

Towards Sustainable Fisheries

**Comment to the Commission's Green Paper
"Reform of the Common Fisheries Policy"
(COM(2009)163 final)**

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Comment to the Commission's Green Paper "Reform of the Common Fisheries Policy" (COM(2009)163 final)

The German Advisory Council on the Environment (SRU) welcomes the initiative of the European Commission to launch a debate about a future reform of the Common Fisheries Policy (CFP) and is broadly supportive of the need for fundamental changes to this policy. Although the last reform of the CFP in 2002 indicated significant progress in relation to legislative principles, it did not achieve the objectives of halting overfishing and ensuring that fishing activities do not damage the marine environment. In a special report on Marine Environment Protection in the North and Baltic Seas published in 2004, the SRU made detailed proposals on how the common fisheries policy should be developed to ensure that the European fishing industry becomes sustainable (SRU 2004). These recommendations are still highly relevant because since then almost no progress has been made towards restructuring the CFP with a view to building sustainable fisheries in Europe. A sustainable fishing industry is not only a prerequisite for a long-term use of fish as highly valuable natural resource but also necessary to protect marine biodiversity. The target agreed under the Marine Strategy Framework Directive to achieve a Good Environmental Status in the European seas by 2021 will not be achieved unless there are urgent and deep rooted changes of the CFP (see also SRU 2006, EEAC 2004, SALOMON 2006).

Fishing and the harvesting of other marine species for human and animal consumption comprise the most significant use of sea and ocean biological resources. Mismanagement in European fisheries and environmental damage caused by the fishing industry have been subjects of debate for many years. The main impacts of fisheries are overexploitation of fish stocks, discards and mortality of non-target species, and physical destruction of marine habitats by fishing activities, with benthic communities particularly hard hit by trawling.

Furthermore, as a significant part of the Community fishing sector depends on access to non-Community waters, environmental and social problems are shifted from European waters to other regions (DROSS and BLOCH 2004).

The prime reason for the failure to implement sustainable fisheries management in European waters is the Common Fisheries Policy, which is still dominated by short-term economic and political interests. Despite warnings from various quarters, there are only minor signs of substantial change in this misguided policy to date. In its present form, the CFP has major shortcomings: apart from environmental damage, the current mismanagement destroys jobs and places the long-term use of highly valuable

natural resources at risk. Sustainably managed fish stocks can produce higher yields than overexploited fish stocks (SRU 2004, 2008; SALOMON 2009).

Environmentally sound fishing that is sustainable over time can only be achieved if the necessary measures are taken in order to:

- Manage fish stocks well above safe biological limits or to restore that level where required.
- Significantly reduce by-catches and discards.
- Better protect the marine ecosystems from harmful fishing practices.

In implementing these targets, the EU carries a key responsibility given its exclusive competence to regulate fisheries management and the resulting extent to which the CFP shapes the fishing sector.

Basic requirements for sustainable European fisheries are (SRU 2004, 2008; DROSS and BLOCH 2004):

- *A strict resources-focused approach:* conservation of stocks must at least take clear priority over short term economic considerations. The conservation or recovery of stocks at a productive, sustainable biomass level is of utmost importance for all targets laid down in the Basic Regulation for the CFP. This also applies to socio-political objectives aiming to secure an acceptable standard of living for people employed in the fisheries sector. Any over-shooting of long-term sustainable yields will by default lead to disproportionately high yield losses and subsequently to a reduction in living standards. There is no sensible reason for – and the CFP contains no legal basis on which to place – short-term economic considerations aimed at keeping this vastly over-sized sector on its feet from one month to the next.
- *Withdrawal of subsidies:* the construction of new fishing vessels should no longer be promoted by the Community or the Member States. And subsidies that directly or indirectly contribute to maintaining overcapacities must be withdrawn. Funds should be used solely for the purposes of socio-economic activities directed at shrinking the sector and, where appropriate, of supporting those fisheries and producer cooperatives which already meet sustainable resources management requirements.
- *Efficient catch quotas in line with scientific recommendations made for example by the ICES:* instead of negotiating annual total allowable catches (TACs), multi-annual catch limits should be fixed under the management and recovery plans for the stocks involved. The ICES' best available scientific prognosis on fish stock capacities must serve as the sole criterion.
- *Implementing a discard ban and improve monitoring:* It is of great importance to implement a general ban on discards. With a discard ban, fishermen are obliged to

