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And to member states around the Baltic

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BS RAC recommendations on the Commission's Green Paper on the reform of the CFP

Dear Fokion Fotiadis,

Please find enclosed the BS RAC recommendations on the Commission's Green Paper on the Reform of the CFP. These were finalised after the ExCom on 9th December 2009 in a written procedure. The process behind the work is explained at the start of the paper. A letter to the BS RAC from Coalition Clean Baltic, the Fisheries Secretariat and WWF containing a minority statement is also attached.

We look forward very much to discussing and elaborating on the recommendations and ideas by the BS RAC at coming meetings with the Commission and with member states.

Kind regards and best wishes for the New Year,

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Chairman of the BS RAC

Ewa Milewska
Vice-chair of the BS RAC

c.c. Fisheries Council of the European Community, European Parliament, Community Fisheries Control Agency, ACFA, ICES and HELCOM.

BS RAC RECOMMENDATIONS TO THE COMMISSION'S GREEN PAPER ON THE REFORM OF THE COMMON FISHERIES POLICY

Background

On 26th and 27th October 2009, the BS RAC held a Focus Group to work on the Green Paper on the reform of the CFP. The chair of the Focus Group was Niels Wichmann, Managing Director of the Danish Fishermen's Association. He pointed out that it was not possible to focus on all subjects contained in the Commission's Green Paper. Discussions in the Focus Group were thus based on a discussion paper prepared in advance, and which highlighted four overall focus areas:

1) Regionalisation/simplification, 2) The role of the RACs, 3) Fisheries Management (relative stability, management, small-scale fishery) and 4) Markets. There were no objections to this way of working.

A draft set of recommendations was drawn up from the meeting. This was discussed by the BS RAC ExCom on 9th December 2009, and it was agreed that certain modifications would be made. It was agreed to change the format of the text in order to make it less of a report and more a set of recommendations. It was also agreed to elaborate the section on regionalisation and the section on the role of the RACs.

Recommendationsⁱ

1) Regionalisation/simplification

The BS RAC considers that the current fisheries structure in the EU is very much a top-down structure. We feel it is important to take a look at the EU fisheries policy and to define what is seen at the level of principles, and what is at the level of policy implementation.

The BS RAC would like to see the top level, with the Commission, the Council of Ministers and the European Parliament dealing with the over-arching principles of policy-making and long-term decisions of the Common Fisheries Policy. The Lisbon Treaty will introduce a new hierarchy of laws and implementing regulations. Co-decision will make decision-making even more burdensome. So in the BS RAC we feel there is a need to devolve powers to a more regional level, but within the framework of the hierarchy introduced by the Lisbon Treaty. The BS RAC is unanimous in calling for more regionalisation.

In our opinion, the actual practical implementation of the fisheries policy, and the technical details, would be more appropriately dealt with at regional level. Spatial planning, a regional design in technical measures, and management measures, including a limited application of effort regulation, are a few examples of issues which could more appropriately be dealt with at regional level, for example by the RACs.

The BS RAC seeks a forum for a meaningful discussion and dialogue by stakeholders, scientists and fisheries managers.

Here we would refer to the Stockholm Declaration, which was adopted at the Fisheries Conference in Saltsjöbaden on 1st October 2009, and which expresses this intention, by encouraging a closer collaboration between the member states, the scientific community and the industry.ⁱⁱ

However, the success of regionalisation depends crucially on the involvement of the member states and their willingness to devolve some power to the regions and to build up a regional structure which can enable more regional decision-making. The BS RAC invites and encourages Baltic member states to build a regional structure and to involve the stakeholders in decision-making. The stakeholders in turn are willing to take on the responsibility that comes along in being direct partners in the decision-making process. It is difficult to say how decision-making in detail can be devolved to such a regional body or structure, but the creation of such a body would contribute to increased transparency and provide greater knowledge about technical issues, such as gears etc.

It is not difficult to come up with subjects and topics to work with around the Baltic. The BS RAC has already taken a lot of initiatives. The BS RAC's project proposal on selectivity in the cod fishery is one example. The BS RAC is unanimous in calling for a stronger commitment from the national governments to be more committed to the idea of regionalisation.

2) The role of the RACs, the role of the advisory structures

- **Functioning of the RACs**

Under the current CFP, the RACs are providing advice to the European structures. The RACs can influence decisions, but we do not feel that they are really a part of the decision-making process.

