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Permanent Representation
To the European Union

23 December 2009

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**UK RESPONSE TO THE EUROPEAN COMMISSION REFORM GREEN PAPER
ON THE COMMON FISHERIES POLICY (COM(2009)163)**

Executive Summary

Reform of the CFP represents a major opportunity to improve management of EU fisheries. We must seize it. The UK welcomes the EU Commission's Green Paper and proposes a number of changes to the CFP as a basis for ongoing debate about the nature of a reformed EU fisheries policy. We are keen to work with the EU Commission and other key partners over the coming months to develop ideas and proposals for reform.

Well-defined Objectives and Principles

The UK believes that the overall aim of a reformed CFP should be to attain ecological sustainability through a CFP designed to maximise the wealth generated by exploitation of marine fish resources. This would mean maximising the sustainable returns generated by the EU fleet, within environmental limits consistent with good environmental status (GES). In turn, it would mean reducing discards to levels that do not cause environmental or economic damage. 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.

A Decentralised Decision-making structure

In addition to setting high level objectives and priorities, a regionalised approach to decision making is a key requirement of a reformed CFP. 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.



Long term management plans based on sound science and integrated with wider marine policy

The UK endorses the principle of moving to MSY by 2015, and feels that a well-designed wealth-based approach will bring about a larger-stock management approach. In the longer term, we envisage appropriate fishing mortality rate targets as limits, as opposed to targets, which should not be breached in delivering wealth from our fisheries.

We support the move away from annual negotiations at Council over fishing opportunities and technical issues; micromanagement and short-termism needs to stop. Scientific data needs to account for the full range of factors, including stock interactions and climate change-related factors, that impact on fishing mortality and stock distribution. We should use our fishing fleets as a source of data to compliment the current evidence gathering arrangements through the provision of timely and accurate information which reflects what is actually happening in the fishing grounds and which builds trust and buy-in to the system.

In addition, the reform of the CFP provides a means to integrate management of EU fisheries with EU and international commitments to broader marine environmental policy. It is essential that marine policies and their implementation are integrated to maximise the benefits and reduce conflicts between users of the marine environment. This needs to be turned into reality through explicit mechanisms within the CFP to help deliver the aims of the Marine Strategy Framework Directive and to support EU Maritime Policy through implementation of marine spatial planning at the national level.

More flexible fishing rights

Currently fishing opportunities at the EU level are allocated on the basis of historic activity, and are managed in a way that involves imposing layer upon layer of restrictions on fishers. This needs to change. We want to move to a more flexible policy, based on appropriately set and rigorously enforced catch limits rather than landing limits, that provides the correct incentives to encourage innovation and enterprise in order to maximise wealth generation over the long term. The establishment of clear fishing rights, and greater transferability of them, would create greater certainty and transparency of fishing opportunities. That would better enable fishermen to make long term business decisions that are more likely to safeguard fish stocks and lead to a better balance between fishing opportunity and fleet capacity. Furthermore, it should lead them to reduce discards to levels that no longer cause economic and environmental damage

Relative stability has provided benefits for fishermen and policymakers by giving a transparent and predictable basis for allocating fishing rights. Those benefits should be the clear starting point for future policy under a reformed CFP. However, if applied inflexibly, Relative Stability restricts fishermen's freedom to adapt to changing economic opportunities and changes in the biology of the stocks. We need to work with the industry and other stakeholders to identify ways in which quota can be transferred more easily across our fisheries.



Introduction

1. The UK welcomes the EU Commission's Green Paper and congratulates the Commission for its rigorous and honest analysis of the failings of the current Common Fisheries Policy (CFP). We recognise that the CFP deals with some of the world's most complex fisheries but by any economic or biological measure it has not been a success. We are faced with many fish stocks still over-exploited, avoidable damage to the marine ecosystem, a huge problem of discards and the fishing industry overall in poor economic health. While action can be taken now to tackle some of the problems we also need fundamental reform of the CFP. Restricting ourselves to minor changes in 2012 would be a mistake. We must be prepared to consider radical change if we are to secure a more environmentally and economically sustainable future for our fisheries.
2. We agree with much of the Green Paper's analysis though we suggest it may understate the complexity and diversity of European fisheries and therefore the need for flexibility to reflect the different challenges facing different fisheries. But overall the Green Paper provides a sound basis on which to develop a better CFP for the benefit of the fish stocks, the fishing industry which depends on those stocks, and the wider marine environment. In this response the UK offers a number of ideas for reforming the CFP. They are offered as contributions to the debate and, in some cases, need further work and study over the coming months. The UK is ready and willing to develop solutions with the Commission, the European Parliament and other Member States, as well as with our own partners across the UK, to create a CFP that is fit for the 21st Century.
3. This response takes account of consultation with a wide range of fishing and other organisations, including through regional workshops, formal replies to the CFP reform discussion document by the Department for Environment, Food, and Rural Affairs (Defra) and a UK wide, cross-sector Stakeholder Forum. We have also drawn on the UK Parliament's inquiry into the current performance, and future, of the CFP. A summary of responses to the Defra discussion document and of issues raised at regional events and the UK stakeholder forum can be found at <http://defraweb/foodfarm/fisheries/marine/conservation/fstock/cfp-reform.htm>
4. The response builds on the initial UK position on CFP reform set out by the UK Fisheries Minister earlier this year. In that statement he made clear that we must make changes to achieve the following aims:
 - a. a prosperous and efficient fishing industry;
 - b. fish stocks within safe biological limits, with incentives and a regulatory framework to reduce discards;
 - c. recognition of the contribution of fishing to local communities, particularly small scale fishing in more remote communities;
 - d. fisheries management integrated with marine conservation so as to maximise the long-term benefits from the marine environment.



