

## **National Assembly for Wales**

### **Reform of the Common Fisheries Policy 2012 September 2010**

The Common Fisheries Policy is the European's Union instrument for the management of fisheries and aquaculture. The current policy is due for reform by the end of 2012.

This paper outlines the main aspects of the Common Fisheries Policy and the key issues which will be subject to change in the 2012 reform. Stakeholder reactions to the European Commission's Green Paper are summarised with a focus on the issues that are of primary importance to UK and Welsh fisheries.

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## **National Assembly for Wales**

**Reform of the Common Fisheries Policy 2012**  
September 2010

Amy Keita Styring

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## Summary

The Common Fisheries Policy (CFP) is the European Union's (EU's) instrument for the management of fisheries and aquaculture. It is subject to periodic review and due for further reform by the end of 2012. There is widespread criticism of the current CFP and it is widely perceived to have failed in tackling the issues of overfishing and improving the economic viability of the European fishing industry.

On 22 April 2009 the European Commission adopted a Green Paper outlining the key issues for the reform which was subject to consultation with stakeholders. This consultation closed on 31 December 2009. The Commission is currently analysing the responses to the consultation and will be taking these into account when developing their legislative resolution.

The Green Paper highlights five main priorities for reform:

1. Putting an end to overfishing.
2. Focusing the objectives of the CFP.
3. Focusing the decision-making framework on long-term principles.
4. Encouraging more industry responsibility.
5. Developing a culture of compliance.

There are also a number of other aspects of the policy which are under consideration during the reform process. These include the market organisation of the CFP, the integration of the CFP into wider maritime policies and the use of structural funds to support fishing activities within the EU.

This paper provides an overview of the key issues which are discussed in the Commission's Green Paper and the views of stakeholders in response to these. Where relevant, it includes an assessment of how these issues impact on the UK and Welsh fishing industry.

The Welsh Government's response to the Green Paper is centred around the concerns of small-scale fishers which contrasts with the UK Government's focus on the large-scale commercial fishing fleet. The main priority for Wales in the next reform is to see a differentiated approach to small-scale coastal fishing, which encompasses the majority of Welsh fishing practices. The Welsh Government is also among the many stakeholders calling for a regional approach to fisheries management, in particular with regards to the inshore fisheries region. They also advocate an ecosystem-based assessment of fisheries in order to ensure that fisheries management measures are conducive to sustainable fishing practices.



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Note: Given that responses to the Commissions Green Paper were made in December 2009, the views of the UK Government that are referred to in this paper are those of the previous Government. The views of the new UK Government on these issues are not yet known but there has been no indication to date that they will differ significantly to those of the previous Government.



# Reform of the Common Fisheries Policy

## 1. Introduction

The Common Fisheries Policy (CFP) is the European Union's (EU's) instrument for the management of fisheries and aquaculture.<sup>1</sup> Given that fish and other marine life are a moving resource with no national boundaries and depend upon shared marine ecosystems, the activities of one fishing fleet can affect the opportunities for others. The management of fisheries under the CFP is therefore an integrated EU policy. The European Commission is responsible for drafting EU legislation relating to fisheries while individual Member States are responsible for the implementation and control of fisheries policy.<sup>2</sup>

The CFP is subject to periodic review every 10 years. It was last reformed in 2002. Most stakeholders agree that the 2002 reform has not achieved its objectives of making the European fisheries sector more sustainable. The European Commission is therefore preparing a reform of the CFP which will come into effect from 2013.

On 22 April 2010 the European Commission adopted a *Green Paper on the Reform of the Common Fisheries Policy*.<sup>3</sup> Presenting the Green Paper, the Maritime Affairs and Fisheries Commissioner at that time, Joe Borg, stated:<sup>4</sup>

We are asking questions even on the fundamentals of the current policy and should leave no stone unturned. We are not looking for just another reform. It is time to design a modern, simple and sustainable system for managing fisheries in the EU which is able to last well into the 21<sup>st</sup> century.

According to the Commission this reform provides an opportunity to reassess the successes and shortcomings of the current CFP.<sup>5</sup> It presents a chance for the UK and Wales to assert their priorities for the coming policy measures.

### 1.1. History of the CFP

The first common measures in the fishing sector date from 1970 when it was agreed that, in principle, EU fishermen should have equal access to Member States' waters. An exception was made for the coastal strip (within 6 nautical miles of the coast) which was reserved for local fishermen who had traditionally fished those areas.

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<sup>1</sup> Aquaculture is the farming of aquatic organisms such as fish and shellfish.

<sup>2</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

<sup>3</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>4</sup> European Commission Press Release, [Fisheries: Open debate on the future of the European Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>5</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

In 1976 Member States extended their rights to marine resources from 12 to 200 miles from their coasts, in line with international agreements. Fishing within the 6-12 nautical mile (nm) zone was restricted to vessels from the Member State and fishermen with historic entitlements.<sup>6</sup> Member States also decided that the EU was best placed to manage fisheries in the waters under their jurisdiction (out to 200 miles from their coasts) and to defend their interests in international negotiations.

The CFP was established in 1983 as the basis for the conservation and management of the EU's fisheries resources.

The CFP encompassed four main areas that together hoped to address the biological, economic and social dimension of fishing:

1. Conservation of fish stocks;
2. Financial assistance for restructuring (vessels, port facilities and processing plants);
3. Common organisation of the market; and
4. External fisheries policy including agreements with third countries (countries outside the EU) and international organisations.

## *1.2. CFP Reform*

The first review of the CFP in 1992 addressed concerns over the sustainability of EU fish stocks. It attempted to tackle the overcapacity of the EU fleet by advocating the reduction of the fleet and alleviating the social impact of this reduction through structural measures. It also extended the scope of the CFP beyond the management of fisheries resources to all living aquatic resources and saw the introduction of aquaculture into the CFP.<sup>7</sup>

Continued concerns regarding the sustainability of fish stocks and the conservation of aquatic resources led to the second reform of the CFP in 2002. According to the European Commission's Guide to the CFP, the 2002 reform addressed these concerns in four main ways:<sup>8</sup>

- It promoted greater involvement of stakeholders by the creation of Regional Advisory Councils (RACs);

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<sup>6</sup> Council Regulation 170/83 *establishing a Community system for the conservation and management of fishery resources* [OJ L 170, 27.01.83](#) [Accessed 15 June 2010]

<sup>7</sup> Council Regulation 3760/92 *establishing a Community system for fisheries and aquaculture* [OJ L 389, 31.12.92](#) [Accessed 15 June 2010]

<sup>8</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

- It redirected subsidies to help reduce fleet capacity and transferred responsibility for capacity management to Member States;
- It aimed to simplify and streamline regulations to reduce the burden on both fishers and administrators and;
- It introduced multi-annual plans to encourage long-term strategic commitments to fish stock sustainability.

### 1.3. *The Current CFP*

Following the 2002 reform of the CFP, the framework for most aspects of the CFP is now set out in *Council Regulation No 2731/2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy*.<sup>9</sup>

According to this Regulation, the objective of the CFP is to “provide for sustainable exploitation of living aquatic resources and of aquaculture in the context of sustainable development, taking account of the environmental, economic and social aspects in a balanced manner.”<sup>10</sup>

The main features of the current CFP are:<sup>11</sup>

#### **Conservation Measures**

- Multi-annual Recovery Plans for stocks below safe biological limits;
- Multi-annual Management Plans for stocks within safe biological limits;
- Targets for sustainable exploitation of fish stocks – both in terms of catch numbers and number and type of fishing vessels used;
- Limitation of fishing effort as an additional tool to limit fishing activity;
- Adoption of technical measures such as defining the type of fishing gear used, denoting zones/seasons where fishing is prohibited, setting a minimum size of fish that can be landed;
- Incentives to promote lower impact fishing;
- Conducting pilot projects into potentially more sustainable fishing management methods and;
- Allowing the implementation of Emergency Measures by the Commission or a Member State if there is evidence of a serious threat to the marine ecosystem as a result of fishing activities.

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<sup>9</sup> Council Regulation 2371/2002 *on the Conservation and Sustainable Exploitation of Fisheries Resources under the Common Fisheries Policy* [OJ L 358, 31.12.02](#) [Accessed 15 June 2010]

<sup>10</sup> *ibid*

<sup>11</sup> *ibid*

## **Adjustment of Fleet Capacity**

- A new fleet policy, replacing compulsory targets for capacity reduction with national ceilings under which Member States choose how they conduct their fleet policy;
- Discontinuation of the use of public money to construct new vessels and;
- Introduction of a 'scrapping fund' to reduce the size of the EU fleet.

## **Access to Waters and Resources**

- Restriction of fishing within the 12nm zone to vessels from the Member State or those with historical rights and;
- Allocation of catch limits to Member States according to the principle of 'relative stability'. Each Member State decides on how to share that quota between each fishing vessel from that Member State.

## **Control and Enforcement**

- Fishing vessels over 15 metres in length will have a remote monitoring system on board;
- Fisheries products can only be sold to registered buyers or at registered auctions;
- Member States must ensure that the fishing vessels registered in their country abide by the CFP;
- Member States undertake the inspection and control measures necessary to ensure compliance with the CFP in their waters (out to 200 miles from their coasts) and;
- The Commission oversees the application of the rules of the CFP.

## **Decision-making and Consultation**

- Seven Regional Advisory Councils (RACs) ensure increased stakeholder involvement at a regional level and;
- A Scientific, Technical and Economic Committee for Fisheries (STECF) is consulted on matters regarding the conservation and management of living aquatic resources.

## Structural Funds

- To achieve the objectives of the CFP the European Union provides financial support to the fishing industry. The European Fisheries Fund (EFF) covers the programming period 2007-2013. It provides assistance in areas such as fleet restructuring, small-scale fisheries, fishing ports facilities, sustainable aquaculture, and the processing and marketing of fisheries and aquaculture products.

### 1.4. 2012 Reform

The CFP is subject to periodic review every ten years. In anticipation of a reform of the current CFP by the end of 2012, the European Commission launched a review of the CFP in 2008.

The Commission published a *Green Paper on the Reform of the Common Fisheries Policy* in April 2009.<sup>12</sup> The paper was intended to initiate a wide-ranging public debate on the future of the policy, with a view to finalising the policy by the end of 2012.

In launching the Green Paper, the Commission has made it clear that a fundamental rethink of the CFP is needed due to both the failings of the current CFP and the recent change of global context caused by a combination of the financial crisis, growing influence of climate change and volatile fuel prices. The Green Paper identified five failings of the CFP which have been agreed upon by the European Parliament:<sup>13</sup>

1. Depleted fish stocks caused by overfishing as a result of fleet overcapacity.
2. Imprecise policy objectives.
3. Short-term decision-making focus.
4. Insufficient responsibility of the industry in implementing the CFP.
5. Lack of political will to ensure compliance and poor compliance by the industry.

A number of other key issues relating to CFP reform are also being considered.

The content of the Green Paper and the responses received during consultation on the issues contained within it are discussed in further detail in Section 2 of this paper.

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<sup>12</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>13</sup> *ibid*

## 1.5. Fishing in Wales

There are four main fisheries sectors in Wales: commercial sea catching; recreational sea angling; aquaculture; and inland fisheries. The Welsh Government's long term strategy for the management and development of all fisheries sectors in Wales for 2020 is outlined in the *Wales Fisheries Strategy*.<sup>14</sup>

In 2008 there were 410 regular commercial fishermen in Wales and another 585 involved on a part-time basis. Of all landings in Wales by UK vessels in 2008, 14,900 tonnes were shellfish and 1,700 tonnes were demersal<sup>15</sup> fish, with a total value of £19.9 million.<sup>16</sup>

### Commercial Sea Catching

Of the 500 or so boats which fish out of Wales, around 450 of these are less than 10 metres long and are equipped for day fishing only.<sup>17</sup> They usually fish seasonally within 6nm of the coast for a wide range of species including bass, crabs, scallops, lobster, prawns, brill, turbot, sole, plaice, rays, cod and whelks.<sup>18</sup> According to the Welsh Government, these fishers:<sup>19</sup>

...have an important role to play within their rural community and, it is argued, tend to fish more sustainably. These type of vessels are limited in their operations, and usually are not able to travel any great extent to fish other grounds and are therefore solely dependent on the sustainability of the local fishery for their future prosperity.

According to the *Wales Fisheries Strategy*, these small scale fisheries contribute most to the Welsh economy in volume and value. This sector supports around 600 businesses, and the fleet works from 33 recognised ports and harbours, plus numerous beaches, coves, estuaries and jetties along the Welsh coastline.<sup>20</sup>

There are a small number of Welsh owned offshore vessels that fish both within and outside the 12nm coastal waters around Wales. Figures from the *Wales Fisheries Strategy* show that five of these are 'flagship' vessels registered and licensed in Wales but owned, crewed and operated from northern Spain. One scallop dredger operates almost exclusively in the North Sea and although beneficial ownership rests in Wales the operation provides little contribution to the local economy.

