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2009

**COMMENTS ON THE EUROPEAN COMMISSION'S
2009 GREEN PAPER ON THE REFORM OF
THE COMMON FISHERIES POLICY**

BY THE DANISH FISHERIES SECTOR ORGANISATIONS

The Danish Fishermen's Association

The Danish Fishermen's Producer Organisation

The Danish Pelagic Producerorganisation

The Skagen Fishermen's Producer Organisation

The Association of Fish Meal and Fish Oil Manufacturers in Denmark

The Association of Danish Fish Processing Industries and Exporters

THE DANISH FISHERIES SECTOR'S CONSULTATION ON THE EUROPEAN COMMISSION'S 2009 - GREEN PAPER ON THE COMMON FISHERIES POLICY

It is very difficult to contribute to the consultation about the European Commission's Green Paper dealing with issues such as greater involvement of stakeholders in the CFP in the political negotiating climate that has prevailed in 2009.

Despite the proclaimed good intentions on the involvement of stakeholders, it has been a characteristic of the fisheries policy in 2009 that only to a very limited extent has the sector's views been listened to, and in even fewer cases actively used and acted upon.

- Technical rules about tools and closing periods in the Baltic Sea .
- Control Regulation.
- Technical conservation measures.

These are just some examples of legislation - or, as regards the technical rules, an attempt at legislation - without adequate consideration for the fishing industry's views.

Add to this the complexity of negotiations on the management and implementation of kilowatt days at sea, where many months have elapsed, and it is clear that it does not seem most urgent to discuss fisheries policy after 2012.

A number of meetings on the Green Paper have been held in Denmark. The urgent, topical issues, however, overshadowed the debate on the Green Paper.

December 2009.

THE DANISH FISHERY SECTOR'S DEMANDS ON THE REFORMED COMMON FISHERIES POLICY AFTER 2012

It must be emphasized in (the objectives of) The Common Fisheries Policy that fishing is a legal, economic activity, where fishermen have the right to exploit marine resources. It must be further emphasized that all fisheries are equal: Small scale, medium size, big; fisheries with all types of gears; fisheries for human consumption as well as for reduction into fish meal and fish oil.

The Fisheries Policy must break down the wall which has been built between the sector and the political system.

The fisheries sector, and thus the fishermen, must be more involved in fisheries policy – transfer of the responsibility back to the sector.

It must be negotiated and decided what role the ACFA (Advisory Committee on Fisheries and Aquaculture) and RACs (the Regional Advisory Councils) shall play, and the advice given by the ACFA and RACs must formally be taken into account and acted upon in the decision making process.

The Fisheries Policy must recognize the differences that exist between countries in terms of development - we are "in place" as regards fleet reduction (capacity of the fleet) in Denmark.

It is important to stress that there are differences between technical capacity and economic capacity. The pelagic fleet has very large vessels which can optimally exploit the stocks in the concentrated seasons and land catches in optimal quality. On the other hand they may not always find employment all 12 months of the year. There is a spare capacity (technical overcapacity), but when the fleet is economically viable, there is no economic overcapacity.

In the daily fisheries management it must be up to individual Member States to define the management and the definitions, and to decide what special conditions, such as economic and/or fishery related priorities, shall apply to each group of fisheries, including coastal fisheries.

The future fisheries policy must continue to be based on TACs and quotas and relative stability. Effort management systems, such as kilo-watt days-at-sea must be phased out of the CFP by 2013.

More direct involvement of the sector in the formulation of common policy and management will contribute to reducing discards significantly. (Trials of) results-based management should be promoted as much as possible. This will necessitate revision of the control regulation, regardless of the fact that it was only adopted by the Council in the autumn of 2009.

With imports accounting for 64% of the fish consumption in the EU, it is important that the Danish fish processing industry and Danish exporters have access to the necessary quantities of imports to satisfy market demands. In order to secure employment raw materials for processing must be guaranteed duty-free access.