5. The UK believes these aims can best be achieved through:
 - a. clear, prioritised high-level objectives, supported by longer term management and sound science;*
 - b. greater devolution of decision making to the regional sea level and below, with greater opportunity for, and responsibility to, the fishing industry and other key partners to help manage fisheries;*
 - c. greater freedom to the industry to transfer, buy and sell, fishing rights;*
 - d. greater certainty and stability for fishers on the rules under which they operate and on their fishing rights;*
 - e. any socio-economic support focussed on easing the transition to a more sustainable, prosperous future;*
 - f. an effective, integrated marine policy framework that reflects the synergies and tradeoffs between different uses of the marine environment and conservation; and*
 - g. coherence with wider international fisheries and development policy.*
6. These are the changes we need to the CFP which underpin the UK's response to the Green Paper. Evidence suggests that it is possible to achieve fish stocks at sustainable levels whilst increasing the economic viability of the sector. These two objectives are compatible and can be achieved through a more effective management framework.

Overcoming the failings of the policy (Section 4)

7. The Green Paper identifies 5 structural shortcomings in the current system of EU fisheries management:
 - a. fleet overcapacity;
 - b. unclear policy objectives or priorities;
 - c. short-term decision-making;
 - d. insufficient responsibility given to industry; and
 - e. poor or inconsistent control of, and compliance by, industry.
8. We agree with this list though we would argue that overcapacity and poor compliance are symptoms, rather than causes, of the weaknesses of the CFP. The basic failings of the CFP are its rigidity, short-termism and over-centralisation. The policy is excessively bureaucratic, imposing on fishermen complex and duplicative controls which are disproportionate, ill-fitting and very costly to enforce. Key decisions are still reached through a political process which operates in a top-down manner, prevents effective planning beyond the immediate annual cycle, lacks the flexibility to adapt to local circumstances and imposes legalistic and detailed rules. Instead, the CFP should encourage fishermen's enterprise, initiative and active engagement in the future of their industry. Improving the science and evidence base will support better decision making which is critical for the support and compliance needed to realise the benefits of fisheries management. The review presents an opportunity to remove the causes of those failings



and put in place a rational framework that will help deliver future sustainable fisheries. This framework will also need to include better integration with wider EU international and development policies.

Addressing fleet overcapacity (4.1)

9. The current framework is not maximising the wealth from our fish stocks or facilitating adaptation of our fleets. One of the consequences of this is that there is overcapacity in the EU fleet which the European Court of Auditors estimate to be at around 50%. The UK has already seen considerable reduction in the capacity of its fleets in recent years. Assessing the level of overcapacity is difficult and we recognise that it is not evenly spread across Member States or different types of fisheries. However it is clear that in general terms there is significant overcapacity and that current CFP structures provide disincentives for the industry to right size to match fishing opportunities. Scrapping or decommissioning schemes undertaken in isolation from market-based measures that allow fleets to adapt dynamically to changing economic circumstances do not address the root problem and will not therefore succeed. Policy makers and the industry itself increasingly recognise that continuing to impose ever tighter controls on fleets that are already struggling economically is not a permanent solution. The UK therefore believes we need to take a fundamental look at the way fishing opportunities currently operate in order to address the current issues that are perpetuating overcapacity in fleets across Europe.
10. The existing CFP allocates access to fishing opportunities on the basis of historic patterns dating back to the 1970s. That has meant that the EU fishing industry has adapted to relative stability over the years in terms of fishing practice and community dependence. However, relative stability is a static principle that is unable to take account of geographical changes in fish abundance. That situation will be exacerbated further by climate change, developments in fishing practices and technology and economic pressures to adapt or exit the industry. That would lead to an increasing discrepancy between the quotas allocated and fishing needs. It is an intrinsically rigid approach which fails to maximise the wealth of the fish stocks for the benefit of both the fishing industry and society. We need a less rigid policy that is sensitive to the evolution of fishing practices under relative stability and that encourages:
 - a. a more long term approach to stock management, especially in relation to recovery and management plans;
 - b. better integration between the system for allocating fishing opportunities and socio-economic and environmental policy; and
 - c. greater freedom for fishermen to transfer fishing rights in order to benefit from efficiency and innovation.
11. We are open to ideas on exactly how best we do this though it is clear that the current CFP system inhibits normal economic forces that are found in practically any other industry. We need to remove unnecessary or unwelcome constraints in ways that



promote greater efficiency, flexibility and innovation at the same time as conserving fish stocks. That means creating greater certainty, transparency and transferability of fishing opportunities so that fishermen are better able to make business decisions, plan for the longer term and are more likely to behave in ways that safeguard future fish stocks. Future management systems should place a greater emphasis on catches of fish rather than landings and must have effective controls and enforcement systems in place.

12. A range of options might be developed to provide flexibility. These range from adjustments to quota transfer systems all the way to fully developed user rights. The design of a more market based model would need to address the problems of the current CFP already identified as well as taking account of wider policy objectives. That is a perfectly rational approach on the condition that costs and benefits of any model are assessed effectively.
13. We do not underestimate the challenge of developing, agreeing and implementing radical change. It will take a willingness by EU and national decision-makers to free up the industry from current detailed, prescriptive rules, and a willingness by industry to take greater responsibility for managing fisheries for the long term. Without a new contract between fishers and policy makers, EU fisheries will continue to underperform in economic and environmental terms. Reform needs to recognise also that no one element of reform will operate in isolation.
14. A move to a system in which individuals have clearer rights to fishing opportunities which can be more easily transferred within the fishery, whether through buying, selling or leasing, would, the UK believes, allow the industry to be more responsive to market conditions and so lead to a better balance between the fish stocks in that fishery and the capacity of the associated fishing fleet. We recognise that achieving this will be difficult for some fisheries and that a period of transition may be needed to ease the process. As part of that transition it is sensible to consider ways of helping fishers leave the industry. Evidence shows that financial support for permanent scrapping of vessels has had limited success, with fishing effort creeping back up through technological advancements and re-investment into the industry with decommissioning funds. Financial support should, therefore, primarily focus on easing the process of transition for individuals and communities through measures such as re-training and transiting to more sustainable fishing methods.

