's current problems reside in the variety and lack of precision of its objectives. The general objectives of the CFP individually correspond to legitimate goals but they can be attained only in the long term. However, the transition towards long term sustainability and viability requires in the short run corrective measures aimed at restoring fish stocks' productivity. This would imply lower factor inputs, capital and labour. Such adjustment leading to long-term benefits should, however, be set against the costs in both the short and long run of pursuing the present policy.

The Commission strongly believes that the CFP should be made capable of meeting the challenges facing it through the definition of a clear set of coherent objectives. The reform debate should also focus on the relative weight to be given to these objectives, and on the need for clearer political choices where objectives are mutually incompatible.

The Commission has identified the following objectives for the future CFP. These are :

- to establish responsible and sustainable fisheries that ensure healthy marine ecosystems maintaining the quality, diversity and availability of marine resources and habitats. To that end there is an urgent need to strengthen and improve the conservation policy in order to reverse the current negative trends of many stocks.
- to contribute, through appropriate fisheries management action, to achieve the environmental objectives set out in Article 174 of the Treaty. Appropriate

measures to reduce the negative environmental impact of other human activities, such as maritime transport, oiling and dredging should be envisaged as a complement to fisheries policy measures.

- to integrate health requirements into the CFP in order to protect public and animal health and safety and to ensure the stable supply of the European market at prices reasonable for the consumer.
- to bring fleet capacity into line as soon as possible with the availability and sustainability of the resources.
- to promote better governance by putting in place more transparent, accountable and flexible management and decision-making processes which involve stakeholders also at the regional and local levels and ensure that emergencies and conservation problems of a local nature are adequately addressed.
- to ensure effective enforcement of CFP rules through transparent arrangements which can guarantee a level playing-field across the Union.
- to secure an economically viable and self-sufficient fisheries and aquaculture sector which can be competitive in a globalised economy.
- to address the problems of structural adjustment that will result from a commitment to sustainable fisheries.
- to promote the responsible and rational exploitation of fishery resources in international waters and to develop partnerships with third countries in a manner coherent with Community development policy.
- to improve the quality and amount of relevant data to support decision-making and to promote multidisciplinary scientific research which will allow for obtaining timely and qualitative scientific information and advice on fisheries, associated ecosystems and relevant environmental factors.

The launching of a public debate on the basis of this Green Paper is the first step towards achieving these objectives.

5. THE FUTURE CFP: OPTIONS AND PREFERENCES

5.1. Strengthening and improving conservation policy

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|---|
| <ul style="list-style-type: none">• Implementation of multi-annual and ecosystem-oriented management .• Adoption of stronger technical measures to protect juveniles and to reduce discards including pilot projects for measures not applied until now such as discard bans.• Development of a system to track progress of the CFP towards sustainable development and the performance of the management schemes and policies against stated objectives. |
|---|

- Roll over of the access regime to the 6-12-limit and to the Shetland Box.

Even if there are no panaceas for the conservation problems, the current critical situation of many stocks makes it more urgent now than ever to apply effectively the whole panoply of available tools.

The following more specific actions should be envisaged:

5.1.1. *Multi-annual, multi-species and ecosystem-oriented management*

The need to lay down multi-annual management plans that take the precautionary principle into account is now widely accepted. The Commission presented in December 2000 a Communication to the Council and the European Parliament on the application of the precautionary principle and the multi-annual arrangements for setting TACs².

A multi-annual approach should help in avoiding two major disadvantages of the annual fixing of TACs and quotas: the postponement of difficult decisions for the future and abrupt changes in the volumes of TACs from one year to the other.

In order to implement a multi-annual approach there is a need to define for a series of stocks multi-annual strategies which are compatible with the precautionary principle. Such management strategies will be based on a planned development of fishing mortalities in the mid-term (3 to 5 years).

The implementation of multi-annual frameworks could be based on existing work undertaken for the stocks shared with Norway and the Baltic States and should integrate the precautionary principle. Medium term environmental and ecosystem objectives and strategies for key species and habitats could also be established through the introduction of limits on by- and incidental catches, especially for species listed in environmental legislation.

Mixed fisheries are prevalent in Community waters and therefore it may be preferable to manage groups of stocks for well-defined fisheries. The setting-up of a true effort management regime could be one of the means to approach multi-species management. Moreover there is a need to further develop an ecosystem-oriented approach to all areas of fishery management, from resources to consumers in order to contribute to the achievement of a sustainable exploitation of the marine ecosystems.

In the outermost regions, the state of the resources differs from one region to the other. This may imply the need for measures tailored to the specific situation of these regions.

5.1.2. *Technical measures*

There is a need to adopt more effective rules. The introduction and promotion of the use of selectivity devices that reduce or eliminate by-catches of non-target species and of fishing methods that have a reduced physical impact on the environment should certainly contribute to improving the current situation. Technical measures should also better take into account the environmental dimension. For example, the

² COM(2000) 803 final.

closure of a given zone and the exclusion of any fishing activity may be of limited use in terms of fisheries management but it can ensure the protection of an ecologically sensitive and important area for non-target species.

There is also a need to explore the usefulness of measures which have not been applied until now, such as discard bans in some fisheries which are easy to control and real-time closures of certain areas. Other possible solutions could also be explored such as the consideration of a percentage of by-catch species as part of the TACs, as is done in the Northwest Atlantic Fisheries Organisation (NAFO). Pilot projects along these lines could be easily tried.