So, should the RACs continue to have an advisory role? Or should they have a stronger say in decision-making?

Within the BS RAC there is general satisfaction with the creation of the RACs and with the role and functioning of the BS RAC as an advisory body. Initially, there was ACFA and the different European stakeholder organisations. The RACs run parallel to these organisations. In addition, the BS RAC provides a forum for discussing specific and real problems for the Baltic Sea.

Now the possibility of re-defining the RACs is proposed. The BS RAC proposes that a new Council decision could re-define and open up the role of the RACs, so that they could be more than advisory. The Council Decision establishing the RACs could be amended to improve the advisory role by requiring member state participation, as well as scientific cooperation with ICES and STECF. Both management and decision-making could be dealt with by the RACs, for example in the area of fisheries control. BS RAC members are prepared and willing for the RAC to take up such activities as pilot projects with a view to promoting a higher visibility of the RAC.

No decision has been made as to whether the RACs should have a closer relationship with the member states. The BS RAC feels that this needs further thought and discussion.

The BS RAC thinks that there is no need to model the RACs on the form and functioning of the fisheries councils in Canada and the USA. The Baltic model is considered appropriate given the legacy from the former IBSFC.

Nor is there a need for a formal Inter-RAC, or a super-RAC. An inter-RAC can appropriately deal with administrative or financial issues that are common to all RACs, but the scope of such an Inter-RAC should not go any further than that, for example to deal with fishing interests.

- **Financing of the RACs**

The long-term longevity of the RACs also needs to be re-defined with respect to financing. The functioning and well-being of the RACs should have same priority as, for example, the structural funds, thereby making it possible to ensure the future financing of the RACs over a fixed number of

years, rather than with annual financial allocation. This would give the RACs greater flexibility to plan their work over a longer period, rather than yearly. Increased funding of the RACs would also enable better access to science and make it easier to invite experts.

- **Structure and composition of the RACs**

There is general agreement that the current structure of the RACs with the 2/3 –1/3 division is satisfactory. While regretting that the NGOs are not always represented in full capacity at BS RAC meetings, there is optimism among the RAC members that they will play an increasingly active role in the BS RAC in the future. Some members question whether there is a need for a general assembly and whether the RACs would not function better with just an executive committee and the current small number of working groups. The BS RAC is considered to have the right balance with just three working groups. However, there is a need to toughen up participation by members in the working groups and their successive participation in the executive committee meetings. There is also a need to discuss issues with the fishermen around the Baltic before the working groups and executive committee meetings. This is very important if the RAC is to have any influence.

It is felt appropriate that the RAC meetings are held successively in the different BS RAC member states, thereby ensuring or encouraging greater participation by the fishermen in the respective country. At the same time, sufficient funding should be available to ensure interpretation and translation of relevant documents into the Baltic languages.

The relationship with scientists, for example with ICES, is considered important and should be strengthened, for example by giving scientific experts a permanent presence on the RACs. It is also important to secure the participation of scientists from national institutes around the Baltic in the RAC to exchange knowledge and collaboration on the research of regional fisheries. Increased financing of the RACs would secure this.

The BS RAC also considers that the RACs should have a permanent representation on the Scientific Technical and Economic Committee on Fisheries - and vice-versa – so as to deal with issues specific to the Baltic.

However, there is agreement that ACFA as an institution should be kept and that the current structure of ACFA should remain unchanged. ACFA should be left to deal with horizontal issues. The regions can more appropriately deal with those issues which are clearly regional.

3) Fisheries management

- **Relative stability**

The BS RAC has a very firm view with respect to relative stability. Relative stability is the cornerstone of the CFP and must remain so in the next period, starting in 2013. Relative stability has effectively been in operation in the Baltic since 1973 with the creation of the IBSFC. A revised CFP does not have to bring with it a new form of resource allocation. Relative stability is perceived as the politically negotiated share of fishing opportunities between member states, and this is impossible to change and re-negotiate. It ensures the long-term planning of the fishery. In addition, relative stability should not be affected by the discussions surrounding regionalisation.

Relative stability should continue to apply in terms of quota allocations. It should not be transferred into effort management. Effort management measures, such as days-at-sea and kilowatt days, were created for the cod fishery and should not be extended to apply to all fisheries. A good regulation by means of TACs and quotas is seen as the best way forward, especially in the Baltic Sea where the issue of bycatch is much less problematic.