land their whole catch, including parts of the catch that are less lucrative or even worthless. This can give fishermen a stronger incentive to improve their catch methods and technology so as to minimise the quantity of unwanted biomass – such as nontarget species and juvenile fish – in the net. It has not proved possible to solve this problem merely by requiring the use of less harmful fishing equipment. Norway has already implemented such a ban. Enforcement of a discard ban necessitates strict monitoring. One option for this is the use of video camera monitoring systems as have already been adopted for Canadian fisheries.

- *Technical measures to reduce by-catches and to protect the marine ecosystems:* To stop by-catch of low value utility fish, non-target species and benthos, a further increase in selectivity in fishing equipment and methods is needed. This can be achieved through: The use of larger-mesh nets that are designed strictly according to the size of the mature fish; the avoidance of areas with high numbers of juvenile fish and the creation of deterrent systems, escape windows and the use of square-meshed nets. Other technical measures are needed to reduce damage to the benthic ecosystems. One option would be to replace the chains used on beam trawlers with electrified deterrent cables.
- *Comprehensive, integrated, long-term management and recovery plans:* So far the instruments introduced for long-term planning through the reform in 2002 have not proven to be effective. Long-term management planning must not however be allowed to stop at fixing TACs for specific species. Instead, management plans must properly coordinate quotas (in terms of species, numbers, and spatial applicability) with the protected areas strategies and catch method regulations. Such plans should also connect with other claims to use of the seas: in essence, they need to be integrated into a future marine management plan.
- *Protected area network:* for the seas, a holistic protected area concept must be developed to set out in an adequate way specific long-term or temporary restrictions on fisheries while taking account of the level of regional importance attached to stock conservation, other marine ecosystems and other demands on the sea.
- *Monitoring and enforcement:* Given that control by Member States is often lacking and that the competent authorities in Member States – especially in regions dependent on the fishing industry – have a tendency to ‘make allowances’, monitoring should be performed, or at least overseen, to a greater extent by the more centralised organisations of the EU Commission. The Basic Regulation takes the right approach on this issue but its proposed common inspection system remains toothless without staff and funding. It is not only for this reason that the council welcomes the EU Commission’s initiative towards a new Community Fisheries Control Agency to achieve centralised, independent organisation of

monitoring backed by funding from the Member States. The SRU also attaches great importance to tighter sanctions under harmonised criminal law across the Member States.

- *Restricting by-catch of intensive industrial fishing*: as a path to sustainable fisheries, the SRU recommended restricting fishing for industrial use in particular, as the benefits of this type of fishing are, to some extent, questionable. This remains valid if tight meshed nets continue to be used in commercial fishing, resulting in especially harmful by-catches.
- *External Relations*: Fisheries agreements with third parties are only acceptable if they contribute to responsible and sustainable fisheries in the regions concerned. To avoid a shift of environmental and social problems from European waters to other regions impact assessments of all fisheries agreements are necessary especially with regard to sustainability.
- *Research and development*: significantly more funding must be invested into researching the impact of fishing and into developing environmentally sound technologies and practices. Therefore, the fisheries should be forced to support research and development projects. This applies both to financing and to cooperation needed in on-site investigations like the monitoring of by-catch.

Some specific answers to the questionnaire of the green paper:

4.1. Addressing the deep-rooted problem of fleet overcapacity

Should capacity be limited through legislation? If so, how?

Based on sustainable and achievable landings, the EU estimates that fishing capacities in the EU fisheries fleet are around 40 % too high. This figure is likely to have risen due to the further deterioration in fish stocks. The poor utilisation of an over-dimensioned fleet has a particularly grave economic impact because of the, on average, very high capital intensity of the fishing industry. The higher the capital intensity, the more fleet profitability depends on capacity utilisation. For this reason, the fisheries industry faces more pressure than most to exploit its capacities to the full. It is thus all the more important to implement fast reductions in the fleet; not only as regards aligning them to the availability of natural resources, but also for economic reasons to ensure that remaining capacities can be used profitably.