Focusing the policy objectives (4.2)

15. The Green Paper recognises the need for the CFP to be clear about its high-level priorities, particularly the balance between environmental, economic and social objectives. This would avoid continuing confusion and argument about the setting of short term targets which largely serve to support current employment levels, at the expense of longer term aims such as stock sustainability and a viable industry for the long term because there would be a clear statement of the guiding principles.



16. The UK Fisheries Minister has already endorsed the Green Paper's statement that ecological sustainability is a basic premise for a stable economic and social future for European fisheries.

'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. We want a framework that enables us to achieve sustainable economic growth from ecologically sustainable fish stocks. We need to be prepared to set ambitious targets that ensure fish stocks recover and are kept at sustainable levels. That means looking beyond the 2015 WSSD commitment of MSY (Maximum Sustainable Yield) and being prepared to set challenging targets for 2020 or beyond.'

Huw Irranca-Davies, EU Agricultural and Fisheries Council May 2009

17. Achieving ecologically sustainable exploitation of commercial fish stocks is entirely compatible with securing greater economic wealth from those stocks. The report by the World Bank and UN Food and Agriculture Organisation, *Sunken Billions*, estimated the difference between potential and actual net economic benefits from global marine fisheries to be in the order of \$50bn per year. With the right governance and economic incentives the report concludes that a substantial proportion of the economic loss could be recaptured.

18. In short, the wealth of the fishing industry and the marine environment would both benefit from radically-improved management and governance. This can only be achieved by operating within ecological limits, defined by a need to avoid fishing beyond fish populations' capacity both to replenish themselves and deal with natural and man-made environmental perturbations. In this respect MSY should not be seen as a target for fisheries management but as a limit which we should not breach in delivering wealth from our fisheries.

19. The UK therefore believes that, at its heart, **the overall aim of a reformed CFP should be to optimise the renewable wealth of marine fish resources.** Accounting for the social and environmental values of the marine environment would mean that fisheries benefits would be maximised within the constraints required to achieve maximum benefits from all marine ecosystem services. This would be consistent with a move towards low exploitation rates and high stock levels whilst providing the framework for a prosperous and efficient fishing industry.

20. Though fishing is sometimes considered a relatively small industry, that importance can be heightened where there are strong cultural, social and historic links with communities, particularly in more remote, coastal areas where fishing is, and could remain, a viable long term activity. Member States may wish to develop and implement policies that support coastal communities, including ones that are heavily dependent on fishing. But we would challenge any proposal to use the CFP explicitly to protect fishing jobs for their



own sake. *We believe the right approach for the CFP is to focus policy objectives on enabling the fishing industry to maximise the sustainable wealth generation potential of marine fish resources and to adapt to new challenges.* Member States, within this framework, would be able to focus their efforts on working with the industry to drive sustainable fisheries and wealth generation, reversing the trend of long-term decline of past decades.

Focusing the decision-making framework on core long-term principles (4.3)

21. *The UK supports a commitment towards longer term management plans for all stocks and away from annual negotiations at Council over detailed issues. But, we need to go further and develop a policy and operational framework which makes clear the roles and responsibilities within the decision making process. High level aims and objectives for EU fisheries would be set at EU level but in view of the diversity of fisheries, and the importance of taking the right decisions at the right level to produce the necessary understanding and compliance, it does not make sense to attempt to manage them from Brussels. A successful reform of the CFP must therefore deliver less centralised top-heavy decision making.*

22. *We believe part of the answer is to develop a more regionalised approach.* The UK Prime Minister's Strategy Unit's study of fisheries, Net Benefits, concludes that sustainable management is most likely to be achieved inside a reformed and regionalised CFP. As Commissioner Borg himself said at this year's ICES Annual Science Conference:

“...there is a persuasive argument in favour of regionalisation as it can bring both policy-making and implementation closer to the people, and the seas, which they affect. One possibility would be for the Council to continue to set the general framework for fisheries policy on the basis of a Commission proposal. Detailed implementing decisions, for example, on types of gear or on which area should be closed to fishing and when, could then be taken at a regional level . . . Allow me to illustrate what I mean with a specific example: we could, just as an idea, start off with a Community-wide principle which says we will not fish a certain species above its maximum sustainable yield, beyond a certain point in time in the future. At a regional level, we would then need to flesh out what that principle really means in practice for that particular regional ecosystem given its fleet levels, fishing practices, fishing seasons and so on.”

23. The UK sees a number of benefits of a more regionalised approach to fisheries management including:

- policies tailored to suit characteristics of specific fisheries;
- closer involvement of – and buy-in from – industry and other stakeholders;
- co-ordination of regional compliance and science resources;
- more responsive management;



- better integration with Member States', or regional, marine plans and environmental strategies including under the Marine Strategy Framework Directive;
- stronger focus on longer term management goals and outcomes;
- move away from politicisation of traditional annual fisheries negotiations.

24. The UK has undertaken preliminary work to develop ideas about how a regional model might look. One possible model is presented in Annex A. We would expect overriding goals to continue to be set and agreed at EU level. We would expect these to include setting targets for the sustainable harvesting of commercial stocks, articulating the EU's commitments to reducing discards, and the CFP's essential contribution to achieving Good Environmental Status under the Marine Strategy Framework Directive. The fisheries tools used to achieve these high level goals are a shared competence between Member States and the EU. The choice and implementation of these tools should, we believe, reflect the nature of the fisheries, taking account of factors such as fish stock status, fishing circumstances and socio-economic conditions and aspirations.