In the common maritime policy it must be ensured that "other uses of the sea territory than fishing" does not hinder the continuation of fishing activities.

"Fishermen-scientist" cooperation must be promoted politically and economically (through funding from the future EFF and from research funds), so that the basis of advice can be brought more in line with (the real) conditions in the sea and over time get closer to the time of application.

The catching sector must be directly involved in advising (both on the stocks and on fisheries) in ICES and in the follow-up economic/technical in STECF.

The Northern fishery agreements, including the agreement with Norway, are of essential importance for the fisheries of a large number of member countries, also after 2012. Consequently the necessary resources in the fisheries policy must be ensured to continue these agreements, and also the efforts of RFMOs should be a priority in the future Common Fisheries Policy.



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BY THE DANISH FISHERIES SECTOR ORGANISATIONS (DFO):
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INTRODUCTION

The above organisations in the Danish fishing industry - DFO - welcome the European Commission's Green Paper, which calls for a debate on the future Common Fisheries Policy. In particular we welcome the Commission's call for a discussion of all aspects of fisheries policy.

DFO has contributed to the Green Paper debate in the various organisations where DFO is represented: EUROPECHE/Cogeca, European Association of Producer Organisations, AIPCE, Advisory Committee on Fisheries and Aquaculture, Baltic Sea Regional Advisory Council, North Sea Regional Advisory Council, Pelagic Regional Advisory Council and is thus "signatory" to the contributions on the Green Paper from these organisations. DFO has also participated in various conferences, seminars and consultations, including meetings with Commission staff, and has explained our positions and views.

The views put forward in the following text are the views of the Danish fisheries sector - without regard to coordination with other stakeholders.

THE GREEN PAPER CHAPTERS 2 AND 3 INTRODUCTION, THE CURRENT COMMON FISHERIES POLICY AND ITS RESULTS

DFO is of the opinion that the Green Paper presents too negative a picture of fishing - in fact an alarming picture, which gives the industry a negative image (an image which in fact the sector does not have according to the recent study carried out by Nielsen Consulting in 5 European countries).

The Commission should avoid making generalisations on “overfishing” and “overcapacity” and should instead deal with the different individual fishing areas and the individual fisheries. In many ways Denmark has implemented legislation and structural adjustments in the fisheries sector, which means that we are “in place” in relation to future challenges in the fisheries policy.

The reform, which was agreed under the Danish Presidency of the EU in 2002, has resulted in several positive developments:

Stakeholders have a greater influence on the development of the CFP through the Advisory Committee for Fisheries and Aquaculture (ACFA) and the Regional Advisory Councils (RACs).

Many stocks are now subject to management plans – multiannual management, which has been called for since the 1993 revision of the policy.

A number of member countries have sharply reduced their fleets – most drastically Denmark – in order to achieve a balanced relationship between fleets and resources.



For many fish stocks, including those subject to recovery or management plans, there has in recent years been significant improvements – resulting in repeated quota increases. This also applies to some of the key cod stocks.

Against these positive developments it is regrettable to note that the long awaited reform of The Common Organisation of the Market (CMO) has been postponed so that it will be implemented in parallel with the overall reform in 2012. Contrary to this, the new control regulation has been “forced through” without regard to the overall reform. By forcing the new control regulation through the reform of the common fisheries policy has been locked in several ways, especially regarding increased self-management and added responsibility for the fishing industry in connection with Results Based Management.

The Green Paper clearly “blames” the fishery for the stock situation and postulates that most fish stocks are depleted. These allegations are simply not true, but merely reflect the fact that the evaluations of stocks and fisheries over the years have been characterized by continuously “moving the goalposts” and “raising the bar”, and lately by measuring in relation to future objectives (MSY in 2015).