Given the considerable overcapacities that already exist, it would be necessary to legally obligate Member States to visibly reduce their fleets, to constantly monitor the situation, and to invest EU funds solely in reducing excess capacities, restructuring fishery-dependent regional economies, and social cushioning and integration into other types of work for those whose jobs are affected.

Could transferable rights (individual or collective) be used more to support capacity reduction for large-scale fleets and, if so, how could this transition be brought about? Which safeguard clauses should be introduced if such a system is to be implemented? Could other measures be put in place to the same effect?

Flexible management systems have several beneficial characteristics. They secure exclusive use of the designated areas or ensure that a fixed share of a pre-set catch quota is fished and marketed solely by the current owner. This does away with the need for fishers to compete for shares of the total catch quota, thus significantly reducing the incentive for some to exploit available stocks at the cost of others. Also, fishers no longer have to plan their capacities based on short-term catch maximisation. Fishers who operate on a cost-intensive, nonviable basis have a vested interest in reducing their fishing capacities and selling their available catch quotas to more viable businesses. This reduces existing overcapacities (HENTRICH and SALOMON 2006).

Should this choice be left entirely to Member States or is there a need for common standards at the level of marine regions or at EU level?

Europe-wide harmonisation in the implementation of quota management systems and flexible transfer of individual fishing rights within the EU should significantly increase effectiveness in national fisheries management. It would not only allow better use of Europe's fishing capacities, but also considerably reduce the observed incentive for national fisheries inspectorates to neglect fishing controls at the cost of other Member States.

4.4. Encouraging the industry to take more responsibility in implementing the CFP

How can more responsibility be given to the industry so that it has greater flexibility while still contributing to the objectives of the CFP?

How could the catching sector be best structured to take responsibility for selfmanagement?

What safeguards and supervisory mechanisms are needed to ensure selfmanagement by the catching sector does not fail, and successfully implements the principles and objectives of the CFP?

Should the catching sector take more financial responsibility by paying for rights or sharing management costs, e.g. control? Should this only apply to large-scale fishing?

When giving more responsibility to the industry, how can we implement the principles of better management and proportionality while at the same time contributing to the competitiveness of the sector?

A promising approach is the introduction of a flexible quota management system. While exclusive spatial access rights (Territorial User Rights in Fisheries or TURFs) are practicable in coastal areas with broad distribution of relatively static stocks, it is possible to implement Individual Transferable Quotas (ITQs) for more mobile species. In much the same way as owning a piece of land, exclusive spatial access rights guarantee an individual fisher or a group of fishers (Group Rights in Fisheries or GRF) exclusive access to regional stocks of commercially used marine life. Individual transferable quotas provide the owner a negotiable right to a predetermined share of a TAC for one or more target species based on scientific considerations and differentiated for a specific period and area. The transferability of these rights allows fishers flexibility in matching their share to their prevailing economic conditions, with temporary, paid assignment of ownership (quota leasing) being an option alongside sale or purchase.

If natural conditions allow, a more regionalised, group based management (GRF) based on territorial user access rights (TURFs) is preferable to a system of individual transferable catch quotas (ITQs). The German Advisory Council on the Environment believes better control options and better conditions for economic cooperation and mutual exchange of information speak in favour of this type of fisheries management. In general, the final structuring of fishing rights management should occur in close cooperation with the fisheries interest groups, the fisheries inspectorates and the respective scientific experts.

A key prerequisite for flexible quota management having a positive impact on the environment is that quota-setting and allocation of species-specific TACs must be based less on daily policymaking and more on the requirements for ongoing stability of fish stocks. Another important aspect is that of securing broad monitoring coordinated throughout Europe and reliable protection of the rights of ownership attached to individual catch quotas. This requires not only protection of ITQs and TURFs through effective control measures and adequate prosecution of illegal fishing activities, but also that the responsible state actors guarantee the long-term stability, transparency and legal framework of the system (SRU 2004).

