# Questions and Answers on the reform of the Common Fisheries Policy

The overall objective of the Commission's proposals for a modern and simpler Common Fisheries Policy (CFP) is to make fishing sustainable - environmentally, economically and socially. The new policy will bring fish stocks back to sustainable levels by ending overfishing and setting fishing opportunities based on scientific advice. It will provide EU citizens with a stable, secure and healthy food supply for the long term; it seeks to bring new prosperity to the fishing sector, end dependence on subsidies and create new opportunities for jobs and growth in coastal areas.

# Why is a new policy necessary?

Europe's fisheries policy is in urgent need of reform. Vessels are catching more fish than can be safely reproduced, thus exhausting individual fish stocks and threatening the marine ecosystem. Today, three out of four stocks are overfished: 82% of Mediterranean stocks and 63% of Atlantic stocks. The fishing industry is experiencing smaller catches and facing an uncertain future.

Against this background, the Commission is proposing an ambitious reform of the policy. This reform is about putting in place the conditions for a better future for fish and fisheries alike, as well as the marine environment that supports them. The reform will contribute to the Europe 2020 Strategy and the policy will be developed as part of the broader maritime economy to ensure more coherent policies for the EU's seas and coastal areas by working towards robust economic performance of the industry, inclusive growth and enhanced cohesion in coastal regions.

Sustainability is at the heart of the proposed reform. Fishing sustainably means fishing at levels that do not endanger the reproduction of stocks and that provide high long-term yields. This requires managing the volume of fish taken out of the sea through fishing. The Commission proposes that by 2015, stocks must be exploited at sustainable levels, defined as the highest catch that can be safely taken year after year and which maintains the fish population size at maximum productivity. This level is known as the 'maximum sustainable yield' (MSY). This objective is set out in the United Nations Convention on the Law of the Seas, and was adopted at the 2002 World Summit on Sustainable Development as a target the world should reach by 2015.

Estimates¹ show that if stocks were exploited in this way, stock sizes would increase by about 70%. Overall catches would increase by around 17%, profit margins could be multiplied by a factor of three, return on investments would be six times higher, and the gross value-added for the catching industry would rise by almost 90%, equal to €2.7 billion over the next decade.

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<sup>&</sup>lt;sup>1</sup> Impact Assessment Accompanying Commission proposal for a Regulation on the Common Fisheries Policy

Fishing sustainably would also free the catching sector from depending on public support. It would make it easier to achieve stable prices under transparent conditions, bringing clear benefits for consumers. A strong, efficient and economically viable industry operating under market conditions would play a more important, active role in managing stocks.

# What are the main elements of the new proposals?

#### The multi-annual ecosystem-based management

To rebuild a vibrant fishing economy in Europe, the marine environment must be protected more effectively. From now on, EU fisheries will be managed by multi-annual plans and governed by the ecosystem approach and the precautionary principle to ensure that the impacts of fishing activities on the marine ecosystem are limited. The fishing industry will have a better and more stable basis for long-term planning and investment. This will safeguard resources and maximise long-term yields.

Multi-annual management plans should move from the current single-stock plans to fisheries-based plans – covering more fish stocks in fewer plans, with the aim of reaching sustainable levels by 2015. Stocks not under plans will be managed through fixing fishing opportunities by Council, and other conservation and technical measures which are part of the toolbox of instruments proposed.

#### **Banning discards**

Discarding, ie the practice of throwing unwanted fish overboard, is estimated at 23% of total catches (substantially more in some fisheries!). This unacceptable practice will be phased out with a precise timeline for implementation and in combination with some flanking measures. Fishermen will be obliged to land all the commercial species that they catch. Under-sized fish cannot be sold for human consumption.

Member States shall make sure that their fishing vessels are equipped to ensure full documentation of all fishing and processing activities so as to monitor compliance with the obligation to land all catches.

This approach will lead to more reliable data on fish stocks, support better management and improve resource efficiency. It is also an incentive for fishermen to avoid unwanted catches by means of technical solutions such as more selective fishing gear.

# Making fishing profitable

A system of transferable catch shares, known as 'concessions', will be introduced as from 2014 for vessels over 12 metres long and all vessels using towed gear. Based on agreed principles at EU level the concessions will be distributed by Member States in a transparent way, and will grant their owner an entitlement to a share of the national fishing opportunity for each year. Operators will be able to lease or trade their concessions within their Member state, not between Member states. The concessions will have a minimum validity of 15 years but can be recalled before expiry in case of serious infringement by the holder. Member States may create a reserve and introduce a fee for the concessions.

This new system will give the fishing industry a long-term perspective, more flexibility and greater accountability, while at the same time reducing overcapacity. Operators will have an incentive to increase their concessions while others may decide to leave the industry. It is predicted that incomes could raise by over 20% and crew wages by between 50% and over 100% by 2022 under this system<sup>2</sup>.

# Support for small-scale fisheries

In the EU, the small-scale fleet accounts for 77% of the total EU fleet in vessel numbers but only for 8% in tonnage (vessel size) and 32% in terms of engine power. Small-scale coastal fisheries often play an important role in the social fabric and the cultural identity of many of Europe's coastal regions. They therefore require specific support. The reformed CFP extends to 2022 the right for Member States to restrict fishing in a zone within 12 nautical miles of the coastline. Small-scale fisheries may also be exempted from the transferable fishing concessions scheme. The future financial instrument for fisheries will include measures beneficial to small-scale fisheries and will help local economies adapt to the changes.