25. There are still many issues which need to be answered, for example, we would need to consider how a regionalised approach would work in relation to fishing countries, such as Norway, which are not members of the EU but which jointly manage important stocks. Similarly, we need to be clear about the respective roles of the EU institutions – Council of Ministers, Commission and European Parliament – along with Member States. We will also want to consider further the role of Regional Advisory Councils (RACs) and Producer Organisations, or equivalent bodies, which will be pivotal in engaging grass roots fishers with the regional process.

26. We recognise that a regional approach must fit within the current legal and institutional framework. The model at Annex A aims to do that. It is not the only way of delivering the desired outcomes and we would welcome alternative ideas. We look forward to discussing our initial thoughts with you and to hear about alternative ideas from the Commission and other key partners.

Encouraging the industry to take more responsibility (4.4)

27. The current system of prescriptive and detailed rules and regulations gives the fishing industry little if no incentive to innovate or take responsibility for the outcomes Government and society want. *We need to work in partnership with the industry and other key partners in developing a management framework in which fishers have an overriding incentive to protect the health of fish stocks and the marine environment as a fundamental precursor for a long term viable business proposition. As the Green Paper identifies, there are two aspects to this, responsibility and rights.*

28. In relation to responsibility, regionalisation should enable greater engagement with representatives of the catching sector, the fishing industry more generally and with key environmental and other interests. *We need to go further and give back more control to*



fishers to decide the best technical measures for achieving centrally agreed objectives. In return for this greater freedom, there should be a clear responsibility on fishers to demonstrate effective implementation of regional and local plans. A reformed CFP should set limits on certain key issues such as discards and by-catch and, at the same time, give fishers greater opportunity and incentives to devise their own means of achieving evidence-based results with a clear requirement to have input from scientists and other experts to achieve these results. ***The UK therefore supports moves towards results-based management based on sound evidence as a way of both giving more control back to fishers and focussing more strongly on the results or outcomes we all want to see. There will of course need to be appropriate safeguards put in place to take action in the event that key objectives are not being met.***

29. The unacceptably high level of fish discards is a reflection of the failure of the present system. Simply imposing a discard ban will not, in our view, eliminate the problem. Greater flexibility to transfer fishing opportunities combined with a greater emphasis on catch limits as opposed to landing limits, offers the potential to tackle discards more effectively. That system would help to minimise discards of commercial stocks, and indeed would provide strong incentives to reduce discards to levels consistent with maximising the overall value of the fishery, i.e. minimising over-quota discards, and providing a strong incentive to avoid high grading and the capture of immature fish. In addition, the UK believes that the focus on reducing discards should not be restricted to commercial stocks. There needs to be a clear commitment in a reformed CFP to reduce the incidental catch of all marine species, including seabirds and cetaceans. We want local fishermen to find their own solutions to the discard and bycatch problems specific to their fisheries. A regionalised CFP should be designed to make that happen.
30. The current system of giving free rights to fishing opportunities on the basis of historic activity, a fundamental part of the existing CFP, has helped to secure the interests of vulnerable fishing communities. However, it has perverse effects in denying fishers the benefits due to them from innovation, efficiency and good practice. Part of the answer may, as the Green Paper suggests, lie in a new deal with the fishing industry in which Member States seek to share the costs of fisheries management with the catching sector rather than tying fishers up in bureaucratic rules and placing the management costs on taxpayers. In return for sharing the costs fishers would acquire a right to participate in the setting of management measures and would receive the security of a lengthy term of access that would provide the stability to enable them to plan their businesses beyond the next few months while also giving them a real stake in the longer term conservation of fish stocks.
31. The Green Paper is right to ask about how the catching sector might best be structured to take responsibility for self-management and about the role of Producer Organisations (PO's). In a regionalised management structure, ***PO's, or equivalent bodies, could have a key role to play in promoting and co-ordinating action on a fishery-by-fishery basis including the preparation of fishery management plans which would support delivery of the measures and targets in regional plans. They could have a stronger role in supporting fisheries to maximise economic return through control of supply and***



development of niche marketing opportunities for example through certification, accreditation and traceability initiatives. Such a role for POs would require a robust accountability framework including clear criteria for recognition and for holding POs to account. Reform of the CMO which provides the current framework under which POs operate should be considered in parallel with reform of the CFP.

Developing a culture of compliance (4.5)

32. We would agree with much of the content of the EU Court of Auditors Special Report No 7 highlighting weaknesses in the EU fisheries control regime. We would also agree that in the light of these shortcomings the Commission's decision to press ahead with urgent reform of the fisheries control regime in advance of more widespread CFP reform was the right one. With regard to possible further improvements in data collection, this can best be achieved by the extended use of new technologies, particularly electronic logbooks which would not only improve the accuracy and timeliness of catch reporting but would ultimately reduce administrative burdens for both fishermen and administrations.
33. The Green Paper asks which enforcement mechanism would best ensure a high level of compliance. We think 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. However within that broad framework there should be room to allow individual national authorities to adopt a risk based approach which enables the most effective use of national enforcement resources and to cater for regional differences. We think that it is appropriate that access to Community funding should be dependent upon effective compliance with the rules of the CFP, provided that the withholding of funding is proportionate to the scale of the non-compliance and that there are adequate safeguards in place to prevent funding being withdrawn prematurely. The provisions in Article 103 of the new Control Regulation in our view satisfactorily address these points.

