

COM-2/027

Brussels, 22 November 2001

**OPINION**

of the

**Committee of the Regions**

of 14 November 2001

on the

**Commission Communication**

**Green Paper on the future of the Common Fisheries Policy**

**(COM(2001) 135 final)**

**The Committee of the Regions**

**HAVING REGARD TO** the Commission communication *Green Paper on the future of the Common Fisheries Policy* (COM(2001) 135 final);

**HAVING REGARD TO** the decision taken by the Commission on 22 March 2001, under Article 265(1) of the Treaty establishing the European Community, to consult the Committee on the matter;

**HAVING REGARD TO** the decision taken by its president on 10 May 2001 to instruct Commission 2 - Agriculture, Rural Development and Fisheries - to draw up the relevant opinion;

**HAVING REGARD TO** the Treaty establishing the European Community, especially Articles 33, 34, 153 and 174;

**HAVING REGARD TO** the draft opinion adopted by Commission 2 on 3 July 2001 (CdR 153/2001 rev. 1 - rapporteurs: **Mr von Plüskow**, State-Secretary in the Ministry for Rural Areas, Agriculture, Food and Tourism of the Land of Schleswig-Holstein, D/PSE, and **Mr van Gelder**, Queen's Commissioner for the Province of Zeeland, NL/PPE);

14 November).

## **WHEREAS**

1. Fisheries and its upstream and downstream sectors are of central importance, not least for coastal regions. This applies in the first place to income generation and employment - factors which, to varying degrees, are of decisive importance for peripheral areas especially. Secondly, fisheries are a key element of these areas' cultural identity. While it is true that, apart from tourism, there is often little interplay in most areas between fisheries and other industries, the social and economic importance of the sector in a number of coastal regions is much greater than its percentage share of gross national product would seem to indicate.
2. The Committee of the Regions is concerned about the precarious economic plight of some parts of the Community fisheries sector, which, in the regions concerned, is a result of inadequate conservation policy (to the extent that some stocks are at risk of collapse), overcapacity in some fleet segments and the rapid rise in costs in the wake of oil price increases. The fishing sector's failure to adapt adequately to changing circumstances also plays a part. Consequently, in some fishing segments, many regional enterprises are not sufficiently profitable, the incomes of fishermen and their families are signally inadequate and employment figures are falling. Aid for capital investment may have intensified the problem of overcapacity, low profitability and replacement of labour by capital in the catching sector, while other economic sectors offer safer and better-paid jobs.
3. The Committee notes that the Common Fisheries Policy has in essence failed to achieve its objectives. In particular, it has failed to secure the sustainable use of fishery resources and to improve fishermen's living standards. The Committee therefore feels that, after twenty years, a fundamental review of the Common Fisheries Policy is both overdue and urgent.
4. Moreover, new challenges - particularly forthcoming EU enlargement, increasing globalisation and the need to take adequate account of developing countries' legitimate interests - also require a radical repositioning of European fisheries policy.

## **RECOMMENDATIONS**

1. The Committee of the Regions greatly welcomes the Commission green paper, which presents an unsparing analysis of the present situation and, proceeding from that, sets out observations and approaches for fundamental reform.

In view of the failure of the current CFP management system, the Committee calls for a scientific analysis of alternative management systems that are consistent with the EU integration process. Such an analysis is not found in the green paper.

In this context, the Committee calls on the Commission to undertake to include in the final document that will provide the basis for the Council decision, at least an assessment of the green paper by the Scientific, Technical and Economic Committee for Fisheries (STECF), of Community co-management systems and, more particularly, of the proposal for a system of Community individual fishing rights.

The Committee urges further integrated research - focusing on biology, technology, ecology and social and economic aspects - in order to underpin the policies to be pursued. The quality of data collection in this field must also be improved.

2. The Committee shares the basic principles of a Common Fisheries Policy set out in the Commission green paper and backs the plan to prioritise these objectives more clearly. These priorities must be based on the above-mentioned integrated research.

It is essential to set a priority objective to enable the broad outline of the management model of the future CFP to be established. If the present lack of definition continues, if the incompatibility of CFP objectives is not dealt with, and if declarations of intent stand in for practical proposals, then the current review process will have failed.

3. In assessing the present situation, the Committee also shares the Commission's assumptions of what would happen if the current Common Fisheries Policy were to continue unchanged.

4. With regard to the Commission's options and preferences for a future fisheries policy, the Committee would make the following recommendations, confining itself for the moment to basic comments.

