

1. Fish, as sustainable capital

The future holds new challenges for the fisherman. The future requires him to maintain a keen eye on the sustainable use of fish stocks and to listen to what the market wants him to catch, and when.

An entrepreneur, in other words, who listens to the wishes of society and whose craft is appreciated. The future is also demanding a new fisheries policy. A European policy, which places responsibilities and more powers with those directly involved in the region. This means not only working on modified institutional frameworks, but also working on trust. Trust between governments and trust between all those persons involved in fisheries and the sea.

With this view I want to make a contribution to the discussion on the review of the European Common Fisheries Policy, which will be a fact in 2013. This requires foresight, as the new policy will stay in place until 2022. The European Common Fisheries Policy (CFP) dates from 1983 and since then has been revised every ten years. In the background of the reform there is a worldwide discussion on the effects of fisheries and the effectiveness of fisheries management. Journals such as Nature and Science and documentaries such as “The end of the line” paint an alarming picture of seas which have been fished until they are empty, of catches of sharks and turtles and fishing methods which harm maritime life.

The reform offers opportunities to discuss our line to turn fishing into a profitable, sustainable and socially accepted industry in a European context.

The new fisheries policy should be geared to the three following principles:

- 1.The policy must primarily be geared to the sustainable use and conservation of natural maritime resources and ecosystems. This applies both in the waters of the European Community and the waters beyond.
- 2.There must be perspective for a socially accepted and sustainable operating fishing industry which satisfies an important demand for food.
- 3.The policy must be simple, effective, implementable and enforceable.

I attach a great deal of importance to a good preparation of the discussions in Brussels. That is why I have organised a broad discussion for this view on the future CFP and listened closely to the opinions of fishermen, NGOs and other stakeholders. The results of a study amongst Dutch

citizens into the image of fisheries and a number of scientific studies have been incorporated in this view.

Taking stock of thirty years of fisheries policy

When I make up the balance of some thirty years of European fisheries policy, it turns out that fish stocks are still not doing well. Not only in Europe but across the entire world. The FAO has stated that almost 30% of fish stocks are overfished. Another 50% is being fished to capacity. There is overfishing, a large quantity of unwanted bycatch never reaches the shore and fishing is causing harm to the maritime ecosystem. A persistent deterioration of fish stocks can – not only in Europe but worldwide – have far reaching ecological and social-economic consequences. The fishing sector is dealing with poor economic results. These are the result of the status of the fish stocks, the lower catch possibilities, increasing costs and lower yields. Things are not going well at administrative level either. The many and often detailed measures have entailed that the limits of the implementability and enforceability of the fisheries policy have been reached. This has led to a lack of a support for the policy. Naturally this does not detract from the fact that there will still have to be rules.

I agree with the analysis of the European Committee in the Green Paper that at present the CFP is failing and requires substantial reform. The new CFP will have to offer a solution for a number of structural problems in European fisheries. According to the Green Paper these are primarily problems relating to overfishing and overcapacity of the European fleet, ambiguous policy goals, decision making which is geared to the short term, insufficient responsibilities for the industry itself and faulty compliance and enforcement. A number of things have improved since the reform of the fisheries policy in 2002, which also provide visible improvements. But the ecological limits of the sea make further intervention necessary. There is also some way to go yet in involving the stakeholders and increasing transparency of the decision making process. The CFP can be different, it can be better. What are my ambitions for 2020 and what has to change?

Horizon 2020

In 2020 vulnerable and valuable maritime ecosystems will be protected. The fish stocks are healthy, are comprised of diverse species and have a proportional age breakdown. The fishing sector makes use of the most sustainable techniques. The fish stocks and the ecosystem of which they form part are the future capital of the industry, which feels responsible for managing this in a sustainable way. The entire fishing industry shows society and the consumer what it stands for, what it has achieved and how it responds to new challenges. Certification is an important and

independent instrument for the sustainability of the fishing industry. Direction from the government and regulation from the sector supplement and reinforce each other.

In order to be able to assess the sustainability of fisheries, there must be clear and verifiable criteria, in order to prevent negative consequences for humans, nature and the environment.

The key principle must be that fisheries produces food without waste. This means that throwing unwanted catch overboard has to stop.

Another prerequisite is that the fishing industry will have to focus on the best available fishing techniques, which have the least impact on the environment. In the event of new investments fishermen must switch to the (proven) best technological options. Non-sustainable fishing techniques will disappear.

Protected marine areas will have been realised in 2020. The European fisheries policy will properly align with the Marine Strategy Framework Directive and a – modified – Birds and Habitats Directive.

In 2020 the fishing sector will provide the high quality food that the market demands. The consumer pays such a price for these products that fishing is profitable. There is attention for cooperation between fishermen and between the other links in the chain.

That is why the fishing sector will have to make the transition from supply- to demand-led. The North Sea fisheries in particular must cooperate much more with the rest of the fishing chain and organise itself better. Leaving it more to the market and government support solely geared to sustainability will call on the maritime entrepreneurship of the fisherman. Subsidies are specifically geared to improving fishing techniques, limiting the influence on the ecosystem, energy savings and market processes. In 2020 the regulations will be substantially simplified and clear. The European fisheries policy is a powerful component of the European strive for sustainable development. The fishing industry – in close cooperation with NGOs – has a substantial own responsibility for the management of fish stocks. There will be “good stewardship” and proper compliance with the regulations. The government will stimulate and facilitate the fishing sector in finding the right path. The fisheries practice and the social interests will be explicitly weighed in the development of policy. This has led to better implementability, greater support and better compliance. The fisheries policy is and remains European. It is the only way in which the fish stocks, which do not abide by borders, can be managed in the Community waters. However, the decision making process must change, become more transparent and responsibilities must be

placed where they belong. Naturally this must take place within the frameworks of the European Treaty. European fisheries has a strong regional structure. Every region has its own problems and possibilities, which ask for an appropriate approach. It is thus more effective to organise the decision making at two levels. Brussels establishes general basic principles, prerequisites, frameworks and long-term goals at European level. The member states are given the opportunity to - in consultation with each other - achieve a plan with concrete measures at regional level. This will be in close cooperation with the stakeholders. These plans are then approved by the Council of Ministers. Goals and measures must be simple and clear and only lead to a limited implementation burden. Steering primarily takes place on the basis of results of result based management. Toward this end fishermen and other stakeholders in Regional Advisory Councils (RACs) will have a bigger role in the development of the policy. In order to make things easier the fish stocks must be managed in accordance with one system as much as possible.

Looking beyond the EU, the fisheries policy in 2020 will align with the goals for worldwide sustainable development, as laid down in Johannesburg. In 2020, the EU will still be concluding partnership agreements with countries where European fishermen are active. These agreements are an important instrument for a responsible and sustainable fisheries in the areas where European vessels fish. The interests of the traditional fishing industry of the relevant countries will be closely involved in this respect. Also sustainability, food security and employment of local populations is supported. The European Union has been playing a role in international fisheries negotiations for years and worldwide has a shared responsibility for the sustainable management of the seas and oceans. But it also has a shared responsibility for the sustainable development of fishing communities in developing countries, especially if European vessels are fishing in those same waters. The goals of the CFP must therefore apply not only in EU waters but also beyond.

