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on the Proposal for a Regulation of the European Parliament and of the Council on the Common Fisheries Policy

Committee on Fisheries

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4.3. Reduction of overcapacity/transferable fishing concessions (known as TFCs)

The European Union must solve the problem of overcapacity. The capacities of participating fleets must be evaluated. New, adapted benchmarks should be developed and used to evaluate existing overcapacity in a more accurate way (see section 2.3). The Common Fisheries Policy has to ensure that Member States harmonise their fishing capacities with available fishing resources.

The European Commission proposes the mandatory introduction of TFCs by Member States to counter the problem of overcapacity. The controversial nature of TFCs however means that a nuanced approach is required, with careful balancing of the advantages and disadvantages.

The following section seeks to first examine the effect the introduction of individual quotas would have and then to illustrate the additional consequences of making these quotas transferable, i.e. tradable.

Advantages of individual quotas

In many EU Member States individual quotas are already in place, i.e. national quotas are distributed to individual fishing enterprises. Individual quotas are a first step in avoiding the tragedy of the commons as individual fishermen develop a greater sense of responsibility when the extent of their fishing opportunities varies depending on the stock situation. Many European fishermen currently have to try to catch as many fish as possible before their fisheries are closed to all fishermen due to the exhaustion of the national quota. Individual quotas allow fishermen to plan their fishing activities over the whole year themselves and to consider factors such as the market situation.

Additional advantages of transferability

Transferability of individual concessions can lead to a reduction in overcapacity. This is due to the effect known as the concentration effect which is also, at the same time, a disadvantage of TFCs. Economically successful fishermen buy the quotas of their competitors which brings about a structure which contains less, but more commercially successful undertakings. In many cases, the introduction of a TFC system, if adapted to local conditions, would therefore be the method of choice, if they have to reduce overcapacity in certain fisheries.

A further advantage of TFCs is that quota owners who want to leave the fishing industry can make a profit from doing so. At the same time the fishermen's sense of responsibility for stocks increases as a poor stock situation has a direct impact on the monetary value of their own fishing rights. Tradable quotas can provide a further incentive in mixed fisheries to avoid what is known as the 'choke-fish', as individual rights for this fish will increase in price.

Disadvantages of transferability:

Transferable quotas will not reduce fishing capacity if fishing quotas are not thoroughly controlled. TFCs might even induce IUU-fishing if it is not ensured that vessels whose owners have sold all TFCs are not used for fishing anymore. If not accompanied by appropriate safeguards, transferable quotas can lead to an undesirably high concentration of

fishing rights, thereby disturbing the compartmentalised structure of a fishery and the nature of coastal communities. TFCs might make it more difficult for countries to implement their own ideas for an appropriate distribution of fishing rights, once TFCs are attributed. In the worst case, TFCs become an object of speculation for financial players outside the fishing sector.

Possible Safeguards:

There are various options for formulating TFCs in such a way as to avoid or moderate the negative consequences, in particular those relating to excessive concentration:

- a maximum limit to ownership by individual fishermen could be introduced
- tradability can be restricted to internal tradability within specific size classes
- tradability could be restricted geographically
- the leasing of quotas should be restricted to ensure only active fishermen are involved; nobody should have the right to lease an entire annual quota.

Proposal 18: *The basic regulation must ensure that overcapacity, where existing, is being reduced. Therefore, concrete road maps for evaluating and reducing overcapacity in individual fisheries must be formulated within the framework of multi-annual plans. Failure to achieve common targets must be punished by sanctions;*

Proposal 19: *If overcapacity is identified in a specific fishery, the concerned Member State has to be obliged to take measures to reduce it. In this case, the introduction of TFCs would be standing to reason. If a Member State proves that he achieves the necessary capacity reduction without making use of TFCs, this member state should be exempted from the obligation to introduce TFCs. However, an honest and thorough evaluation of all fleets and mandatory capacity reductions where needed are an indispensable prerequisite for abandoning the compulsory character of the TFC system;*

Proposal 20: *Obliging Member States to introduce individual quotas seems appropriate due to the reasons stated above. In doing so, Member States should have the right to require fishermen to pool these quotas within producer organisations and other collective bodies so that these structures, which exist in many Member States, can be preserved;*

Proposal 21: *The Regulation should oblige Member States to introduce ‘safety measures’ such as, or similar to, those described above, to prevent undesirable and excessive concentration. When designing the system for Member States and distributing concessions, all concerned parties - especially the small scale sector - must be heavily involved;*

Proposal 22: *When defining small scale or artisanal fishermen, other criteria than the length of the vessel should be considered, e.g. the size of the undertaking or the turnover per boat. The underlying criteria should be the same for all Member States.*

4.4. Regionalisation

The multi-annual plans are the cornerstone of regionalisation. To ensure that CFP targets are achieved, those involved in policy decisions must be better integrated into the procedure for

formulating these plans.

