



CFP Review

Response of the Scottish White Fish Producers Association

The Scottish White Fish Producers Association () was formed in 1943 to preserve and promote the interests of the Scottish demersal whitefish sector. The SWFPA has ten satellite branches which account for around 75% of the volume and value of Scottish demersal catching sector which includes, more recently, the majority of the Scottish Nephrops sector. Our members represent a broad range of the Scottish fishing fleet in terms of size, ranging from the largest whitefish vessel to the smallest nephrops vessel. The SWFPA is therefore qualified to provide a balanced response on the composition and function of a reformed Common Fisheries Policy (CFP). The SWFPA would like to emphasis however that our response is structured to address those parts of the current CFP which affect our members to the greatest degree and, in our view, require the most fundamental change.

The SWFPA is acutely aware of the need to protect fish stocks, the wider marine environment including the need to preserve biodiversity. Creating a sustainable, profitable and well managed fishery is a keystone principle upon which SWFPA has constructed its response. Nevertheless, improving the fleet's economic resilience is difficult, if not impossible, in an environment where micro management and anti-business mechanisms prevail.

Whilst reform of the CFP is necessary, SWFPA would counsel that future reform should be a continuous process that looks to correct failings as, and when, they occur. We appreciate the generic and cross cutting aspects of many of the components of the CFP however, it makes eminently more sense to approach future reform in a more manageable way.

SWFPA are disappointed the CFP green paper fails to acknowledge any of the significant, positive steps introduced by some Member States, preferring instead to focus on the overall failings of the policy. For example, no distinction is made of the compliant nature of many States.

Suggesting that more stringent control is necessary largely as a result of regional failings should be seen as an extremely obtuse approach at a time when intelligent thought and sensible change is required.

4.1 Fleet Over-capacity

- ❖ The CFP should refine its concerns to situations where over-capacity is having a detrimental effect on stocks and not with cases where the concerns of over capacity are measured in terms of economic resilience or social sustainability. These should be the responsibility of the Member State who, ultimately, is responsible for the social costs of economic failure; it should not be the concern of European policy.
- ❖ Rights based management would, in the medium to long term, help aspects of over-capacity if such rights were allocated on a suitably lengthy basis; although we would suggest there is quite clearly a need to define what actually the “right” relates to; SWFPA would suggest that a “right”, in European fisheries terms, should be no different from other understandable and widely acknowledged rights, such as property rights.
- ❖ Economic optimisation will be delivered through a process of investment and consolidation of business, leading to a more professional approach toward protecting the resource and the broader marine environment; business requires

a stable market place and declining stocks should be viewed in terms of market failure.

- ❖ The huge gulf in levels of compliance between neighbouring Member States has created an unlevel playing field, delivering an obvious economic disadvantage to some. Consequently, it would be wrong to move to a system of *Rights Based Management* until this anomaly has been rectified. There is a danger that bias, such as this, may create a prey and predator relationship between many of Europe's Member States.
- ❖ SWFPA believe that a system of Internationally Tradable Quotas (ITQ's) need not be a negative development if suitable constraints on the permanent transfer of quota between Member States are set in place. Such safeguards would act as a defence against sizeable, in-year transnational movements of opportunity, and the subsequent shock to fishing communities that would follow. SWFPA suggest an annual upper limit of 10% be set as the maximum of a single species a Member State may transfer to another Member State on a permanent basis. Such a scheme would protect against large shocks to Member States fleets yet allow a significant drift of opportunities between Member States to address issues of regime shift, and the historic chronic underutilisation of some TAC's.

4.2 Focusing the Policy Objective

- ❖ SWFPA firmly believe the CFP should provide the necessary structure to deliver goals and objectives aligned to long term stability and sustainability. SWFPA do not agree that the CFP should set out to determine national employment levels or any other Member State competency. As stated above, the current system of micro-management has, in many cases, discouraged investment in the catching sector, it is important therefore that a reformed CFP develops, industry led, market facing policies.
- ❖ In many cases, it is the direction of travel that is more important than the scale of change. Fisheries managers have a tendency to apply unwanted complexity

by introducing unrealistic timelines; SWFPA would counsel against any further, extended use of this approach.