” *The catching sector must be directly involved in advising both on stocks and on fisheries in ICES and also in the follow-up economic/technical advice in STECF.*

The Green Paper highlights correctly that the current fisheries policy is characterized by top-down detail-driven policy (Council of Ministers) and that this way of conducting a common fisheries policy is neither desirable nor possible in the future.

DFO share this view and believe that the only way forward is to move the decisions, in and on the common fisheries policy, closer to the sector with the stakeholders actively involved in decision making, both regionally and nationally, of course. In many ways (most?) there is no common policy and a common policy cannot be established, the conditions and circumstances of European fisheries simply do vary too much: from area to area - the Black Sea to the Baltic Sea - from fishery to fishery - coastal Cofradías in Spain to pelagic fisheries in Northern Europe - from quota-based fisheries in Northern Europe to the effort-based (or not regulated) fishing in the Mediterranean (apart from tuna, which is unique).

GREEN PAPER, CHAPTER 4 STRUCTURAL FAILINGS OF THE POLICY

The Commission identifies a number of structural failings of the common fisheries policy. DFO agrees with the Commission's overall declaration, but must point out that the picture is far from uniform.

4.1 | Fleet overcapacity

There is excess capacity, yes. In Denmark, however, the situation is that we have adjusted our fleet to the fishing opportunities we have.

” *The fisheries policy must recognize the differences that exist between countries in development of the structural policy - we are in place in terms of fleet adjustment in Denmark.*

We can only encourage other countries to bring their fleets down to match the resources available to them. Whether this will be done by the use of public scrapping schemes (where you take the most unproductive capacity out first) or through private arrangements, for example. Rights Based Management, such as ITQs, IQs, licenses or similar measures resulting in “private scrapping” must be up to individual countries.

It is important to stress that **Denmark cannot participate in further (general) adjustments** - other than those which might result from our national management arrangements - **we are in place in the EU context.**

” *It is also important to underline that there is a difference between technical capacity and economic capacity. The pelagic fleet has very large vessels which can optimally exploit the stocks in the concentrated seasons and land catches in optimal quality. These vessels may not always be employed all 12 months of the year. There is thus spare capacity (technical overcapacity), but when the fleet is economically viable, there is no economic overcapacity.*



4.2 | Focusing the policy objectives

Article 2 of the Basic Regulation 2371/2002 sets out the objectives of the CFP as sustainability in three areas: environmentally (ecologically), economically and socially. DFO are of the opinion that the first two objectives must be pursued simultaneously and that this will have secondary effects that also the objective of social sustainability is achieved. It is of course possible to unilaterally pursue only the environmental sustainability (as it happens now in relation to the repeated cuts in effort) but this may on the one hand lead to lack of profitability of the vessels, and on the other to failure of compliance with policy rules.

” *It must be emphasized that fishing is a legal, economic activity, where fishermen have the right to exploit marine resources.*

Regarding the establishment of precise objectives on the environmental sustainability, this should take place in close interaction between research and industry, for example through RACs. The process should be organised in such a way that revisions and adjustments in light of new knowledge can quickly take place.

4.3 | Long-term focus of decision making

The current decision-making and implementation system for the common fisheries policy should be changed in the following way: The work of the Council of Ministers and the European Parliament after the entry into force of the Lisbon Treaty should be limited to the adoption of general principles on the guidelines and overall regulatory framework. Competence on management of the policy should be shifted to decentralized management entities created for each of the marine areas, e.g. North Sea, except for the pelagic sector where it is advisable to keep the current decision-making structure. The catching sector should have direct seat in the regional decision-Committees, together with Member States and the European Commission. Such decentralization would replace the current system where there is micro-management at the highest level, the Council of Ministers, and would provide a direct involvement of the sector in decision-making with a growing responsibility to follow.