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<sup>14</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>15</sup> Demersal refers to fish species living on or near the bottom of the ocean.

<sup>16</sup> Marine and Fisheries Agency, [United Kingdom Sea Fisheries Statistics 2008](#), September 2009 [Accessed 15 June 2010]

<sup>17</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>18</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>19</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>20</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

This offshore fisheries sector is relatively large in terms of economic turnover, but according to the *Wales Fisheries Strategy*, the contribution to the Welsh economy is minimal as most fish from ‘flagships’ is consigned to Spanish markets. In addition most landings by the local fleet are usually consigned to UK ports outside Wales as there is no dedicated fish auction in Wales.

Annex A provides a table from the *Wales Fisheries Strategy*, detailing the division of commercial sea fisheries in Wales.

## Recreational Fishing

Recreational fishing encompasses three different practices in Wales: recreational sea angling both in boats and from the shore; non-angling marine activities such as setting up shore nets; and freshwater angling.

The CFP does not explicitly apply to recreational fishing. In England and Wales, enforcement of legislation regarding freshwater fisheries is undertaken by the Environment Agency.<sup>21</sup>

## Aquaculture

Commercial aquaculture in Wales is focused on managed cultivation of shellfish at sea and fresh water production of salmonids<sup>22</sup> for stocking of recreational fisheries.<sup>23</sup> Section 2.15 of this paper covers Welsh aquaculture in more detail and Annex B provides a table summarising the main aquaculture categories in Wales.

## Inland Fisheries

Commercial fishing for diadromous<sup>24</sup> species such as salmon, sea trout and eels, is declining but is still practiced by a few fishermen around the coast and rivers in Wales.<sup>25</sup> Environment Agency Wales (EAW) is the fisheries manager for salmon and freshwater fish in Wales. The *Marine and Coastal Access Act 2009* introduced a new licensing and authorisation system for fishing activities and gave the EAW powers to make emergency byelaws to respond to unforeseen threats to fish stocks.<sup>26</sup>

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<sup>21</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>22</sup> This includes Atlantic salmon, rainbow trout and brown trout.

<sup>23</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>24</sup> Diadromous refers to species which spend part of their life cycle at sea and part in estuaries and rivers.

<sup>25</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>26</sup> The [Marine and Coastal Access Act 2009](#), (Chapter 23)

The reform of the CFP is important to Wales because fishing constitutes an important part of the Welsh economy and has a significant social impact on small coastal communities.<sup>27</sup>

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<sup>27</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

## 2. Key Issues

There are a number of key issues identified in the Commission's Green Paper on the reform of the CFP. These are explored here in the same order as they appear in the Green Paper.

### 2.1. Depleted Fish Stocks

According to data cited in the Commission's Green Paper, 88 per cent of EU fish stocks are being fished beyond Maximum Sustainable Yield (MSY).<sup>28</sup> Thirty per cent of these stocks are outside safe biological limits, which means that they may not be able to replenish.<sup>29</sup> The Green Paper states that ensuring the sustainability of fisheries resources is fundamental to the success of the fishing industry for years to come.

Fleet overcapacity is viewed as the main cause of this decline in fisheries resources. According to the Commission in its Green Paper:<sup>30</sup>

Despite continued efforts, fleet overcapacity remains the fundamental problem of the CFP. Overall, the European fleets remain far too large for the resources available and this imbalance is at the root of all problems related to low economic performance, weak enforcement and overexploited resources.

The European Court of Auditors estimates EU fleet overcapacity to be around 50 per cent.<sup>31</sup>

Most stakeholders agree that the EU fishing capacity is larger than its resource base.<sup>32</sup> However many stakeholders, including the North-western Waters Regional Advisory Council (NWWRAC) whose advisory capacity encompasses Welsh waters, contest this generalisation and call for a comprehensive audit to identify specific areas where overcapacity is a problem in order to allow policy to be focussed on these particular areas.<sup>33</sup>

Under the current CFP, there are a number of strategies available to limit fishing mortality and the environmental impact of fishing. These include:

- **Total Allowable Catches (TACs).** Since 1983 the setting of TACs has been the main instrument used to limit fishing mortality. TACs are catch limits

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<sup>28</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010], based on data from ICES

<sup>29</sup> *ibid*

<sup>30</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>31</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>32</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>33</sup> NWWRAC, [Opinion on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

imposed on most commercial fish stocks. They are proposed by the Commission on the basis of scientific advice and are decided on by the Council of Fisheries Ministers. TACs are set annually for most stocks and every two years for deep sea species. The TACs are shared between EU countries under a system known as 'relative stability' whereby TACs for each fish stock are shared out between the Member States of the EU according to a fixed allocation based on their historic catches. This keeps national quotas stable in relation to each other, even when the total quantity of fish that can be caught varies with the productivity of the fish stocks.<sup>34</sup>

- **Multi-annual recovery and management plans.** The goal of multi-annual plans is ultimately to reach MSY by setting an appropriate exploitation rate. They set quota limits for the stock, which are based on clear quantifiable biological targets; limit the variation in TACs from one year to the next; and contain specific measures to restrict fishing effort.<sup>35</sup>
- **Limiting fishing effort.** This limits the power and amount of time a fishing vessel is permitted to spend at sea. Fishing effort is now expressed in terms of kilowatts per day (kW/day) which measures the vessels driving power involved in a day of fishing.<sup>36</sup>
- **Technical conservation measures.** These offer tools designed to target fishing activity more selectively, so that only the desired fish are caught and discards are avoided. Measures include direct restrictions on fishing gear (e.g. minimum mesh sizes designed to ensure that only mature fish are caught), closed areas and fishing seasons, and indirect incentives to use more selective types of fishing gear, such as minimum and maximum landing sizes for fish belonging to particular species.
- **'Scrapping Fund'.** This provides a financial incentive for the scrapping of fishing vessels in order to permanently reduce the size of the EU fleet.

In its Green Paper on the reform of the CFP, the European Commission asked stakeholders how fishing capacity could be limited through legislation.<sup>37</sup> A number of Member States and stakeholders advocate a continuation of the current management approach of using TACs and the principle of relative stability to limit fishing mortality.<sup>38</sup>

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<sup>34</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

<sup>35</sup> *ibid*

<sup>36</sup> European Commission Magazine, [Fisheries and Aquaculture in Europe](#) No 49, November 2009 [Accessed 15 June 2010]

<sup>37</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>38</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

However a number of drawbacks to the use of TACs to control fishing opportunities have been raised. The House of Lords report on the *Progress of the Common Fisheries Policy* found that:<sup>39</sup>

- In mixed fisheries TACs can lead to discards. If a fisherman's quota for one species is used up, they are allowed to carry on fishing for other species, but any fish they catch for which they have no more quota must be discarded. It can also encourage 'high-grading' whereby smaller fish of a quota species are discarded if larger fish of the same species are caught on subsequent hauls. In her address to the European Parliament on 9 June 2010, the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, advocated the continued use of TACs to limit fishing in pelagic<sup>40</sup> fisheries since there is little by-catch, but other measures are needed for mixed fisheries.<sup>41</sup> The Commission has proposed the development of fishery management plans as opposed to species management plans in mixed fisheries to combat the problem of discards.<sup>42</sup>
- The calculation of TACs relies on high-quality assessments of each fish stock in order to ensure that limits being set are sustainable.
- TACs are cumbersome to enforce as detailed recordkeeping of fish caught and landed by individual vessels is required.

In their response to the European Commission's Green Paper, the Welsh Government state that 'inshore fisheries have been disadvantaged by the quota system'.<sup>43</sup> They argue that a lack of quota has led Welsh fishers to target non-quota species such as shellfish (around 90 per cent of Welsh fleet landings). The majority of Welsh fishers also tend to catch a single species of fish. The Welsh Government has observed that these species are now beginning to show a decline in numbers.<sup>44</sup> In the *Wales Fisheries Strategy*, the Welsh Government state their concern that access to mussels and cockles on the Welsh coast may be further restricted through closed seasons and TACs.<sup>45</sup>

As a result of these problems, scientists have long advocated that quotas should be accompanied by or replaced with controls on fishing effort.<sup>46</sup> Although the

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<sup>39</sup> House of Lords, *The Progress of the Common Fisheries Policy*, 22 July 2008 [Accessed 15 June 2010]

<sup>40</sup> Pelagic refers to fish species living above the bottom of the ocean.

<sup>41</sup> European Commission Press Release, *Maria Damanaki Member of the European Commission Responsible for Maritime Affairs and Fisheries Managing fleets and conserving resources under the future Common Fisheries Policy. EPP hearing on CFP reform Brussels*, 9 June 2010 [Accessed 15 June 2010]

<sup>42</sup> COM(2009)163 final, *Green paper: Reform of the Common Fisheries Policy*, 22 April 2009 [Accessed 15 June 2010]

<sup>43</sup> Welsh Assembly Government, *Response to European Commission Green Paper on the Reform of the Common Fisheries Policy*, 31 December 2009 [Accessed 15 June 2010]

<sup>44</sup> *ibid*

<sup>45</sup> Welsh Assembly Government, *Wales Fisheries Strategy*, 2008 [Accessed 15 June 2010]

<sup>46</sup> European Commission Magazine, *Fishing in Europe No 16*, April 2003 [Accessed 15 June 2010]

2002 reform of the CFP introduced fishing effort as a control measure, it has been little used thus far.<sup>47</sup>

However it is considered that, while effort controls are in principle easier to adhere to and enforce, they have their own drawbacks. The House of Lords report identifies these:<sup>48</sup>

- If used alone, effort controls create an incentive to fish more efficiently, and to target the most valuable species in a given fishery, thus discouraging diversification and intensifying fishing pressure.
- The relationship between fishing effort and fishing mortality cannot always be clearly defined, meaning that effort controls are a somewhat blunt instrument, particularly in mixed fisheries.

Some opinions expressed at the La Coruña Conference on the Common Fisheries Policy on 2-3 May 2010 held between the Commission, Member States, organisations and Non-Governmental Organisations (NGOs) revealed that Technical Conservation Measures were seen as the best way to decrease discards. However, a global discard ban was opposed by Member States and the fishing sector.<sup>49</sup>

In response to the lack of support for a publicly funded one-off 'scrapping scheme', the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, stated at a Fisheries Committee Meeting on 1 June 2010 that 'in the future there will be no more decommissioning of vessels with taxpayer's money'.<sup>50</sup> Fleet reduction programmes adopted thus far have only managed to reduce capacity by 2 per cent a year, which is offset by productivity gains from technological progress (estimated at 2 to 3 per cent a year).<sup>51</sup>

## 2.2. *Prioritisation of Policy Objectives*

The current CFP framework regulation states that "the Common Fisheries Policy shall ensure exploitation of living aquatic resources that provides sustainable economic, environmental and social conditions".<sup>52</sup> The Commission highlights that these objectives are not prioritised and that there are no clear indicators

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<sup>47</sup> COM(2007) 828 final, [Annual Report from the Commission to the European Parliament and the Council on Member States' efforts during 2006 to achieve a sustainable balance between fishing capacity and fishing opportunities](#), 19 December 2007 [Accessed 15 June 2010]

<sup>48</sup> House of Lords, [The Progress of the Common Fisheries Policy](#), 22 July 2008 [Accessed 15 June 2010]

<sup>49</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

<sup>50</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Fisheries and Maritime Affairs Europe's fisheries: the main issues on the road ahead Meeting of the EP Fisheries Committee with national parliaments Brussels](#), 1 June 2010 [Accessed 15 June 2010]

<sup>51</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>52</sup> Council Regulation 2371/2002 *on the Conservation and Sustainable Exploitation of Fisheries Resources under the Common Fisheries Policy* [OJ L 358, 31.12.02](#) [Accessed 15 June 2010]

which can provide a measure of success. Refocusing the CFP's main objectives is one of the European Commission's key priorities for the reform.<sup>53</sup>

It is generally agreed by stakeholders who participated in the consultation on the reform of the CFP that ecological sustainability creates the basis for a viable fishing sector.<sup>54</sup> The South Wales Sea Fisheries Committee (SFC),<sup>55</sup> NWWRAC, UK Government and environmental NGOs assert that ecological sustainability should be the premise for the future of European fisheries. The UK Government stated that:<sup>56</sup>

Only through healthy fish stocks and a healthy marine environment can we hope to achieve economic and social sustainability. At the heart of future reform must be an overriding objective to achieve the sustainable exploitation of fish stocks.