- ❖ It would be wrong to shape the new CFP to deal specifically with systematic irresponsibility when indeed a culture change in many Member States fishing fleets has moved away from this failing. Nevertheless, SWFPA agree that a regime capable of bringing less complaint Member States into line is necessary.

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

- ❖ As a core principle SWFPA believe that decentralisation is a good thing. Further, we believe that fisheries should be managed at a Member State level and where appropriate at trans-national level.
- ❖ The Council of Ministers is the appropriate level for setting principles and high level strategies however, the detail of these should be informed greatly by groups of Member States and the Regional Advisory Council (RAC) from the management areas concerned, and not as currently is the case where the Commission holds the monopoly of legislative initiative.
- ❖ It is unwise to have the Council of Ministers deliberate on detail such as technical measures yet it is similarly wrong that decision making should be relegated to a level whereby Member States may lose some control on their ability to influence the output; I would suggest that Management Committee falls into this bracket although SWFPA accepts that Regulatory Committee meets with our requirements.
- ❖ We understand the requirement for essential components of strategy to be taken at the highest level although we feel strongly that greater incorporation of views from both ACFA and RAC's should be promoted in the process. SWFPA firmly believe that a legally empowered framework such as a "*Regional Conference of Member States*", where Member States of a common area, such as the "*North Sea basin*", sit in deliberation on policy, is best suited

to the demands of a modern, regionally governed, industry. Such policy would still require the official seal of the Council of Ministers although one could foresee a smoother process. For example: The North Sea basin would consist of Denmark, Germany, Netherlands, Belgium, France, Sweden, and the United Kingdom which together would sit in a formalised, legally empowered *Conference of States*”, agreeing principles and objectives, sending them to the Council of Ministers to be ratified. Each Member State would be given sole competence for implementation of these directives at the National level.

- ❖ The role of Regional Advisory Councils (RACs) and the Advisory Council for Fisheries and Aquaculture (ACFA) remains similar to the present political situation whereby it is their role to provide independent commentary on Commission proposals and given that the European Commission will continue to have the right of initiative with regard to proposals it is right that both RACs and ACFA remain in place.
- ❖ SWFPA view RAC’s as one of the fountains of knowledge for these new “Regional Conferences”, ICES and STECF being the others. RAC’s would be equal, non-voting, members providing a valuable input.
- ❖ As a generality, the management of Europe’s fisheries has to move away from being legislated, or regulated, to a position where it is steered by directive

4.4 Encouraging the industry to take more responsibility in implementing the CFP

- ❖ SWFPA believe that co-management and bottom-up policy making delivers many of the positive societal changes that are associated with *Rights Based Management*. That is not to say that *Rights Based Management* systems do not provide merits in their own right however, in a European system which has developed in different ways and at different speeds it would be inherently difficult to promote a system which is based entirely on the distribution of rights.

- ❖ Co-management would dictate that Po's would remain an integral part of the structure however, it is unlikely to be the case that Po's would be the conduit of delivery, their principle remit is in marketing and not management.
- ❖ A weakness in the current style of management is its reliance on a system of punishment without incentive, whereas nationally constructed schemes, which focus on rewarding initiative, deliver the necessary, positive social response leading to the successful delivery of both principles and objectives.
- ❖ Scotland's *Conservation Credits Steering Group* has delivered tangible gains for the North Sea cod stock by delivering a lower mortality rate through the introduction of non-traditional methods such as Real Time Closures (RTCs), Seasonal Closures (SCs), and cod selective gears. Collectively these measures have proved to be highly effective and have been largely based on an incentive and reward system where fishers receive additional opportunities in return for avoiding cod.
- ❖ SWFPA accept that regulating industry comes at a cost however, fishers incorporation into the management system already comes at a direct financial cost resulting from time lost fishing as-well-as the of cost of political representation, including participation in international groups such as RAC's and ACFA, and through intra-national management bodies such as Scotland's *Conservation Credits*.