### **Strengthening and improving conservation policy**

5. The Committee welcomes Commission moves towards multi-annual, multi-species and ecosystem-oriented management underpinned by integrated research. However, given the highly complex issues involved, the Committee feels that the rules must be as simple as possible so that they can be administered effectively and are acceptable to fishermen. The Committee is very pleased that the Commission intends to be particularly alive to the specific situation of the outermost regions.
6. With regard to technical measures, the Committee shares the Commission's view that more effective rules are needed than those currently in place. Effective by-catch arrangements are in particular essential. The Committee also endorses the Commission's call for multi-annual stock rebuilding measures.

The Committee feels that a central plank of strengthening resource conservation policy is a reduction in industrial fisheries, i.e. fishing to produce products such as fish meal and fish oil. As long as world-wide demand grows and resources continue to fall, it is essential to rethink the scale of industrial fisheries. The Committee trusts therefore that the Commission will study the matter carefully - also in the light of scientific recommendations - and then put forward specific proposals for reducing industrial fisheries.

The Committee notes that some drift nets, such as those used in tuna fishing and other floating drift nets, harm the marine ecosystem. It therefore advocates their total prohibition, especially as there are alternative ways of catching these species which are entirely selective and environmentally friendly.

7. The Committee notes the Commission's view that, until the economic and social situation within the fisheries sector has become more stable, there is in essence still no real alternative to the principle of relative stability, under which individual quotas are laid down on the basis of a specific allocation key. Nevertheless, it is advisable to examine whether, in order to achieve an economically and socially healthy fisheries sector in the EU, there are not grounds for a re-think of the principle of relative stability through the effect of the market mechanism – if this is a genuine option.

However, seeing that the allocation key was established in 1981 prior to the accession of Greece, Spain, Portugal, Sweden, Finland and Austria, it should be updated to take account of the vital needs of local communities currently dependent on fishing.

8. The Committee therefore very much backs the Commission's plan to retain the current special arrangement under which the 6-to-12-mile coastal zone is reserved for small-scale coastal fishing. It also supports the maintenance of special rules for the particularly sensitive areas of the Shetland Box and the North Sea.

The Committee notes the Commission's attempt to introduce market-based systems for allocation of quotas and access levies for fishing rights, points out however that there is a risk that operations will become concentrated on large fishing enterprises to the detriment of medium-sized and artisanal fisheries, with adverse effects for the coastal regions concerned, if no safeguard measures are taken.

### **Promoting the environmental dimension of the CFP**

9. The Committee of the Regions is pleased that, in the interests of safeguarding fisheries, ecosystems and product quality, the environmental dimension is to be more closely integrated into the CFP (see Commission communication *Elements of a strategy for the integration of environmental protection requirements into the CFP*). It is vital to cover all negative environmental impacts on fisheries, including maritime transport, oiling, dredging, port construction, land reclamation and the building of tidal power stations and wind-powered generators. The Committee would however expressly warn against catch-all solutions; on the contrary, application of these ground rules should be tailored to the particular circumstances and organisation of the individual regions concerned, so that the arrangements in place are geared to the highly diverse range of maritime ecosystems.
10. The Committee also feels that the introduction of a fisheries eco-label is an appropriate means of building public support for this sector. Eco-labelling could also be an important tool in fostering and underpinning environmental awareness and quality consciousness among fishermen themselves.

Certification of responsible fishery activities is one of the most promising fisheries management instruments, and should be looked at urgently. The CoR urges the Commission to set up a public certification body under the control of the Community institutions.

### **Consumer protection**

11. The Committee joins the Commission in highlighting the nutritive benefits of fish and fish products. However, these products, like others, may undoubtedly also contain contaminants and pollutants that pose a risk to health. It is thus essential that the Community's legal health requirements should also apply in this field. This includes the establishment of limit values for contaminants.
12. The Committee would strongly highlight the need for such a rigorous approach, since this is the only way to guarantee the necessary consumer confidence in the safety of fish and fish products. The recent BSE crisis in the beef sector has demonstrated the potentially catastrophic impact of loss of consumer confidence on certain products and hence, often, on entire regions.

13. At the same time, however, the Committee would stress that these ground rules, which apply to Community producers, must apply equally to imports of non-EC produce, particularly since the Community is highly dependent on imports from non-member countries.