Traders, retailers and some processing industries also prioritise ecological sustainability.<sup>57</sup> Environmental NGOs, including the World Wide Fund for Nature (WWF) and Greenpeace<sup>58</sup> wish to link the CFP with wider maritime policy, specifically the *Marine Strategy Framework Directive*.<sup>59</sup>

The European Parliament and most catching industries (not including the South Wales SFC) advocate a balance between the three pillars of economic, environmental and social sustainability and call for job creation to be seen as an objective in its own right.<sup>60</sup> Some Member States also call for a new objective of 'fisheries for food supply and food security'.<sup>61</sup>

There is broad consensus that Maximum Sustainable Yield (MSY) should be among the targets of the CFP.<sup>62</sup> At the 2002 World Summit on Sustainable Development, the EU pledged to restore Community fish stocks to MSY by 2015.<sup>63</sup> Environmental NGOs are concerned that aiming for MSY of individual fish stocks has too narrow a focus; they call for the wider impacts of fishing on the marine ecosystem to also be considered.<sup>64</sup>

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<sup>53</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010] ibid

<sup>54</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>55</sup> On 1 April 2010, the South Wales Sea Fisheries Committee became amalgamated with the Welsh Government.

<sup>56</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>57</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>58</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009

<sup>59</sup> The Marine Strategy Framework Directive outlines a framework for community action in the field of marine environmental policy. It aims to achieve good environmental status of EU marine waters by 2020.

<sup>60</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>61</sup> ibid

<sup>62</sup> ibid

<sup>63</sup> Press Release, [Johannesburg summit](#), 3 September 2002 [Accessed 15 June 2010]

<sup>64</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

Many contributions, including that of the UK Government, call for the elimination or reduction of discards as an important target for the reform.<sup>65</sup>

### 2.3. *Decision-making Framework*

In their Green Paper, the Commission contends that:<sup>66</sup>

The current decision-making framework of the CFP does not distinguish principles from implementation: all decisions are taken in Council at the highest political level. This has resulted in a focus on short-term considerations at the expense of the longer term environmental, economic and social sustainability of European fisheries. Another consequence is that the CFP is regulated through extremely detailed Council regulations that leave very little flexibility in implementing them. This highly unsatisfactory situation is without doubt the main reason why the CFP is criticised by stakeholders.

Currently, the European Council and Parliament are responsible for high level decisions, such as setting overall policy and harvest objectives and deciding the balance between social, economic and environmental sustainability. Detailed decisions on relatively minor aspects of fisheries management are also made at this high level.<sup>67</sup> The Commission suggests a need to distinguish between decisions over fundamental principles of the policy and technical implementation or “micro-management”.<sup>68</sup>

The Green Paper proposes two alternatives to the current decision-making framework:

1. The Commission to carry out more of the detailed management of the policy in cooperation with Member States and the European Parliament under the ‘**comitology**’ procedure. This would mean decisions would be taken by the Commission and committees of Member State officials, subject to the scrutiny of the European Parliament.
2. **Regional management** by Member States. The principle objectives of the CFP such as fishing within MSY, adjusting fleet capacity, or reducing discards, would be set at EU level. Member States acting together on a regional level would regulate fisheries within these standards.

It was generally agreed by stakeholders that the European Council and Parliament should decide on the overarching principles and policy objectives of the CFP,

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<sup>65</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>66</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>67</sup> POSTnote 357, [EU Fisheries Management](#), May 2010 [Accessed 15 June 2010]

<sup>68</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

while more detailed measures of how to implement these objectives would be carried out on a regional basis.<sup>69</sup> According to the UK Government:<sup>70</sup>

This would enable Member States, together with their industries and other stakeholders, to coordinate and develop measures for well-defined fisheries to achieve outcomes in ways that reflect the needs and conditions of those different fisheries within the context of a central fisheries policy framework agreed at EU level.

Many stakeholders, particularly NGOs and a limited number of Member States, support the delegation of implementing powers to the Commission in specific fields such as technical measures.<sup>71</sup> According to the UK Government, this move away from 'centralised top-heavy decision-making' is desired and is supported by the vast majority of stakeholders.<sup>72</sup> The Commission expects that an advantage of reforming decision making would be a simpler policy that is cheaper to implement.<sup>73</sup>

A significant number of stakeholders call for separate regional bodies to manage fisheries on a regional scale. Most envisage these to be mainly advisory bodies to discuss policy proposals for adoption by the EU institutions. Others envisage them as having the power to implement long-term plans and some regulatory powers.<sup>74</sup> Most stakeholders see these regional management bodies as Member State-led entities.<sup>75</sup> Birdlife International urges caution when devolving such responsibility immediately and calls for regional management responsibilities to be 'dependent on the demonstration that the region has the structures, compliance and implementation capable of delivering sustainable fisheries.'<sup>76</sup>

A possible structure for this regional management exists already in the Regional Advisory Councils (RACs). Seven RACs were set up between November 2004 and April 2007. Welsh fishing waters fall under the remit of the North-western Waters RAC. This covers the waters west of the UK and Ireland and extends south into the English Channel. In contrast to the many stakeholder views that regional management bodies should cover the same areas as the current RACs, the Welsh Government and representatives of the Welsh fishing industry (South Wales SFC and Welsh Federation of Fishermen's Associations Limited; WFFA) believe that

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<sup>69</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>70</sup> UK Government, *Response to the European Commission Reform Green paper on the Common Fisheries Policy*, 23 December 2009 [Accessed 15 June 2010]

<sup>71</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>72</sup> UK Government, *Response to the European Commission Reform Green paper on the Common Fisheries Policy*, 23 December 2009 [Accessed 15 June 2010]

<sup>73</sup> COM(2009)163 final, *Green paper: Reform of the Common Fisheries Policy*, 22 April 2009 [Accessed 15 June 2010]

<sup>74</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>75</sup> Ibid

<sup>76</sup> Birdlife International, *Response to the Consultation on the Reform of the Common Fisheries Policy*, December 2009 [Accessed 15 June 2010]

RACs are too remote to cover the inshore fisheries sector due to the diversity of the fishing waters around Wales. They therefore advocate the establishment of regional management bodies by Member States for waters within 12nm of the coast.<sup>77</sup> At the Inter-Parliamentary meeting on 1 June 2010, the Scottish National Party (SNP) Member of the European Parliament (MEP), Ian Hudghton said "why not propose a genuinely zonal management regime, by sea basin, and allow fishing nations who have rights in each of our seas to determine the conservation and management rules which best suit the diversity which exists."<sup>78</sup>

As regards the RACs, they are widely regarded as having been a success in facilitating the involvement of stakeholders.<sup>79</sup> The majority of stakeholders call for a strengthening of their role.<sup>80</sup> Some stakeholders, including the UK's statutory nature conservation agencies, believe that RACs need to extend their membership and remit to give a more balanced input.<sup>81</sup>

#### *2.4. Responsibility of the Industry*

The Green Paper acknowledges that the CFP has thus far taken a mostly top down approach to fisheries management, and has not created incentives for the fishing industry to behave as a responsible actor accountable for the sustainable management of fisheries. The Commission suggests that very little will be achieved from the CFP reform unless the fishing industry supports the objectives of the policy, and takes responsibility for implementing it.<sup>82</sup>

The Commission suggests that the way to involve the industry more closely is to increase their responsibilities and rights.<sup>83</sup>

The UK Government asserted that regionalisation of fisheries management would enable greater engagement with the industry and this would subsequently engender greater industry responsibility. They also agreed with the Commission that fisheries management could be improved if the catching sector shared the costs of fisheries management with Member States, in return for fishers acquiring a right to participate in the setting of management measures and the security of

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<sup>77</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>78</sup> TheFishSite Press Release, [UK Attacked for Missing Fisheries Talks](#), 3 June 2010 [Accessed 15 June 2010]

<sup>79</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

<sup>80</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>81</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>82</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>83</sup> *ibid*

a lengthy term of access. This would give fishers a 'real stake in the longer term conservation of fish stocks'.<sup>84</sup>

The Commission believes that this could also be achieved through self-management by the industry.<sup>85</sup> Examples of self-management already exist in certain Producers' Organisations (POs) that manage their members' quota uptake and penalise those who overshoot their individual quota at the expense of others. In Denmark, POs manage the fishing quotas. There is a collective responsibility because if a vessel catching more than its quota is caught in the act, the fishery is closed for the entire PO, even if some fishermen still have quotas left. This leads to collective responsibility among the fishermen.<sup>86</sup> The Green Paper proposes that "these initiatives could be generalised by turning the POs into bodies through which the industry takes responsibility for documentation and quota/effort management."<sup>87</sup>

Several Member States agree that POs should be given more responsibility for conservation and control by having the ability to implement their own technical measures in these areas. The industry is a little more hesitant of self-management, stating that it should not result in the responsibility for the failure of fisheries being passed to the fishermen.<sup>88</sup> Most environmental NGOs call for vigorous control and enforcement measures if the industry is given self-management responsibilities.<sup>89</sup>

The Commission suggests that a results-based culture could constitute an element of self-management.<sup>90</sup> In this approach, public authorities would set the desired outcome, for example a maximum catch or a reduction in discards, and it would be up to the industry to take the more detailed implementation decisions and to demonstrate that it operates responsibly in return for access to fishing. This self-management system also obliges fishermen to document their catches.

Most environmental NGOs, some Member States, industry and the European Parliament generally support results-based management.<sup>91</sup> The fishing industry members of the NWWAC believe it will significantly simplify the CFP. However, they warn that it needs to be applied at a broad enough level to avoid a narrow-

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<sup>84</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>85</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>86</sup> European Commission Magazine, [Common Fisheries Policy: laying the foundations for the future](#), No 44, August 2009 [Accessed 15 June 2010]

<sup>87</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>88</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>89</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>90</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>91</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

mindful and increasingly complex approach to fisheries management.<sup>92</sup> Most stakeholders agree that increased industry responsibility is only possible with sufficient integration of all divisions of the fishing sector.<sup>93</sup>

The UK's statutory nature conservation agencies call for progressive introduction of these responsibilities in order to give the industry adequate opportunity to develop the necessary management structures and to demonstrate their commitment to sustainable management. They also believe that self-management needs to be coupled with an obligation for effective monitoring, in the form of detailed management plans, monitoring schemes and regular progress reports to demonstrate progress towards targets.<sup>94</sup>

NGOs state that the industry would take greater responsibility for fisheries if a financial obligation was attached to fishing rights.<sup>95</sup> Birdlife International also asserts that Community funding should be conditional on compliance with the CFP and wider marine strategies and that Member States and operators who do not comply with these regulations should incur sanctions, notably the withdrawal of EU structural funds.<sup>96</sup>

## 2.5. *Developing a Culture of Compliance*

Fisheries rules and control systems apply to all fishing activities in EU waters, and to all fishing carried out by EU fishing vessels and EU nationals. The rules are agreed upon at EU level, but the measures of inspection and enforcement necessary to ensure compliance with the rules of the CFP fall to individual Member States. To encourage closer collaboration and exchange of best practice, the Community Fisheries Control Agency (CFCA) was established in 2005 to organise the coordination of the Member States' inspection and surveillance activities.<sup>97</sup> The Commission also has its own inspectors, who can visit national authorities at any time to check they are implementing EU rules correctly.

A report published in November 2007 by the EU Court of Auditors pinpointed the ineffectiveness of the fisheries control system in Europe, stating that fisheries control had generally been weak, penalties not dissuasive and inspections not frequent enough to encourage compliance.<sup>98</sup> They also found that the control

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<sup>92</sup> NWWRAC, *Opinion on the Reform of the Common Fisheries Policy*, December 2009 [Accessed 15 June 2010]

<sup>93</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>94</sup> UK's statutory nature conservation agencies, *Response to the Green Paper on reform of the Common Fisheries Policy* [Accessed 15 June 2010]

<sup>95</sup> *ibid*

<sup>96</sup> Birdlife International, *Response to the Consultation on the Reform of the Common Fisheries Policy*, December 2009 [Accessed 15 June 2010]

<sup>97</sup> European Commission, *The Common Fisheries Policy A User's Guide*, December 2008 [Accessed 15 June 2010]

<sup>98</sup> EU Court of Auditors, *Special Report No 7/2007* on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources, 28 December 2007 [Accessed 15 June 2010]

framework was disproportionately focused on activities at sea.<sup>99</sup> As a result of these findings, *Council Regulation 1224/2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy* entered into force on 1 January 2010. This Regulation applies to all EU vessels and to all fishing activities carried out in EU waters.<sup>100</sup>

According to this Regulation, every EU fishing vessel over 12m in length must have a satellite Vessel Monitoring System (VMS) to report its location and an electronic reporting system to record catches, landings, transshipments and sales. Checks are also carried out at every point in the market chain, from net to plate, to ensure that the fish were caught legally. To ensure that fishing rules are applied in the same way in all member countries, Council Regulations 1005/2009 and 1224/2009 detail a list of serious infringements of the rules of the common fisheries policy. It is up to the EU countries to monitor that the rules are respected, and to sanction infringements. The Regulation also outlines the workings of a fishing license points system for infringements, similar to that applied to driving licenses for traffic offences.