Further improving the management of EU fisheries (Section 5)

A differentiated fishing regime to protect small-scale fishing (5.1)

34. The Green Paper floats the idea of differentiated management regimes – one for the large scale fleets with a focus on market-based systems and economic self reliance and another for artisanal or small-scale fleets in coastal communities with a focus on social objectives. However, as the Paper itself recognises it is not clear how artisanal fleets would be defined, or how a differentiated regime would work in practice. The Green Paper is also right to highlight the risk of the aggregated impact of small scale fishing on fish stocks and the marine environment.



35. Defra's discussion document and the UK's initial position statement on CFP reform recognise that fishing vessels of all sizes can, often in smaller and/or remote, coastal communities offer wider social, cultural and economic benefits. In addition, 'Net Benefits' indicated that in some circumstances it may be appropriate to have a social policy to help smaller and more vulnerable communities continue to have access to fishing opportunities. That would offer, at least for a transition period, protection from the full exposure to market forces. Clearly the long term aim is for all elements of the fleet to be economically viable in a market-based system which allows them to extract the maximum wealth from the fisheries they access. It is important that any future policy framework supports and promotes this - small scale or artisanal fleets are wholly compatible with this objective.
36. It is clear that any future policy framework for small-scale fisheries must actively promote viable business propositions, and not lead to an approach that perpetuates a situation where public funding is required to sustain vessels and/or businesses which would otherwise be unviable. The UK believes that any public support should be directed toward developing more financially sustainable futures and delivering on the objectives of a reformed CFP by helping businesses to adapt, diversify and to maximise the value from the fish they catch whether through local or 'niche' markets or through mainstream supply chains.

Making the most of our fisheries (5.2)

37. One of the key priorities of CFP reform 2002 was to move towards a longer term perspective on fisheries management by introducing recovery and management plans. ***The UK strongly supports the move towards longer term management plans, including regional fisheries plans, but wants to see more rapid progress, recognising practical challenges, including scientific and other resource constraints.***
38. Management plans currently focus on single stocks, incorporating little more than an annual harvest control rule. They do not account for the interactions with other stocks and the ecosystems in which our fisheries operate. There are too many uncertainties associated with stock assessments and insufficient use is made of the fleets prosecuting fisheries as a source of data. Consequently, the industry has little confidence in much of the data. We should embrace the valuable resource that fishing vessels provide as a source of data and there should be greater engagement of fishers in the collection of evidence and data. A system should be put in place to more actively use information derived directly from active fishing vessels to improve the integrity of the evidence base and to better inform the management planning process.
39. We should build on initiatives such as the UK's Fisheries Science Partnerships to promote better engagement between scientists and industry. Regionalisation offers an opportunity to help drive the change towards more longer term management planning, which considers the unique environmental conditions and complex fisheries interactions



found in diverse ecosystems across the Community, and to engage the industry and experts associated with each fishery. It would also be consistent with a move towards regional fisheries plans which take a more holistic ecosystem approach than single fish stock plans delivered with consideration of local context. This would not negate the need for Community level objectives both to provide for more sustainable fisheries and the conservation of vulnerable species, but strengthen the delivery of these objectives.

40. The Green Paper proposes a cheaper and simpler CFP, which we endorse, so careful consideration needs to be given to the preparation and implementation of long term management plans in ways that are timely and cost-effective. We also need to think about how a finite scientific resource might best be used to help prepare plans and whether we need to structure the Communities scientific resources accordingly.
41. As discussed in relation to section 4.2, focusing the policy objectives, we accept the need to make progress on moving towards MSY by 2015. Whether MSY, a target appropriate mainly to the management of single species fisheries, is the best overall target, or limit, in the longer term is open to some debate. We suggest that a framework that provides the incentives to move to lower exploitation rates and higher stock levels may provide a better approach in the long term by focussing on maximising economic returns within ecologically sustainable limits. Those limits, rather than targets, should take account not only of the need to avoid overfishing but also the need for marine ecosystems to be robust to environmental change, and the need to consider the effect of fishing on non-target species and the wider environment. Whichever target, or limit, is used, there needs to be acknowledgement of factors, besides fishing, that affect fish stocks or movement, including trends in sea temperature or acidity.
42. The Green Paper floats alternatives, or additions, to the total allowable catches (TACs) as the main fisheries management tools, including effort controls. We can understand the short-term attraction of moving to effort controls for mixed fisheries particularly given the perverse incentives involved in the current system. However, both the economic theory and practical experience show that this system is unlikely to deliver benefits in the longer term, and results in an overcapitalised and inefficient industry with high monitoring and enforcement costs. The effort management regime for the Cod Recovery Plan has proved administratively complex and costly. As such it runs counter to the need to simplify and reduce the regulatory burden of the current CFP. Imposition of an effort management regime at EU level would not be sensible and would be at odds with the need for a reformed CFP to provide greater flexibility and devolved responsibility for management of individual fisheries.

Relative stability and access to coastal fisheries (5.3)

43. We agree with the Green Paper that the way in which the principle of Relative Stability has been applied has had both merits and drawbacks for fisheries policy and for fishers themselves. It has the advantage of providing a means by which fishing opportunities can be consistently and predictably shared between member states on the basis of their



historic dependence on, and use of, fisheries. That is important in providing a degree of fairness between European fishing communities. Any changes which abandoned the benefits of Relative Stability would be unacceptable. At the same time, as the Green Paper says, the allocations are now based on patterns of fishing more than 25 years ago and the picture has become increasingly blurred through the overlay of instruments such as effort controls. Applied bluntly without flexibility or updating, Relative Stability risks inhibiting effective market operation by constraining the ability of the industry to make the structural changes needed to better reflect market demands, cut costs, seize new opportunities and make best use of new fishing practices.