At present an evaluation is under way of the functioning of the Advisory Committee on Fisheries and Aquaculture, ACFA, and also an evaluation of the Regional Advisory Councils, RACs (which was created under the 2002 revision). There are, to some extent overlap between the two advisory “systems” and a focusing is therefore necessary. Firstly, the ACFA should only deal with horizontal issues, which leads to maintaining three committees or working groups with representatives of European organizations: (1) General horizontal issues (such as general issues in the resources policy area, European Fisheries Fund, control, 3rd-country agreements, maritime policy), (2) market issues (including the CMO) and (3) Aquaculture. The three committees should give advice directly to the Commission and, therefore, the current Plenary and Bureau could be disbanded. The Plenary should be transformed into a forum to be convened for broader round-table conferences on political issues with different participant group from meeting to meeting, depending on the topic.

RACs should focus on the defined regions and should not build a political inter-RAC Brussels-structure. As a general rule only technical coordination should take place between RACs. RACs should no longer report to the ACFA, but the Commission and Member States only.

Since the pelagic sector is dominated by large migratory stocks, where both exploitation and management is shared with third countries, it should be given consideration to establish a RAC-like organization under NEAFC where the affected countries participate on an equal footing with the EU.



4.4 | More responsibility to the fishing industry

There is no doubt that the fishing industry (and perhaps also the processing and trading levels of the sector) are willing to assume greater responsibility for the formulation of the fisheries policy, and its implementation in practice.

It must be remembered that there is such a fundamental difference in the formulation of the fisheries policy in the various regions of the EU that it makes no sense to give general recommendations. In the northern part of EU the policy is based on quotas, which in many cases are managed by POs or otherwise of fishermen's groups, including the ITQ management schemes.

It would not be going much further to invite these groups to provide guidance for fisheries, for example, areas, tools, documentation, and then give incentives in the form of more freedom and / or greater rights, if more sustainable fisheries are the result - Results Based Management. This could, for example, be the case with fisheries certified under recognized certification systems. Fishermen should be involved in the fisheries policy - responsibility must be handed back to the sector.

The big question is who to exercise the function as "judge" in connection with Results Based Management, and who should design the incentive structure. (See further on PO's future role later in this paper).



4.5 | Developing a culture of compliance

The lack of coherence of the common fisheries policy is clearly illustrated by the implementation of a new control regime in 2009. The provisions of this control regulation make it impossible to implement changes, which greater responsibility and freedom for the catching sector, such as outlined above. It was apparently seen as essential, as a consequence of EU Court of Auditors report on controls, to have the new control regulations approved by the Council of Ministers, although the main problem was not the old regulation, but the failure of implementation of that regulation in some Member States.

If a discussion of the development of a “culture of compliance” is to be meaningful, it must be because there is a willingness of the Commission and Council of Ministers (and the European Parliament) to re-open the control regulation.

” *Fishermen are, as mentioned earlier, ready for a much greater degree of responsibility than at present and hence the development of a culture of compliance, if the necessary framework is established.*

GREEN PAPER, CHAPTER 5 FURTHER IMPROVING THE MANAGEMENT OF EU FISHERIES

5.1 | A differentiated fishing regime for coastal fisheries

Before beginning a discussion of the possibilities of establishing differentiated regimes for coastal fisheries (the small scale fishery) it is necessary to define this fishery. Is this a definition that is linked to turnover, a definition linked to the length of the vessel, a definition linked to fishing and landing frequency, or a combination of different elements (as is the case in Denmark). There is no doubt that the large number of small vessels contribute significantly to both economic activity and the social networks in their home ports and therefore this fishery must be paid special attention.

” *In the daily fisheries management it must be up to individual Member States to define the management and the definitions (of coastal fishery etc.), and from there to decide what special conditions shall apply to each group of fishermen, including coastal fish, such as economic and / or fisheries-related preferential treatments.*

At EU level, there seems to exist a definition of coastal fisheries based on length, i.e. with a maximum length of vessel of 12 meters - this is evident in both control context and in the context of the European Fund for Fisheries.