Recovery plans to meet urgent situations, such as the one adopted in 2000 for Irish Sea cod, need in the future to include an important component of specific technical measures. The notion of stock rebuilding should also be introduced. Stock rebuilding could be gradual, over a relatively long period for stocks that are in a situation of still bearable overexploitation. However, stock rebuilding should be much more radical for stocks that are far outside sustainable levels.

There is a need to open a new debate on technical measures in the light of the experience acquired through the application of existing legislation, pilot projects and recovery plans. At the same time there is a need to involve the fishermen in the formulation of new rules, to facilitate closer links between fishermen and scientists and to promote further the transparency of the scientific advice.

5.1.3. Monitoring and assessment of the conservation and management framework

There is a need to develop a system to track progress of the CFP towards sustainable development and the performance of the management schemes and policies against stated objectives.

Social, environmental and economic indicators, and related reference points need to be developed that can be used to determine how well these objectives are being pursued and whether the broader goal of sustainable development is being achieved.

Work by other international organisations such as FAO or bodies like the European Environmental Agency could be exploited for that purpose.

5.1.4. Access to waters and resources

5.1.4.1. Relative stability

The principle of relative stability has, since 1983, provided assurances to the Member States with regard to the share of quotas, thus avoiding annual repetitions of a political debate on the allocation key, which would have made the decision-making on TACs even more complicated. The application of the so-called Hague Preferences has allowed some degree of flexibility to meet a number of specific requests from certain areas, although such application has not been received favourably by all Member States and fishermen concerned.

The Commission does not for the time being see any viable alternative principle which could achieve the same results. The consultation process showed that this view is widely shared throughout the Community. Therefore, there would be no need for a radical revision of the existing system.

When the structural problems of the fisheries sector have been addressed and the economic and social situation within the sector has become more stable, it may be possible to reconsider the need to maintain the relative stability principle and the possibility of allowing market forces to operate in fisheries as in the rest of the EU economy.

5.1.4.2. The 6-to-12-mile zone

The basic objectives of the 6-to-12-mile coastal zone regime were to protect fisheries resources by reserving access to small-scale coastal fisheries activities which in general put less pressure on stocks in these zones which often harbour nurseries and to protect the traditional fishing activities of coastal communities, thus helping to maintain their economic and social fabric.

Taking into account the further decline of most fish stocks and the continuing difficulties of fisheries-dependent regions to benefit from current economic growth, these objectives seem to be as relevant today as they were in 1992 and are generally supported throughout the Community.

Calls for extension of the coastal zone beyond 12 miles in some Member States have not been supported by verifiable data.

Modification of the 6-to-12-mile regime would disrupt the long-standing balance of the policy.

5.1.4.3. The Shetland Box and access to the North Sea

The Shetland Box was created because species in this region are biologically sensitive by reason of their exploitation characteristics. The setting up of the Box also played an important role in reaching acceptance of the equilibrium established between the different fleets and fishing communities.

Developments in the stocks in this area do not allow for any increase in fishing effort and the Commission considers that the current restrictions on fishing activities should be maintained. Nevertheless improved scientific advice for possible adjustments of the regime is required.

The legal restrictions of access to the North Sea waters end on 31 December 2002. However, as all fisheries for species of commercial interest are regulated by TAC and quota regimes, access to resources is limited to fleets which hold quotas. Possible illegal fishing should be closely monitored.

5.2. Promoting the environmental dimension of the CFP

- Full implementation of the relevant environmental instruments, Action Plans and Strategies for the protection of the Biodiversity and the integration of environmental protection requirements into the CFP.
- Launch of a debate on the eco-labelling of fisheries products.

There is a requirement to integrate environmental protection into the CFP. The forthcoming Communication "Elements of a strategy for the integration of environmental protection requirements into the CFP" describes an appropriate

strategy to achieve this integration. Although the strategy can be implemented under the existing CFP, without a need of reform, the Commission believes that it would be preferable to take advantage of the current CFP review process in order to improve, by strengthening the appropriate legal basis, the efficiency of such implementation. The new CFP should be specifically tailored in order to gain efficiency in the implementation of the above-mentioned strategy.

The Commission also intends to launch a debate on eco-labelling of fisheries products in the near future. Eco-labelling schemes offer a market- and information-based method of promoting sustainability in fisheries by presenting clearer choices to the consumer, based on information about a product's impact on the environment or on the sustainability of the fisheries resource from which it is derived.

The Commission supports the objectives of eco-labelling schemes in the fishery sector, namely to stimulate consumer awareness of the environmental dimension of fishing and thereby to encourage environmental responsibility of both managers and fishermen. This forms part of growing interest in making those responsible for fishing and fisheries management more conscious of its environmental effects. Hence, voluntary eco-labelling schemes should be encouraged and their operation in the market facilitated, as complementary measures to legislation, which covers the exploitation of fisheries resources and food safety. It remains the prime responsibility of the public authorities to protect natural resources but this is not compromised by voluntary market-led initiatives.

Eco-labelling schemes should, however, ensure objective and verifiable information to the consumer and compliance with the claims made must be properly monitored. There are also a number of difficulties specific to fisheries eco-labels, namely the implications for non-certified fish which is caught in accordance with the Common Fisheries Policy, the scientific or technical justification of the criteria used and the identification of the certified product throughout the marketing chain.

Public authorities may need to establish a legal framework for voluntary eco-labelling to ensure appropriate assessment criteria, independent control of compliance and accurate information for the consumer. Constructive involvement by public authorities will reinforce the credibility of such schemes and increase the potential for the beneficial effects of eco-labels to be realised. Public authorities may want to go further, by setting the assessment criteria to be used by eco-labelling schemes. The precise level and type of public authority involvement will form the core of the future debate on eco-labelling of fisheries products within the Community.