44. The United Kingdom is therefore prepared to participate in discussions to consider whether more market based models, in which fishers have greater freedom to temporarily or permanently transfer, buy and sell fishing opportunities, can be developed in ways which respect the benefits of Relative Stability.
45. On the question of the 12 nautical mile zone, the UK would wish to see at least continuation of current arrangements by which fishing activity is restricted mainly to Member States' fleets (with exceptions between 6-12 nm for specific historic access rights of other fleets). However, those fishers that have rights to access the 6-12 mile zone of other Member States should accept the responsibility that comes with those rights. The requirement for Member States to submit proposals for the protection of the marine environment in the 6-12 mile zone through EU institutions is disproportionate. Under a reformed CFP, where a MS presents a satisfactory scientific case demonstrating that fisheries restrictions are needed to meet WSSD and/or MSFD objectives, and where the measures do not discriminate between Member States, proper integration of marine policy requires a more effective procedure for the European Commission to secure adoption of those measures through consultation with affected Member States, Comitology or a more streamlined regionalised framework in the future.

Trade and markets – from catch to consumer (5.4)

46. The UK endorses the Green Paper's assessment of the growing consumer and retailer demand for fish that comes from sustainable fisheries. This demand cannot be met by sourcing fish from poorly managed fisheries, and therefore the CFP must be reformed in such a way that it drives sustainable, long term management of fish, both within the EU and globally. Cross cutting work between DG Mare, DG Development and DG Trade would be needed to co-ordinate an EU wide policy on global subsidies, regulations and third world partnerships to ensure the sustainable future of fisheries and fishermen.
47. In the wider food security and sustainability agendas that are coming to global attention, fish as food is in danger of being sidelined. A reformed CFP that is designed to sustainably manage fish stocks at home and improve global traceability is important to prevent wild caught fish swiftly becoming an irrelevancy as a sustainable and secure source of protein for Europe and the world.



48. As discussed in section 4.4, the UK believes that POs, or other bodies, can and should have a key role to play in development of fisheries management plans which would deliver on overall stock sustainability objectives but also actively manage supply and develop strong marketing opportunities for example through certification and traceability initiatives that ensure economic returns are maximised. Such a role for POs would require a robust accountability framework including clear criteria for recognition and for holding POs to account. Reform of the CMO which provides the current framework under which POs operate should be clearly aligned to the reform of the CFP. We would be happy to work with the Commission on developing these ideas further.

Integrating the CFP in the broader maritime policy context (5.5)

49. *We agree with the Green Paper that the reform of the CFP provides a means to integrate management of EU fisheries within EU and international commitments to broader marine environment policy. If the current reform fails in that, the legacy of 2012 reform will be a fisheries policy and industry marginalised from increasingly integrated marine management, whose participants, including the public, will not accept the continued refusal of the CFP to deliver wider socio-economic benefits. It is essential that marine policies and their implementation are integrated to maximise the benefits, minimise the costs and reduce conflicts between users of the marine environment. This needs to be turned into reality through explicit mechanisms within the CFP to deliver the Marine Strategy Framework Directive and to support EU Maritime Policy through implementation of marine spatial planning at the national level.*

50. In that context, CFP reform should provide a framework by which fisheries are able to optimise their economic performance consistent with the overarching objective of maximising the wealth and other benefits generated by the whole range of marine ecosystem services, including non-fish flora and fauna, habitats and features. Achievement of Good Environmental Status (GES) for EU waters under the Marine Strategy will rely on broad measures of the integrity of the marine ecosystems including foodwebs, biodiversity and habitats as well as the status of commercial fish stocks.

51. Fishing activities not only impact on commercial stocks but have major impacts on these other elements of Good Environmental Status. The UK considers that the current distinction between fishing policy and broader environmental policy is therefore unsustainable and supports the move to integration signalled by the Marine Strategy Directive and international commitments. Since Member States have a legal duty to implement the Marine Strategy Directive, a reformed CFP must not simply permit, but rather facilitate Member States' implementation of measures to achieve GES, in particular fitting in with the regional co-ordination mechanisms that that entails.

52. The UK therefore believes that, under a reformed CFP, Member States should be able to propose measures that are, in its view, necessary to fulfil international commitments such as the establishment of global networks of marine protected areas by 2012 to achieve



GES, for those areas in which the obligations apply. The CFP should be structured to provide a presumption in favour of accepting those proposals provided they are based on robust scientific evidence, with a mechanism to provide appropriate safeguards for other Member States. The proper integration of fishery and environmental policies is not a task that can be achieved by either the Fisheries Council or the Environment Council alone. We therefore need to identify, or if necessary create, a forum that includes both environmental and fishery expertise in which to consider the issues raised by such Member State proposals.

53. This implies moving to a way of managing the marine environment that is more ecosystem focussed. A move that can only be made through an appropriately structured governance system. Only within a forum that can take account and reconcile these competing objectives can decisions be taken which meet Community and global objectives to manage our marine resources sustainably.
54. As set out in the Green Paper and the EU Blue Book, fisheries also need to be better integrated into broader maritime activities. The marine planning processes being put in place now in the UK are consistent with this approach, and are the first example of such legislation in the world. The Marine and Coastal Access Act passed into UK legislation in November 2009 and further specific legislation is being prepared in Scotland, Northern Ireland and Wales. That legislation is a clear commitment by the UK to integrate the broad range of competing activities in the marine environment through marine spatial planning.
55. A reformed CFP needs to take account of climate change and its interaction with fisheries. We recognise this is a complex issue but nevertheless the EU has a clear policy framework which includes the need to adapt to and mitigate climate change. The Common Fisheries Policy therefore needs to be sufficiently flexible, through access arrangements and management planning processes, to respond to the impacts of new marine renewable energy activities. It also needs to allow for adaptation of activity to the probable changes to distributions of commercial fish species. In addition, changes in temperature and ocean acidity are likely to have stressing effects on marine ecosystems. Management of fishing pressures will need to ensure ecosystems which are vulnerable to climate change are not unduly damaged.