# Developing sustainable aquaculture

A better framework for aquaculture will increase production and supply of seafood in the EU, reduce dependence on imported fish and boost growth in coastal and rural areas. By 2014, Member States will draft national strategic plans to remove administrative barriers and uphold environmental, social and economic standards for the farmed-fish industry. A new Aquaculture Advisory Council will be established to give advice on industry-related issues. There is a clear EU dimension in aquaculture development: strategic choices made at national level can have a bearing on such development in neighbouring Member States.

# Improving scientific knowledge

Reliable and up-to-date information about the state of marine resources is essential to support sound management decisions as well as effective implementation of the reformed CFP. The proposal establishes the basic rules and obligations for Member States on data collection, management, data availability and access provisions for the Commission. Member states will be entrusted with collecting, maintaining and sharing scientific data about fish stocks and the impact of fishing at sea-basin level. National research programmes will be established to coordinate this activity

### **Decentralised governance**

The Commission proposal is clarifying roles and obligations of each actor and will bring decisions closer to the fishing grounds. It will end micro-management from Brussels so that EU legislators will only define the general framework, the basic principles, the overall targets, the performance indicators and the timeframes. Member States will then decide the actual implementing measures, and will cooperate at regional level. The proposal includes provisions to ensure that the Member States concerned adopt measures which are compatible and effective. A fall-back mechanism is established for Commission action in cases where Member States cannot agree, or where the targets are not being reached.

<sup>&</sup>lt;sup>2</sup> Impact Assessment Accompanying Commission proposal for a Regulation on the Common Fisheries Policy

# New market policy - empowerment of the sector and better informed consumers

A proposal for a new Market Policy is part of the package proposed to ensure that the organization of the common markets for fisheries products contributes to achieving the objectives of the new CFP. It aims to strengthen the competitiveness of the EU industry, improve the transparency of the markets, and ensure a level playing field for all products marketed in the Union.

It also includes a modernisation of the intervention regime as the current system of spending public money to destroy fish is no longer justifiable. It will be replaced by a simplified storage mechanism, which will allow producer organisations to buy up fisheries products when prices fall under a certain level, and store the products for placing on the market at a later stage. This system will foster market stability.

Producer organisations will also play a greater role in collective management, monitoring and control. Better marketing of EU fisheries and aquaculture products will help to reduce waste and provide market feedback to producers.

New marketing standards on labelling, quality and traceability will give consumers clearer information and help them support sustainable fisheries. Certain labelling information will be compulsory, for example to differentiate fisheries and aquaculture products; other claims may be supplied on a voluntary basis.

### A modern and adapted financial instrument

EU financial assistance will be granted to support the sustainability objectives of the new CFP. Financial assistance will become conditional upon compliance with the rules, and this principle will apply to both Member States and operators.

For Member States, non-compliance may result in interruption, suspension or financial correction to the Union financial assistance. For operators, serious infringements may lead to banning of access to financial assistance or financial reductions. In addition, the proposal introduces the obligation for Member States, when granting financial assistance, to take into account the behaviour (in particular the absence of serious infringements) of operators in the recent past.

A proposal for a new financial instrument, the European Maritime and Fisheries Fund (EMFF) for the period 2014-2020 will be made later in 2011. In the framework of the Multi-annual financial framework, the Commission proposed a budget of € 6.7 billion for the EMFF.

#### Taking international responsibility

Almost 85% of the world fish stocks for which information is available are reported as being either fully exploited or overexploited, according to the FAO. The EU, being the world's largest importer of fisheries products in terms of value, must act abroad as at home. The external fisheries policy must be an integrated part of the CFP. In international and regional organisations, the EU will therefore advocate the principles of sustainability and conservation of fish stocks and marine biodiversity. It will establish alliances and undertake actions with key partners to combat illegal fishing and reduce overcapacity.

In bilateral fishing agreements with non-EU countries, the EU will promote sustainability, good governance and the principles of democracy, human rights and the rule of law. Sustainable Fisheries Agreements (SFAs) will replace the existing Fisheries Partnership Agreements (FPAs) and they will ensure that the exploitation of fishery resources takes place on the basis of sound scientific advice only targeting surplus resources that the partner country cannot or does not want to fish itself. Under SFAs, partner countries shall be compensated for granting access to their fishing resources and financial assistance shall be provided to the partner countries for the implementation of a sustainable fisheries policy.

# Will there by new rules on Control and Enforcement?

The proposal is consistent with the EU's new control regime from 2010<sup>3</sup> and integrates the basic elements of the control and enforcement regime for compliance with the rules of the CFP. In light of the introduction of the landing obligation to avoid discards the Commission proposes monitoring and control obligations in particular in relation to fully documented fishery, as well as pilot projects on new fisheries control technologies that contribute to sustainable fishing.

### When will the reform come into effect?

The new rules will come into effect once the Council of Ministers and the European Parliament have voted on the proposals. Implementation will be progressive because there is a need for the sector to adapt and to be able to deliver results. But the reform sets clear deadlines. The aim for adoption and entry into force of the new legislation is 1.1.2013.

See also: <u>IP/11/873</u>

<sup>&</sup>lt;sup>3</sup> Council Regulations No 1005/2008 and No 1224/2009<sup>3</sup>