5.3. Promoting animal and public health and safety in the fisheries sector to ensure consumer protection

- Address the repercussions of the current overhaul of Community food legislation on fisheries products.
- Ensure consumer protection in respect of third country imports.

A large body of scientific literature confirms the benefits to human health from eating fish, which is rich in polyunsaturated fatty acids which help prevent inflammatory and cardiovascular disease and improve vision and neural development

in infants. There are, however, certain risks to public health linked to trade, processing and/or distribution of fish: i.e. contamination by toxic chemicals or heavy metals, microbiological contamination, toxic species, presence of parasites, histamine, etc. Furthermore there is also a risk of introduction and/or dissemination of animal diseases which may have serious economic consequences for aquaculture. It is therefore necessary to apply the health requirements of Community legislation in order to protect public and animal health and safety.

Food quality is a high priority for the Community and fisheries products will be affected in the immediate future by the current overhaul of Community food legislation which is designed to establish the highest standards for food. This may lead, for example, to the establishment of stricter limit values for contaminants, such as heavy metals or dioxins.

The correct application of Community health requirements will have different effects on the fisheries sector. One of them will be to reassure European consumers about the healthiness and safety of fishery products; this could further raise demand for fish as opposed to other sources of protein. On the other hand, the correct application of health requirements to fisheries in particularly polluted areas could mean either a change in fishing activity or, in a few cases, closure of the fishery. This could also have repercussions on processing industries (including, for example, the fishmeal and fish oil sector). The need for structural adjustment resulting from the fulfilment of the Community health requirements will have to be taken into account in Member States' programmes for assistance to the sector within the framework of the Financial Instrument for Fisheries Guidance (FIFG).

As a major importer of fisheries products the Community must ensure that such products fulfil equivalent health requirements to those provided by the Community legislation. More financial assistance may need to be given to developing countries, and particularly those with which the Community has concluded Fisheries Agreements, in order to help them achieve the necessary food safety requirements.

5.4. Fleet policy

- Establishment of a more effective fleet policy in line with multi-annual objectives, taking into account technological progress and ensuring that public aid does not contribute to an increase in fishing effort.
- The new system should ensure transparency and simplicity with tighter control and enforcement by Member States and stronger sanctions for non-compliance.

For the future, a system must be established that is simpler and more effective than current policy in terms of its impact on the state of the resources. Fleet policy should establish a balance between fleet capacity and exploitation rates that are consistent with long-term management objectives. The reduction rates should take into account the exploitation rates associated with multi-annual TACs. This would have the advantage of ensuring a coherence between the two areas of policy. However, although this idea is attractive on theoretical grounds it could prove to be complex to put into practice, especially for segments operating mixed fisheries.

To have an effective fleet policy it should also be recognised that fishing effort is increasing every year due to technological progress. Advances in vessel and gear design, fish-finding equipment and telecommunications all contribute to this. The reduction rates would need to be at least large enough to counter the effect of technological progress. In over-exploited fisheries they would have to be very much higher than this. One could also envisage adapting the reduction rates in order to favour environmentally friendly gears or fishing techniques.

It is also clear that the policy must address the question of over-capacity by Member State but it has to distinguish between individual fisheries by maintaining a segmentation of the fleet, otherwise an overall reduction in capacity might disguise an increase in the capacity of vessels fishing the most over-exploited species, which are usually also the most commercially valuable. This could be achieved by the segmentation under the MAGP IV or, recognising that the latter was in some cases developed to minimise overall capacity reduction rather than to represent an accurate subdivision of the fleet, a segmentation based on clearly defined criteria common to all Member States. In some cases regional segmentation could also be envisaged.

The issue of the distant water fleet needs to be adequately addressed too. The segments that group together vessels operating outside Community waters should take into account not only the state of stocks to be exploited but also the other constraints limiting access, i.e. the fishing possibilities offered by third countries and the rights obtained in regional fisheries organisations which both risk being diminished in the long-term due to new entrants.

Another important guiding principle is that public aid must under no circumstances contribute to an increase in fishing effort. Rather, as long as public aid is used for fleet renewal there should be a net decrease in fishing effort. In the long term, such aid should be abandoned.

Finally, special provisions in favour of small-scale fisheries should be envisaged.

Any new policy must meet the requirements described above. The following two approaches could be used and even combined to achieve the above objectives.

The first is to continue with a system that fixes quantitative objectives to be achieved over a defined period with the following characteristics:

- Reductions primarily in terms of capacity
- A commonly defined segmentation of the fleet for all Member States
- Fixed reduction rates for each type of segment across all Member States.

In order to achieve the objectives fixed under the programme, the “entry – exit” regimes that the Member States have introduced under Articles 6 and 9 of Council Regulation No 2792/99 ("FIFG Implementing Regulation" OJ L 337, 30.12.1999) could be adjusted so that whenever new capacity is introduced into the fleet a greater capacity is withdrawn. This system could be made more restrictive when public aid is granted for vessel construction or modernisation. In this case, the entry of publicly-aided capacity would be associated with a substantially greater capacity withdrawn.

A further means to contain the fleet could be the introduction of a capacity penalty each time a licence is traded.

The advantages of such a system would be transparency and simplicity. However, it would require the Member States to accept tighter control and enforcement measures and stronger sanctions for non-compliance.