The European Commission has made an inventory of the problems in its Green Paper and made recommendations for the policy to be followed. It has invited governments and other organisations to respond to the Green Paper. With this view I have taken up the invitation of the Commission and am providing the Dutch contribution to the European discussion.

The view is comprised as follows. The balance of the fisheries policy is set out in Chapter 2. Thereafter in Chapter 3 a look is taken at other developments which can be of importance to fisheries. Lastly, Chapter 4 discusses the future setup of the fisheries policy. The view goes into many of the topics which will be dealt with in the European discussion on the future fisheries policy. However, a number of topics will not be touched upon. These topics, such as a

differentiation of the fisheries policy and the relative stability, will be discussed in Appendix I of this document.

The discussion is still at the beginning and the outcome is still uncertain. It is in any case clear that after the reform the fishing industry will have many issues to deal with, from the market and from society. Nevertheless there remains room and there is a future for a profitable, sustainable and socially accepted fishing industry. This too is clear.

The Minister of Agriculture, Nature and Food Quality G. Verburg

2. The balance after two reforms

In this chapter I will take stock of almost 30 years of European fisheries policy

A number of important changes were implemented in the last reform of the CFP in 2002; introduction of the multi-annual management and recovery plans, establishing of the RACs (Regional Advisory Councils), establishing of the inspection agency in Vigo and entry into force of the European Fisheries Fund focused on sustainability. All elements which are important for a successful continuation of the CFP. But on many points the results of the current fisheries policy are unfortunately not very positive.

2.1. The sea and its capital

Fish stocks are not doing well

In the Green Paper on the reform of the CFP, the European Commission paints a bleak picture on the status of the fish stocks:

“The problem is that most fish stocks are heavily fished. For 88% of the community stocks the fishing level is above the MSY (maximum sustainable yield). This means that these fish populations would be able to grow and lead to more economic productivity if they were subject to less pressure from fisheries for a few years. For 30% of these stocks the biologically safe limits have been exceeded, which means that they might not be able to recover.”

In this conclusion the Commission is acting on the MSY principle to evaluate fish stocks. Europe supports the Johannesburg declaration to manage fish stocks at the MSY level by 2015 latest. In the MSY approach the fishing sector may only harvest from the annual ‘yield’, the growth, of fish stocks. This is only possible if there are enough older animals to preserve the growth. MSY is now being used in, inter alia, the multi-annual plans for plaice and sole.

The MSY approach goes further than the “precautionary approach”. In 2002 it was agreed in the CFP to use the precautionary approach for the status of the fish stocks. The precautionary approach is geared to preventing that the stocks exceed biologically safe limits. If we evaluate the status of the stocks on the basis of the precautionary approach it turns out that at present there is far too little knowledge with regard to well over half (55) of the fished stocks in the EU waters to assess their status. Of the 41 stocks for which there is such knowledge, 28 are overfished.

There are also some bright spots, however. The fishing pressure on a number of important stocks in the North Sea is slowly diminishing. This has led to a cautious recovery of these stocks. This reduction of the fishing pressure was realised by substantial and painful cuts in the quota. In addition, the fleet size has been reduced, as has the fishing effort.

A remark must be made here. Due to the high fishing pressure in the last forty years fishing for plaice, sole and cod has become increasingly dependent on young animals. In addition, fewer old fish are caught. Consequently the genetic composition of fish stocks are changing. Fish are growing faster and are becoming mature earlier.

MSY or precautionary principle, I share the opinion of the European Commission that notwithstanding a number of bright spots, fish stocks are not doing well.

Discards

Discards arise because undersized fish of quota species or fish which do not have any or little commercial value end up in the nets. This fish is thrown back. This is lethal for the great majority of discarded fish. Discards also arise due to the catching of fish which is marketable, but for which the fisherman does not have enough quorum. A fisherman will throw the fish back to comply with the rules. Discards put a heavy burden on the reproductive capacity of the type and size of the stock. An FAO report from 2005¹ estimates that on a global scale, the greatest number of fish thrown back is in the North Sea, 900,000 tons. This is 13% of what is thrown back worldwide. Wageningen IMARES estimates the quantity of fish thrown back by the Dutch trawler fleet at 46 - 57% for plaice and 10 - 17% for sole (in weight).²

The consequences for the ecosystem are too big

When the CFP was reformed in 2002 it was agreed that the ecosystem approach would be introduced gradually. The ecosystem approach is geared to getting as much benefit as possible from the living natural resources in the sea, while at the same time minimising the consequences thereof for the environment. According to the Green Paper, this ecosystem approach has not been

sufficiently included in the current fisheries management. The effects of fishing on the ecosystem are only included in the decision making of fishing measures to a limited extent. The most harmful fishing methods (for example with poison or dynamite) are prohibited. For the rest the consequences of fisheries on the ecosystem are limited via numerous technical measures. Nevertheless, fishing methods which are harmful to the ecosystem are still being used, even though there are more sustainable alternatives.

2.2. The market

Fishermen are not doing well either

The poor situation of the fish stocks, the lower quota and lower prices for fish with increasing costs, put the profitability of the European fishing industry under pressure. Clear indicators of economic performance are not widely available. According to a recent report of STECF (Scientific, Technical and Economic Committee for Fisheries) European fisheries was marginally profitable in the period 2005 - 2007. Although data for 2008 and 2009 are not available yet, the economic situation appears to have deteriorated due to the energy crisis of 2008 and the low fish prices in 2009. Although these developments do not have any direct consequences for employment, there are indirect consequences in the form of salary decreases. This makes it increasingly difficult to find crew members. Crew are increasingly from low wage countries.

Fish is cheap in the Netherlands

On average, the Dutch flatfish sector ran at a loss between 2000 and 2007. Consequently fishermen could not earn back part of their write-offs and interest. The poor economic position of the flatfish industry has arisen in the last ten years. There is a limited chain organisation. It is not market demand, but the available catch quota which leads supply. In addition, the other links in the chain add little value to the product. The falling demand for and poor price forming of fish from the North Sea is also determined by (cheap) alternatives like pangasius and tilapia from Asia.

The pelagic sector, sea fishing with large vessels, controls the entire chain, from fisherman to consumer. This means that the companies are in charge of catching, storage and transport, and the marketing and sale of frozen fish. This industry is doing better economically than the flatfish industry.

Matters the Dutch fishing sector can be proud of

The Dutch fishing industry has a strong international orientation and its professionalism, knowledge of affairs and entrepreneurship are renowned throughout the world. There are thus strong features which can make the transition to a more sustainable fisheries possible. A lot has been started up in the last few years. Examples of good initiatives are the application of more sustainable fishing techniques, MSC certification, participation in 'knowledge groups' and research into techniques to avoid discards.