- **Quota swaps**

Linked to this are the quota swaps, which are also seen by the BS RAC as an essential part of the framework of the CFP. They are not difficult to manage, as is sometimes argued. Some BS RAC members consider that the quota swap mechanism should even be improved in the interests of a full utilisation of the quotas. Quota swaps are a pragmatic reaction to the yearly variations in the utilisation of quotas, and as such do not create problems for quota management.

- **Management**

The MSY concept as a part of the 1995 UN Fish Stocks Agreement was accepted by all member states at the 2002 World Summit on Sustainable Development as an objective to be met by 2015. The Commission's Green Paper proposes that this objective should now be enshrined as a principle for stock management in the future CFP. However, one of the main criticisms of the MSY paradigm is that it ignores economic and social considerations: for most fisheries, the goal for fishers is monetary, not tonnes of fish. The BS RAC draws attention to a contradiction in terms when setting the biological objectives of fisheries management. It would be much more appropriate to speak of the social-economic objectives and the biological constraints to fisheries management.

The BS RAC supports taking a less conservative approach to fisheries management. Market-based solutions to fisheries management can be expected to become more widespread across member states and should be supported. There is a positive view among some members to rights-based management. The Baltic Sea, with its special characteristics and relatively small number of member states involved, makes it possible to look positively at the Commission's proposals on this.

A few member states have already been successful in introducing market-based solutions. For instance, there are already several practical examples of rights based management in the Baltic. There are different ways of trading and transferring fishing rights, and ITQs are quoted as one form. The BS RAC recognises that ITQs can be designed for every member state or internally in every member state in such a way as to open up the possibility of transferring fishing rights in other ways than trading. It is up to every single member state to set the rules around it. Denmark has already introduced ITQs in several fleet segments. In Sweden a system has been introduced in the pelagic fishery. In Estonia there are ITQs in the cod and pelagic fishery. In Latvia ITQs have been very recently introduced. Poland is already interested in ITQs and is studying the Danish system. However, there are reservations among some members about opening up the tradability of quotas, since this can lead to the concentration of quotas in a few hands, or create other problems such as high-grading. There is agreement that allocation should be left to the member states. This will have to be developed in the years to come and include an exploration on the right size of the fleet, restructuring and leading to a situation with a higher compliance with the rules. So a chain of events takes effect after rights-based management is implemented.

- **12 nautical mile regime**

The BS RAC is reluctant to change the 12 nautical mile national fishing zone. For some member states, the 12 nautical mile zone is not just reserved for the small-scale fishery, whereas in others it is. It would be considered burdensome to make changes to the existing access arrangements or neighbouring arrangements that have been agreed among the member states of the Baltic. Cross-border co-operation already exists, with transfers and swaps taking place between agents and not between administrations.

- **The small-scale fishery**

What is meant by the small-scale or coastal fishery? Is it defined by vessel length? Should that be 12 metres or 20 metres? Is it defined by depth of vessel? Is it any vessel that does not carry out an

industrial fishery? Or should the vessel be linked to the coastal community? Is it defined in terms of the gear used? Or is it the particular type of fishery being carried out? Can it be defined in terms of turnover? Or in terms of quota allocation? Such examples given show that it is not possible to come up with a precise and useable definition of this sector. Experience from the different member states in the Baltic shows that this sector is regulated differently and according to the characteristics in that member state.

Not only is it impossible to define this sector. The term coastal fisheries is a very fluid one. Nor is it necessary to regulate it centrally from Brussels. Such an attempt to do so can lead to an unsustainable small-scale fishery. The Commission and others have added to the confusion of the subject by adding the word “small” – thus giving positive connotations to the “small” and negative ones to the word “big.”

But there are other considerations that should be taken into account, such as social factors. The BS RAC is aware that there is a natural development in rural and coastal communities where young people are moving away to find employment elsewhere. Such communities cannot be preserved at any price. But at the same time, we acknowledge that there can be special benefits from this segment, and it is necessary to preserve it, for example in certain harbours to maintain the life of smaller harbours. The associations with respect to the small-scale sector are different from the north as opposed to the south of the EU. In some southern states the artisanal sector has long, historical roots. In some northern states the approach is a more practical one. We should take care not to continue this north-south discussion. Here it is important to underline and reinforce the special characteristics of the Baltic and its ability to manage the small vessels, which are often very effective and efficient.