The second approach would be to dispense altogether with fixed objectives for the period until 2006 and instead to create a mechanism whereby the capacity of the fleet is gradually and automatically reduced over time. This would require the "entry – exit" regime described above to be strengthened so that it could systematically reduce the fleet at an appropriate rate, and could also make use of capacity penalties when licences are traded. One advantage of such a scheme is that the greater the rate of fleet renewal the greater the rate of fleet reduction, which is consistent with the need to counter the effects of technological progress. Again, the "entry-exit" ratios could be adjusted either to take account of the degree of over-exploitation of the resource or to favour certain types of environmentally friendly gears or fishing activities.

5.5. Improving Governance within the CFP

- Establishment of regional advisory committees to involve more effectively the stakeholders in policy-making.
- Decentralisation of certain management responsibilities to address local and emergency situations.
- Promoting the transparency of scientific advice.
- Improving the compatibility of the CFP with other policies that affect the coastal zone through Integrated Coastal Zone Management (ICZM).

The CFP needs to have a fisheries management framework which is transparent, cost-effective, flexible, able to respond rapidly and efficiently to emergencies and allowing greater stakeholder involvement.

Improvements could be made in the following areas:

5.5.1. Greater involvement of stakeholders

Although the current institutional framework does not foresee the formal participation of stakeholders in the decision-making process, either at Community or at regional level, it is possible and desirable to foresee new forms of participation in the pre-decision phase of CFP policy-making. Establishing a network of regional advisory committees on fisheries could, in the Commission's view, involve more and earlier the stakeholders in discussions about fisheries management while at the same time ensuring that fisheries governance remains compatible with the legal and institutional framework of the Treaty and that it does not affect the global and Community character of the CFP.

These committees could include national officials, industry representatives, NGOs, fisheries biologists and economists from the Member States with a real interest in the

fisheries concerned. Participation would also be open to industry representatives and officials from other Member States. While some parties might think that the Commission's presence in every regional meeting might be desirable to provide chairmanship and administrative support, it might be difficult for the Commission to assume such a responsibility in every case. It would be necessary therefore for the players involved to share the management of the proposed scheme.

The regional committees could be co-financed by the Community, national authorities and stakeholders. It seems reasonable that all parties benefiting from the participation in the consultations should bear part of the costs.

The regional committees would cover regional management units (such as the North Sea) or specific stocks to be defined (such as migratory species like tuna) and would meet regularly. The sector would thus be involved in such discussions before proposals on management measures were made by the Commission.

These committees would provide advice to the Commission which would take it in due consideration when making proposals and management decisions.

5.5.2. Meeting local management needs and emergency situations effectively

In order to improve the effectiveness/responsiveness of management measures, the responsibilities for adopting, within the territorial waters, specific local conservation measures in some cases could be delegated to the Member States under conditions defined at Community level. Such new legislation could define the responsibilities of the Member States and establish the time-limits for such measures and the modalities for their review. The Commission would retain its right of initiative to adopt emergency measures.

Another important area where further decentralisation could be useful is the management of fisheries within the territorial waters. Member States are currently allowed to adopt stricter conservation measures in areas under their sovereignty or jurisdiction provided, inter-alia, that they apply only to fishermen of the Member State concerned. Member States could in future be empowered to adopt conservation measures applicable to all vessels operating in those areas. This prerogative would be limited to the 12-mile zone (or 6-mile zone, depending on the Member State). Community safeguards should be set up to ensure that Member States would not discriminate, overtly or covertly, against the fishermen of other Member States and that measures adopted are compatible with those applicable outside the territorial waters. This new framework would allow Member States to deal more quickly and effectively with management issues which are very important both for the reproduction of many stocks and for coastal fishing communities dominated by small-scale fisheries.

5.5.3. Better integration of scientific advice into the decision-making process

A sound scientific basis is necessary to assist fisheries managers and other interested parties in making decisions. The CFP needs advice that is the product of multi-disciplinary research which covers, inter-alia, biology, ecology, social science and economics. But apart from the establishment of the appropriate frameworks and mechanisms to obtain such advice, the policy-makers need to also think about its optimal use in the decision-making process.

Issuing of scientific information in a timely manner and publishing it, respecting confidentiality where appropriate, would contribute to better decision-making by the relevant authorities and would increase the confidence of fishermen in it. In addition, transparency could further be promoted by facilitating closer links between fishermen and scientists. The Commission is willing to support initiatives bringing closer the stakeholders, the scientific community and the policy-makers.

5.5.4. *Integrated Coastal Zone Management (ICZM)*

ICZM is a process for improving the planning and management of coastal zones and for reducing the level of conflicts between fishing communities and other users of the coastal zone (including both the land and the sea) through the application of a series of principles embodying good governance. As well as promoting stakeholder involvement and the adequate use of information, ICZM works towards the co-ordination of the various sectoral policies which impact on the coastal zone. Furthermore, the global approach promoted by the ICZM calls for an explicit examination of the impact of land based activities on marine resources and vice versa.

In the context of the European Strategy for ICZM (COM(2000) 00547) the Commission will work to improve the compatibility of EU policies that affect the coastal zone, including the Common Fisheries Policy. The ICZM process should also be used to ensure coherence between the application of the CFP and the many national and local policies related to the use of the coastal zone.

5.6. **Monitoring, control and enforcement**

- Further progress is needed on the co-ordination of national policies, the harmonisation of sanctions, the follow-up of infringements and on the definition of the respective responsibilities of Member States and Commission in the implementation of control schemes adopted within regional fisheries organisations.
- The possibility of setting-up a Community Joint Inspection **Structure** to co-ordinate national and Community inspection policies and activities should be considered as an option.