Fleet capacity

Despite the fact that the fleet capacity has been frozen in the CFP since 2002, from a European perspective there is still overcapacity. An overcapacity which leads to extra pressure on the fish stocks and the ecosystem. Dutch sea fisheries is, compared to countries like France, Italy and Spain, a relatively small European player. In 2008 the size of the total Dutch fleet was approximately 5% of the European total. The total engine capacity of the Dutch fleet fell by 30% between 1997 and 2008. In the same period the total engine capacity of the European fleet fell by 20%. Fleet capacity and the surplus of capacity are difficult to express in figures. For some fisheries it is clear, however, that the fleet is much greater than fits with the fish stocks, such as fishing for bluefin tuna in the Mediterranean Sea.

Subsidies are not a panacea

The European fishing industry receives (financial) support from the government via various funds, both European and national. The subsidy flows in Europe are not always clear. The European contributions to the financing instrument for the orientation of the fishing sector (FIOV 2000 - 2006) and the European Fisheries Fund (2007 - 2013) are quantifiable, but many other money flows are not. The funds of the EFF are used for more than only the stimulating of economic situation of the fishing sector. The support is also geared to sustainability of fisheries, employment in fishing areas and conservation and improvement of biodiversity.

The European governments have supported the fishing industry with considerable amounts in the past decades. In the past by encouraging new construction, these days by decommissioning schemes for vessels or encouraging innovations. Nevertheless the economic situation of the European fishing industry is still weak and a number of fish stocks are still under pressure. Subsidies have not changed this situation sufficiently. This is a lesson for the future.

In the period 2000 - 2006 the contribution from the FIOV was on average between 10 and 20% of the landing value of fish in the EU-15 member states. Finland relatively received the biggest

support (90% of the total value of the landings). The Netherlands received the least (3% of the total value of the landings).

2.3. Regulatory pressure

The limits of the implementability and enforceability have been reached

The fisheries policy and thus the rules have become more complex in the past few years. This is due to, among other things, a multitude of measures. Catch quantities restrict the supply, days-at-sea per unit of engine capacity limit the fisheries effort. There are technical measures for fishing gears and fishing vessels, there are areas where fishing is not permitted, etc., etc. In addition, the measures are very detailed. There is tension between the very precise way in which the measures must be executed and the global level of the policy objectives. The limits of implementability and enforceability of this complicated system have therefore been reached for the government and the industry. Moreover, the multitude of measures can lead to undesired and unintended side-effects.

A few examples:

- Maximum catch quantities for individual species mean in mixed fisheries almost by definition that undesired catches are cast overboard.
- The current combination of technical measures and days-at-sea (the maximum number of days that a fisherman is permitted to fish) makes it “rewarding” to use nets with smaller mesh widths. Fishermen are then given more days-at-sea. The result is once again more discards, which are thrown overboard.
- The current multitude of measures frustrates the necessary innovation process and concomitantly sustainability. Sometimes a fisherman cannot, for example, switch over to a more sustainable fishing technique, as this would leave him with too few days-at-sea.

Naturally rules remain necessary. Over the past few years steps have been taken toward simplification. The annual decision making on detailed rules for TACs and quota has been simplified by the introduction of multi-year management plans. Nevertheless objectives and execution of the fisheries policy still lead to a lot of misunderstanding and resistance.

2.4. Decision making and supporting base

The decision making framework is not properly aligned to realising long term objectives

Decisions on fisheries measures are taken up to the level of the European Council of Ministers. This has resulted in the (European) government having been given increasing responsibility for ever smaller details of the management. It concerns extremely detailed Council regulations which offer little scope for a flexible implementation. For example, Brussels exactly prescribes how many millimetres thick the rope should be in a single- or double-knit network. This causes the implementation costs of the policy for a relatively small industry to rise. The policy is primarily implemented by the individual Member States.

In its Green Paper the European Commission also established that this form of micro management at the highest political level makes the decision making, implementation and control of an extensive and diverse area such as European fisheries a highly complex matter which is difficult to conceive and, moreover, is expensive with regard to management and control. It speaks of a very unsatisfactory situation.

Moreover, according to the European Commission in its Green Paper, the Lisbon Treaty makes it necessary to set up the decision making process in a different way and to better align it to the decision making process in all other European policy areas, where there is a clear difference between fundamental principles and technical “implementation”.

The Regional Advisory Committees (RACs), in which fisheries and NGOs are represented, have an advisory role in the decisionmaking process.

The establishing of the RACs has turned out to be an important step forward in improving the involvement of fishermen and other stakeholders at the CFP and enhancing cooperation. The fishing industry, NGOs and researchers sometimes have very different pictures about matters such as fish stocks, seabed disturbance, animal welfare, etc. The parties have not always shared views on the problems and challenges facing fisheries. This is causing the cooperation to go slowly.

All of this has led to doubt as to the legitimacy of the fisheries policy. Fishermen do not feel sufficiently responsible and the support from the NGOs is also small.

Co-management as a means for increasing the supporting base

The individual member states implement the fisheries policy for the most part themselves. The Netherlands carries out part of the measures jointly, in co-management with the fisheries industry. The Dutch industry is actively cooperating on the joint management of quota in the 'Biesheuvel groups'. There is a broad supporting base for this in the industry. The cooperation in the 'Biesheuvel groups' has led to a greater degree of self-regulation in the area of the management

of catch quota and since 2004 also engine capacity. The most important results are effective use of quota and better compliance and enforcement of both the quota and the engine capacity of the vessels.

2.5. Other policy at sea

Fishermen are not the only users of the sea

The world around fisheries is changing quickly. Fishing has traditionally been a “free” activity but the use of the sea is no longer exclusively the reserve of fishermen. Other users and a broader weighing up of interests lead to other political and social priorities. This has an influence on fisheries. This concerns:

- Nature: inter alia European obligations for the designation and sustainable management of maritime areas of biodiversity (Birds and Habitats Directive / Natura 2000).
- Environmental quality: obligation for member states to achieve a good environment status of the seas. The first phase is the defining of this environmental quality for, e.g., the North Sea (Marine Strategy Framework Directive).
- Development of coastal regions: integration of maritime activities, e.g. shipping (Maritime policy).
- Increasing number of users of the sea: e.g., windmill parks, mineral extraction, coastal recreation/sports fishing, etc. (spatial planning at sea).

The alignment at European and national level is insufficient

Many of the contours of this policy are established at the level of the Council of Ministers, while the member states are responsible for further elaboration and implementation. For example, with regard to the Birds and Habitats Directive. This implementation appears to be in practice difficult and relentless. The sometimes faulty alignment between the various policy areas creates ambiguities. Sometimes the competencies are different. Moreover, the ecosystem does not stop at the boundaries of the Netherlands Exclusive Economic Zone or the Continental Shelf. This necessitates alignment with other member states. The various policy areas must be much better aligned with each other than now and the objectives must be coherent. In addition, the European

fisheries policy must be in line with the global policy for sustainable development, which has been laid down in the Millennium Development Objectives of the Johannesburg Conference.