Under the new regulation, the Commission is also given extended inspection powers, allowing them to carry out inspections on their own initiative without prior notification to the Member State concerned. The Commission is able to impose financial sanctions on Member States for poor fulfilment of their obligations under the CFP, including withholding funding granted under the European Fisheries Fund. The Commission's powers to close fisheries when quotas are exhausted are also strengthened.<sup>101</sup>

*Council Regulation 1224/2009* has been welcomed by most Member States and NGOs but the industry still has concerns over implementation of the rules. Possible suggestions as to how to enhance compliance, advocated by many Member States and industry stakeholders, include simpler CFP rules and a multi-annual approach while NGOs also recommend the extension of control techniques such as VMS and closed-caption TV cameras.<sup>102</sup>

Transparency in the system has also been identified as helping to ensure compliance since it demonstrates a level playing field and allows stakeholders to

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<sup>99</sup> EU Court of Auditors, [Special Report No 7/2007](#) on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources, 28 December 2007 [Accessed 15 June 2010]

<sup>100</sup> Council Regulation 1224/2009 *establishing a Community control system for ensuring compliance with the rules of the common fisheries policy*, [OJ L 343, 22.12.2009](#) [Accessed 15 June 2010]

<sup>101</sup> European Commission Press Release, [Reform of Common Fisheries Policy control framework – questions and answers](#), 31 December 2009 [Accessed 15 June 2010]

<sup>102</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

check that others are complying.<sup>103</sup> The UK Government introduced a *Registration of Buyers and Sellers (RBS) scheme* which has been fully operational in the UK for over three years. According to the Department for Environment, Food and Rural Affairs (Defra):<sup>104</sup>

Since the introduction of the scheme, representatives of the industry have acknowledged the positive impact it has had on compliance by providing greater transparency, improved cross checking of fish landings data and contribution to reduced levels of black landings.

NGOs, including the UK's statutory nature conservation agencies and Greenpeace, call for both financial and access based incentives to be dependent upon compliance with the regulations.<sup>105</sup> This is in accord with the UK Government's stance which stated that 'access to Community funding should be dependent upon effective compliance with the rules of the CFP'.<sup>106</sup>

A more regionalised approach is again advocated in regards to encouraging compliance. The UK Government stated that a "broad centralised system of Community controls is necessary to provide the level enforcement playing field which is currently perceived by many to be lacking", but called for some flexibility to cater for regional differences and allow the most effective use of national enforcement resources.<sup>107</sup>

Following the passing of the *Marine and Coastal Access Act 2009*, the Welsh Government assumed full responsibility for the management and enforcement of sea fisheries in Wales, taking over the work of the South Wales SFC and the Welsh part of the NWWRAC. The Welsh Government states that this is an important step in the improvement of fisheries management as it will engender a more 'hands on' approach. The Welsh Government is also seeking a closer relationship with stakeholders. A Welsh Zone has been established which extends beyond the 12nm coastal zone to the median line between Wales and Ireland (See Annex C for a map of the area). This will provide a more consistent and integrated approach to sea fisheries management in Wales.<sup>108</sup> The *Conservation of Habitats and Species Regulations 2010* apply in the terrestrial environment and in territorial waters out to 12nm.<sup>109</sup> Inshore management in the 0 to 6 mile zone is

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<sup>103</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>104</sup> Defra, [Registration of buyers and sellers of fish](#) [Website] 13 May 2009 [Accessed 15 June 2010]

<sup>105</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>106</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>107</sup> *ibid*

<sup>108</sup> Welsh Assembly Government, [New Fisheries Management and Marine Enforcement Regime in Wales](#), 2010 [Accessed 15 June 2010]

<sup>109</sup> Defra, [Conservation of Habitats and Species Regulations 2010](#) [Accessed 15 June 2010]

undertaken by the Welsh Government, and the Environment Agency Wales is responsible for the management of migratory fish and estuaries.<sup>110</sup>

## 2.6. *Differentiation of Small-scale Fisheries*

According to their response to the Commission's Green Paper, it is the Welsh Government's priority to establish a different management approach to Small Scale Coastal Fishing (SSCF; within the 12nm coastal zone). They state that this is particularly important to Wales as Welsh fishers 'are not able to fish elsewhere and are limited to what they can catch and where they can land it'.<sup>111</sup> They also state that the Welsh coastal zone requires its own management plan due to the high percentage of environmental designation zones within Welsh waters, the complex ecosystem and the importance of local and sustainable fishing to food security and food tourism in Wales. The South Wales SFC contends that 'Regional Advisory Councils are too remote to cover the inshore sector'.<sup>112</sup> An ecosystem approach with a quota management system separate from the wider region is stated as the best way to achieve sustainable fisheries in Wales.<sup>113</sup>

The Welsh Government states that small scale fishers have a vested interest in sustainable fisheries since they are not able to fish elsewhere. The Welsh Government also highlights the threat to long-term sustainability of Welsh fisheries that is posed by a number of EU fleets that have historic rights in, or adjacent to Welsh territorial waters. The *Wales Fisheries Strategy*, states:<sup>114</sup>

Not only do these vessels have more than 10 times the power of a Welsh vessel but are not subject to the same constraints as the indigenous fleet. EU Regulation 2371 provides that neither the Welsh nor UK fisheries management regulations can pertain to these vessels unless their respective Governments agree to them. As this is seldom the case, the best efforts of the Welsh industry or the Welsh Assembly to promote sustainable fishing practices are constantly undermined and the long term effects of this effort are likely to be severe. It is a priority for the Welsh Assembly Government to press this issue in Europe.

Many stakeholders, including Birdlife International, underline however that SSCF does have an impact on the resources and therefore should not be exempt from conservation and control measures.<sup>115</sup>

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<sup>110</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>111</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>112</sup> South Wales SFC, [CFP Green Paper Consultation](#) [Accessed 15 June 2010]

<sup>113</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>114</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>115</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

There was a workshop dedicated to the discussion of SSCF at the La Coruña Conference in May 2010. Attendees voiced split opinions as to the need for a differentiated approach to SSCF. Greece, Italy and Portugal have large numbers of small-scale inshore fleets and are calling for policy change to support and protect inshore fishing communities.<sup>116</sup> Some stakeholders, including NGOs and industry, think that environmental and social objectives justify the differentiated approach. Reasons stated include coastal fishing communities rely closely on fishing for employment, their fishing practices tend to have a lower environmental impact and fuel use is more efficient. Other stakeholders did not believe that a differentiated approach at the EU level is required to realise the environmental, social and economic objectives of the CFP.<sup>117</sup> The UK Government stated that:<sup>118</sup>

Any further priorities, such as protection of small-scale fishing fleets, should be clearly provided for in the CFP, within the context of maximising benefits overall. However, we need to avoid the risk of subsidising fundamentally uneconomic elements of the industry.

The definition of small scale fisheries is also a subject of debate. There seems to be a consensus that the great variety of situations across Member States and fisheries requires a flexible and regional approach. Most supporters of the differentiated approach advocate a mix of selection criteria, including vessel length, action radius of the fishery, trip duration, catch volume and type of fishing gear.<sup>119</sup> A number of stakeholders, including the Welsh Government and the WFFA, suggest that the inshore fisheries management regime (within 6nm of the coast) could be extended out to 12nm from the shore, reserving these inshore fisheries to small-scale coastal vessels.<sup>120</sup> Other fishermen and Member States, however, argue that historical rights should be maintained for trawlers and access should not be reserved just for SSCF.<sup>121</sup> Opinions on whether to exclude small trawlers from the scope of the definition were particularly divided at the La Coruña Conference; the Commission has been called upon to further address the specific situation of small scale trawlers.<sup>122</sup>

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<sup>116</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

<sup>117</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

<sup>118</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>119</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>120</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>121</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>122</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

The implementation of a small scale fisheries regime was largely seen to require a specific set of financial measures focussed upon the maintenance of fishing activities of small scale fisheries.<sup>123</sup> The WFFA is one of the stakeholders who advocate this. A large number of participants at the La Coruña conference thought that these measures should relate to assistance for the self-organisation of the sector, co-management, marketing, certification, innovation, fuel efficiency, and safety and working conditions aboard vessels.<sup>124</sup> NGOs, however, do not want special treatment for small scale fisheries to immediately translate into funding. They want to see the provision of incentives, such as preferential access to fishing resources, for those parts of the sector which fishes in the most environmentally, socially and economically sustainable manner.<sup>125</sup> The European Parliament calls for the implementation of specific community programmes to support small-scale fisheries, in particular to help them gain greater access to markets and enhance the value of their products.<sup>126</sup>

## Recreational Fishing

The management of recreational fishing is currently under the control of national authorities, such as the Environment Agency in the UK. Under the new control regulation, catches by recreational fishermen are not counted against the national quota of Member States. However from 2010, Member States will be required to evaluate the impact of some recreational fisheries – namely in respect of those fish stocks subject to an EU recovery plan. Reported catches must be sent to the Commission, which will then ask the Scientific, Technical and Economic Committee for Fisheries for independent scientific advice on whether or not the impact is significant.<sup>127</sup>

The South Wales SFC calls for recreational fishers to be involved in the management of inshore areas since recreational fishing provides its own economic and social benefits.<sup>128</sup> Environmental NGOs such as Greenpeace call for recreational fishing to be taken into account when setting quotas since they state that they can have substantial impacts on fish stocks and also incur by-catch<sup>129</sup> of non-target species.<sup>130</sup>

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<sup>123</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>124</sup> European Commission, *Orientations of A Coruna conference*, 2-3 May 2010 [Accessed 15 June 2010]

<sup>125</sup> Pew Environment Group, *Comments on the 'Orientations' from the CFP Stakeholder Conference*, 6 May 2010 [Accessed 15 June 2010]

<sup>126</sup> European Parliament, *Resolution on the Green paper on the reform of the Common Fisheries Policy*, 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

<sup>127</sup> European Commission Press Release, *Reform of Common Fisheries Policy control framework – questions and answers*, 31 December 2009 [Accessed 15 June 2010]

<sup>128</sup> South Wales SFC, *CFP Green Paper Consultation* [Accessed 15 June 2010]

<sup>129</sup> By-catch is unwanted marine organisms that are caught while fishing for another species.

<sup>130</sup> Birdlife International, *Response to the Consultation on the Reform of the Common Fisheries Policy*, December 2009 [Accessed 15 June 2010]

## 2.7. Management of Fisheries Resources

Stakeholders are in favour of the implementation of multi-annual management plans which were introduced in the 2002 CFP Reform.<sup>131</sup> Multi-annual plans set clear goals for sustainable management of specific stocks, based on clear quantifiable biological targets, and map out the path to achieving them. They also limit the year-on-year variation in Total Allowable Catches (TACs) and tend to combine TACs and quotas with fishing effort to limit fishing mortality. In this way, the plans also provide greater stability for the fishing industry and enable operators to plan ahead.<sup>132</sup>

The concept of multi-annual plans was first applied by the EU in 2004 with the adoption of its first multi-annual plan for the recovery of northern hake and certain commercial cod stocks. Since then, multi-annual plans have been applied to a range of stocks in EU waters. Multi-annual plans today cover 41 per cent of pelagic catches and 44 per cent of demersal catches.<sup>133</sup> The Commission intends to progressively introduce multi-annual planning for all major commercial fish stocks which lend themselves to this approach.<sup>134</sup> Birdlife International calls for management plans to be a 'pre-condition for fishing'. They state that functional plans for all EU fisheries should be a mandatory requirement.<sup>135</sup>

As previously mentioned the Green Paper states that the setting of quotas for single fish species in mixed fisheries results in discards because if the quota for one species is used up, fishermen are allowed to carry on fishing for other species, but any fish they catch for which they have no more quota must be discarded.<sup>136</sup> Stakeholders at the La Coruña conference discussed the options of fixing multi-species quotas and of fixing fishing mortality rates in relation to the state of the most sensitive stock or group of stocks in a fishery. Stakeholders agreed that the fixing of multi-species quotas is a good idea, despite the complexity.<sup>137</sup>

The Welsh Government and the WFFA are among the stakeholders calling for an ecosystem approach to fisheries management.<sup>138</sup> This ecosystem approach aims to maintain the marine ecosystem in the sustainable condition necessary to

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<sup>131</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>132</sup> European Commission, *The Common Fisheries Policy A User's Guide*, December 2008 [Accessed 15 June 2010]

<sup>133</sup> European Commission Magazine, *Common Fisheries Policy: laying the foundations for the future*, No 44, August 2009 [Accessed 15 June 2010]

<sup>134</sup> European Commission, *The Common Fisheries Policy A User's Guide*, December 2008 [Accessed 15 June 2010]

<sup>135</sup> Birdlife International, *Response to the Consultation on the Reform of the Common Fisheries Policy*, December 2009 [Accessed 15 June 2010]

<sup>136</sup> COM(2009)163 final, *Green paper: Reform of the Common Fisheries Policy*, 22 April 2009 [Accessed 15 June 2010]

<sup>137</sup> European Commission, *Orientations of A Coruna conference*, 2-3 May 2010 [Accessed 15 June 2010]