The CFP reform offers the opportunity to strengthen the current arrangements to meet the demands of the fishing sector to ensure a level-playing field in control and enforcement throughout the Community and to provide more effectiveness in the application of the CFP.

The Commission undertook publicly the following commitments at the recent International Conference on Fisheries Control, Monitoring and Surveillance (October 2000, Brussels):

- To elaborate a Code of Conduct for inspectors and fishermen clarifying their respective rights and obligations.
- To elaborate a prior "controllability evaluation" for every new proposal for conservation measures.

- To establish a "controllability" diagnosis for all measures in force.
- To initiate an analytical assessment of control expenses in order to better evaluate the real costs of control and the resulting benefits.
- To ensure the largest possible utilisation and exploitation of new technologies for control purposes.

The Commission believes that further areas where progress is necessary to enhance monitoring, control and enforcement of CFP could be the co-ordination of national control policies, the harmonisation of penalties for infringement of fisheries regulations, the admissibility by all Member States of inspection reports by Community and national inspectors as a means of proof and transparency in the follow-up of infringements. Optimum and effective monitoring of the activities of Community vessels operating outside Community waters should also be ensured. It is imperative that the Community quickly adopts a position on the division of responsibilities between the Commission and the national authorities regarding control of fishing activities in waters managed by regional fisheries organisations (RFOs).

The possibility of setting-up a Community Joint Inspection Structure to co-ordinate national and Community inspection policies and activity and to pool the means and resources for control purposes is an option that needs serious consideration. The tightening of current infringement procedures should also contribute to ensuring a level-playing field across the Union. A third element in this package would be to explore ways of improving the dissuasiveness of penalties for infringement, including "administrative" penalties such as loss of fishing quota, withdrawal of licences or repayment of financial aid for vessels which infringe fisheries regulations.

5.7. Strengthening the social and economic dimension of the CFP

- A new approach to economic management to secure a sustainable and economically viable sector through the reconsideration of the role of public aid.
- Measures to help former fishermen find alternative employment.
- Exploration of the implications of new management tools such as rights-based management.
- Reconsideration of the priorities for aid to aquaculture and processing sectors.

In a situation of severe depletion of some of the Community's key fish stocks, over-capacity and steadily-declining fisheries employment, the Community needs to consider a new approach to economic management of the fisheries sector. The catching sector, in particular, will have to become significantly smaller than it is today in order to be sustainable and the Community needs to plan for major structural adjustment. Priorities for aid to the aquaculture and processing sectors also need to be reconsidered.

In general, two kinds of measures are needed: first, those which help to secure a sustainable and economically viable fisheries sector; second, measures to help those now employed in the fisheries sector who will need to find alternative employment. The latter would also need to address ways of overcoming the problem of transferability of the skills and experience of fishermen to new economic activities. Some form of transitional assistance during retraining for other employment might be necessary. The choice of measures should take into account the "fisheries dependency" of some coastal regions in relation to small-scale, artisanal fisheries.

With regard to the special case of the outermost regions of the European Union, the Commission is already committed to bringing forward proposals and, where appropriate, new measures under the CFP in support of these areas³.

5.7.1. A new approach to economic management

Although the present programmes supported by the Structural Funds, including the FIFG, will be in place until 2006, margins of flexibility exist that could be used in order to promote a more sustainable and economically self-sufficient fisheries sector and to strengthen and diversify the economic base of fisheries-dependent areas. A particular effort should be made to ensure the most effective contribution to overcoming the over-capacity problem faced by the sector, which is at the root of its current difficulties.

The reconsideration of current FIFG aid should take place at three levels:

- in the short term, it will be necessary to change some provisions in the FIFG (Council Regulation No 2792/99) in order to take account of new and unforeseen events which are already increasing the need for structural adjustment, such as the introduction of the stock recovery plans recently decided by the Council or the greater-than-foreseen reduction of fishing opportunities in third country waters. This may require, for example, a substantial relaxation of the limit on aid for temporary laying-up of fishing vessels;
- at the same time, in the light of the same developments, the Member States will probably need to revise their priorities for structural aid to the fishing fleet, by, for example, reducing the share of aid for modernisation or construction of fishing vessels and increasing that of aid for decommissioning or laying-up;
- finally, it may be necessary for the Community to consider whether and under what conditions investment aid for the fishing fleet might be phased out, in order to eliminate its counter-productive effects on fishing capacity, and Community aid redirected to focus exclusively on the further reduction of the fleet by implementing, for example, a "once-and-for-all" aid for decommissioning under more attractive financial conditions.

Because of their importance for employment, in particular in local areas with few alternative opportunities, and because they have, if properly managed, a lower impact on the resources, small-scale artisanal fisheries may need to be excluded from this general approach. Such fisheries could be the beneficiaries of a specific fisheries aid programme, subject to clear conditions for eligibility, including common

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COM(2000) 147.

definitions of "small-scale" fishing activity and "fisheries-dependency" of a coastal zone, and limited impact on competition between the Member States' fleets.

Alongside this Community-level reconsideration of aid to capital investment, Member States could also make use of the margins of flexibility within existing regional and human resources programmes supported by the Structural Funds for the period 2000-2006 in order to reinforce measures to address the social and economic impact of the inevitable further shrinkage of the Community fishing fleet and to help those employed in fisheries adapt to change in the sector and, where appropriate, find alternative employment. Any adjustment would have to be made within the framework of the existing programmes and financial allocations. In addition, the mid-term review of Structural Funds foreseen in 2003, and the allocation of the performance reserve held aside pending the result of the mid-term evaluations, could be used as an opportunity to address this problem.

