

European Commission Green Paper “Reform of the Common Fisheries Policy”

Highland Council contribution

1. Introduction

Highland Council has not attempted to address every question asked by the Commission. Rather it has sought to identify what the Council would like to see from the reformed CFP.

A fundamental requirement of the Council is that the CFP be regionalised. Everything else flows from and is supported by the regional approach.

In order to provide context for what follows an idea of the structure of the sector in the Highlands may be helpful. Enclosed therefore with this response to the Green Paper consultation is a short paper which sets the scene on fisheries in the Highland area. Although written in September 2007, the general description of the fishery remains valid.

2. Policy Objectives (Green Paper 4.2)

Highland Council welcomes the Commission’s intention to clarify and prioritise the objectives of the CFP. This is necessary to ensure that policy decisions are consistent with the overall aims of the policy, to provide appropriate criteria against which the success or failure of the policy, and to guide appropriate financial support measures.

A priority objective of the CFP must be the achievement of sustainable biological resources within sustainable ecosystems. Economic and social objectives must also be recognised at the Community level but defined in detail at the regional or Member State level.

It is important that objectives are articulated in the form of “outcomes” as this provides a choice of management to achieve objectives, thus providing flexibility for managers to pursue economic and social objectives without prejudicing the biological and ecosystem sustainability outcomes. Biological and ecosystem outcomes should be set at the level of the Commission and Council reflecting the EU’s overall responsibility for conservation of marine resources and also reflecting parallel objectives being established within other policy instruments, such as the Marine Strategy Framework Directive.

Within the framework of biological and ecological outcomes, economic and social objectives should be articulated. These objectives should be defined at regional or Member State level to allow prioritisation of Member State economic and social objectives. Economic objectives should be described in terms of competitiveness of the fisheries sector. Social objectives should be described both in terms of dynamic and resilient communities and social renewal of the catching sector. Sustainable employment within the industry is best assured through profitable fisheries. Policy objectives should thus focus on sustained profitability rather than preserving employment *per se*.

Outcome based timeframes also need to be set for longer periods than have traditionally been used within fisheries management. It should be realised that it may take many years to observe the beneficial effects of management measures, so any management system needs to be robust to short-term influences.

3. The decision making framework and long term principles (Green Paper 4.3)

Highland Council welcomes the Green Paper's emphasis on the need to redistribute decision making responsibilities between the European Institutions, the regions and the Member States. This should give Member States and their fishing industries a greater role in deciding the details of fisheries management. It endorses the view expressed in the Green Paper that Community policy should be strategic in nature, identifying the principles, objectives, standards and targets of policy. The Commission's willingness to entertain ideas of regionalising the CFP is also warmly welcomed.

Regionalisation of the CFP would introduce sufficient flexibility within fisheries policies to allow the development of rational fisheries management. Underlying regionalisation is a:

- System which provides flexibility to achieve outcomes through different management approaches
- Move to longer term outcomes and de-politicisation of target setting
- Greater involvement of stakeholders in management of fisheries.

Regionalisation should go further than the Green Paper proposal to decentralise decisions on technical matters. It should extend to allowing Member States to implement community strategy in their own way and in the way that best suits their fisheries.

4. Industry's role in implementing the CFP (Green Paper 4.4)

Highland Council believes that greater industry responsibility is both essential and achievable through greater involvement in the decision making process. This would bring greater expertise and knowledge to the design of management measures, greater ownership, and understanding of regulations and goals. Industry could take the responsibility for example, of formulation and implementation of regional, sectoral or stock fishery plans consistent with Community targets and regional strategy.

Transfer of responsibilities should be phased to allow the industry to adapt to new responsibilities.

A reformed CFP should facilitate greater involvement of the industry. The Highland Council suggests that Producer Organisations could be the focus of that involvement.

5. Overcapacity (Green Paper 4.1)

Highland Council is not convinced that overcapacity is a feature of the Scottish catching sector. It would like more details of where over capacity exists within the Scottish fleet before commenting on the need to reduce capacity. The Council notes that an alternative to capacity reduction is effort management. Effort management spreads the pain of limited fishing opportunities across the fleet and would have the effect of maintaining fishing opportunities for vulnerable fishing communities. Such an approach does have a latent risk of reducing the overall efficiency of the Scottish fleet compared to its competitors.