<sup>138</sup> Welsh Assembly Government, *Response to European Commission Green Paper on the Reform of the Common Fisheries Policy*, 31 December 2009 [Accessed 15 June 2010]

achieve desired social benefits in the present and for the future. This is achieved by limiting the impact of fishing on the ecosystem and adopting a ‘precautionary’ approach to governance in order to ensure its continued well-being. NGOs such as WWF also state that multi-annual plans should be integrated into the wider marine strategy and should contribute towards the delivery of regional ecosystem fisheries plans.<sup>139</sup> Some Member States say that management plans should also contain socio-economic considerations as well as biological targets.<sup>140</sup>

## 2.8. *Relative Stability*

The allocation of fishing quotas according to the principle of relative stability is one of the oldest elements of the CFP. This system shares out Total Allowable Catches (TACs) for each fish stock between Member States according to a fixed allocation based on their historic catches.<sup>141</sup>

A large majority of stakeholders support retaining the principle of relative stability, stating that it provides security and stability.<sup>142</sup> In her address to the European Parliament on 9 June 2010, the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, stated that “relative stability has served a good purpose over the years and we intend to keep it. You can establish it, just as well, in effort rights as you can in quota rights.”<sup>143</sup>

Nevertheless, the Commission’s Green Paper highlights a number of drawbacks of the policy. It states that although relative stability provides a mechanism for distributing fishing opportunities among Member States, it has also given rise to complex practices such as quota swaps between Member States. It states that since the policy was adopted more than 25 years ago, there have been changes to fishing patterns and as a result “there is now a considerable discrepancy between the quotas allocated to Member States and the actual needs and uses of their fleets.”<sup>144</sup>

The Green Paper also suggests that the application of relative stability has made the CFP inflexible. This inflexibility reduces the fishing industry’s ability to make efficient use of available fish stocks and to adopt different fishing strategies. It

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<sup>139</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>140</sup> European Commission, [Orientations of A Coruna conference](#), 2-3 May 2010 [Accessed 15 June 2010]

<sup>141</sup> European Commission, [The Common Fisheries Policy A User’s Guide](#), December 2008 [Accessed 15 June 2010]

<sup>142</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>143</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Maritime Affairs and Fisheries Managing fleets and conserving resources under the future Common Fisheries Policy. EPP hearing on CFP reform Brussels](#), 9 June 2010 [Accessed 15 June 2010]

<sup>144</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

also contributes to discards because it creates many national quotas which generate their own discarding constraints.<sup>145</sup>

The Commission therefore proposes the use of transferable rights, in addition to the principle of relative stability, to remove fleet overcapacity and reduce discards. This allows the free transfer of fishing quotas either between individual fishermen or between Member States. This approach relies upon market forces which will cause the largest, most efficient operators to buy up the quotas, with the price that they pay acting as an incentive for less efficient operators to quit, thereby consolidating the fishing fleet. The Commission cites the examples of Denmark, Spain and Estonia, where the introduction of transferable rights has resulted in a 30 to 50 per cent reduction in fleet capacity.<sup>146</sup>

Following debate at the La Coruña conference<sup>147</sup> on 2 May 2010, three options were proposed:<sup>147</sup>

- i. Individual Transferable Rights (ITRs) between operators;
- ii. ITRs between national operators, within the jurisdiction of individual Member States. This is equivalent to maintaining the current situation.
- iii. Transferable ITRs, including at international level.

At a hearing on the CFP reform on 9 June 2010, the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, stated that “it is not the intention of the Commission to propose decommissioning of vessels with taxpayers' money in the future.” She proposed that ITRs could therefore provide a solution to those fishermen who want to leave the sector; ‘they would have the possibility to sell their rights to others in the same Member State.’ She did state, however, that the Commission intends for the system of ITRs to remain on a national basis, between fishermen within individual Member States.<sup>148</sup>

The UK Government stated that it was in favour of greater transferability of fishing quotas.<sup>149</sup> According to the Welsh Government, the UK Government’s response to the Green Paper was focussed primarily on large scale commercial fishing. In this context, the Welsh Government agrees with the UK Government’s view that greater transferability of fishing rights would be beneficial to the

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<sup>145</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>146</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Maritime Affairs and Fisheries Managing fleets and conserving resources under the future Common Fisheries Policy. EPP hearing on CFP reform Brussels](#), 9 June 2010 [Accessed 15 June 2010]

<sup>147</sup> Eckstein, A. [Tough debate ahead on CFP reform](#), *Europolitics* [Online] 3 May 2010 [Accessed 15 June 2010]

<sup>148</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Maritime Affairs and Fisheries Managing fleets and conserving resources under the future Common Fisheries Policy. EPP hearing on CFP reform Brussels](#), 9 June 2010 [Accessed 15 June 2010]

<sup>149</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

management of larger commercial fleets.<sup>150</sup> However, the Welsh Government and the WFFA are strongly opposed to the application of transferable rights to Small-scale Coastal Fishing. They express concern that:<sup>151</sup>

...if this approach is unchecked that much of the fishing opportunity ends up in the hands of large commercial operators and smaller producers are priced out of the market. This will prevent diversification and, as current fishers generally are less able to fish for quota species, there will be much greater pressure on non-quota stocks.

The WFFA contends that ‘tools such as individual transferable quotas (ITQs), and the logic of artisanal fishing are not compatible.’<sup>152</sup> These opinions are in accord with a large majority of stakeholders who believe that ITRs are not appropriate for small-scale fisheries.<sup>153</sup> In response to these concerns about the effect of ITRs on the small-scale fishing industry, the Commission announced at a European Parliament meeting on the reform of the CFP on 1 June 2010 that small-scale fisheries “should be left outside such a system and join only on a voluntary basis. (...) rights of small scale fishermen must stay within this segment and can therefore not be bought by larger vessels.”<sup>154</sup>

## 2.9. Access to Resources

In the waters up to 12nm from Member States’ coastlines, fishing opportunities are reserved for the national fleet and for fishing vessels with historical rights of access. In 2002 these restrictions were renewed until the end of 2012. The vast majority of stakeholders support the continuation of this regime and a large group, including the WFFA, believe that the 12nm zone should provide favourable access to small scale fishing vessels.<sup>155</sup> NGOs in particular but also the WFFA state that the 12nm zone should be reserved for “fishing activities that are small in scale, environmentally benign, socially equitable, and which provide important cultural and economic contributions to the local communities.”<sup>156</sup>

Member States have responsibility for the management of fisheries within the 12nm zone but between 6 and 12nm from the shore they have no jurisdiction over fishing vessels from other Member States. The South Wales SFC and Birdlife International call for “the ability of Member States to manage all fishing activity

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<sup>150</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>151</sup> *ibid*

<sup>152</sup> WFFA, [Response to the Consultation on the Review of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>153</sup> European Commission Working Document, [Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC\(2010\)428 final](#), 16 April 2010 [Accessed 15 June 2010]

<sup>154</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Fisheries and Maritime Affairs Europe's fisheries: the main issues on the road ahead Meeting of the EP Fisheries Committee with national parliaments Brussels](#), 1 June 2010 [Accessed 15 June 2010]

<sup>155</sup> WFFA, [Response to the Consultation on the Review of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>156</sup> *ibid*

within its existing 12nm zone placing restrictions upon all vessels on an equal and non discriminatory basis.”<sup>157</sup> The UK Government stated that “fishers that have rights to access the 6-12 mile zone of other Member States should accept the responsibility that comes with those rights.”<sup>158</sup>

The Welsh Government states in its *Wales Fisheries Strategy* that fishing fleets, mainly from Belgium, France and Ireland, who have historic rights to fish in or adjacent to Welsh waters pose a serious threat to the long term sustainability of Welsh fisheries. They state that it is a priority for them to press the issue of being able to enforce restrictions on all fishing vessels in Welsh waters.<sup>159</sup>

## 2.10. Market Considerations

The Common Market Organisation (CMO) was established in 1970 to take into account market interests regarding fisheries and ensure a balanced price for fish. According to *Council Regulation No 104/2000 on the common organisation of the markets in fishery and aquaculture products*,<sup>160</sup> the main instruments established by the CMO are:

- **Common marketing standards**, which ensure that quality, labelling and packaging of fish are equivalent across the EU;
- **Producers’ Organisations (POs)**, which are cooperatives of producers who draw up and implement annual operational programmes. These programmes set out how catches should be spread out during the year so as to maximise responsible management of fish stocks, both in terms of maximising profit by meeting market requirements and maintaining sustainable fishing practices;
- **Market support funds**, which can intervene to support fishers when prices fall too low;
- **Market interventions**, such as the withdrawal of fish from the market when prices fall too low and;
- **Autonomous Tariff Quotas (ATQs)**, which subsidise the import of fish products from third countries when European supply is insufficient for the processing sector.

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<sup>157</sup> South Wales SFC, *CFP Green Paper Consultation* [Accessed 15 June 2010]

<sup>158</sup> UK Government, *Response to the European Commission Reform Green paper on the Common Fisheries Policy*, 23 December 2009 [Accessed 15 June 2010]

<sup>159</sup> Welsh Assembly Government, *Wales Fisheries Strategy*, 2008 [Accessed 15 June 2010]

<sup>160</sup> Council Regulation on the common organisation of the markets in fishery and aquaculture products, [OJ L 17, 21.1.2000](#) [Accessed 15 June 2010]

The Green Paper states that, despite the current CMO strategies, EU fishermen generally receive a small share of the price the consumer pays for the fish. It says that the reasons for this are:

- The fragmented nature of the catching sector which prevents fishermen from marketing their products in such a way as to maximise their profit;
- Consumer preference for processed or frozen products over fresh ones which have a lower relative share of fish in the final price and;
- The very high proportion of fisheries products that are imported into the EU market.

According to the Green Paper, the low proportion of profit going to fishermen encourages them to seek higher quantities and therefore acts as an incentive to overfish. Higher production costs lead to low profitability and therefore increases the reliance of fishers on public aid.<sup>161</sup> The NWWRAC calls for fairness in the profit margins received along the fish supply chain.<sup>162</sup>

The present CMO is currently under review. The Green Paper states that although the CMO has reduced in importance in recent years, there is still space for a CMO which would abandon direct support to prices and instead place more emphasis on improving the way producers organise themselves.<sup>163</sup>

The Commission and UK Government would like to see POs play an increased role in helping fishers to better adapt to market demand and manage resource supply.<sup>164</sup> At a meeting of the European Parliament Fisheries Committee on 1 June 2010, the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki, confirmed that a reformed CMO “needs to help producers better link fishing to market needs and realities and to get higher value for their products through improved marketing and consumer information.”<sup>165</sup> The Commission states that “POs can strengthen the bargaining position of individual fishers and contribute to a more viable, and thus more sustainable, industry”.<sup>166</sup>

According to the *Wales Fisheries Strategy*, there is significant scope for improving the economic viability of the fisheries industry in Wales. In Wales, small inshore

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<sup>161</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>162</sup> NWWRAC, [Opinion on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>163</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>164</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>165</sup> European Commission Press Release, [Maria Damanaki Member of the European Commission Responsible for Fisheries and Maritime Affairs Europe's fisheries: the main issues on the road ahead Meeting of the EP Fisheries Committee with national parliaments Brussels](#), 1 June 2010 [Accessed 15 June 2010]

<sup>166</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

vessels tend to operate out of small ports and harbours around the whole of the Welsh coastline. According to the Welsh Government:<sup>167</sup>

This has resulted in the development of systems where shellfish buyers, using vivier lorries (effectively lorries with large water tanks) have strategic collection points where fishermen can bring their catch for onward transport to markets in the UK and abroad. With only a few buyers, the primary producers have little choice to who they sell and the prices paid are reflected in this lack of competition. Importantly, the price paid for live product does not reflect its quality, providing little incentive to fishermen to care for their catch.