The knowledge base for the policy (5.6)

56. The UK strongly supports the need for robust, up-to-date information and evidence to support policy decisions which affect both fish stocks and the ecosystems they inhabit and the livelihoods of fishers. We do not believe current arrangements always provide appropriate or sufficient evidence on which to base such decisions.
57. We are the first to acknowledge the professionalism and expertise of biological scientists and other experts, but consider that the short-term perspective of current management regimes may not be ideal. For example, ICES provides scientific advice on catch levels for the year following advice and for those stocks currently outside safe biological limits,



this tends to lead inevitably to recommendations for draconian action regardless of the impact on fishers and their communities. *A more sensible approach for such stocks may be to seek advice on stock recovery over a longer specified time period, perhaps up to 10 years with a suitable review periods.* This would allow fisheries managers and the industry to develop and agree actions that delivered stock recovery in ways in which generated greater involvement and buy-in from fishermen themselves.

58. Ensuring policy decisions are consistent with achieving and maintaining ecological sustainability should remain the key focus of CFP. But it is important that industry and other stakeholders have the chance to provide views and information including on economic and social factors that should be taken into account in those policy decisions.
59. The UK has developed Fisheries Science Partnership programmes whose aim is to improve joint working and understanding of fisheries science between scientists and the industry, and with other interests. We believe there is considerable scope for involving fishers more fully and more routinely in data gathering and other research. There should be full consideration of the most effective ways in which fisheries dependent data can be incorporated into the decision making process and supporting scientific assessments.
60. The UK would welcome the opportunity to work with the Commission and the scientific community to build on the strengths of the existing system in order to develop new ways of working, significantly through a more regionalised management framework, that enable more effective integration of biological and economic information and better understanding between scientists, policy makers, industry and other key stakeholders.

Structural policy and public financial support (5.7)

61. Review of EU structural funds is, strictly speaking, outside the scope of the CFP reform process but is clearly relevant to it and is running to broadly similar timetables; current funding levels under the European Fisheries Fund (EFF) are set for individual Member States until 2013. The existing EFF is too broad with too many interventions, including operational subsidies such as tie up aid and other measures such as engine replacement which are inconsistent with our longer term objectives to move to a more market-based system. *The UK welcomes the opportunity to work with the Commission and other Member States to develop ideas on how the current EFF could be developed to best support objectives of a reformed CFP*
62. For the UK, one of the key objectives of a reformed CFP is sustained economic viability which means an industry that is robust, resilient and flexible enough to be able to withstand economic shocks such as changes in fuel prices. Therefore, *in the longer term it should be the aim of both policy makers and industry to phase out permanent fisheries subsidies*, although clearly there could be a role for on-going adaptation support.



The external dimension (5.8)

63. The main objective for activities under the external dimension of the CFP should be to extend the principles of sustainable, responsible fisheries internationally. *A reformed CFP must aim to promote coherence between fisheries policy and wider international development policies, for example by prioritising the promotion of effective fisheries governance across the globe.*
64. The emphasis of the Commission's external policy has, in the past, tended to be access to third country waters and fishing opportunities. The Commission needs to turn into reality the current CFP third country fisheries policy commitment to improved global fisheries governance and linked development agendas. We need to consider how a reformed CFP can best support wider initiatives such as food security, traceability and development.
65. With an absence of good fisheries governance across the globe, EU food security is at risk and is a principle concern for future food security. As the world's biggest importer of fish the EU should build on the work of the IUU regulation to help improve global fisheries management. In particular, further support may be needed to enable African Caribbean and Pacific (ACP) and other developing countries in improving fisheries governance, management and monitoring, surveillance and control. In addition further support is needed to such countries to meet the requirements of the EU's IUU regulation, encouraging trade in fisheries products based on sustainable fisheries practice.