Decommissioning and scrapping schemes funded from the public purse can reduce capacity but have proven less effective than hoped. However they must be carefully targeted and managed in order to reduce capacity where it is needed. Experience suggests that decommissioning may only provide a temporary solution as technological creep will continue to push capacity upwards.

The Council is interested in the suggestion contained within the Scottish Government's Inquiry interim report, which suggests a within-Scotland ITQ system with derogations or protective measures established to protect fragile communities. Greater flexibility within a national transferable quota system might help ensure the distribution of fishing opportunities more closely matches fleet structure and location. Simultaneously, mechanisms could be introduced to ensure fishing opportunities are maintained to encourage new entrants into fishing (quota pools, buy back options) or to maintain fishing opportunities for small scale operators as envisaged in the Green Paper through the establishment of a 2 tier management system.

6. A culture of compliance (Green Paper 4.5)

Highland Council believes it is vital to develop a culture of compliance and that compliance will only be achieved when fishermen have confidence in the overall management system.

In recent years measures introduced by Member States and the Commission have brought down black fish landings and other forms of non-compliance. The following other specific measures and improvement to policy will have a positive impact on levels of compliance:

- Decriminalisation of technical offences to be replaced with progressive penalties dependent upon the notional harm caused by the act of non-compliance, cumulating in removal of fishing licences.
- Greater transparency in compliance information throughout EU to address perceived imbalances in levels and severity of enforcement activities.
- Addressing overcapacity
- Decision making at a local/regional scale
- Involving industry in development and implementation of regulations, including exploration of the option of self regulation.

Technological advances, coupled with consumer concerns regarding traceability mean that the industry and regulators need to ensure compliance and also be able to demonstrate compliance. This does not necessarily mean that greater compliance monitoring is required. Better designed management measures should seek to develop smarter, rather than more intrusive control methods.

Moves towards discard bans mean that placement of observers on fishing vessels, extension of VMS and CCTV technology are likely to play an increasing role in compliance and discard monitoring. Future policy should be shifted to offer incentives for conservation behaviour, they should be seen as tools to gain incentives. This puts regulators and industry on the same side rather than against each other and would promote cooperation.

7. Integrating the CFP in the maritime policy context (Green Paper 5.5)

Highland Council believes that the future of fisheries management in Europe depends on strong linkages between environmental management, integrated maritime policy and the CFP. In short, fisheries management and the CFP must become integrated with the wider marine policy framework.

Fishing activities interact with other offshore sectors, notably the gas and oil industry, and increasingly with the renewable energy industry. However, it is the relationship between fisheries and the marine environment which the Council considers is the most significant in seeking the integration of policies. Marine planning has an obvious role to play in this respect.

Natura sites will continue to constrain where and how fishing can be conducted. Constraints are likely to increase through the implementation of the Marine Strategy Framework Directive, the environmental pillar of the EU Maritime Policy. This directive will have impacts on fishing activity. It will establish new long term targets for fish stocks and will require the achievement of other targets such as sea-bed condition.

An ecosystem approach to fisheries management (EAF) is intended to be holistic, inclusive and participatory. It is essential that all stakeholders are involved in the process of integrating environmental concerns into fisheries policy. Observers perceive that the CFP is failing to develop a meaningful form of (EAF). The approach is incremental and it is the pace of implementation rather than the direction that is the cause for concern. One reason for the apparent lack of progress may well be the absence of an appropriate regional framework in which to develop and apply EAF.

There are therefore substantial drivers for closer integration of marine environment and fisheries policies. The clear intention of the Commission to elevate ecosystem objectives within fisheries policy (see Green Paper section 2.2) will change the focus of the CFP. However, a regional approach may offer a more meaningful way to address integration. The integration of fisheries policy with marine environmental policy at a regional level provides the best opportunity for a sustainable balance between economic and environmental interests. Indeed, such an approach is recognised within the MSFD itself, which requires a regional approach to achieving Good Environmental Status. A regional approach also more closely matches fish stock population structure.