Around 95 per cent of the shellfish caught by the Welsh fleet are exported due to the low demand for live shellfish in the UK. Welsh fishermen therefore have a strong dependence on export markets that are vulnerable to changes such as fuel price rises and exchange rates. In order to buffer fishermen against such variables, the Welsh Government says it is working with fishers to develop opportunities for local processing which would allow the industry to provide processed shellfish desired by the UK market.<sup>168</sup>

The *Wales Fisheries Strategy* highlights the recent and significant shift by multiple UK retailers towards the promotion of locally sourced products from sustainable fisheries with a growing emphasis on seasonality. In the Welsh Government's response to the Commission's Green Paper, they state that according to their market research, retailers are prepared to pay more for fish with a sustainable or local identity.<sup>169</sup> The Welsh Government believe that this shift in retail policy will be of direct benefit to commercial sea fisheries in Wales by providing market opportunities for a wider range of species. They also state that a move towards locally sourced produce would bring about improvements to the quality and saleability of fish and shellfish from Wales by reducing logistical demands. "Socio-economic benefits will also be evident for the Welsh aquaculture sector through a greater demand for sustainable products leading to increased production capacity and employment opportunities."<sup>170</sup>

Accreditation, traceability and sustainability are, according to multiple retailers, at the forefront of the consumer's mind when deciding what to buy. Most stakeholders, including the UK Government, believe that certification and labelling initiatives would help to contribute to transparency and build consumer confidence.<sup>171</sup> The UK's statutory conservation agencies suggest that structural funding could help small scale fishers cover the costs associated with certification

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<sup>167</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>168</sup> Welsh Assembly Government, [Response to European Commission Green Paper on the Reform of the Common Fisheries Policy](#), 31 December 2009 [Accessed 15 June 2010]

<sup>169</sup> *ibid*

<sup>170</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>171</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

processes.<sup>172</sup> *Regulation No 66/2010 on the EU Ecolabel* was adopted on 25 November 2009. This outlines the rules regarding a planned voluntary ecolabel award scheme intended to promote products with a reduced environmental impact during their entire life cycle and to inform consumers about the environmental impact of products.<sup>173</sup>

In regards to trade policy, importers and processors insist on liberalised imports, including more import tariff suspensions, to ensure the supply of fisheries products to the EU.<sup>174</sup> However at a European Parliamentary debate on a draft resolution on '*Future Arrangements for importing fishery and aquaculture products into the EU*', MEPs stressed that fishermen were finding it increasingly difficult to compete with imports. Sixty per cent of fish consumed in the EU is imported from third countries.<sup>175</sup> The European Parliament calls for monitoring and certification schemes for fishery products entering the EU market in order to create a level playing field on the community market.<sup>176</sup> The NWWRAC also asks whether rules could ensure that fish entering the EU markets is caught under the same social working conditions as those demanded of EU fishers so that they can compete more equally.<sup>177</sup>

### *2.11. Integration of the CFP in the Broader Maritime Policy Context*

The EU *Integrated Maritime Policy* (IMP) was introduced in 2007. It provides the overall framework for integrated management of all human, environmental and economic interactions in the maritime field.<sup>178</sup>

The *Marine Strategy Framework Directive* (MSFD) is the environmental pillar of the IMP. The MSFD aims to achieve 'good environmental status' (GES) in the EU's marine waters by 2020. According to the MSFD, this will be achieved by developing marine strategies to "protect and preserve the marine environment, prevent its deterioration or, where practicable, restore marine ecosystems in areas where they have been adversely affected". It states that "marine strategies shall employ an ecosystem-based approach to the management of human activities". All other EU maritime policies, including The Birds and Habitats Directives and the CFP must comply with and support this ecosystem approach.<sup>179</sup>

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<sup>172</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>173</sup> EC Regulation 66/2010 on the EU Ecolabel [OJ L 27, 30.1.2010](#) [Accessed 15 June 2010]

<sup>174</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>175</sup> Third countries are those that are not part of the European Union.

<sup>176</sup> European Parliament Press Release, [MEPs debate imports, wages and quality](#), 9 April 2010 [Accessed 15 June 2010]

<sup>177</sup> NWWRAC, [Opinion on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>178</sup> Communication from the Commission to the Council and the European Parliament, [The role of the CFP in implementing an ecosystem approach to marine management](#), SEC(2008) 448, April 2008 [Accessed 15 June 2010]

<sup>179</sup> EC Directive, Directive 2008/56/EC *establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive)* [OJ L 164, 25.6.2008](#), [Accessed 15 June 2010]

The Commission highlighted the importance of the ecosystem approach to fisheries management in a Communication to the Council and the European Parliament in April 2008. They state that:<sup>180</sup>

Fishing is probably the one maritime sector which is most directly dependent on healthy marine ecosystems, and is thus also the sector which gains most from integrated protection of these ecosystems.

Under the MSFD, one of the 11 qualitative descriptors which determine GES is that:

Populations of all commercially exploited fish and shellfish are within safe biological limits, exhibiting a population age and size distribution that is indicative of a healthy stock.<sup>181</sup>

The Commission therefore identifies the main and first task of fisheries management to be the reduction of overall fishing pressure to sustainable levels. The commitment to rebuild fish stocks to Maximum Sustainable Yield by 2015 seeks to achieve this aim.<sup>182</sup>

The CFP can also employ measures to reduce the impact of fishing activities on the marine environment. This includes management tools such as encouraging the use of selective fishing gear which reduces by-catches and discards and the restriction or banning of fishing in areas of high conservation value. Birdlife International asserts that multi-annual management plans should be based on an ecosystem perspective and “henceforth have in-built actions, indicators and timetables for tackling impacts on target and non-target species and habitats”.<sup>183</sup>

According to the Commission, measures under the CFP must also support the *Habitats Directive* in achieving its aim of establishing a network of protected areas (Natura 2000)<sup>184</sup> in the marine domain. The Commission states that “the coordinated use of CFP instruments such as closures for specific fisheries or no-take zones will be implemented as required to achieve the objectives of the specific Natura 2000 site.”<sup>185</sup>

The Commission’s Green Paper also asks how the new CFP can facilitate adaptations to climate change and ensure that fisheries do not undermine the resilience of marine ecosystems. It states that “Climate change is an added stress

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<sup>180</sup> Communication from the Commission to the Council and the European Parliament, [The role of the CFP in implementing an ecosystem approach to marine management](#), SEC(2008) 448, April 2008 [Accessed 15 June 2010]

<sup>181</sup> EC Directive, Directive 2008/56/EC *establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive)* [OJ L 164, 25.6.2008](#), [Accessed 15 June 2010]

<sup>182</sup> Communication from the Commission to the Council and the European Parliament, [The role of the CFP in implementing an ecosystem approach to marine management](#), SEC(2008) 448, April 2008 [Accessed 15 June 2010]

<sup>183</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>184</sup> Natura 2000 is a network of sites which protect vulnerable habitats. These sites comprise Special Protection Areas and Special Conservation Areas.

<sup>185</sup> Communication from the Commission to the Council and the European Parliament, [The role of the CFP in implementing an ecosystem approach to marine management](#), SEC(2008) 448, April 2008 [Accessed 15 June 2010]

on marine ecosystems which makes a reduction of fishing pressure to sustainable level even more urgent.” It calls for an integrated approach to marine spatial planning within the IMP since capture fisheries and aquaculture compete increasingly with other maritime sectors for marine space. It also identifies a close link between the CFP and IMP coastal development strategies since the social element of the CFP is important for coastal communities.<sup>186</sup>

The UK’s statutory nature conservation agencies suggest the use of Strategic Environmental Assessment (SEA) as a useful tool in implementing the integrated management envisaged in the IMP and MSFD. SEA involves the examination of the interactions between environmental, social and economic factors within an ecosystem and results in the production of a list of issues that require a management decision. According to the NGO, the SEA process “would be a very useful tool for resolving issues between fisheries, biodiversity interests and other sea users.”<sup>187</sup>

Under the MSFD, each Member State is required to develop a marine strategy for its marine waters. The UK’s commitment to the ecosystem approach is through the *Marine and Coastal Access Act 2009*. This introduces a new UK-wide system of marine planning which aims to balance the economic, social and environmental impacts and objectives of marine activities in a way that promotes sustainable development. It includes new powers and a range of specific measures to protect and manage UK waters and to help attain GES. A network of Marine Conservation Zones (MCZs) is currently being created to help achieve the aims of the *Habitats Directive*. The *Marine and Coastal Access Act 2009* makes Welsh Ministers responsible for designating MCZs in Welsh territorial waters.<sup>188</sup>

The *Wales Fishery Strategy* published in 2008 outlines the Welsh Government’s approach to the integrated management and development of fisheries in Wales. It advocates an ecosystem-based approach to fisheries management, stressing that sustainable management of the fishing industry will benefit social, economic and environmental aspects of coastal communities.<sup>189</sup> Wales is responsible for developing a marine plan or plans for the Welsh marine area. The Welsh Government intends to consult later in 2010 on options for spatial planning in Welsh waters.<sup>190</sup>

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<sup>186</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>187</sup> UK’s statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>188</sup> Members’ Research Service Research Paper 09/025, [Marine and Coastal Access Bill \[HL\]](#), July 2009

<sup>189</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>190</sup> Welsh Assembly Government website, [Marine and Coastal Access Act 2009](#) [Accessed 15 June 2010]

## 2.12. Research and Development

The European Commission highlights the importance of scientific knowledge and data in its Green Paper.<sup>191</sup> EU fisheries policy supports research into fisheries through the funding of national fisheries data collection programmes and the financing of advanced EU-level research projects. During 2007-2008, funding totalling €32 million was provided for 11 EU-level research projects related to fisheries and aquaculture.<sup>192</sup>

The Commission receives scientific advice on fisheries from the Scientific Technical and Economic Committee for Fisheries (STECF). The STECF is composed of independent scientists and experts representing a broad range of opinions. The STECF produces annual reports to the Commission on the current status of fisheries resources and their future potential. This is used as the basis for setting annual TACs and quotas. On biological issues, the STECF relies upon advice from the International Council for the Exploration of the Sea (ICES). The ICES brings together marine scientists from 20 countries to coordinate research into the ecosystems of the North Atlantic and adjacent areas. It is the main provider of scientific advice to governments and regional organisations responsible for managing fisheries in these areas.<sup>193</sup>

The UK's statutory nature conservation agencies and WWF are among the many stakeholders who are calling for more research into the effects of fishing on marine ecosystems as a whole in order to achieve an ecosystem approach to fisheries management. They argue that this is important in order to allow implementation of the *Marine Strategy Framework Directive*.<sup>194</sup> Birdlife International asks for information on all landings by all vessels to be made publicly available. They state that this will assist Regional Advisory Councils in assessing the impact of other activities, such as wind farms, on fisheries.<sup>195</sup> The European Parliament believes that scientific research should take account of the social and economic aspects of fishing activity, as well as those which are purely environmental.<sup>196</sup>

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<sup>191</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>192</sup> European Commission Factsheet, [Fisheries Research](#) [Accessed 15 June 2010]

<sup>193</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

<sup>194</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>195</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>196</sup> European Parliament, [Resolution on the Green paper on the reform of the Common Fisheries Policy](#), 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

The Commission asserts the importance of improving communication between scientists, policy makers and stakeholders in its Green Paper.<sup>197</sup> According to Birdlife International,<sup>198</sup>

... the biggest source of non-compliance is generally rejection of scientific advice. Improving scientific support will improve compliance, as will greater opportunity for fishermen to collect data and input their own expertise.

The South Wales SFC is among the representatives of the industry who call for fishermen to be part of the research process so as 'to gain relevant and accurate information'.<sup>199</sup> The UK Government suggested that the CFP should build on initiatives such as the UK's Fisheries Science Partnerships to promote better engagement between scientists and industry. They believe that there is considerable scope in involving fishers more fully in data gathering and other research.<sup>200</sup> An example of this comes from a Fisheries Science Partnership project in South Wales where fishers and scientists worked together to assess the effect that a change in mesh shape had on the number of under-sized bass caught. They found that fewer under-sized bass were caught using a new square-shaped mesh.<sup>201</sup> The UK Government also asserted that regionalisation of the CFP would assist in the effective engagement of scientists, policy makers, industry and other key stakeholders.<sup>202</sup>

At an Inter-Parliamentary meeting on 1 June 2010, MEPs agreed that research must be properly funded as 'innovation could add 25 per cent to fishermen's profits but the investment could cost them 25 per cent'.<sup>203</sup> The UK's statutory nature conservation agencies state that funding at Member State level will lead to a disproportionate focus on fish stocks of greatest economic interest. They therefore call for community funding to redress this balance.<sup>204</sup>

The *Wales Fisheries Policy* outlines the knowledge gaps that the Welsh Government has identified within the Welsh fisheries sector. The Welsh Government states that "interaction between policy makers, stakeholders and the research community will allow focused research that can help bring about sustainability in Welsh fisheries".<sup>205</sup>

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<sup>197</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>198</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>199</sup> South Wales SFC, [CFP Green Paper Consultation](#) [Accessed 15 June 2010]

<sup>200</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>201</sup> Cefas, [Final report: Bristol Channel bass selectivity](#), 2009 [Accessed 15 June 2010]

<sup>202</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>203</sup> European Parliament Press Release, [Fisheries reform: firm backing for research but differing views on quotas](#), 2 June 2010 [Accessed 15 June 2010]

<sup>204</sup> UK's statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>205</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

### 2.13. Structural Policy

Financial support for EU fisheries comes from the European Fisheries Fund (EFF). The EFF provides funding to the fishing industry and coastal communities to help them adapt to changing conditions in the sector and become economically resilient and ecologically sustainable. It is available for all sectors of the industry, including sea and inland fishing, aquaculture and for the processing and marketing of fisheries products. The overall budget allocation for the EFF for the period 2007-2013 is €4.3 billion in current prices.<sup>206</sup> The detailed rules for the implementation of the EFF are laid down in *Commission Regulation No 498/2007 on the European Fisheries Fund*.<sup>207</sup>