3. Developments and trend to be taken into account

Fisheries does not stand on its own but operates in a strongly changing world. The developments outside of the industry are of influence on fisheries and thus also on the effectiveness of the fisheries policy

In the formulation of the new policy it is important to take into account of a number of developments and trends in the world around us. This chapter contains an outline of the consequences of climate change, decreasing biodiversity and competition for the space at sea. Trends in the area of food security, the market for fish, energy use, the development of social awareness and finally subsidies, are also discussed.

Climate change, biodiversity and use of space

According to the International Panel on Climate Change (IPCC) the average temperature on earth in the period from 1995 to 2006 has increased by 0.6°C. In this time span of twelve years, eleven years are among the warmest since records began in 1850. Climate change can change the development of a natural resource like fish. For example with regard to density or spread. The International Council for the Exploration of the SEA (ICES) has indications that various fish species are showing different distribution patterns (ICES 2008). Natural processes in the sea are dynamic and therefore the government must be able to respond quickly and flexibly to changing circumstances. A rigid fisheries policy is therefore undesirable. The new fisheries policy must be sufficiently flexible to switch quickly when circumstances require such.

Another point is the serious threat to biodiversity at sea. A very large part of the worldwide biodiversity is in the seas and oceans³. Fishing is not the only cause of the deterioration in biodiversity. Numerous other factors like climate change, increase in consumption, growing pollution of the sea, the introduction of alien species and overexploitation of nature areas and natural resources play a role. Plant and animal species disappear and ecosystems are being disrupted. Clean air, pure water, a fertile soil and a stable climate are no longer self-evident. In the end, the deterioration of biodiversity and the depletion of natural resources threaten human existence. The fishing industry has a responsibility to limit its impact on biodiversity as much as possible. Illegal, unreported and unregulated fishing (IUU fishing) is one of the most serious threats

A third point is that the fishing industry is only one of the many users of the sea. Particularly on the North Sea there is increasing competition between different users or functions like coastal recreation, Natura2000 areas, sport and recreational fishing wind energy, mineral extraction and shipping. All these functions want to use the limited space on the North Sea. Both the European Union and the Netherlands are trying to realise an integral planning of activities at sea, inter alia via the European Maritime Policy and the Netherlands National Water Plan. The fishing industry has a relatively low yield per square kilometre of the North Sea and will therefore have to present a serious basis for its right to exist. The government has the responsibility to formulate coherent policy goals for the space at sea. This includes a place for fisheries

Food security, market and energy

All over the world fish is an important source of healthy proteins. In many developing countries fish is a primary source of proteins, because other proteins are not available. In the developed countries fish is primarily part of a healthy diet. Worldwide the consumption of fish per head of the population has increased over the past five years by 1 to 2% per year. Although fish stocks are under pressure, demand for fish is thus increasing⁵. With a stagnating growth of the catch of wild fish from the sea, aquaculture will have to satisfy this demand. But aquaculture will not be able to completely cover demand. Moreover, a good answer is necessary to the many environmental problems which are the result of the rapid growth of aquaculture. This includes such things as the impact on mangrove forests, fertiliser problems and the escape of farmed fish to the open sea. Furthermore, many forms of aquaculture are dependent on wildcatch fish which are used as fish feed. In this area too a lot of improvement is possible. Fisheries will thus remain an important protein supplier in the future. Due to the extra demand the pressure on the fisheries will only increase. This makes the development of an effective and sustainable fisheries management all the more necessary.

The worldwide markets of fish are greatly in flux. In Europe there is the rapid rise of pangasius and other cheap types of imported farmed fish. This import competes with fish which have been caught in European waters. For example, in 2008 1.5 million tons of pangasius was produced in Southeast Asia. Fish farming in Vietnam has grown exponentially in the past decade: within a period of ten years from 0 to 1 million tons of pangasius! In 2008 210,000 tons of this came back to Europe. This is 50% more than in 2007⁶. It is difficult for wildcatch fish from European waters to compete with the bulk of farmed fish from outside the EU. The fishing industry will have to put in effort to retain its current market position. It will have to focus more on niches in the market and emphasise the positive qualities of wild fish.

The price of a barrel of crude oil is an important topic in fisheries. The energy prices rose sharply in 2008. The prices have in the meantime fallen somewhat again, but there are sufficient signals that they will rise again in the midlong term. In this period of economic crisis it is difficult to make accurate predictions 7. The fishing industry is energy-intensive whereby particularly fishing techniques with an impact on the sea bed lead to high fuel consumption and high CO₂ emissions. A high fuel bill can be earned back with high fish prices, but in a situation with low fish prices this is not possible. Energy-saving techniques and the limiting of CO₂ emissions will play an important role in sustainable fishing in the future. In the past few years several trial projects have been started in the Netherlands to test energy savings in practice. For example, the *sumwing* (a fishing vessel with reduced resistance) and propelling with the help of sails.

Social awareness

Social awareness about fish and the use of the sea is increasing. Increased attention is paid to what is happening at sea, not only in the media, but also, for example, in the supermarkets. People want to know whether the fisheries is treating the sea in a wise and responsible manner. Will there be enough fish left in the future? Are we not all putting too much pressure on nature and biodiversity? What socioeconomic perspectives are there for fishing communities in Europe and beyond? In addition, people are asking questions about the welfare of the caught fish. The industry can only create a supporting base in society if the operations are transparent. In other words, operations which fit in with corporate social responsibility and which legitimise the activities at sea. The fisheries policy must be an incentive for fishermen to engage in corporate social responsibility.

Fisheries subsidies

Worldwide fair rules of the game are necessary for commercial fishing. There are question marks relating to fisheries subsidies because these can impede a fair global trade – including from developing countries – and free access to markets. Ongoing discussions on this matter within the context of the WTO may influence the financial support to and subsidies for fisheries within the EU.

4. Priorities for a new policy

When we take stock of the fisheries policy we have to conclude that fish stocks are not doing well. But the economic results are also poor. In addition, the effects of fishing on the ecosystem are still too big. Add to this the often complex and detailed measures, which, moreover, are often stacked one on top of the other and are imposed from the top.

This current situation and the predicted trends and developments lead to the question what the future fisheries policy should look like to be able to meet the challenges of the future. This chapter contains three important new spearheads, which could lead to a breakthrough in the policy which has been followed up to now.

Three spearheads

The first important spearhead concerns a more sustainable use of the ecological capital. The fishing industry – worldwide – will have to take greater account of the fact that the fish stocks and the sea are their ecological capital. This means that they must be treated very carefully. Biological advice is extremely important in this respect. Just like in the Marine Strategy Framework Directive, the ecosystem approach will be the starting point.

The underlying principle must be that the fishing industry produces food without waste. This means that discards must be banned. This must be an important prerequisite in the future fisheries policy.

Another prerequisite which is imposed in fisheries is that it will have to focus on the “best technical means available” that have the least impact on the ecosystem. New investments in non-sustainable fishing techniques will have to be phased out.

The second spearhead looks at a greater role for the market; via certification and via the chain. A greater appeal will be made to the entrepreneurship of the fishermen who are increasingly being seen as a maritime entrepreneur.