4.5 Developing a Culture of Compliance

- ❖ SWFPA believe that high compliance levels are aligned directly to coherent, bottom-up, industry respected policies; it is essential therefore those fishers be incorporated into any new structures of governance.
- ❖ There is no overarching European legal system therefore; it makes no sense to be overly prescriptive in how the policy delivers European wide compliance down to vessel level. A system should be created so that it rewards those

Member States who meet their objectives and penalises those, in a fiscal manner or otherwise, who do not. This may be achieved through non-access to European funding, infraction proceedings, or the removal of rewards.

5.1 A Differentiated Fishing Regime to Protect Small Scale Coastal Fleets

- ❖ SWFPA believe that small scale coastal fleets are integral to the culture and well being of many small communities throughout the European Union. It is a fact that small scale fisheries feature more heavily in some Member States than others; it is our view that Member States should be encourage to hold separately, away from the predatory nature of big business, the necessary resource and opportunity that is required to maintain social sustainability.
- ❖ In most cases the nature of small scale fisheries is defined by vessel length, although we acknowledge that in some *Member States* this may not necessarily be the case. With this in mind, we feel it is important that a loose approach be developed when defining artisanal fisheries however, we would caution against these fisheries being given freedom to expand beyond pre-defined limits.
- ❖ Similarly, we would caution against any encroachment on the current liberal approach in managing small scale fisheries.
- ❖ Prescriptive management measures should be left to the *Member State*; it is for them to judge the balance between social sustainability and economic optimisation.

5.2 Making the Most of Our Fisheries

- ❖ It is widely accepted that single species catch quotas in multi-species fisheries is a somewhat flawed approach. Moving towards multi-species fisheries plans is welcome although a move toward flexible *units of opportunity* may be more useful. *Units of opportunity* are in stark contrast to the current system which allocates effort and single species quotas in isolation. A *unit of*

opportunity would empower a vessel with both the effort to catch fish and the ability to land fish; it would not however determine the species of fish the vessel could land nor the amount of time taken to catch them. The amount of fish a vessel lands and the amount of time the vessel spends at sea would largely be governed by the species of fish landed and the health of the stock concerned. The creation of a management system based on *units of opportunity* would move fishers away from the requirement to discard in mixed species fisheries.

- ❖ SWFPA understand that *Maximum Sustainable Yield (MSY)* is to a large degree overstated and overvalued with regard to its intrinsic value in determining harvest control rates. The existence of equally important theoretical approaches such as *Maximum Social Yield (MSoc)*, and *Maximum Economic Yield (MEY)* make the preoccupation with MSY somewhat ill judged.
- ❖ RACs are well positioned to incorporate these broader dimensions into *Long Term Management Plans (LTMPs)*, and should be given the necessary support, including additional funding, to further develop them.
- ❖ As a precursor to a system based on the allocation of *units of opportunity* a move in the direction of *catch quotas* would significantly reduce discarding. Such a development would reinforce current scientific information with a new, more detailed level of real time information, which in-turn would give confidence in the development of a management regime based on *units of opportunity*.
- ❖ It is our understanding that an International trade of quota in the form of “swaps” currently takes place; improving this system we feel would lead to a better utilisation of resource whilst protecting Member States relative stability key

5.3 Relative Stability and Access to Coastal Fisheries

- ❖ SWFPA believe that both the 6 and 12 mile limits should be retained, it affords protection to small scale artisanal fisheries as set out in the green paper; safeguarding vulnerable coastal communities and their social infrastructure should remain a priority for future fisheries policy.
- ❖ Relative stability should remain a core principle of a reformed CFP in the first instance however, it is important to acknowledge that a degree of flexibility within set parameters would be useful over protracted periods of time in order to re-align opportunity with resource. Annual swaps can accommodate some of the necessary transfers although attracting investment and responsibility on the back of rights, which you would need to facilitate such an exchange, may lead to a more professional and responsible industry. This would remove over capacity as a result of fishing business moving toward economic optimisation.