### **Fleet policy**

1. The Committee agrees with the Commission assessment that the common fleet policy to date has failed to meet its objectives effectively and, in particular, has had no discernible positive impact on the state of resources. In principle, therefore, the Committee backs the Commission's objective of implementing a more effective fleet policy which establishes a balance between fishing capacity and exploitation rates. To that end, any investigation of vessels' fishing capacity must include criteria which also take account of technological progress. Future arrangements must also be more long-term. Similarly, the Committee backs Commission plans for simpler, more transparent rules than those in place to date - thus making them more acceptable to fishermen - and for the introduction of more effective monitoring and control by Member States and stronger sanctions for non-compliance.
2. The Committee is aware that the issue of a new fleet policy is among the most tricky in the entire reform agenda. The decisions to be taken thus require careful examination, drawing on scientific opinion and involving the economic sectors concerned. Poorly prepared decisions lead to mistakes which may have serious economic consequences for the regions concerned. The Committee therefore calls on the Commission to do everything necessary to ensure sound, timely decision-making. Catch-all arrangements must be avoided, and, to secure the requisite flexibility, it will be increasingly necessary to take specific action tailored to particular circumstances and to the fleet segment and region concerned.

To ascertain the future impact of the various measures adopted by the EU in the regions and localities dependent on fishing, the Committee considers that a detailed study must be carried out of the sector in these regions, covering the operational fleet together with the industrial and commercial fabric, the services sector, the demographic and social structure, with a view to assessing the impact on these structures and make provision beforehand for the necessary socio-economic measures.

A good example here of an outstandingly effective measure for limiting fish catches out of necessity is the "sea days" rule, combined with a co-management system, such as has been developed for the fisheries sector in the Netherlands.

3. Whatever the outcome of this examination, the Committee is emphatically opposed to any disproportionate reduction for fishing vessels newly incorporated into the fleet. In most fishing enterprises, fishermen have vessels suited to their type of fishing and these cannot be replaced by smaller or lower-powered vessels without jeopardising the viability of the enterprise and safety (from the economic, nautical and technical angles and in terms of catches). For the same reasons, the Committee cannot accept the introduction of a capacity penalty each time a licence is traded. The Committee rejects any automatic procedure without a case-by-case examination. Given the advanced age of many ships, particularly in the Mediterranean (where the average trawler is over 25 years old), state aid must be maintained to secure replacement with equivalent capacity fleet.
4. The Committee would underline that the purpose of the necessary fleet restructuring

in the EU - and the inevitable fleet reduction involved - must be to secure a modern core fleet. Failure to meet this objective would make fleet renewal impossible and rule out ongoing technological development within the fishing fleet. The Committee therefore calls on the Commission to come up with solutions which involve more than just updating the old MAGP. The Committee feels that back-up must be provided for this painful adjustment process, through support measures such as temporary, Community-funded decommissioning and social compensation payments. These payments must not, however, contribute to retaining overcapacity in structurally disadvantaged sectors and must therefore be for a limited period only.

5. The Committee welcomes the Commission's readiness to provide derogations for small-scale fishing activity so as not to jeopardise its survival.
6. In order to implement the new structural policy, the Committee considers it essential to retain the FIFG with a view to achieving a profitable, competitive European fleet in line with the productivity of the fish stocks to which it has access. The recent efforts of each region to reduce and adjust fleets, together with the regeneration potential of the stocks in each segment, must be key factors in determining approaches to this objective.

15.

### **Better governance in the Common Fisheries Policy**

1. The Committee welcomes the Commission's efforts to establish rules as part of the reform agenda that are transparent, cost-effective and flexible, and make it possible to respond to emergencies. Key strategies here include greater stakeholder involvement in decision-making and implementation. This can be done via producers' organisations as specified under market organisation policy. Such organisations are deemed eminently suited to pursue a kind of co-management. Stakeholders can then become an integral part of policy and share responsibility for it.
2. The Committee particularly welcomes the Commission's plans to delegate, under certain conditions, specific local conservation measures to the Member States. A decentralised arrangement such as thus would (i) take account of the subsidiarity principle and (ii) secure a speedy approach tailor-made to individual situations.

Application of the principle of subsidiarity within each Member State, making it possible for the regions to participate in decision-making, would facilitate management for them and give them co-responsibility for developing and applying the fisheries conservation policy, under conditions similar to those under the Structural Funds.

3. The Committee also strongly supports the Commission's proposal whereby conservation measures adopted by Member States which are stricter than those provided by the Community should henceforth be applicable to all fishermen, not just those from the Member States concerned. The Commission should give fundamental consideration to how far these measures can be extended - in terms of both of duration and the area they cover - without infringing the principle of non-discrimination. Naturally, scientific advice should be an effective part of the decision-making process and account should be taken of the planning and management of coastal zones via ICZM.

16.