5.2. Making the most of our fisheries

How can long-term management plans for all European fisheries be developed under the future CFP? Should the future CFP move from management plans for stocks to fisheries management plans?

What should the main management system be for Community fisheries and to which fisheries should it apply? Catch limitations? Fishing effort management? A combination of the two? Are there any other options?

Effective catch quotas in line with scientific recommendations made by ICES: instead of negotiating annual total allowable catches (TACs), multi-annual catch limits must be fixed under the management and replenishment plans for the stocks involved. The ICES' best available scientific prognosis of fish stock resilience must serve as the sole criterion. Consideration should also be given to making quotas more flexible and, where appropriate, tradable between Member States. Regarding comprehensive, integrated, long-term management and replenishment plans it is to say that in principle, the instruments for a long-term planning approach to fisheries are welcomed.

The EU Commission appears more open to more stringent management than the EU Council and should thus be granted significantly broader powers of enforcement (SRU 2004).

What measures should be taken to further eliminate discards in EU fisheries?

The German Advisory Council on the Environment (SRU) believes it prudent to implement a strict discard ban, to make landing of all bycatches mandatory and to make TACs more flexible. If by-catches are landed and used, these resources would not disappear completely, and research and management would have both a better idea as to by-catch quantities and composition and a basis for further development and regulation of their minimisation. Without doubt, given the options to circumvent an obligation to land by-catches, the requirement must be supported by effective controls and more stringent sanctions in response to non-compliance. Also, as regards fishing equipment and fishing methods, it must be remembered that they can only achieve the targets if compliance is ensured – an area that has been sorely lacking to date (SRU 2008).

Could management through transferable quotas be useful in this regard?

The risk to fish stocks posed by discards and the practice of 'high-grading' are seen as ongoing problems of fisheries management based on catch quotas. By-catch of non-target species with sufficient commercial utility can be reduced even under a quota system by integrating those species into the quotas and legalising their landing. As long as the price of fishing rights for the respective by-catch does not exceed the actual market price, it makes sense to purchase fishing rights and make a profitable landing. There thus remains a need for specific provisions on the fishing methods used, regular onboard inspections and reliable harbour controls (SRU 2004, HENTRICH and SALOMON 2006).

5.7. Structural policy and public financial support

What should be the top priorities for future public financial support and why?

What changes can the sector not manage to bring about on its own and therefore require public financial support?

Should permanent fisheries subsidies be phased out, maintaining, on a temporary basis, only those aimed at alleviating the social impacts of the restructuring of the sector?

In aligning the Common Fisheries Policy to natural stock limits, restructuring of subsidy policy takes top priority. Rather than investing in fleet expansion, investment should

target fleet reduction linked to training those whose jobs are affected and establishing a social safety net to catch the fall-out from sector decline.

Finally, future structural policy based on rapid reduction of overcapacities must also consider that not all fleets participate equally in the 'exploitation' of marine resources. This applies in particular to Germany's comparatively small fishing fleet, which does not regularly use its full quotas, and also to many of the small coastal fisheries throughout Europe. Fisheries with relatively low fishing intensity are least able to cope with economic pressure. Management plans and restructuring activities must ensure, therefore, that these 'harmless' fisheries are not the first to lose their economic basis (SRU 2004).

Should indirect support such as services related to fisheries management (access, research, control) continue to be provided free to all sectors of the industry?

Significantly more funding must be invested into researching the impact of fishing and into developing environmentally sound technologies and practices. As the 'culprits', the fisheries should, first and foremost, be forced to support research and development projects. This applies both to financing and – more particularly – to cooperation needed in on-site investigations, in documenting and systematically identifying by-catches. The internationally applicable precautionary principle in itself places an obligation on the fisheries sector to substantially support research. Fishing restrictions and bans appear justified unless the responsible fishing industries themselves prove by reliable research that they cause no lasting harm to the marine environment (SRU 2004).

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