5.2 | Maximum exploitation of fisheries

It is a huge issue how to achieve the maximum sustainable exploitation of fisheries - or how to fulfill the vague requirements of Maximum Sustainable Yield, MSY, for all species in 2015, if that is how the maximum sustainable exploitation is to be defined.

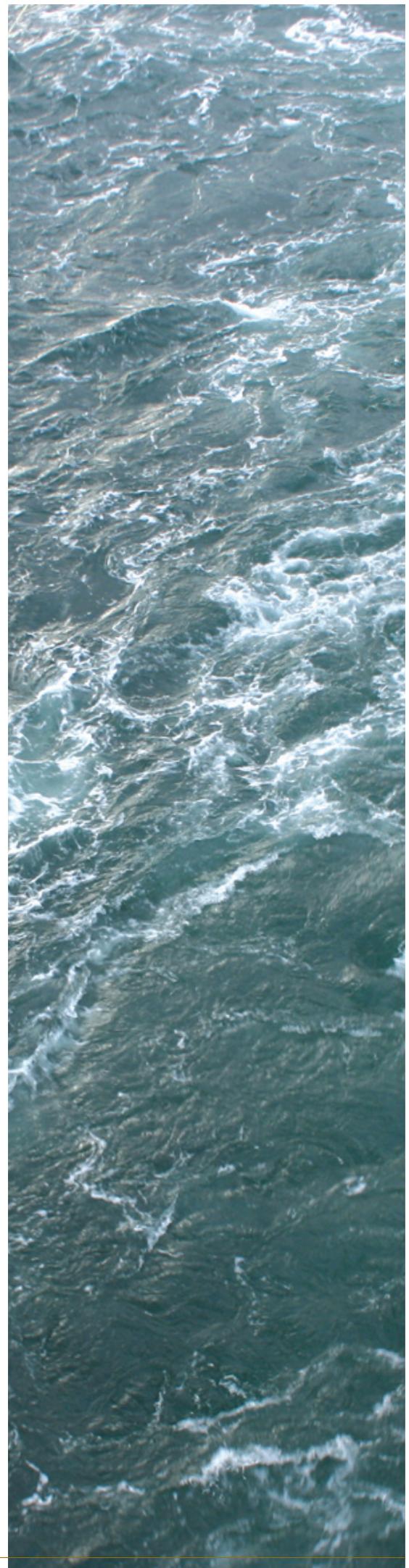
DFO are naturally interested in the multi-annual management plans, which both take into account the biological features of fish species and to profitability in the fishery, not least in the mixed fisheries. We believe it is fundamentally wrong to work with management systems, which consist of both output = quotas and input = days-at-sea, or kilowatt-days. Having input and output systems simultaneously results in conflicts (between the two systems) and gives unsustainable fishing - both vis-a-vis the resources and in terms of profitability of the fleet.

” *The future fisheries policy must primarily be based on one management system, quotas and the relative stability. There should not also be the effort management. KW-day systems must be taken out of policy at the latest by 2013.*

A management which can completely eliminate discards cannot be established, such as the EU Common Fisheries Policy is constructed.

” *A more direct involvement of the fishing sector in the formulation of common policy and management will be able to reduce discards significantly. (Trials) results-based management should be promoted as much as possible. This will necessitate revision of the control regulation, regardless of the fact that it was adopted in the autumn of 2009.*

Fishermen do not want to discard, it is a nuisance to their business, and it is detrimental to building or rebuilding of stocks. Fishermen, however, prefer a selectivity in the fishery, so the sorting takes place at the bottom of the sea.



5.3 | Relative stability and 12-mile regimen

The principle of relative stability has been a cornerstone of fisheries policies since 1983. There has in recent years been noises about changing allocation formulas and / or modified methods, but it is not realistically possible to create a new basis for allocation. Commissioner Borg has, in an address on the discard problem before the European Parliament and also in a speech in Stockholm in September 2009, indicated that one might imagine “a relative stability of effort.” This sounds good, but it is not possible since it is not possible to make the conversion - and certainly not in pelagic fisheries. Effort as the only form of management could be applied, but only in very well defined, limited areas with few fisheries, such as previously proposed for the Kattegat.