5.4 Trade and Markets – From Catch to Consumer

- ❖ Further development of stocks which are both market efficient and sustainably exploited will occur through further development of marketing strategies from bodies such as Producer Organisations (PO's) which until now have largely failed to fulfil their promise in relation to marketing, although we acknowledge our opinion is based largely on the UK experience.
- ❖ Corporate Social Responsibility (CSR) is largely driven by demands of the modern day consumer, thus SWFPA recognise the benefits of internationally respected standards which give confidence to sourcing of sustainable products; this may be assisted through the development of an EU sustainability label.
- ❖ The current financial burden of entering certification rests with industry. Faced with the ongoing burden of annual audits, the cost to industry has often limited the number of fisheries entering the process. Reform of the CFP should take account of this additional fiscal burden on industry and seek to mitigate the costs through targeted funding, or through the development of a cost neutral, EU certification standard.

5.5 Integrating the Common Fisheries Policy in the Broader Maritime Policy Context

- ❖ The Scottish industry has a long standing, working relationship with the oil and gas sector in both the North Sea and the shelf edge to the West of Scotland, and a more recent involvement with companies seeking to expand current renewable energy technology to the waters around the Scottish coast. Social cohesion and support of the catching sector has been delivered through the conduit of an extremely healthy collaborative working relationship. The fishing industry in Scotland supply a range of services to the oil and gas sector,
- ❖ It is important that fishers are seen as equal partners in a process that should set out to deliver collaborative as opposed to consultative relationships. Further, there is a need to consolidate and simplify the many tiers of environmental commitments be they legally binding or otherwise.
- ❖ SWFPA understands the social responsibility of protecting the resilience of marine ecosystems during periods of regime shift. Nonetheless, in identifying and accepting that responsibility there is an equal demand for managers to be similarly pragmatic in their approach.

5.6 The Knowledge Base for the Policy

- ❖ Scientific information informs all of the decisions taken by fisheries managers and the passage of initiatives from the *Commission*, as such SWFPA believe there is a great need to have the best and most up-to-date data. The *Commission* should seek to put pressure on, and make funding available, so that Member States can improve both the quality and quantity of fisheries data.
- ❖ Many *Member States* provide the system with the minimum level of data, certainly not to the level specified in the *Data Collection Regulation (DCR)*.

To put and end to this, *Member States* should be infracted when it is shown that they have not contributed in full.

- ❖ There is all too often a lack of dialogue between *Member States*; this often leads to an overlap of similar projects leading to a waste of resource. At a time of increased budget constraints, this wastage could be solved through closer collaboration and the creation of an *International highway* of fisheries projects.
- ❖ Stakeholder involvement should be encouraged at both *National* and *International* level. SWFPA can boast of a very close collaborative approach to research in Scotland where fisher's knowledge and expertise is often carried into surveys and research projects. As a general rule, *Member States* and their science providers, including ICES and STECF should wherever possible, include industry in their programmes of work..

5.7 Structural Policy and Public Financial Support

- ❖ The negative role of funding and fleet subsidies in European fisheries policy, in terms of fleet building programmes, has decreased in recent times. Recent funding strategies have been focussed on fleet reduction programmes in contrast to earlier fleet expansion programmes. SWFPA agree this is a more sensible approach and useful focus of monies.
- ❖ Under a reformed CFP it is important that funding continues to focus on capacity reduction programmes. Furthermore, subsidies have featured heavily in *European Fisheries* for decades; expansion of many of Europe's fleets was the direct result of access to European building grants. More recently, access to European funding has reversed this move providing the opportunity for Member States to create National capacity reduction programs.
- ❖ Future European funding should continue to focus on capacity reduction programmes as the first of two core areas. The second, and perhaps the most

important area, is the provision of funding for practices which fit the criteria as being sustainable in their approach including a portion of funding toward certification of stocks.

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