In conclusion to this point, the BS RAC feels that the coastal or small-scale fishery sector should be dealt with at national level within the management systems designed in the individual countries.

4) Markets

The revision of the Common Markets Regulation has been temporarily put on hold, awaiting the review of the CFP. However, the market is very dynamic and changing, and markets chapter is too important to be left until 2013.

Whilst acknowledging that it is very difficult to influence or control the market, the time is right in the Baltic for the market and fisheries management to come together and have an influence, for example with cod, which has been a symbolic fish for the Baltic Sea. The consumer has perceived this as a product which should be avoided. However, given the improved situation for the cod stocks in the Baltic, the time is right to promote Baltic cod to the consumer. It is also a good time to tell good stories about Baltic cod. And this in turn could create the opportunity to promote products from the Baltic as a region.

- **Labelling**

This is where labelling and certification schemes can play a part. On the global market labelling is very important for consumers to be able to see and identify that they are eating locally caught fish, and the BS RAC supports efforts to increase traceability. Schemes such as that of the Marine Stewardship Council are seen by the BS RAC as very good incentives for promoting market-based initiatives. There is consensus among the BS RAC members that the MSC scheme is the right one to follow, but care must be taken to prevent it from becoming over-bureaucratic, whereby the actual benefits of getting through the process of getting particular fishery certified are simply undermined. Care must also be taken to prevent the MSC from going beyond its original purpose by e.g. interfering in the TAC/quota debate.

Care must also be taken to avoid confusing the consumer. There must be minimum standards for eco-labelling so, for example, fish from one vessel or member state is not perceived as better than that from another vessel or member state.

- **The role of POs**

In our opinion things are not standing still. This concerns in particular the Producers' Organisations. The POs' traditional role of intervention and guaranteeing minimum prices may have outlived its day. This is particularly so in recent years, since withdrawal prices and minimum prices have not followed the market for fish and fish products, and the PO system has not been used to any great extent. Maintaining guideline prices and minimum prices in the long-term will not be realistic. However, the POs still very much have a role to play, but this role should and can change. For instance, in Germany the quotas are in the hands of the POs, whose task is to plan how they will manage the quotas and what they will do with the landings. In Denmark, the POs have been supporting generic "eat more fish" campaigns. More recent initiatives by the POs in Denmark

involve MSC certification and advice-giving to vessel owners on how to make necessary changes on the vessels to secure a better quality of the fish and thereby higher prices. In Sweden some PO systems are creating initiatives on the market structure, whereby some fishermen are joining forces and managing their own processing activities. In Poland the POs are willing to increase their efforts, for example by marketing the fish on the local markets. So there is a variety of activities going on by some of the POs in the Baltic. This dynamic process should be allowed to develop and not wait for the CFP reform, so that in the future there will be a different PO organisation and function.

- **Pollution**

One major concern of the BS RAC is that of pollution and pollutants such as dioxins, which in particular affect three major species in the Baltic: herring, sprat and salmon. We feel it is essential to continue pointing to the factors that actually cause the levels of dioxin: they are not caused by fisheries. Measures are being taken to improve the environment of the Baltic Sea, and these go beyond the Baltic Sea fisheries. The likely revision of Regulation (EC) No 1881/2006 of 19 December 2006 setting maximum levels for certain contaminants in foodstuffs and its exemptions will be closely followed by the BS RAC.

There are different standards applied by the respective member states on how to measure these dioxins, and the BS RAC does not see this as the best solution. The best solution would be to have world standards on dioxin, rather than using national standards. This is something that can be appropriately tackled by the Commission.

ⁱ Coalition Clean Baltic, the Fisheries Secretariat and WWF do not support the recommendations of the BS RAC.

ⁱⁱ A copy of the Stockholm declaration is attached in the link below. One of the decisions was to “Initiate a close collaboration between member states, the scientific community and the industry, to develop new selective fishing gears, in line with the proposal of the BS RAC, with the aim of eliminating discards in the Baltic Sea fisheries;”

<http://www.bsrac.org/archive/Stockholm%20Conference/Declaration%20signed.pdf>