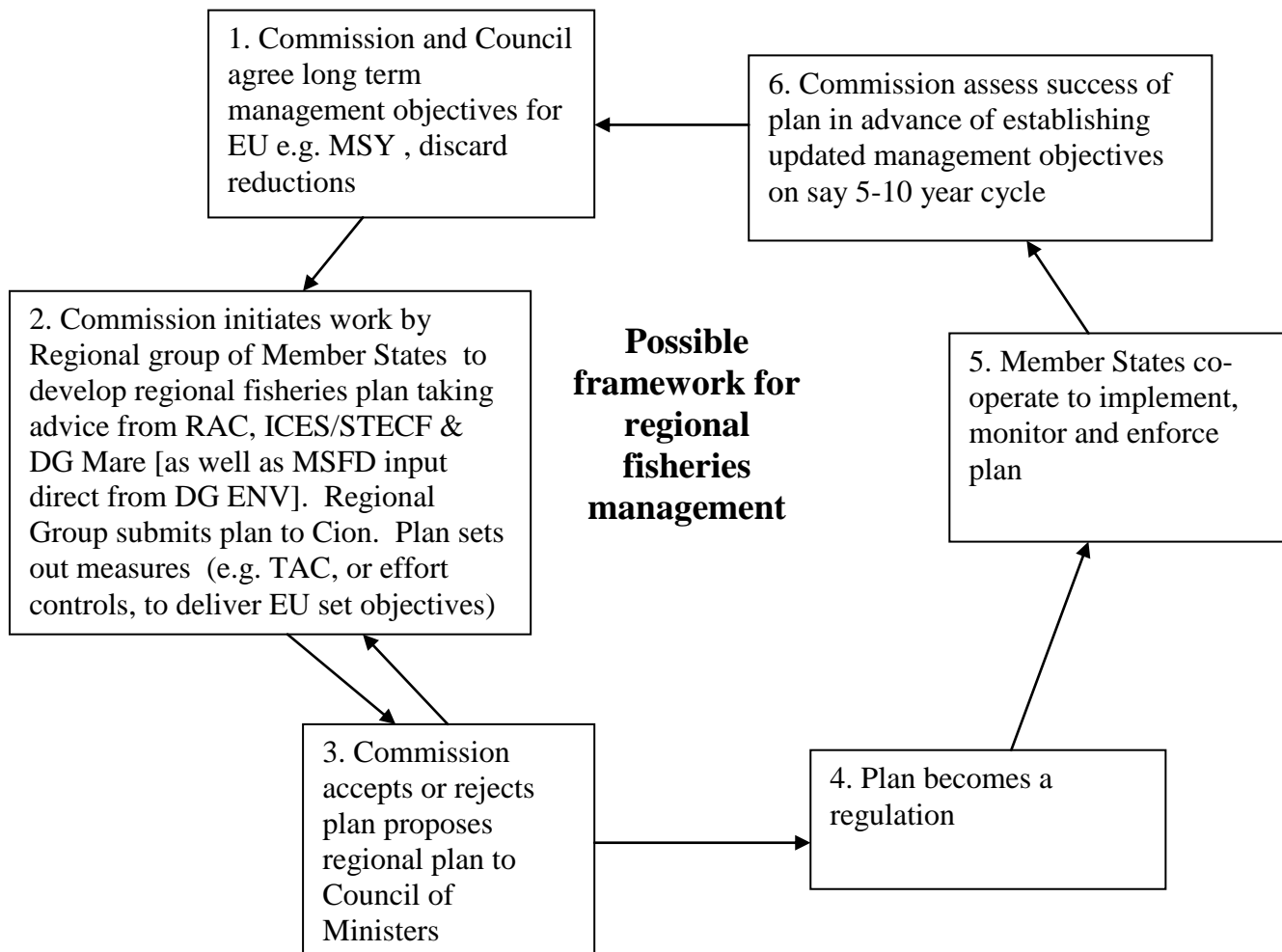
Aquaculture (5.9)

66. The UK Government welcomes the publication of the Commission's strategy *Building a sustainable future for aquaculture*, the conclusions from which the European Council adopted in June. The UK recognises the important role that aquaculture has to play in supplying consumers with sustainable fish and shellfish products. Any consideration of aquaculture's role must be linked to the sustainability of the sector, both in economic and environmental terms, for example fish meal and oil should be sourced from sustainable fisheries. The UK considers that the Community should continue to support efforts to encourage the sourcing and production of alternative sources of protein to supplement the nutritional needs of farmed aquatic animals and that research into this should be supported. The UK Government also supports the efforts to encourage growth within the sector. However, it is important to underline that aquaculture remains to a large extent within the remit of national competence and the UK would not favour significant state aid or intervention. We want to avoid a CAP type regime being introduced, but would seek to secure greater flexibility to increase the types of eligible projects under community financial instruments.



Annex A: Developing a regionalised approach to management of EU fisheries: a possible way forward

1. We do not have a firm view on the exact model of regional management but certain principles are vital to underpin the effectiveness of any devolved decision making framework. These are
 - Setting overarching objectives at the EU level based on proposals from the European Commission, previously agreed with regional Member States and associated industries, stakeholders and experts.
 - Regional level to develop overarching plans for fisheries management units taking into account environmental obligations, stock interactions and measures to reduce unwanted bycatch.
 - Producer Organisations, or equivalent bodies, developing specific details of fisheries management objectives in fisheries in which they have an interest.
 - That there must be a clear and transparent mechanism by which regional Member States and the European Commission agree to the content of longer term management plans to be proposed to the European Parliament.
2. Those principles would be applicable regardless of whether the regional areas were based on current RAC groupings, the new ICES eco-regions, MSFD regions or more broadly, for example, on the NEAFC sea area in co-operation with coastal states. Though on the latter concept, or any framework that seeks to engage third countries, consideration of the application of EU processes will need to be carefully considered.
3. The model described below is based on the premise that the EU sets biological and ecological targets in the form of long term outcomes. It would be for Member States working in co-ordination at regional sea level, and taking advice from RACs and others, to manage fisheries to achieve these agreed outcomes. They would draw up, in response to a request from the Commission, regional longer term management plans. Greater involvement of stakeholders at a regional and local level will help in the design of measures, harnessing industry innovation and achieving greater buy-in and compliance. Member States will be required to implement these plans and in doing so would be able to mitigate negative social or economic impacts associated with reduced fishing opportunities.
4. It will be important that the European Commission is able to monitor the implementation of these plans. That does not mean that the achievement, or failure to achieve, overarching objectives should mean success, or failure. There should be clear indicators developed with the plans that offer a means by which to measure implementation of the agreed plans.





5. The proposed regional approach described above is intended to provide a basis for further discussion. We know there are important questions that need to be answered before a regionalised CFP could be implemented. For example, we need to be clear about the respective roles of Commission, Council, European Parliament, Member States and Regional Advisory Committees, and how well a regional model could fit within existing legal and institutional framework. We would also need to consider how a regional approach would ensure all relevant interests had the opportunity to participate and that the regional plans deliver a more integrated marine policy. And we need to consider the need for a transitional period, whether some regions of the EU might develop regional plans ahead of others and the level and type of support required to make a successful transition.
6. The UK would be pleased to work with the others to develop a regional framework that works for the benefit of the fish stocks and the environment upon which they depend, of the industries that rely on them, and of Ministers and officials responsible for managing the fisheries.