### **Monitoring, control and enforcement**

1. The Committee backs the Commission view that further progress is needed in the co-ordination of national policies and the strengthening and harmonisation of sanctions in case of infringements. Sanctions - harmonised as far as possible - are central to demonstrating that Member States and the Community are serious about the essential task of conserving resources. As the Commission notes, these should also include drastic sanctions such as loss of fishing quota or the withdrawal of licences.

At all events the European Commission will have to provide for the inspection and monitoring measures needed to ensure that fisheries rules are adhered to uniformly in all regions. It would be advisable to harmonise the dissuasive and penal measures laid down by the different Member States.

2. The Committee feels that after the Member States' controls and sanctions policies have been harmonised, the way lies clear for a European fisheries inspectorate. Despite the Member States' undeniable capacity to carry out such a policy nationally, such a body will help bring about equal treatment of everyone involved and allay fishermen's suspicions. Such an approach could well be the best guarantee of support for any new measures from the stakeholders concerned.

That said, the Committee feels that the Commission must step up efforts to make the rules as easy and as straightforward as possible to monitor.

17.

### **Strengthening the social and economic dimension of the CFP**

1. The Committee feels that this aspect is crucial to the new Common Fisheries Policy and thus requires special consideration. Clearly, this package of measures is indisputably linked to the new fleet and conservation policy. The key issue is how far the EU is prepared in future to continue its financial commitment to promoting the fishing industry. The Commission's idea is evidently to cut back considerably on Community support for this sector, to discontinue support all together for fleet modernisation and to focus on measures such as scrapping and laying up periods. Also, fisheries policy is to include more market-based elements than at present.
2. The Committee of the Regions understands the Commission's desire to make the current - and largely inefficient - machinery for promoting fleet structure more effective. The Committee supports this stance wholeheartedly, but it must not lead to a fundamental increase in the Community fishing capacity.

Additionally, the Commission should actively encourage Member States to use fully all socio-economic instruments available to them through the Community Structural Funds, namely the Financial Instrument for Fisheries Guidance and Objectives 1, 2 and 3. These programmes require adequate national co-finance to ensure that EU financial allocations are to be drawn down to the full benefit of fisheries communities in ALL Member States over the period of the programme.

The CoR is convinced that, targeted effectively, these multi-annual Structural Fund programmes will enable local/regional authorities and development agencies to implement future strategies that add value, promote economic development and create jobs in the long-term interest and well-being of fishing-dependent communities.

3. Given the extremely complex rules involved, this vital part of the new reform agenda requires extensive and sound technical and scientific examination. Rash political decisions may be counter-productive to the common objective of this reform, namely to establish a strong, long-term basis for conserving fishery resources, and to safeguard the incomes of the parties concerned. The Committee therefore urges the Commission to pursue its policy in line with the objectives of the Community Treaties - and its own objectives - and to put forward proposals accordingly.
4. On this chapter of the Commission document, the Committee would make the following basic points:

- It welcomes the Commission's aim of developing a healthy and profitable fisheries sector.
- It welcomes the Commission's intention of taking special steps to help disadvantaged areas with no economic alternatives.
- It urges that financial support be given to research and projects designed to boost fishing sector efficiency by cutting costs, modifying fishing techniques, etc.
- It calls for moves to help improve both on-board living and working conditions and product quality.
- It rejects any interference with current EU Structural Funds programming (including FIFG), which runs until 2006, aimed at a drastic cut in funding for the modernisation and construction of fishing vessels.
- It also rejects the proposal to provide aid in principle only to fund fleet reduction.

The Committee would reiterate the essential need to maintain a modern core fleet.

5. The CoR calls on the Commission to present a study of alternative proposals for management based on regulated market systems, and co-management systems, and their possible socio-economic repercussions for the management of Community fisheries. This study should accompany the Commission proposal to the Council for the review of the CFP.



18.

### **Support to aquaculture**

1. The Committee shares the Commission's view that environmental protection is particularly important in the field of aquaculture. However, the Committee cannot agree with the Commission that, in future, the market alone has to be the driving force of aquaculture development. The Commission's ideas on this subject do not reflect reality, given the growing gap between supply and demand in the fisheries sector - and thus the EU's particular dependency on outside imports. What is more, aquaculture offers a genuine alternative to the sources of income and jobs that will disappear as a result of fishing sector reorganisation.
2. The Committee of the Regions thus advocates support to aquaculture in terms of both investment and aid, particularly for so-called "clean" technologies, in order to effectively counter the environmental pressures that undoubtedly exist. Attention is directed in particular at evaluating the scope for combining aquaculture and fisheries as is done in sea-ranching.

### **Processing industry**

19.

