

Green Budget Germany/**Forum Ökologisch-soziale Marktwirtschaft**

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GBG's response to**The European Commission's Green Paper on Reform of the Common Fisheries Policy****About Us**

Green Budget Germany was founded in 1994 as a Non-Governmental Organisation. At the time, our focus was on the introduction of an Environmental Tax Reform in Germany, a goal which has now been realised to a large extent. In recent years, we have extended our focus to include all elements of market-oriented eco-fiscal policy: environmental taxation, emission trading, removal of environmentally harmful subsidies, promotion of renewable energies and green growth.

Our work on the entire array of Market-Based Instruments for environmental policy has rendered Green Budget Germany a competent voice in the MBI policy debate all over the world. One of our prime concerns is improving communication and public awareness of EFR.

5.7. Structural policy and public financial support

Green Budget Germany welcomes a new CFP, but thinks that this time complying its principles should be a precondition for getting subsidies. The fishery policy of the EU has been going to the wrong direction: a large share of the money has been spent on building powerful new fishing vessels and given to other practices compounding overfishing. The last CPF was aimed to bring this development to halt but like the Commission itself writes "the objectives agreed in 2002 to achieve sustainable fisheries have not been met overall". Between the years 1994–2006 Spain got 48 % of all subsidies dispensed. In Spain, most of the funding went to building new boats (and not to eliminate overcapacities like recommended in the CFP). Building new boats or modernising existing vessels increases fleet overcapacity, exacerbates overfishing certainly does not lead to more sustainable fishery. Modernisation of vessels increase capacity as well: There is a general technological creep – assuming that vessels become more effective by around 2-3% each year. Modernisation facilitates this. At the moment most of the funding for modernisation is used for engine replacement. While no one is allowed to increase the vessel power, this is what is actually done. It is just under-declared. Changing the real power is technically quite easy, while there is almost no monitoring, control and enforcement. That means that modernisation is another important issue to be taken into account.

Phasing out the environmentally harmful subsidies has the highest priority to GBG. The overall exemption from fuel taxes does not fit to the time of the climate change and Kyoto protocol and should be abolished. Moreover the inclusion of shipping in the European emissions trading scheme should be examined sorrowly.

What should be the top priorities for future public financial support and why?

The main goal should be better and healthier fish stocks. To this end research and collecting data and knowledge should have the highest priority in the reorientation of the public financial support. Information about the conditions of the stocks, the effects of fishing on the environment and climate change should be made accessible to everybody inside and outside the sector.

Surveillance of fisheries' activities is another essential point. The Member States should demonstrate that they enforce the CFP. That should be a precondition for getting public financial support of any kind.

What changes can the sector not manage to bring about on its own and therefore require public financial support?

It is likely that restructuring of the subsidies leads to reduction of the employees in fishery. The subsidies should not aim to sustain the jobs artificially, on the contrary, they should be used for creating new jobs in new areas. Here public financial support might be necessary.

How can we change the focus of EU financial resources to promote innovation and adaptation to new policies and circumstances?

Focus should not be on trying to keep the fishery industry alive artificially, it should be on healthier fish stocks, which lead to a healthier industry. Scientific research, research on new technologies and exchange of knowledge should be supported, that is the most effective way to promote innovation. There should also be some restraints (e.g. fleet size must be commensurate with the available fish stocks) for the free access to the resources.

Does any new policy area require funding? Should public financial support be focused on specific transitions such as eliminating discards in the fishing industry?

A good focus might be renewable energy in fishing to avoid sea and air pollution.

How can synergy and coherence of possible CFP funds with other EU and national instruments be ensured?

By assessing if the funding impacts are opposed to national and other EU strategies. If so, priorities should be set instead of funding contradictory practices.

How can a synergy between the pillars of a future CFP be achieved? Should public assistance be conditional on Member States' achieving policy objectives?

Makine public assistance conditional on Member States' achieving of policy objectives is absolutely necessary. Moreover these objectives should encompass environmental aims as the preservation of natural ecosystems and fish stocks.

How can EU financial resources be developed to provide the flexibility needed to respond swiftly when a crisis occurs?

A part of the already existing subsidies of Member States could be used to set up a crisis fund. This would reduce overfishing and provide for an opportunity to help fishermen in times of crisis. This fund should be applicated in a way that small enterprises with a bigger risk of not surviving crises would get preferential treatment and that big enterprises would have to carry a part of the crisis cost of their own due to their bigger potential to absorb burdens on their budgets.

Should public financial support apply equally to all sectors (small and large scale)? Should the European Fisheries Fund continue to distinguish between convergence and non-convergence regions?

Support should apply to sectors and regions that are affected the most by the structural change. Moreover a benefit should be granted to small scale fishery as it is usually less environmentally harmful than large scale fishing.

Should indirect support such as services related to fisheries management (access, research, control) continue to be provided free to all sectors of the industry?

Indirect supporting through exemptions in fuel tax should stop. Free access should still be possible but only if information on catches and fleets are made available publicly. Scientific, impartial research should be made accessible for everybody.

Should permanent fisheries subsidies be phased out, maintaining, on a temporary basis, only those aimed at alleviating the social impacts of the restructuring of the sector?

Permanent subsidies should be phased out in the end. The exemption from fuel taxes should be abolished immediately. Temporary subsidies will be needed for alleviating social impacts, for research and monitoring. would lead to a healthier industry and healthier fish stocks.