The current EFF has five priority areas for funding:

1. **Adjustment of the fleet** (e.g. to support scrapping of fishing vessels)
2. **Aquaculture, processing and marketing, sea and inland fishing** (e.g. to support the shift to more environmentally friendly production methods)
3. **Measures of common interest** (e.g. to improve product traceability or labeling)
4. **Sustainable development of fisheries areas** (e.g. to support diversification of the local economy)
5. **Technical assistance** to finance the administration of the fund.<sup>208</sup>

Funding is granted on the basis of operational programmes which are drawn up by Member States. These must detail how the Member State will use the funds from the EFF to implement the CFP's objectives. In July 2008, the European Council also adopted some temporary derogations to the EFF rules which aim to aid fleet restructuring in response to the 'fuel crisis'. These will last until July 2010.<sup>209</sup>

The Green Paper states that although the 2002 reform of the CFP removed "some of the financial support that directly contributed to overcapacity and overinvestment", there remains little overarching control over the way that Member States can spend their fisheries funds. The Green Paper calls for a much closer link between public funding and the objectives of the CFP, in particular in

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<sup>206</sup> European Commission Factsheet, [European Fisheries Fund](#) [Accessed 15 June 2010]

<sup>207</sup> Commission Regulation 498/2007 *laying down detailed rules for the implementation of Council Regulation No 1198/2006 on the European Fisheries Fund* [OJ L 120, 10.05.2007](#) [Accessed 15 June 2010]

<sup>208</sup> European Commission Factsheet, [European Fisheries Fund](#) [Accessed 15 June 2010]

<sup>209</sup> European Commission Factsheet, [European Fisheries Fund](#) [Accessed 15 June 2010]

order to help implement the IMP and help the industry to adapt to climate change.<sup>210</sup>

The UK Government contended that the existing EFF is “too broad with too many interventions... which are inconsistent with our longer term objectives to move to a more market-based system.” The UK Government therefore called for the phasing out of permanent fisheries subsidies.<sup>211</sup> The UK’s statutory nature conservation agencies and Birdlife International agree. They argue that greater sustainability of fish stocks will be more profitable to the industry and should allow it to operate without subsidies.<sup>212</sup> The European Parliament agrees that the fishing fleet should be capable of financing itself in the longer term, but stresses that this can only be achieved under a CFP with a suitable fisheries management model.<sup>213</sup>

Birdlife International calls for the EFF to encourage environmentally sensitive fishing. It points out the need for the CFP to comply with the *Marine Strategy Framework Directive* and calls for the EFF to support this compliance, for example adapting fishing to Natura 2000 networks and adapting management to climate change-driven changes in fish stock abundance and distribution. They believe that this could be achieved by directing EFF funding to enable fisheries to meet the targets of multi-annual plans, including adaptation to more selective fishing gear, application of specific mitigation measures and measures to reduce discards.<sup>214</sup> The UK’s statutory nature conservation agencies call for funding for undertaking environmental assessments, arguing that these will help in the development of fisheries management plans.<sup>215</sup>

WWF and the UK’s statutory nature conservation agencies also support the conditionality of funding on compliance with the CFP and the wider maritime policy objectives. They state that this should apply to both Member States and individual operators.<sup>216</sup>

For the period 2007-2013, the UK has been allocated €138 million from the EFF. One third of this funding is directed to ‘convergence’ regions, whose economic

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<sup>210</sup> COM(2009)163 final, [Green paper: Reform of the Common Fisheries Policy](#), 22 April 2009 [Accessed 15 June 2010]

<sup>211</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>212</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>213</sup> European Parliament, [Resolution on the Green paper on the reform of the Common Fisheries Policy](#), 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

<sup>214</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

<sup>215</sup> UK’s statutory nature conservation agencies, [Response to the Green Paper on reform of the Common Fisheries Policy](#) [Accessed 15 June 2010]

<sup>216</sup> Birdlife International, [Response to the Consultation on the Reform of the Common Fisheries Policy](#), December 2009 [Accessed 15 June 2010]

welfare is below the EU average.<sup>217</sup> These are Cornwall and the Isles of Scilly, West Wales and the valleys and the Highlands and Islands. The *Wales Fisheries Strategy* outlines the Welsh Government's long term strategy for the management and development of fisheries in Wales. The EFF is one of the policy tools which will aid the implementation of this strategy.

According to the *Wales Fisheries Strategy*, the Welsh Government wants to see support for the development of more sustainable fishing gear and fishing methods to reduce harmful effects on habitats and discards of undersized and untargeted fish. They also call for a greater investment in skills training, particularly to encourage young people into the commercial sea-fishing industry.<sup>218</sup> The European Parliament also calls for the promotion of training for fishermen and skippers, including education schemes in 'best practice' and the basics of marine ecology.<sup>219</sup>

The Welsh Government has also identified a number of 'infrastructure deficiencies' which they would like to address using the EFF. They state that:<sup>220</sup>

Wales is probably at a disadvantage as it doesn't have any recognisable internal market structure. (...) There is also effectively no added value processing or infrastructure in Wales, further exacerbating the ability of fishermen to obtain the best returns for their potentially valuable raw materials.

On 7 June 2010, a new fish selling and processing business called Welsh Seafoods Ltd was opened in Wales. This supports the supply of Welsh fish to local restaurants and was part-funded by the EFF.<sup>221</sup> The Welsh Government states that projects like this which provide new markets and fish processing infrastructure within Wales will be a priority for the future.<sup>222</sup>

The Welsh Government also advocates investment in the fleet. This is in accordance with the European Parliament which advocates the continuation of EFF funds for the support of fleet renewal and modernisation, in particular with regards to small-scale fisheries.<sup>223</sup> Section 2.6 of this paper covers the funding aspect of small-scale fisheries in more detail.

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<sup>217</sup> European Commission Working Document, *Annex to the Second Annual Report on Implementation of the European Fisheries Fund (2008)* SEC(2008)1714, 21 December 2009 [Accessed 15 June 2010]

<sup>218</sup> Welsh Assembly Government, *Wales Fisheries Strategy*, 2008 [Accessed 15 June 2010]

<sup>219</sup> European Parliament, *Resolution on the Green paper on the reform of the Common Fisheries Policy*, 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

<sup>220</sup> Welsh Assembly Government, *Wales Fisheries Strategy*, 2008 [Accessed 15 June 2010]

<sup>221</sup> Welsh Assembly Government Press Release, *Welsh Seafoods Officially Opened by Rural Affairs Minister*, 7 June 2010 [Accessed 15 June 2010]

<sup>222</sup> Welsh Assembly Government, *Wales Fisheries Strategy*, 2008 [Accessed 15 June 2010]

<sup>223</sup> European Parliament, *Resolution on the Green paper on the reform of the Common Fisheries Policy*, 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

## 2.14. External Dimension

A significant proportion of the fish caught by the EU fleet is from outside European waters. According to the Commission's Guide to the CFP, around 40 per cent of EU catches (by weight) are made under fishing agreements with countries outside the EU, while another 20 per cent are taken on the high seas, mainly in regions under the care of Regional Fisheries Management Organisations (RFMOs).<sup>224</sup>

### Fishing Agreements

The EU has two types of fishing agreements with non-EU countries – Fisheries Partnership Agreements (FPAs) and Northern Agreements. The intention of FPAs is to give non-EU countries financial and technical support to develop their national fishing industry on a sustainable basis in return for fishing rights for EU vessels. EU fleets are then allowed to fish for stocks which are considered to be in a good condition and not fully exploited by the country's own fleet. There are currently 16 FPAs in place.<sup>225</sup> Northern Agreements ensure the coordination of EU fishing activities with those of Norway, Iceland and the Faroe Islands. Many of the fish stocks in these areas are jointly managed and quotas are exchanged to ensure that they are not wasted.<sup>226</sup>

### Regional Fisheries Management Organisations

RFMOs are international organisations which manage fisheries resources in international waters. While a few are purely advisory in nature, most have management powers. They tend to take three kinds of regulatory decisions: determining fishing limits (setting TACs); technical measures (permitted fishing gear); and control measures (the monitoring and surveillance of fishing activities). These decisions are binding on their members and, in the case of the EU, must be enacted into European law.<sup>227</sup>

Illegal, Unreported and Unregulated (IUU) fishing is a huge problem in international waters. RFMOs were set up to try and regulate the fishing in these areas but the European Commission and European Parliament concede that they are widely believed to have failed to control illegal fishing. IUU threatens the conservation and sustainability of the marine environment in international

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<sup>224</sup> European Commission, [The Common Fisheries Policy A User's Guide](#), December 2008 [Accessed 15 June 2010]

<sup>225</sup> European Commission Fact Sheet, [Fisheries Partnership Agreements](#) [Accessed 15 June 2010]

<sup>226</sup> European Commission Fact Sheet, [Northern agreements](#) [Accessed 15 June 2010]

<sup>227</sup> European Commission Fact Sheet, [Regional Fisheries Management Organisations](#) [Accessed 15 June 2010]

waters.<sup>228</sup> The EU's response to IUU has been to provide transparency of supply throughout the fisheries marketing chain so that pirate fishers can be shut out of the markets.<sup>229</sup> The European Parliament emphasises the benefits that this will have for the EU fishing economy since it will help to eliminate unfair competition and ensure that the fish that enter the EU markets are obtained under the same social conditions that are demanded of fishers within the EU.<sup>230</sup>

*A new Council Regulation establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing* came into force on 1 January 2010.<sup>231</sup> This ensures that all fisheries products traded with the EU are certified and fully traceable. A comprehensive catch certification scheme ensures that the fish caught, landed, brought to market and sold can be tracked at any stage of the process – from net to plate.<sup>232</sup>

According to the Green Paper, the main objective for fishing activities under the external dimension of the CFP 'should be to extend the principles of sustainable and responsible fishing internationally'. The UK Government supported this and stated that the reformed CFP should promote improved global fisheries governance in order to ensure food security and traceability.<sup>233</sup>

## 2.15. Aquaculture

Aquaculture is addressed only briefly in the Commission's Green paper. Nevertheless, the Commission does highlight that aquaculture is a 'growing contributor to the production of aquatic food worldwide' and 'is an important economic activity in many coastal and continental regions'.<sup>234</sup> In Europe, aquaculture accounts for nearly 20 per cent of fish production and directly employs some 65,000 people.<sup>235</sup>

The Commission expresses concern, however, that despite the boom in the global aquaculture industry as a whole, EU production has remained constant since 2000. They blame this stagnation on the EU's high environmental and quality

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<sup>228</sup> European Commission, *Illegal fishing (IUU)* [Online] [Accessed 15 June 2010]

<sup>229</sup> European Commission, *The Common Fisheries Policy A User's Guide*, December 2008 [Accessed 15 June 2010]

<sup>230</sup> European Parliament, *Resolution on the Green paper on the reform of the Common Fisheries Policy*, 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

<sup>231</sup> Council Regulation 1005/2008 *establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing*, OJ L 286, 29.10.2008 [Accessed 15 June 2010]

<sup>232</sup> European Commission Press Release, *Fisheries: Entry into force of new system to better control fisheries and fight against illegal fishing*, 31 December 2009 [Accessed 15 June 2010]

<sup>233</sup> UK Government, *Response to the European Commission Reform Green paper on the Common Fisheries Policy*, 23 December 2009 [Accessed 15 June 2010]

<sup>234</sup> COM(2009)163 final, *Green paper: Reform of the Common Fisheries Policy*, 22 April 2009 [Accessed 15 June 2010]

<sup>235</sup> European Commission Fact Sheet, *Aquaculture* [Accessed 15 June 2010]

standards which make it difficult to compete price-wise with third country producers.<sup>236</sup>

In 2009, the Commission published a communication on '*Building a sustainable future for aquaculture*'.<sup>237</sup> It outlines a new strategy which aims to:

- Help the sector become more **competitive** through strong support for research and development, better spatial planning in coastal areas and river basins, and giving specific help through the EU's fisheries market policy.
- Ensure EU aquaculture remains **sustainable** by maintaining its environmentally-friendly production methods and high standards of animal health and welfare and consumer protection.
- Improve the sector's **governance** by establishing an improved framework for governance and creating a level playing field for all operators. The provision of more transparent information to the public is important to raise the **profile** of the sector.