As indicated in the Second Cohesion Report⁴ presented by the Commission, areas that could benefit from future actions in the framework of cohesion policies include islands and peripheral regions where the fisheries sector is traditionally an important part of the economic fabric. In such a context, the FIGG could make an important contribution in combination with the other Structural Funds.

The Community should also begin to explore the implications of management tools which are not yet widely used in Europe, such as:

- market-based systems for allocation of quotas, such as individual transferable quotas and auctions, which generate a market in fishing rights and may increase the interest of right-holders in long-term sustainability of fishing;
- "co-management" systems;
- access levies for the right to fish, at least for some parts of the Community fleet.

Such mechanisms could, in certain circumstances, play a significant complementary role in Community fisheries management. The Commission would propose to co-ordinate an exchange of views with the Member States on these subjects, perhaps with the participation of third-country experts, where appropriate, with a view to preparing a report for the other Institutions on this subject as soon as possible and latest in 2003.

The implications of these new approaches for certain principles such as relative stability would also have to be considered.

5.7.2. *New priorities for support to aquaculture*

The relations between aquaculture and the environment are extremely important. Adoption of sustainable farming practices must be achieved, alongside the imperatives of health and quality standards for products. The Biodiversity Action Plan for fisheries and aquaculture should contribute to achieving this goal. The Plan should foresee a series of actions related to the reduction of environmental impact as well as actions to limit the potential problems arising from the introduction of new

⁴ COM(2001) 24.

species and secure animal health. These actions need to be supplemented by research related to aquaculture.

The market has to be the driving force of aquaculture development. Production and demand are currently finely balanced and any increase in production in excess of the likely evolution in demand should not be encouraged. In the 1980s, aquaculture (and more particularly, marine aquaculture) was still essentially a high-risk activity. Today, these risks no longer exist for a number of farmed species. It is therefore questionable whether the Community should continue to subsidise investments by private companies in production capacity for species where the market is close to saturation.

The intervention of the public authorities in favour of aquaculture should in future cover measures other than aid to investments that increase production for species where market is close to saturation, covering expenditure such as training, control, research and development (in particular for new species), processing of waste water, eradication of diseases, etc. As from 2000, the scope of the FIG has been widened, in order to include the majority of such aid. Public aid should in particular be devoted to encouraging the development of « clean » technologies.

5.7.3. Promoting the processing industry

In certain areas, the fish-processing industry constitutes a considerable part of more selective and local economic activity in particular in terms of jobs. In parallel with the approach advocated for aid to the fishing fleet, EU policy for the sector should be more selective and be geographically focused on the basis of economic and social cohesion policy criteria and could be mainly oriented to support the small and medium-sized enterprises located in areas most dependent on fishing activities.

Establishing an appropriate strategy for the processing industry is hindered, however, by the lack of reliable statistical data on the structure, production and economics of the sector. The Member States are very reluctant to supply such information; the recently-adopted Council Regulation on the collection of data for the CFP does not oblige Member States to supply data for the processing industry until 2006.

5.7.4. Addressing other social issues

Apart from providing sustainable employment in the fisheries sector and assisting in the conversion of fish workers to other sectors, where necessary, the Community still needs to address other social issues, such as improving the physical safety of fishing vessels and regulating working conditions in the sector, including working hours, in order to minimise safety risks. These considerations also apply to EU fishing vessels operating outside Community waters, where a significant proportion of the crew may not be EU citizens. Full compliance with Community legislation on working conditions should be ensured. The Community is also concerned to ensure that the substantial role played by women in the fisheries sector is recognised and enhanced.

5.8. External relations

- Contributing to the improvement of global governance in fisheries related matters through the effective implementation of the current international legal framework and the strengthening and promotion of regional co-operation mechanisms.

- Development of a partnership approach with the developing countries

The Community's task is to ensure responsible fisheries and to reconcile sometimes conflicting interests. The Community should only act when there is a real interest for the Community fisheries sector in particular when there is an effective fleet presence for the exploitation of fisheries resources, and in order to propose and support initiatives in the international fora to promote responsible fisheries.

Ensuring access for the Community fleet to surplus stocks in the EEZ of third countries remains an objective of the Community external fisheries policy. However, this objective should be achieved in a manner coherent with other objectives, such as, development and environmental policies and compatible with the fundamental mission of the CFP, i.e. ensuring the sustainability of fisheries resources. Such an approach would strengthen the contribution of the Community to the development of responsible and sustainable fisheries on the high seas and in the waters under the jurisdiction of its partner coastal States, in accordance with its international commitments. It should also be pursued in a manner which encourages mutual understanding between the interests concerned, including civil society.

In the context of globalisation there is also a European interest in strengthening economic co-operation between European companies and other private partners in developing countries. The new external dimension of the CFP has also to take into account improvements in the internal dimension of the policy such as the implementation of environmental instruments, more effective technical measures, multi-annual and multi-species approaches, strengthening of research and control and greater stakeholder involvement.

Finally, investment in the creation and strengthening of the research capacity of partner countries and regions, particularly where the Union has interests in sustainable management of aquatic resources and their ecosystems, is a prerequisite for coherence between different policy areas. It will be necessary to create a structure providing scientific advice on the state of the resources in partner countries.

5.8.1. *Multilateral co-operation*

The EC should be leading the efforts of the international community to improve global governance with respect to the conservation and sustainable use of the marine living resources of the high seas. The ratification and full implementation of all the relevant international instruments by the greatest possible number of States must be strongly encouraged.