At present the fisheries policy is not effective enough. It has turned out that the government is not able to stimulate the necessary sustainability on its own. Allocating a greater role to the market and the consumer can significantly contribute to the realisation of the goals of the fisheries policy. The market and consumers are two powerful allies, it would be wise to take advantage of this. This role of the market is already visible in the development of certification systems for more sustainable fishing activities. In addition, the fishing industry will have to make the switch from supply- to demand-driven. Due to the lack of organisation in the chain it is still difficult at this point to seek alignment with the wishes and requirements of the market. In particular the supply industry which fishes on the North Sea must take on cooperation in the chain (to a greater extent) and better organise itself. In the framework of the reform of the European market organisation, the position of the supply industry can be reinforced by giving the producer organisations a strong role

Finally, the third important spearhead is a different way of decision making and implementation. The decision making on the policy must be organised in a different manner: simplification,

supporting base and better enforcement are key words. The most important argument for this choice is that in the current policy the responsibilities have not been properly distributed. In essence, the Ministers and the European Commission are responsible for everything. By making a clear distinction between long-term goals, realisation per region with the relevant stakeholders and implementation of the policy by the member state and industry, the responsibilities are better allocated. A turnaround of the decision making process will lead to a better-understood policy which has bigger support and a greater responsibility on the part of the industry itself. It must be noted that the greater responsibility, the “Licence to Produce”, will have to be earned.

Spearhead 1: sustainable use of the ecological capital

Fish stocks worldwide are not in good condition and fisheries has an impact on the ecosystem at sea. Throwing back unwanted catch is one of the big ecological problems. In addition, fisheries has a significant impact on the biodiversity at sea. At the same time, fisheries makes a considerable contribution to the supply of nutritious protein to the global population. The government must therefore work at not just a European but also a worldwide level to achieve an effective fisheries policy which fits within sustainable use and maintaining of natural resources and ecosystems at sea. Fisheries techniques or throwing fish overboard must not cause unnecessary harm to the ecological capital of the sea. The following elements must explicitly form part of the future CFP.

Better realisation of the ecosystem approach

The future holds great challenges for fisheries. A worldwide, sustainable fisheries must move within the limits of the ecosystem. This not only concerns the habitats of the sea organisms, but naturally also the fish stocks themselves. It speaks for itself that overfishing is the greatest threat to the continued existence of fish stocks. In the same line, depletion of stocks leads to a hollowing out of the economic return of the fishing industry. The fisheries policy must be set up in such way that the sustainable use of the fish stocks and their ecosystem are guaranteed. I share the opinion of the European Commission that ecological sustainability is a basic condition for an economically and socially responsible future of the fishing industry. In order to determine how much fish can be harvested, the natural capacity of the stocks and their habitat must be the leading principle.

That is why the fisheries policy must use clear and verifiable criteria for the fishing of stocks and their habitat. These criteria are necessary to check the sustainability of fisheries. The MSY principle is applied for the checking of the fish stocks. For the evaluation of an ecosystem one can think of reaching the Good Environmental Status, which is now being elaborated as part of the Marine

Strategy Framework Directive. The determination of maximum catch quantities should take place in a scientific rather than a political context, with the involvement of the stakeholders.

Integration with other policy fields and protected areas

The fisheries policy now no longer stands on its own. Fisheries does not operate in isolation, other users are demanding part of the space. Naturally this also applies to the fisheries policy, which increasingly has to do more with the goals of other – marine-related – policy areas. This sometimes has direct consequences for the CFP. That is why several policy areas which are of influence on the maritime ecosystem must be better connected and aligned with each other. The goals of the fisheries policy must in principle align with the goals of other maritime-related policy. Again I share the opinion of the European Commission that the future CFP must include adequate instruments for realising the fisheries-related goals in other policy fields. Examples are relevant elements of the above-mentioned Good Environmental Status under the MSFD and the policy for Natura 2000 areas. For example, the instruments of the CFP must be used to realise the fisheries-related goals in the protected marine areas. It is expected that the designation of protected Natura 2000 areas will in the long term also have a positive effect on fish stocks. With this designation approx. 20% of the North Sea and probably also other seas will have a protected status. Real integration also means that these areas can be spawning grounds for fish. The policy must offer this option by providing sufficient flexibility in the designation.

Goals of the CFP are the same everywhere

The European Union has a global shared responsibility for the sustainable management of the seas and oceans. On the basis of the Millennium Development Goals, the EU must also act with regard to the contribution of fisheries to sustainable development. The goals of the CFP must therefore apply not only in EU waters but also outside of EU waters. The European Union already for years has played a role in the international fisheries negotiations in the area of improving the management of global fisheries, as evidenced by numerous bilateral and multilateral negotiations. The role of the EU in the multilateral organisations (UN/FAO) and in the regional fisheries organisations must become stronger. This can help to make global fisheries more sustainable and better protect valuable, vulnerable ecosystems. Another point is that the regional fisheries organisations are not functioning optimally. Improvement is possible in this area too.

The EU must continue to act with regard to compliance with international agreements, as agreed, inter alia, in the FAO. For example, the fight against illegal, unreported and unregulated fishing

remains a priority for the EU, whereby it is pointed out that the legal trade of fish must not be impeded in this respect.

The external EU fisheries policy must align with the goals of sustainable development cooperation. These principles must be the guiding points for the European position in negotiations in multilateral (UN/FAO) and regional fisheries organisations. This also applies to the partnership agreement which the EU makes with developing countries in the area of fisheries. These partnership agreements must be continued because they are an important instrument for a responsible and sustainable fishing industry in the areas where European vessels fish. I agree with the Commission that the external EU policy must take greater account of the food strategies of developing countries. The agreements undeniably offer the European fishing industry a certain continuity. However, the agreements must also support preservation of the fish stocks, the protection of food security and the employment of the local population⁹. They must be based on the MSY principle and must take account of the ecosystem and possible protected areas. The precautionary principle is also applied and the effects on sustainability and local fishing industry will be evaluated.

In the future the European money involved with Fishing agreements, more than now and in close consultation with the relevant developing countries, will be used for the development aspects of the partnership agreements (management, research, training, education, inspection and processing). A healthy sustainable fishing industry in developing countries offers not only perspective for the food supply of these countries but also provides perspective for access to important markets. The fishing industry will itself have to make a greater contribution to the costs of access to fisheries in the partner countries. This leads to a greater responsibility on the part of the private sector to de facto utilise catch opportunities. Government and industry work together in making partnership agreements based on the principle: public financing for public tasks and private financing for private activities. Independent supervision is important in this respect. In the future agreements, the European fishermen will also have to have a supporting role in the conducting of independent research on location and in the cooperation with the local fishing industry. That is why the partnership agreements should be evaluated. Naturally it is a given fact that the relevant developing countries have control over their own fish stocks and it is important that they develop their own policy and sustainability.

These principles on sustainable development must also be the guiding points in the bilateral fishing agreements between the European Union and Norway, Iceland and the Faroes, which are an important and integral part of the external policy of the EU.