Proposal 23: Legislators should not simply issue statements of intent but should stipulate that, when developing a Commission proposal for a multi-annual plan, stakeholders must be consulted. Former RACs should play a significantly greater role in this process.

Proposal 24: A prerequisite for this is to review their composition and to make these Advisory Councils more representative and legitimate: Employee, consumer and environmental interests must be reinforced. Scientific advice provided for the ACs must also be improved. ACs should also be a forum where fishermen and scientists can exchange information in order to converge their often diverging points of view.

The transfer of competences to Member States is acceptable in view of the legally restricted options for issuing binding decisions at regional fishery and/or sea basin-based levels. In this regard, however, the Commission proposal needs to be improved on two counts:

Proposal 25: Member States must be obliged to cooperate with each other when adopting national initiatives. This cooperation could be coordinated by the Commission;

Proposal 26: There is a need for more safeguards in order to ensure that Member States really achieve the targets set by the EP and the Council in a multi-annual plan and that these targets cannot be ignored.

Regionalisation should not lead to an additional layer of rules but to the replacement of many of the existing rules by new ones that are improved, more sensitive and easier to understand.

Proposal 27: After the adoption of the reform package the Commission should immediately conduct a screening of existing regulations, in order to suspend all European-wide rules which are not deemed necessary anymore.

4.5. Mediterranean Sea and Black Sea

The situation in the Mediterranean Sea differs fundamentally from the situation in other European seas. Fish stocks are mostly exploited in coastal areas; there are only few stocks which are shared by several Member States. At the same time there are 14 non Member States bordering the Mediterranean. Moreover, fleet structure in the Mediterranean differs from the one found in the Atlantic or Northern Europe, as the Mediterranean fleet is dominated by small vessels. Therefore, the EU has pursued a specific legal and political approach towards Mediterranean fisheries, e.g. through the regulation 1967/2006 (Mediterranean regulation). However, this regulation has led to unsatisfactory results.

EU fishermen in the Black Sea, who are also primarily small scale fishermen, face additional problems as only two out of the six Black Sea countries are EU member states. In the Black Sea only two stocks (sprat and turbot) are managed through TAC and quotas, thus the management of the Black Sea stocks is very difficult.

The Commission's proposal for a new basic regulation embraces also the Mediterranean and the Black Sea. It is certainly sensitive to apply the principles of MSY management, reduction of discards and regionalisation also to these Seas. However, as for most stocks in the

Mediterranean and the Black Sea there are neither TACs nor multiannual plans, the regulation will not lead to many concrete results for fisheries in Southern Europe. Considering the bad state of many stocks, this is not responsible towards future generations.

Proposal 28: Concrete measures for the Mediterranean should be added to the regulation. These should consist, for example, of an obligation to designate a network of fisheries reserves, areas in which fishing activities are either banned or restricted;

Proposal 29: More efforts to reinforce international cooperation in the Black Sea have to be made. The EU should advocate the creation of a Regional Fisheries Management Organisation for the Black Sea.

4.6. Aquaculture

Aquaculture is an important and integral part of the fisheries sector which complements the role of wild fishing in contributing to employment and ensuring an important part of food security in the EU. There is a consensus that the EU's aquaculture sector has stagnated for many years, despite its big potential for development and the growing demand for aquaculture products. This stagnation is due to the increasing import of cheap aquaculture products which are often not produced with the highest European sanitary, environment and food security standards. It is evident that the EU has to step up its aquaculture production and compete with third countries in this field. At the same time, it has to be ensured that the negative impact aquaculture can have on the environment and on wild fisheries is being minimised.

The adoption of a policy for aquaculture would ensure the economic and environmental sustainability of this industry. The ideas included in the proposal for a basic regulation, namely the creation of an Advisory Council for Aquaculture and the setting up of non-binding guidelines on common priorities and targets, go in the right direction. However, these proposals are not sufficient for giving the needed boost to the stagnating sector and for making it more competitive.

To reach these objectives, more has to be done than amending the basic regulation. However, the following objectives could be incorporated into the basic regulation, in order to pave the way to future regulatory improvements:

Proposal 30: To establish rigorous, transparent and general qualitative criteria with regard to aquaculture which should be ensured throughout the EU and which should safeguard the ecological and social impact of aquaculture;

Proposal 31: To lay down rules regarding the traceability of aquaculture products;

Proposal 32: To introduce and strengthen labelling criteria for high-quality aquaculture products and organic aquaculture production;

Proposal 33: To ensure that imported aquaculture products are produced according to the relevant European quality standards i.e. ecological or animal welfare standards;

Proposal 34: To make available additional funding from the European Fisheries Fund for

environmentally sustainable aquaculture in particular for small and medium-sized enterprises;

Proposal 35: *To launch an initiative in order to reduce red tape.*