The European Parliament is currently preparing a report responding to the Commission's proposed aquaculture strategy.<sup>238</sup>

Most stakeholders consider aquaculture to be important and call for European funding to continue to support its development. However, the majority of environmental NGOs and consumer representatives express concerns over negative impacts of aquaculture practices on the environment, particularly in regards to the depletion of small pelagic fish stocks used as food for many aquaculture species.<sup>239</sup> The UK Government called for research into the sourcing of alternative sources of protein for farmed aquatic animals.<sup>240</sup>

The European Parliament sees aquaculture as an integral part of the CFP.<sup>241</sup> A number of environmental NGOs agree with the integration of aquaculture in the CFP in order to promote environmentally sustainable fish production, but there is a contrasting group who call for specific management of aquaculture under a separate European instrument or by Member States themselves.<sup>242</sup> The UK

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<sup>236</sup> European Commission, *The Common Fisheries Policy A User's Guide*, December 2008 [Accessed 15 June 2010]

<sup>237</sup> European Commission Press Release, *Questions and answers – New impetus for the sustainable development of EU aquaculture*, 8 April 2009 [Accessed 15 June 2010]

<sup>238</sup> European Commission Press Release, *Maria Damanaki Member of the European Commission Responsible for Fisheries and Maritime Affairs Europe's fisheries: the main issues on the road ahead Meeting of the EP Fisheries Committee with national parliaments Brussels*, 1 June 2010 [Accessed 15 June 2010]

<sup>239</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

<sup>240</sup> UK Government, *Response to the European Commission Reform Green paper on the Common Fisheries Policy*, 23 December 2009 [Accessed 15 June 2010]

<sup>241</sup> European Parliament, *Resolution on the Green paper on the reform of the Common Fisheries Policy*, 2009/2106(INI), 25 February 2010 [Accessed 15 June 2010]

<sup>242</sup> European Commission Working Document, *Synthesis of the Consultation on the Reform of the Common Fisheries Policy SEC(2010)428 final*, 16 April 2010 [Accessed 15 June 2010]

Government supported EU efforts to encourage growth within the sector but underlined that ‘aquaculture remains to a large extent within the remit of national competence’. They did not favour significant Community aid or intervention.<sup>243</sup>

In 2005, the UK accounted for almost 14 per cent of the EU’s aquaculture production by volume.<sup>244</sup> Commercial aquaculture in Wales has traditionally focused on managed cultivation of shellfish at sea and freshwater production of salmonids. In 2005, shellfish cultivation in Wales was valued at circa £12 million. There were 12 registered shellfish farm sites operated by 11 businesses, employing 43 full time and 13 part time employees. Mussels, grown on the sea bed, make up the bulk of production. Wales is the UK leader in seabed mussel production, the larger companies using purpose-built, state-of-the-art mussel dredgers.<sup>245</sup> See Annex B of this paper for a summary of the main aquaculture categories in Wales.

Several new and innovative marine aquaculture sub-sectors have emerged in Wales with recent support from EU grant schemes, including the farming of finfish species in Recirculating Aquaculture Systems (RAS) and mass production of marine invertebrates as angling bait and components of aqua-feeds. The *Wales Fisheries Strategy* states that these new activities have begun to propagate expertise in aquaculture system design and manufacture, and aqua-feed manufacture within Wales.<sup>246</sup>

The Welsh Government recognises that there is considerable scope for improvement in the economic strength of the aquaculture sector, primarily through initiatives aimed at countering its highly fragmented nature and providing added value processing infrastructure. They call for additional farming capacity and the establishment of local processing facilities to maximise employment in the sector.<sup>247</sup>

In January 2008 the Welsh Aquaculture Producer’s Association (WAPA) was launched. Its purpose is to represent industry viewpoints to ensure that the aquaculture sector plays a full part in strategy development. It also provides support and advice to members, in particular with licensing issues, trade representation, and assistance with marketing.<sup>248</sup>

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<sup>243</sup> UK Government, [Response to the European Commission Reform Green paper on the Common Fisheries Policy](#), 23 December 2009 [Accessed 15 June 2010]

<sup>244</sup> European Commission Fact Sheet, [Aquaculture](#) [Accessed 15 June 2010]

<sup>245</sup> Welsh Assembly Government, [Wales Fisheries Strategy](#), 2008 [Accessed 15 June 2010]

<sup>246</sup> *ibid*

<sup>247</sup> *ibid*

<sup>248</sup> TheFishSite Press Release, [WAPA Boosts Welsh Aquaculture](#), 4 February 2008 [Accessed 15 June 2010]

## *2.16. Summary of the Welsh Government's Views on the Green Paper*

In response to the Commission's Green Paper, the Welsh Government has highlighted a number of key priorities for reform. The Welsh Government emphasises the importance of small-scale coastal fishing to the Welsh economy and calls for a differentiated approach to the management of the inshore fleet. It sees regionalisation of fisheries management at an inshore level as a means to allow more detailed management decisions to be taken for small-scale coastal fisheries. The Welsh Government calls for a reformed Common Market Organisation to support local production and promote the marketing of sustainable fisheries products. The Welsh Government is also pushing for an ecosystem approach to fisheries management which it sees as a means of improving the economic viability of the Welsh fishing industry. The Welsh Government's response to the Green Paper focuses on the small scale fishing fleet, contrasting with the UK Government's response which centred on the large scale commercial fleet.

### 3. Timetable for CFP Reform

To date, the Commission has adopted a Green Paper on the reform of the Common Fisheries Policy which was subject to public consultation between April 2009 and 31 December 2009. There has been a significant amount of interest in the forthcoming reform of the CFP, with a total of 382 contributions plus a mass email of 1329 identical responses received during the consultation period on the Green Paper. Welsh interests were voiced directly by the South Wales Sea Fisheries Committee, the Welsh Federation of Fishermen's Associations Limited and the Welsh Government. Other Welsh interests were represented through UK and European-wide bodies such as the UK's statutory nature conservation agencies which incorporated the view of the Countryside Council for Wales in their response. A synthesis of the results of this consultation was made available in April 2010.

In the coming reform, the Commission will draft a White Paper and subsequently four legislative proposals: the basic regulation, the new Common Market Organisation, technical measures and the new regulation on financing by the end of 2010. These will be presented to the European Council and Parliament. Any legislative proposals on the reform of the CFP will be subject to co-decision procedure where the Council and the Parliament will have to come to an agreed position. The Commission will send the legislative proposals to the Council and the Parliament who will hold two successive readings each. If they cannot reach an agreement after two readings then a Conciliation Committee will be established with an equal number of representatives from both institutions. Once this Committee has reached an agreement then the text returns to both the Parliament and the Council for a third reading for it to be adopted as legislative text.

The new CFP reforms will come into effect by 1 January 2013.

## Annexes

### A. Division of Commercial Sea Fisheries in Wales

	Sub sector	Target Species	Gear Method
Offshore	Flagship vessels	Mixed prime fish, langoustine	Mobile gear - demersal trawls and beam trawls
	Mixed demersal vessels	Mixed prime fish	Mobile gear - demersal trawls and beam trawls
Inshore	Mixed demersal vessels	Mixed prime fish	Mobile gear - demersal trawls, beam trawls and nets
	Shellfish	Lobster, edible spider and velvet crabs, whelks, prawns	Static gear - lobster pots, whelk pots, nets
		Scallops	Mobile gear - scallop dredgers
	Seasonal fisheries	Bass, mullet, mackerel, herring	Static gear - drift/gill/tangle nets, hand
Sprat		Long lining, fine meshed net	

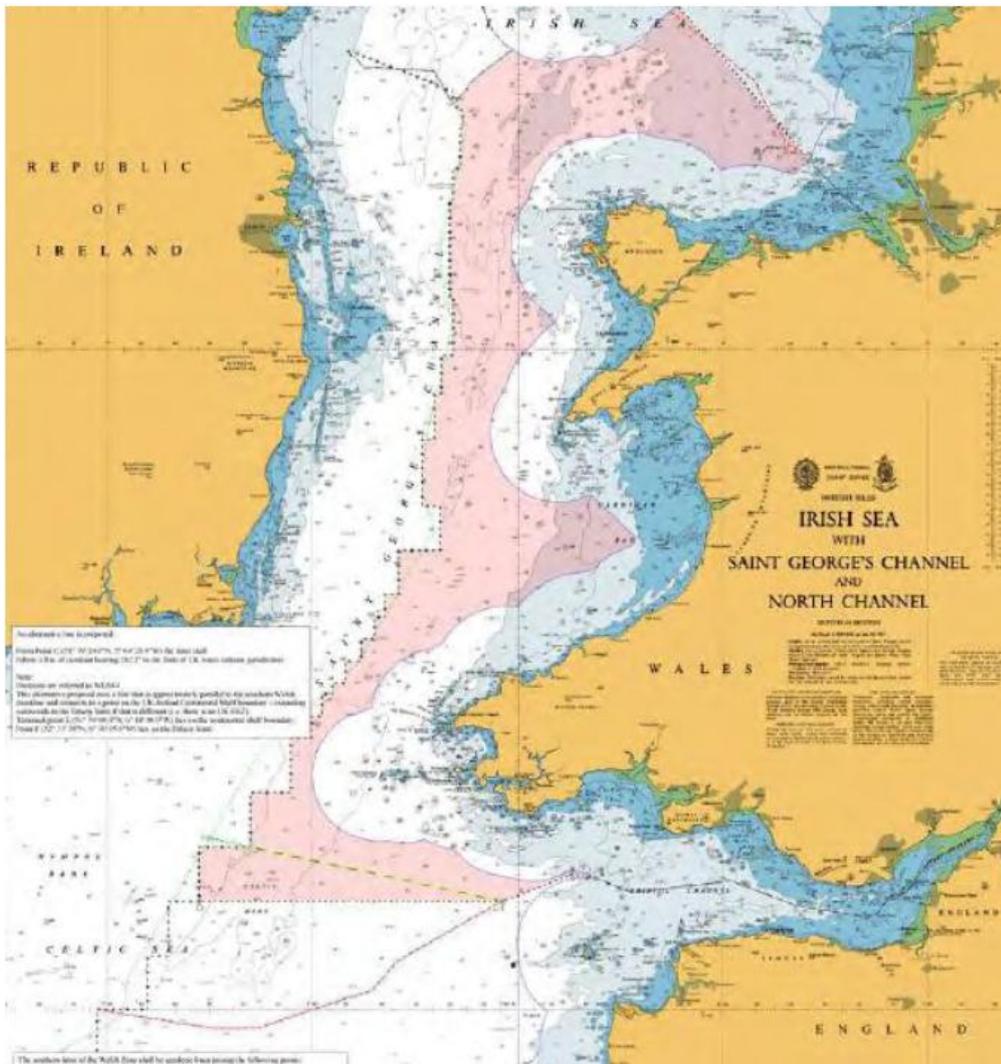
Source: Welsh Assembly Government, *Wales Fisheries Strategy*, 2008

## B. Summary of the Main Aquaculture Categories in Wales

Description	Species	Method	Sites
Marine shellfish aquaculture	Mussels	Bottom cultivation	Menai Strait Swansea Bay
	Oysters	Off-bottom cultivation	Menai Strait
Marine finfish aquaculture	Turbot, sea bass	Recirculating Aquaculture Systems	Anglesey, Gwynedd
Marine invertebrate aquaculture	King ragworm	Sand-filled raceways	Neath Port Talbot, Carmarthenshire
Freshwater table production and recreational fishing	Rainbow and brown trout	Tanks ("flow-through") and ponds	Various
Freshwater restocking	Atlantic salmon, brown trout	Tanks ("flow-through")	Environment Agency, Mid- and South Wales
Other, minor	Freshwater and marine ornamental fish	Tanks, ponds	Various, small-scale

Source: Welsh Assembly Government, *Wales Fisheries Strategy*, 2008

### C. Area Covered by the New Welsh Fisheries Zone



Note: The area for which the Welsh Government has control over fisheries is now extended to the area highlighted in pink.

Source: Defra, *Marine and Coastal Access Bill* – Indicative Maps, July 2009

## D. Abbreviations

ATQ	Autonomous Tariff Quota
CFCA	Community Fisheries Control Agency
CFP	Common Fisheries Policy
CMO	Common Market Organisation
Defra	Department for Environment Food and Rural Affairs
EAW	Environment Agency Wales
EFF	European Fisheries Fund
EU	European Union
FPA	Fisheries Partnership Agreements
GES	Good Environmental Status
ICES	International Council for the Exploration of the Seas
IMP	Integrated Marine Policy
ITQs	Individual Transferable Quotas
ITRs	Individual Transferable Rights
IUU	Illegal, Unreported and Unregulated
kW	Kilowatts
MCZ	Marine Conservation Zones
MEP	Member of the European Parliament
MSFD	Marine Strategy Framework Directive
MSY	Maximum Sustainable Yield
NGO	Non-governmental Organisation
NWWRAC	North-western Waters Regional Advisory Council
nm	nautical miles
PO	Producers' Organisation
RAC	Regional Advisory Council
RAS	Recirculating Aquaculture Systems
RBS	Registration of Buyers and Sellers
RFMO	Regional Fisheries Management Organisation
SEA	Strategic Environmental Assessment
SFC	Sea Fisheries Committee
SNP	Scottish National Party
SSCF	Small Scale Coastal Fishing
STECF	Scientific, Technical and Economic Committee for Fisheries
TAC	Total Allowable Catches
VMS	Vessel Monitoring System
WAPA	Welsh Aquaculture Producer's Association
WFFA	Welsh Federation of Fishermen's Associations Limited