Banning of discards

Discards will have to be banned. It is, moreover, ethically reprehensible to throw away nutritious food unused. The underlying principle must be such that the fishing industry produces food without waste. This must be an important prerequisite in the future fisheries policy.

According to the regionalisation model (Spearhead 3) Europe determines the pace for phasing out the discards and the specific details will be determined at regional level. This is possible, for example, by making the landing of all fish of specific species compulsory. Other possible measures are: the abolition of the minimum landing sizes for fish, a prohibition on specific fishing gear which results in a lot of discards or the temporary closing of areas.

Adapting fisheries methods

Another important prerequisite which must apply is that the fishing industry must focus on the best available technical means. The fishing industry will in the future have to make use of the best available fishing techniques, which have the least impact on the ecosystem. New investments in vessels and fishing gear must make the fishing fleet more sustainable. If good sustainable alternatives are available, new investments in old non-sustainable fishing techniques will be prohibited in time. This can apply, for example, to classic beamtrawling, when fishing techniques like sumwing and pulskor are ready for practice.

Aquaculture

In June 2009 the Council of Ministers unanimously agreed with the approach and strategy of the European Commission for a sustainable development of the aquaculture. I heartily supported the approach and strategy of the Commission, because I attach importance to further sustainable development of this industry. Aquaculture can provide for the growing global demand for fish, shellfish and mollusc products, thereby making a contribution to a reduction of the pressure on wild stocks. The Commission has announced it will be converting its strategy into a concrete action programme before the end of this year. Depending on the action programme of the European Commission I will review whether it is necessary to adjust my existing policy for aquaculture.

Spearhead 2: stronger role for the market

The sales chain is only moderately organised and consumer demand is not really getting through to the fishermen. Sales are primarily focusing on the supply of products in bulk to customers in surrounding EU countries. The fish landed in Dutch harbours have to compete with cheap imported fish which put pressure on the auction prices of Dutch fish. Fishermen and traders do not appear able to demand a higher price from consumers through clever marketing of fresh wild-caught fish from the North Sea. Energy prices have been rising in the meantime, and with that the costs of harvesting fish from the sea. In addition, society is demanding that enterprises are transparent and

careful in the way in which they treat the sea. This requires a different manner of fishing and a fisherman who must operate more like an entrepreneur.

It is thus the fishing industry which should take the lead, although the government can play a role by providing support. Subsidies do not always lead to the desired result, however. That is why clear choices are necessary about the question where and how the industry is supported. The fishing industry must develop into an innovative, sustainable and economically independent industry. Subsidies which do not serve this goal must be abolished. This means that subsidies which are granted must promote both innovation and sustainability and combat overcapacity. Subsidies that lead to an effective increase in the capacity of the fleet do not fit in with policy in which the ecological sustainability of the fisheries is the primary goal, and must thus no longer be permitted.

Market processes and certification

The government alone is not able to stimulate the necessary sustainability of the fishing industry. In general an economic incentive from the market works very well to get companies moving. After all, if companies do not meet the requirements of customers, they lose market share. That is why the market and the consumer must have a bigger role in the realisation of the goals of the fisheries policy. The market and consumers are two powerful allies, it would be wise to use this to one's advantage!

The certification of fisheries and fish is a typical market instrument. The wish of consumers to have fish caught in a sustainable way can be realised through certification systems. Certification can enhance the position of a fishing company in society, making it a driving force for innovation and sustainability. A reformed European market organization for fish can help the fishing industry with transparent information provision toward the consumer. The establishing of minimum criteria for eco-labelling at European level supports consumer information.

The importance of the chain

The fishing industry will have to significantly change its thinking with regard to sales: from supply- to demand-led. The sales chain is currently still fragmented with many small players. There is no real director in the chain who can make a fist against the big purchasing power of the European wholesale business. This applies in particular to North Sea fishermen, who could reinforce their entrepreneurship by getting more involved with the sale of their fish. Key words are: working together in the chain and better organisation of the sector.

The fishing industry must show society and consumers what it stands for, what has been achieved and how it responds to new challenges. This allows the fishing industry to have a positive influence

on the image of fisheries. This offers fishermen the chance to profile themselves more clearly vis-à-vis their customers.

A high quality product like wildcatch of fresh North Sea fish from nearby must be able to create an added value in the sales market through smart positioning. North Sea fisheries must thus focus more on offering exclusive sustainable products which fit within the niches in the consumer market.

The role of European market organisation

For years the CFP has had a common market organisation, the backbone of which is a system of equal chain parties. To this day the market organisation has primarily focused on the supply, i.e. the fishermen. In order to better organise the entire sales chain, in the revised market organisation, the demand side will also have to be an important part. A European market policy for fish which is based on tariff walls at the external borders and on price support from the market is no longer of this time. A better approach would be to encourage cost savings and added value in the chain.

The position of the supply sector in the chain can be reinforced by giving the producer organisations (POs) a strong role. These should be responsible for sustainable fish stock management and can contribute towards strengthening the negotiating position of supply in the sales market. To date their working has been weak. It is therefore necessary to improve the degree of organisation and look for international cooperation. As the POs need to focus more on what the market demands, they should have more powers to steer their members. Measures for discouraging “free riders” can help to reinforce the tie between the members and the POs. A reduction in the number of producer organisations will reinforce the sales chain, which can better focus on demand from the market.

More focus of support

In the new CFP the government must leave more up to the market and only provide specific support, so that the fisherman’s entrepreneurial activities are encouraged.

In the long term there will no longer be generic support to the fisheries, but only specific payments to encourage sustainability and competitiveness.

Practice also teaches that the contribution which subsidies could make to the development of the fishing industry should not be overestimated. Experience in countries like Norway, New Zealand, Iceland and Australia 10 show that a fishing industry can survive quite well even with only limited financial government support. In general, profitability has increased in those countries because inefficient fishermen have left the sector.

The limited government support must be geared to the transition of the fishing industry towards greater sustainability; subsidies will exclusively be linked to innovation aimed at further improving the sustainability of the fisheries. This innovation must contribute to more selective fishing methods, limitation of the impact on the ecosystem, lower energy consumption, renewal of the sales chain and greater entrepreneurship.

The desired turnaround cannot be realised overnight. The fishing sector must therefore have the time to go through the outlined transition.

In general, the share of the CFP in the EU budget must also be determined in light of the space which will be required to finance new priorities in the budget for the Financial Perspectives 2014 - 2020. In the design of the CFP this should be taken into account.

Decommissioning

The European Commission rightly sets out in its Green Paper, that overcapacity of the European fishing fleet is a problem. The question is, however, whether decommissioning is the right tool to resolve the problem of overcapacity. The Green Paper says in this respect: “The capacity reductions in the last few years have not turned out to be able to break through this vicious circle (of overfishing, overcapacity and poor economic resistance)”. Overcapacity is difficult to measure and it is thus difficult to develop a policy for overcapacity. In the past decommissioning has, moreover, turned out not to be very effective, because technological developments continually increase the catching capacity of the fleets. This while it is very costly. In its Green Paper the European Commission says that experience shows that permanent decommissioning support does not efficiently lower capacity. I share this position.