” In the Green Paper it is argued that there are “ very complex practices such a quotas swaps between Member States or out-flagging by fishing operators” and this is used as a basis for arguing that individual countries’ fleets does not suit countries’ quotas and therefore there should be an update or similar to relative stability. This is totally wrong. It is not difficult to swap quotas between countries and furthermore the swaps change from year to year. Some countries have adjusted (i.e. reduced) the fleets **as a result of the fishing rights based on the relative stability** and therefore it cannot be considered to adjust the relative stability because some countries did not adjust the fleet.

The conclusion is therefore that the principle of relative stability must be upheld. As regards the (6 and) 12 nautical mile regime there is no reason to change. A modification of this scheme should certainly not be used as leverage for a reserved coastal fishing zone and thus internationally Individually Tradable Quotas beyond 12 miles.

5.4 | Trade and markets

It is true as stated in the Green Paper that fishermen receive only a small fraction of the price that consumers pay for fish. This is due to various factors:

Firstly, the EU market for fish is almost completely liberalised - or globalised - which causes huge imports of fish of varying quality from a number of countries where the cost level is lower than in the EU, amongst other factors because a number of these countries do not have the same labour standards and standards with regard to food safety.

Secondly, the EU’s internal protection system, guide prices and the resulting secondary minimum prices and thus the withdrawal prices, have been systematically reduced over the past several years. The EU fisheries ministers have not followed the market prices, and with fishermen as price-takers, not price-setters due to more and more concentration on the buying side, the result has been an unprofitable, low minimum price level for fish at first hand.

Thirdly, Producer organisations (POs) have not sufficiently had the opportunity to play an active role, particularly because the CMO has been reactive and because no public funds have been made available to promote “own” products, but have only been made available for generic marketing.

A reform of the CMO was programmed for 2010. This much-needed reform has now been postponed and will be coordinated with the overall reform in 2012, which is highly regrettable.

The reform of the CMO should at least include the following elements:

An update of prices so that the “bottom level” of prices to European fishermen increase and thus fulfill the requirements for profitability of the fishery. Some would argue that an increase in prices will lead to increased withdrawals. This is not true in a demand situation in the EU market, where more than 60% of consumption is imported.

Increased requirements for the PO’s organisation and representation, so that they can become stronger and can better fill the role in the market on behalf of their members.

Increased opportunities, within the Common Market Organisation - and without any clash with EU competition law - with public grant funds to help optimize the value of their members’ products through quality initiatives, traceability and labeling and active marketing campaigns for “own” products.

” *With an import, which constitutes 64% of fish consumption in the EU, it is important that the Danish fishing industry and Danish exporters can procure the necessary quantities of imports to satisfy market demands. In order to secure employment duty-free access to raw materials for processing must be guaranteed.*

The Common Fisheries Policy has so far essentially been a **policy for the primary sector**. The policy is not to the extent necessary oriented towards the whole chain to the consumer, with the result that European consumers on the one hand have to pay too much for the fish, and on the other hand do not have sufficient safety for what they actually pay for, e.g.: Is a “fish fillet” for sale at retail level or in a restaurant or served through catering from fishing or aquaculture? From the EU or imported? And what species is it? The Common Market policy (as part of the CFP) must necessarily cover the whole chain from catch to consumer.

5.5 | The relationship between the CFP and maritime policy

The creation of the integrated maritime policy provides the foundation for much better defining the framework and much better determine management of marine areas, not only of fishing, which is already managed under long-term guidelines, but of all other activities in the marine area and as consequence of the changes taking place in the oceans.

” In the framework of the common maritime policy it must be ensured that the “other uses than fishing” of the sea territory are not of hindrance to legal fishing activities.