1. The Commission rightly notes that the processing industry has, in the same way as trade, a key role to play in the local economy and provides most of the jobs in the fisheries sector. The Committee also basically endorses the Commission's view that support in this field should be focused on small and medium-sized enterprises in the most dependent areas. However, this principle must not mean that all other enterprises are automatically excluded from support.
2. The Committee notes that safeguarding the viability and competitiveness of the fisheries sector is approached in a fairly one-sided manner by focusing on fishing and fishing fleet overcapacity. Safeguarding sustainable and diverse fisheries also means that the processing industry and trade should assume a greater share of responsibility than hitherto in implementing the environmental protection objectives set for fish stocks and maritime ecosystems. Thus, in the context of advancing the CFP's market policy, it is important to note that measures relating to the possible introduction of eco-labels should be targeted at the entire chain of fisheries sector activities from fishing to trade.

### **External relations**

1. Like the Commission, the Committee is aware of the Community's global responsibility and of the need to manage fish stocks in all the oceans of the world. It is indeed advisable to strike a balance between the needs of the Community fleet and the state of fish stocks - and the fleets fishing them - in non-EC waters. In so doing the Community principles of sustainability, precaution and environmental protection should be taken into account.

The Committee recommends that stakeholders from the Member States be involved in the negotiations with non-EC countries.

2. Independently of that, given insufficient resources in Community waters and the need to scale back the EU's own fleets, the Commission must seek fisheries agreements with non-member countries in order also to safeguard the future prospects of Community fisheries. Fisheries agreements should be able to meet developing states' requirements and legitimate aspirations to develop their own fisheries sector.

### **Mediterranean fisheries**

1. The Committee welcomes the particular attention given by the Commission to Mediterranean fisheries and its proposal for a special package of measures for these regions. The Committee would stress that the special arrangements to help regions particularly affected by problems in the fisheries sector (see previous sections of the reform agenda) do not go far enough to resolve the difficulties arising from the particular circumstances of Mediterranean areas. The Committee of the Regions also shares the Commission's view that the requisite action should be focused in the first instance on those regions where there is most competition - and thus a particularly strong potential for conflict - between fishermen of different origins. Integrated coastal zone management can also play a key role here, given the particular pressure on Mediterranean coastal regions because of factors such as tourism.
2. Any effective moves to replenish the (in some cases) dramatically depleted fish stocks must involve extending CFP rules to the Mediterranean region as well and also include efficient monitoring and control machinery.

Regional pilot schemes such as the FAO-AdriaMed project are helping to boost multilateral international cooperation. This project, which involves Albania, Croatia, Italy and Slovenia, is based in Termoli (Italy) and is designed to increase scientific cooperation in the evaluation and management of Adriatic fishery resources.

The draft international Adriatic fisheries agreement between the EU and Adriatic third countries, recently promoted by the Italian Government and Parliament, is a natural and welcome development of AdriaMed. The draft, which is based on the indications emerging from the Montego Bay Convention, provides for the establishment of an international fisheries authority for the Adriatic. In accordance with CFP principles and regulations, and with the FAO code of conduct for responsible fisheries, this authority would oversee the safeguarding, promotion and sustainable exploitation of Adriatic fishery resources, on the basis of standardised integrated regulation of fishing activity.

3. Given the particular circumstances of Mediterranean fisheries, the major shortcomings in resource management and the resultant need to adopt a range of new fisheries rules, the Committee supports the Commission's proposal for special arrangements such as a forum of all fisheries ministers of the Mediterranean countries; its terms of reference would in particular cover the monitoring and control of fishing activities in international waters in the Mediterranean and better, transparent sub-regional cooperation in this area.

22.

### **Summary**

1. To sum up, the Committee notes that the Commission's green paper is a sound basis for discussion of the requisite reform of the Common Fisheries Policy. It therefore

welcomes the Commission initiative.

However, the Committee would also stress that decisions on key issue such as conservation measures, fleet structure and Community support to help secure a better future for European fisheries must be grounded in further integrated research. Only then will the Council have a solid basis for decision-making. The Committee calls on the Council of Ministers to allow itself to be guided in its political decision-making - more so than in the past - by fundamental scientific recommendations. The earnest involvement of the stakeholders concerned will do much to build support for the necessary reforms.

2. In conclusion, the Committee would stress the need for special schemes for regions particularly dependent on fisheries and for small-scale fisheries, with due consideration being given to the concerns of the fisheries sector and, in particular, those of small-scale coastal fishermen working in the Mediterranean.

Brussels, 14 November 2001

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

**Jos Chabert**

**Vincenzo Falcone**

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CdR 153/2001 fin DE-NL/JP/ET/ht

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