The starting point is a choice for those staying behind, not those leaving. Nevertheless, the option for decommissioning must remain open. This applies in particular to areas of fisheries where overcapacity is so great that it stands in the way of sustainability. One example of this is fishing for bluefin tuna. In areas of fisheries where overcapacity is an acute problem, a single and strong intervention via decommissioning is needed, for example by means of an “one-off” system. In addition, new fisheries management can in exceptional cases continue to make decommissioning a necessity.

Spearhead 3: Align decision making to long-term goals

The policy must be closer to the practice, closer to the region. Stakeholders will have to be involved to a greater extent than before. Regionalisation and increasing the involvement of the stakeholders will make the policy as simple as possible, if they are themselves partly responsible for the implementation. There will also be greater feeling for the compliance with the policy, which leads to fewer implementation and enforcement costs. Moreover, putting responsibility where it belongs more often leads to a greater supporting base.

The Lisbon Treaty offers the option for revising the decision making process in fisheries, so that it is better in line with the decision making processes in all other European policy areas.

Lastly, the fisheries policy must be simple, effective, implementable and enforceable. Above all it must be flexible to be able to rapidly respond to changing ecological circumstances.

Regionalisation and steering by results

The decisionmaking on the fisheries policy should thus assume a different point of departure. The European fisheries has a highly regional structure in which every region has its own problems and options which require a suitable regional approach to the fisheries policy. It is therefore more effective to organise the decision making at two levels.

At Community level general principles, prerequisites/ frameworks and the long-term goals should be established in this system. This will mainly be multi-annual goals per area, whereby a number of principles apply to all regions. The regions then

make plans for the realisation of the goals. These will mainly be general annual recurring decisions on, inter alia, the quantity which may be fished.

The goals and measures must be simple and clear and only carry a limited implementation burden. Steering particularly takes place on the basis of the results of the management (“result based management”). The Member States can then for themselves determine how they regulate their fisheries within the limits of the Community norms. In view of the shared fish stocks and shared ecosystems, this will usually take place at the level of (marine) regions, in which the Member States work together with representatives of the fisheries organisations, NGOs (e.g., in the field of nature conservation and sport and recreational fisheries) and science (RACs).

The (regional) plans must be approved by the Council of Ministers. Generally this will primarily be a formal confirmation. However, in this manner it is possible to adjust matters if necessary and the European prerequisites and a level playing field can be guaranteed for various regions.

If no plan is submitted for a specific region or it is not approved by the Council of Ministers, measures are established for the relevant region at European level. The European Commission will permanently monitor whether the global CFP goals are being achieved and will intervene if they are not. For example by changing the prerequisites. The Commission can also intervene in the area of enforcement, e.g. via an infraction procedure. In the new fisheries control regulation the powers of the Commission with regards to enforcement are expanded, so that the Commission can also deploy community inspectors. This is supplementary to the (existing) inspection activities of the Fisheries Control Agency.

An advantage of the regional approach is that the policy applies to the specific problems of the fisheries in that region. When making regional policy no account need be taken of the specific characteristics of other areas, there is room for customisation. The regional approach offers the option of integrating the fisheries policy with the other policy areas in the region. According to the Green Paper of the European Commission the policy will become simpler and cheaper if decisions are made at the right political level.

Evaluation must be a recurring topic in the CFP. On the basis of regular public evaluations the EU can learn from the past and develop a shared view on fisheries and its effects.

- Reinforcing the regional advisory councils (RACs)

An important condition for more involvement of stakeholders in the management is a common problem definition, indicators and monitoring. Closer cooperation must be effected between the government, fisheries sector and other stakeholders in determining and achieving the goals. At regional level the RACs play an important role. Their role must be reinforced and their composition expanded.

In a reinforced and expanded RAC there will be joint ownership of problems and joint development of good proposals for the regional fisheries measures. In order to perform these extensive advisory tasks the RACs must have sufficient manpower and resources. The governments of the relevant member states will in the end have to decide what will happen with the proposals of the RAC. They have the last word. The North Sea RAC would be a suitable RAC for trying out the new regional working method during a trial period

- Management on the basis of results

The “bottom-up” approach encourages the fishing industry to take its own responsibility. Not the measures but the aimed result should be central. In this “result based management” the European

government and member states of (marine) regions established what the goals and prerequisites are and what the time path and the evaluation should look like. To a great extent the realisation lies with the fishing industry, which will have to demonstrate that it meets the prerequisites. The industry has a duty of care for the entire ecosystem. In its Green Paper, the European Commission mentions result based management as a possible instrument for pushing the sector to take on more responsibility in the implementation of the CFP.

For example, the government can set goals regarding the point of fishing mortality, such as in the current multi-annual plans. The realisation of this can lead to the regional determination of quota. The distribution of the quota will then be left up to the fishing industry. The industry will have to show in advance that it will use the quota in a responsible manner, for example with fishing plans. Only companies which can demonstrate that in their operations they will achieve the goals and prerequisites will have access to the fisheries. Result based management has the advantage of giving the industry more responsibilities in determining its own future. The complex technical measures will to a significant extent be redundant. This simplifies enforcement considerably.

- Co-management

The Netherlands wants to further expand the existing co-management. In the future a greater part of the policy implementation should lie with the fisheries organisations. The government has to have more of a supervisory role. Co-management will greatly improve the supporting base and the legitimacy of the fisheries policy and reduce the enforcement costs. The industry must itself bear the responsibility for the choices to be made in order to satisfy its duty of care with regard to the ecosystem. In its Green Paper the European Commission is of the opinion that the current framework does not leave sufficient responsibility for the industry. Naturally this also means that the industry must account to the government. The producer organisations are the most suited for management. The Dutch fishing industry has indicated that it sees an explicit role for itself in the management. However, this requires a further mentality change of the industry. The industry must behave responsibly.

Fishermen and scientists share knowledge

Knowledge of fish and fisheries is an important pillar of the fisheries policy. Close cooperation between research and the industry is necessary to gather, use and share knowledge optimally. In the Netherlands fishermen participate in stock inventories of scientific researchers. This gives fishermen insight into the way in which science gathers its information. The cooperation between the fishing industry and researchers must be further reinforced through the permanent exchange of

expertise and the sharing of available knowledge. An exploration of the options for expanding the use of commercial vessels for fisheries research is necessary.

Simplification, an important topic

In the last few years the government has taken a number of steps toward simplification of the policy. The annual decision making in Brussels about the maximum catch quantities has, for example, been simplified. The European Commission must keep simplification of the fisheries policy high on the agenda. The fisheries policy must be simple and clear at every level, as well in Brussels as in the regions. The European Union is already managing a number of fish stocks on the basis of multi-annual plans. These multi-annual plans offer fishermen a clear and predictable framework and are effective in the management of the fish stocks. The use of such plans in the fisheries policy should be expanded to more species and areas. Multi-annual plans should be the framework for any annual distribution of fishing rights in a region. Clear multi-annual goals prevent a multitude of measures. This new approach makes the policy simpler, cheaper to implement and leads to an increased support amongst fishermen and society. The new measures are better and perfectly fit in to the EU programme 'better regulation.'