The long term management objectives of the CFP, e.g. MSY in 2015, should serve as inspiration for the setting of environmental objectives for other activities in the marine area.

The fisheries sector urges the responsible European institutions and Member States to use the integrated maritime policy as an active instrument to finally get a grip on all extractive and other activities in the sea area, and to define conditions for those activities.

5.6 | The knowledge base for the policy

It is an often pointed out shortage of the Common Fisheries Policy that the knowledge base is weak, either due to lack of knowledge or due to too long time delays from data collection to active use of the data.

Two main actions can remedy this situation:

Firstly, the funds in EU research must be made easier accessible for fisheries research (it has unfortunately in recent years been exactly the opposite, where there has been no specific funds earmarked for fisheries research)

Secondly, the industry must be much more directly involved in research projects, as happens in the Danish REX and OSKAR projects. An expansion of such programs to the international level coordinated through the RACs will be natural. A direct participation of fishing must of course also be financially supported, so that participants do not lose revenue through participation in research. This can i.e. be done by exempting catches in research from the quotas, regardless of the quantities of these catches.

The fisheries sector has for many years carried out experimental fisheries to try out new gears and have conducted other trials with the aim both to increase efficiency and hence profitability of fishing (which is natural in a business) and to find ways to sort the fish catch on the bottom, in other words: **selectivity and avoidance of discards.**

In Denmark alone there has in the last 10 years been carried out up to 500 of these reported studies (many of which naturally have not given significant new knowledge). It is important that funding in the future is made available nationally and internationally in order to (co-) fund such research, which is initiated by and driven by the industry in partnership with scientific research.

” *Fisherman-scientist cooperation must be promoted politically and economically, so that the basis of advice could be more in line with conditions in the sea and over time get closer to the time of application.*

5.7 | Structural policy and public financial support

EU aid to the fisheries sector must necessarily continue after 2012, but aid can and should be focused around the actions which ensure that the EU's own production in both fishing and in aquaculture can be developed.

This means that the fishing fleet - and perhaps most importantly the smaller and older parts of the fleet - will be given rebuilding and modernization aid, providing better conditions for crew and products. It should be made possible to sort and “seapack”, to chill and maybe also freeze onboard also smaller vessels. (Bigger, new vessels make sure themselves that such matters are taken into account when the vessels are constructed and built).

It also means that there must be support for POs' activities (or for similar activities in other interprofessional organisations), as mentioned above. Whether funding for vessel adaptation schemes or scrapping schemes should be made available must be based on an assessment in each country of how to most effectively get the fleets adjusted.

As mentioned above, there remains a need for public funding of research programmes and research activities.



5.8 | The external dimension

Under the heading of the external dimension The Green Paper refers to the fishing activities of EU fishing vessels in waters outside the EU under various fishing agreements, such as partnership agreements, joint ventures and the like.

These agreements have only limited interest in Danish eyes, since we have no participating vessels. What we must point out is that it is not essential in order to supply the EU market that the EU has large fleets fishing around the globe, and it is thus not necessary to buy fishing rights with EU funds.

It is important to emphasize that the internationally operating EU vessels have no role, now or in future, in any of the EU fishing waters.

It is remarkable, seen from a northern European perspective that the Green Paper's "The external dimension" has no reference to the northern fisheries agreements, chiefly of course the agreement with Norway.

” *The northern fishery agreements, including the agreement with Norway, are of essential importance for the fisheries of a large number of Member States, and it is important also after 2012 to devote the necessary resources in the fisheries policy (negotiators, administrators) to a continuation of these agreements, like the efforts of RFMOs should be a high priority.*

5.9 | Aquaculture

Without going into the future policy on aquaculture in depth, we here list some areas where a direct correlation exists between fisheries and aquaculture, and where there consequently needs to be coherence in the future CFP.

- Aquaculture's impact on the marine environment.
- Catches of species used for fishmeal and fish oil as part of aquaculture feed.
- Market and consumer aspects.