Speedy ratification by the Community of the UN Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks (UNFA) is necessary so that the Community can act with credibility in the various international fora.

The EC should continue to promote international co-operation, to contribute to the strengthening of the regional fisheries organisations as required by the Law of the Sea Convention and UNFA and to support efforts to fight illegal, unreported and unregulated fishing on the high seas.

The Community's commitment to sustainable fisheries on the high seas should benefit Community fleets which wish to exploit the fisheries resources outside

Community waters and at the same time contribute to other objectives, such as those relating to environmental protection, development co-operation and the protection of workers' rights.

The Community has also to take account of the interests of emerging and developing fishing nations through a more equitable distribution of fisheries resources whose decline not only amplifies the problem but also limits potential solutions.

Certain priorities for the international action of the Community have to be established. These can be summarised as:

- promoting, where possible, regional Fisheries Agreements which have the advantage of better addressing the regional aspect of the resource, can sustain a real regional fisheries co-operation between third countries and can facilitate monitoring and control of fishing activities;
- promoting the rational exploitation of the resources of the high seas, including the establishment of the rights and obligations of the new entrants, through the definition of mechanisms for allocation of access rights within the framework of regional fisheries organisations or arrangements;
- contributing to the application of the precautionary principle, taking into account environmental protection requirements;
- stepping up the fight against illegal, unreported and unregulated fishing, and in particular against the laxity shown by the enforcement authorities of some States towards vessels flying their flags and their own nationals who breach the rules. To achieve this requires the strengthening of monitoring and control of fishing activities, not only on the high seas and in the waters of the third countries having concluded a Fisheries Agreement with the Community, but also in ports. The use of trade-related measures in the framework of regional fisheries organisations should also be envisaged in combination with flag State and port State controls;
- giving priority attention to the work of those regional organisations that manage resources which are shared with the Community;
- fostering co-operation with developing States at the level of regional and sub-regional fisheries organisations, to facilitate and encourage the effective participation of those States in these organisations.

5.8.2. *Bilateral co-operation*

The Community's bilateral relations must be adapted to changing circumstances. Fisheries Agreements should from now on be able to meet developing States' requirements and legitimate aspirations to develop their own fisheries.

It should be stressed that the Community's bilateral agreements offer better guarantees of responsible fishing than private arrangements. Nonetheless, substantial progress still has to be made, in particular as regards the implementation of these Agreements and their capacity to contribute to the development of the fisheries policies of developing coastal states.

For that purpose, the Community's ambition should be to build with partner coastal States a sustainable fisheries framework where the Community interests have a positive role to play, including, if possible, fishing opportunities for its vessels.

Community Fisheries Agreements should incorporate the relevant aspects from other Community policies while becoming the development vector for rational and responsible utilisation of the fisheries resources found in waters under the jurisdiction of developing coastal States. In this respect, the Treaty is clear in that the CFP has to take into account of the objectives of Community development policy.

Fisheries Agreements with developing countries should be articulated with the Development Co-operation Strategies established between the Community and the third country partner and contribute to the fulfilment of the objectives of such Strategies. Moreover these Agreements should take into account the diversity which characterises the situation of the fishing industries in developing countries. In order to allow for an assessment of value for money the Fisheries Agreement should clearly separate the fisheries from the development part.

There are political, institutional and socio-economic differences between the relationship of the Community with ACP countries and, more generally, with developing countries, on the one hand, and the Northern and Baltic countries on the other. This is due mainly to the obvious political, institutional and socio-economic imbalances. It would be appropriate to establish a dual approach which takes account of the level of development of our fisheries partners.

The Fisheries Agreements with the Northern and Baltic States have to be the subject of negotiations with a view to establishing a stable normative framework laying down the conditions of access on an equitable, and if possible, multi-annual basis consolidating the presence of the Community fleet in those waters. The extension of the obligation already existing in a number of agreements, of a financial contribution by ship-owners benefiting from the fishing rights obtained through agreements involving Community financial compensation should be examined.

The Community should develop partnership agreements in the fisheries sector with the developing coastal States with a view to not only ensure for the Community fleet access to the surplus resources, but also to contribute to the establishment of a framework for policy dialogue and to responsible and sustainable fisheries. These should be compatible with the possible development of the sector of the coastal states and their national fisheries policies and should be based on a contractual and multi-annual basis. The Cotonou Partnership Agreement is an important step in the Community development co-operation policy in relation to the Lome Convention, in that it identifies new main principles and establishes new priorities in particular with regard to the reduction of poverty⁵.

The following more specific actions, already provided for in many existing Fisheries Agreements, could be extended more widely:

- Strengthening the sectoral policy dialogue by providing technical assistance for the formulation of sectoral policies, by supporting the creation of professional

⁵ Communication from the Commission to the Council and the European Parliament, Fisheries and Poverty Reduction, COM(2000) 724 final.

organisations, by contributing to the strengthening of institutional and administrative capacities and to the implementation of sound management practices and by supporting the launching and consolidation of regional and international co-operation;

- Contribution to responsible fisheries by promoting co-operation in research, stock assessment, monitoring and surveillance, by stepping up the fight against illegal fishing, by applying measures to rehabilitate marine ecosystems and to minimise wasteful practices across the whole fisheries sector;
- Contribution to the sustainable fisheries development of the partner coastal States by supporting the development and implementation of financial instruments to meet the various needs of the sector, including within the framework of private partnerships with Community entrepreneurs; by contributing to the development of local artisanal fisheries communities and to the improvement of local port infrastructure; by supporting local human resources development and training - including possible initiatives for women- and by promoting actions to improve the safety and quality of local fishery products.