- One system for stock management

The core of the current fisheries policy is the stock management. In the practice which has grown over the past twenty years, the government uses several management systems simultaneously. Besides the TACs and quota, other instruments include limitation of the fishing effort by the awarding of days-at-sea and an extensive system of technical measures (for example the mesh width, the landing size etc). The CFP can be greatly simplified by making a clear choice for one type of management system. This could be maximum catch quantities or fisheries effort. A spatial division of fishing rights is also an option. The most optimum management system can differ per region and per fishery. That is why the choice of management system can best be made at regional level and the RAC has a role in this respect too. Whatever system is chosen: sustainability, simplicity and enforceability are guiding points for the Netherlands when making a choice.

Appendix 1. Green Paper Topics

The preceding chapters discuss the many topics which will be dealt with in the European discussion on the future fisheries policy. However, a number of topics have not been touched upon

This is not because they are less important, on the contrary, but because they do not play an essential role in the direction chosen by the Netherlands. Nevertheless they are important topics, on

which the Netherlands will have to take a position in the negotiations in Brussels. These topics will be discussed here.

1. Relative stability

Background

Relative stability was introduced as a principle in the first version of the CFP in 1983. It entails that the relative share of every member state in each quatum must remain constant (the percentage that a member state has in the total European quatum of a species does not change). This introduced a mechanism for the distribution of the catching possibilities over the member states.

The Green Paper

According to the Green Paper, the principle of relative stability is the cause of many complex practices. Moreover, over time a large discrepancy has arisen between the allocated catch quota and the real need of the member states. In the current practice relative stability is ever less of a guarantee that fishing rights are available for specific fishing communities. In addition, the principle of relative stability stands in the way of a flexible management of the CFP in a number of ways: it prevents effective utilisation of the TACs, the member states are fixating too much on their share in the TAC and it does encourage discards.

The European Commission asks itself whether it might not be better to abolish relative stability and replace it with a more flexible system such as allocation of fishing rights (Individual Quota). Another option would be to flank the principle of relative stability by flexible arrangements to eliminate negative effects and to align the national quota to the real needs of the national fleets.

Position of the Netherlands

Relative stability results in clear relationships between member states. However, it reflects the economic activities of almost 30 years ago. A lot has changed since then. At this time, via the option of quatum swapping between the member states, a certain degree of flexibility has been built in. Quota swapping is an annually recurring exercise (Western waters, Skagerrak/Kattegat/Bay of Biscay). Relative stability must in any case be adapted to the reality of today. This is possible by, for example, making the annual quatum swaps permanent. By better aligning the relative stability to the current fishing practice, the incentive for throwing fish overboard will decrease. The internationally-oriented fishing industry, with investments abroad, has found suitable answers to the

limitations of relative stability. At national level it does not stand in the way of an instrument like ITQs.

For the Netherlands it is essential that the distribution of already built up fishing rights and improvement of the sustainability of fisheries are safeguarded in the fisheries policy. It might be possible to satisfy these conditions in a different manner than through the relative stability principle. Other options must be explored. There is hardly any support for the outright abolition of relative stability among the fishing industry and other member states. In addition, there should be the same flexibility with regard to quota swapping outside the EU as there is within the EU.

2. The 12-mile zone

Background

Areas within twelve nautical miles of the coast of a member state may only be fished by fishermen of the relevant member state. In some cases specific access rights (traditionally accrued) have been allocated to other fleets. When this rule was established this was to protect the fish stocks by limiting the fishing in that area to small-scale coastal fishing. In addition, it served to protect the traditional fishing of the coastal population and in this manner to contribute to the preservation of the economic and social infrastructure of the coastal areas.

The Green Paper

The Green Paper sets out that this rule has, in general, worked well and can be tightened if a specific arrangement for small-scale fleets is developed.

Position of the Netherlands

By abolishing the 12-mile zone fisheries would have broader access to the waters and stocks within the coastal zone. This will lead to a higher fisheries pressure in the 12-mile zone. This zone contains sensitive ecosystems with, inter alia, many spawning grounds. An increase in the fisheries pressure in these areas will inevitably lead to an increase in damage to the sensitive ecosystems. In addition, the abolition of the 12-mile zone would lead to vessels from other member states gaining access to fishing for shellfish and molluscs in a zone which is only nationally regulated. For example, there is no quorum for shrimp fishing. The Netherlands regulates this fishing sector nationally by means of a permit system for its own fleet. If the 12-mile zone is made accessible to vessels which do not fall under this arrangement, there will be no tool whatsoever to limit this type of fishing. This will lead

to an unwanted increase in fishing for, e.g., spisula, ensis and shrimp. The current agreements on the 12-mile zone must therefore also be continued after 31 December 2012.

3. Differentiation in fisheries policy

Background

There are differences in operations, culture and the like between 'big' fishing companies with big vessels which sail the seas and oceans and 'small' fishing businesses that stay near the coast with a small vessel. This small/big distinction between various fisheries would justify a differentiation in management. Of the 85,000 EU vessels there are 71,000 (84%) which are less than 12 metres. 88% is less than 15 metres.

The Green Paper

The Green Paper establishes that the small-scale fisheries is of great importance for numerous European coastal areas. The income of a large number of coastal communities depends on fishing and the possibilities for giving the economy in these areas a broader base are limited. That is why a future for this group, the small-scale, recreational and coastal fishermen and their characteristic fleets is of vital importance. Employment will unavoidably drop when the capacity of the fishing fleets is (permanently) aligned to the catch options. From a social perspective it is a legitimate goal to want to protect the most vulnerable coastal communities against this trend. According to the European Commission this must be taken into account, but this may not stand in the way of the necessary adaptation of big fleets. Differentiation of the management regulations would prevent (further) inappropriate use of the argument of employment to stop necessary adaptations.

In the management regulation for large-scale fleets the emphasis is on adapting the capacity and economic efficiency, in the management regulation for small-scale fleets in coastal communities the emphasis is on social objectives. According to the European Commission a two-track policy could be applied for government support too. The large-scale fleet is presumed to be able to take care of itself. The small-scale segment can be helped via government support to enhance its economic profitability, keep its contribution to the liveability of the coastal communities up to scratch and adapt to the changing circumstances after the CFP reform.

Position of the Netherlands

Many vessels are small-scale and consequently individually have a limited impact on the environment. The impact of all these vessels together can, however, cause damage to vulnerable coastal habitats.

In the current CFP, by allowing exceptions to general rules account is taken of small-scale coastal fleets. Although the maintaining of the liveability of the coastal communities is extremely important, the CFP is not intended to give support to regions. Other instruments (regional/social policy) have been established for this.

One generic approach to the European fleet must be maintained. Within that approach, just like now, exceptions to the general rules must be possible. Due to the regionalisation of the policy and greater involvement of the stakeholders, the policy will be better able to align to the specific circumstances and requirements of the region.