5.9. Mediterranean fisheries

- Promote the integration of the Mediterranean into the CFP through the improvement of scientific advice, the reviewing of the technical measures Regulation No 1626/94 and the strengthening of control and enforcement.
- Re-launch the efforts to promote international co-operation.

The analysis of the situation in the Mediterranean Sea shows that it is necessary to give a new political impetus to the Common Fisheries Policy in this area. The Mediterranean should be fully integrated into the CFP, with the adjustments necessary to take account of the specific conditions of fisheries in the area. The basic objective has to be the same as in other waters: to guarantee the sustainability of fishing activities in Community waters and on the high seas.

In order to ensure sustainable fisheries, the following aspects must be integrated in a future Mediterranean fisheries policy:

- rational fishery management needs to be based on sound and timely scientific advice. The strengthening of the General Fisheries Commission for the Mediterranean (GFCM) and of its subsidiary bodies, in conjunction with the new Community framework for the collection of data, will be of paramount importance in this field;
- Regulation N° 1626/94 should be reviewed in the light of past experience, with a view to identifying priority areas which require Community-based solutions. Community action should be focused on those regions where there is most competition and potential conflicts between fishermen of different origin. Regional workshops involving the stakeholders as well as specific meetings of the Scientific, Technical and Economic Committee for Fisheries should be arranged to that end.

- due to the multiple use of littoral areas and the particular pressure on coastal regions in the Mediterranean, there is an increased need to focus on Integrated Coastal Zone Management as a basic tool not only for the protection and enhancement of fishing and aquaculture activities but also for their harmonious integration with environmental concerns and other human uses⁶;
- control of fishing activities should be strengthened so as to ensure that those complying with the rules are not penalised by the lack of an effective regime that allows some fishermen to violate the rules with impunity.

In parallel the Community should also act at the external level:

- priority should continue to be given to strengthening multilateral co-operation and in particular to the improvement of GFCM. In order to provide the necessary political impetus, the Community should envisage setting up a forum at ministerial level to provide the political guidelines for a Mediterranean fisheries policy. Such a forum could take the form of a Conference of the Fisheries Ministers of bordering States, to be convened periodically. A priority for that forum would be to discuss the monitoring and control of fishing activities on the Mediterranean high seas;
- sub-regional co-operation is very important because many problems occur and their potential solutions can be found only in certain sub-regions. The development of sub-regional co-operation frameworks should be developed in a transparent way;
- control of fishing activities on the high seas and, in particular, the question of fishing activities by non-Mediterranean flag States, merits a multilateral approach beyond actions taken by GFCM and ICCAT. Given the political dimension of this problem, the solution could be found in the framework of an ad-hoc Conference involving all States whose fleets operate in the Mediterranean.
- Fishermen's organisations from all the Mediterranean States should be invited to create and/or strengthen organisations to promote co-operation. The Community should encourage and help them in their task.

5.10. Research and scientific advice

Embeddedness of fisheries resources in their wider ecosystem requires a substantial effort to apprehend better the functioning of aquatic ecosystems and their reaction to different types of fishing pressure and exploitation strategies. This would substantially increase insights into different options of fisheries management in search of a viable and socially acceptably compromise between the conflicting maximisation objectives of economic efficiency, ecosystem stability or productivity, employment and availability for other services.

Such research is interdisciplinary in nature and goes beyond pure instrumental research for justification of technical measures. It combines conventional fisheries

⁶ Communication from the Commission to the Council and the European Parliament on Integrated Coastal Zone Management: A Strategy for Europe, COM(2000) 547.

research with conservation science and economics and builds on a considerable body of knowledge from research on common pool resources. It must maintain an open channel to fishermen's own knowledge. It must maintain a degree of independence from public and private decision-makers in order to safeguard its credibility and ability to promote consensus building.

Research priorities need also to be better defined. Innovative research is needed in areas such as selective and environmentally friendly gears, genetics, methodologies for improved assessment and sampling programmes and sustainable aquaculture systems.

Largely publicly funded data must be in the public domain and open to independent analysis. Good science must be able to be proved false and stand up to independent scrutiny.

Emphasis must be placed on development of innovative analytical methodologies, which will deliver sufficiently robust insights into complex socio-economic and natural ecosystems in cost-effective ways to improve the basis of decision making, even in countries or regions where costly machineries such as ICES-type assessments (only of the resource itself) are unrealistic.

6. FOLLOW-UP ACTIONS

The purpose of the debate launched by this Green Paper is to determine the features of the new CFP. The characteristics of this new policy should make it capable of better meeting the challenges it has to face. To achieve this goal, the CFP needs a set of clear, coherent and compatible objectives and it has to be given the necessary instruments to achieve them.

As these are questions of fundamental importance, it seems appropriate to have a thorough debate between all those having an interest in fisheries issues on the basis of this Green Paper before the Commission submits its formal proposals for a new CFP by the end of this year.

All those interested in contributing to this debate are encouraged to send, by 30 September 2001, their comments, views, ideas and critical remarks to the Commission which undertakes to analyse them carefully. Contributions can also be sent by e-mail to the following address: fisheries-greenpaper@cec.eu.int - The Commission hopes that the debate will be conducted at all levels and in particular in the most concerned Community regions.

The Commission will also organise from the 5th to the 7th of June 2001 a public hearing on the CFP reform bringing together stakeholders and other interested parties from all over the Community in order to collect and debate their ideas on the matter.