Another very important feature of the Ecosystem Approach to Fisheries is that it should aim to be holistic, inclusive and participatory. As previously stated it is essential that all stakeholders are involved in the process of integrating environmental concerns. This principle should also be manifest in any regional governance system.

A further feature of the integration process that is likely to become more prominent in the medium to long term is the introduction of marine spatial planning as envisaged in the Community's Integrated Marine Policy (and in the Scottish Marine Bill). This could have far reaching consequences for the location and conduct of fishing activity especially where there is increasing competition for maritime space from oil and gas, renewables, aggregates and recreational activities. The fishing industry at local, national and regional scales will need to be more proactive in demonstrating and protecting the importance of

essential fish habitats and in asserting its legitimate rights of access to the sea for the purposes of sustainable fishing. This will be easier where regional management strategies and fishing plans are in place.

8. A Knowledge base for the policy (Green Paper 5.6)

Traditionally, fisheries policies have been overwhelmingly based on biological data. Social and economic data is sparse and seldom utilised. This approach condemns policy to fail to meet social and economic objectives. There is a need to rectify this situation.

Information on fish stocks is vital but the current system involving the collection of information about fish stocks using landings and fisheries independent sampling is expensive relative to the precision and timeliness of the information it provide.

There is therefore a need for innovative fisheries science so that is more responsive, more cost effective and less intensive. Greater involvement of the fishing sector in provision of science is an obvious tool for improvement, which should encourage responsive approaches.

Highland Council believes that a fundamental examination of fisheries science; what it provides, how it is funded and how it is used, is needed if the gap between what is provided and what is actually required by managers, is to be addressed.

9. Making the most of our fisheries (Green Paper 5.2)

Maximum Sustainable Yield (MSY)

Highland Council doubts there is the capacity to collect the information necessary for many fish stocks that would demonstrate whether a stock is moving towards or away from MSY.

The Council also recognises major difficulties in applying MSY in a mixed fishery like Scotland's. Different stocks which are caught together cannot all be at MSY levels. In reality for mixed fisheries management measures are generally aimed at a level which affords greatest protection to the most vulnerable stock, such as is seen in the EU Cod Recovery Plan. The result is that associated stocks are likely to be fished at a level below that which would provide maximum sustainable yield.

There is a growing understanding of the interdependency of fish stocks which also undermine an MSY approach. Ecosystem modelling of fish populations, involving the modelling of several different fish stocks rather than single stock models, indicates that shifts in fisheries regimes have happened in the past, either through human or natural interventions. Thus gadoid (cod, haddock etc) based fisheries have been replaced by pelagic (mackerel, herring) or shellfish stocks, and vice versa. Models demonstrate that fisheries for pelagic, demersal and shellfish stocks cannot be considered independently, (as they currently are in ICES advice). MSY targets for pelagic stocks can only be given in the context of a specific objective for the management of demersal fish, and vice versa. The MSY approach is therefore flawed, and this is probably partly to blame for current scientific activity being inappropriately structured to advise fisheries managers.

Multi-species based, or ecosystem-based approaches to fisheries management dictate that strategic choices probably need to be made between different regimes. It is unlikely that all fisheries within a region can be managed to maximise yield simultaneously. For example, in the case of Scottish fisheries the increased value of shellfish fisheries and the recovery of pelagic fisheries may have occurred as whitefish fisheries declined. This addresses the Green Paper question, should fish stock plans be developed, or fisheries plans. Clearly it is fisheries plans that are needed, developed at the ecosystem level. Such an approach is further evidence that the regional approach to fisheries management is the best way to proceed.

Long-term Management Plans

Highland Council supports the implementation of long term fisheries management plans.

At present, annual fine tuning, by adjusting fish stock catch and effort levels attempts to track the peaks and troughs of stock fluctuations. The delay in detecting these fluctuations, introducing measures and allowing these measures to have effect is such that short term annual management regimes are inappropriate. This is especially the case in mixed fisheries.

Longer term planning would also reduce the annual horse trading which inevitably impacts on the setting of quotas that are suited to fish stocks.

Highland Council recognises that sustainable long term fisheries plans may require levels of fishing mortality to be reduced below what is deemed appropriate for annual decisions. The extent of these reductions is of course specific to each fishery and the impacts of a move to long term management should be managed on a regional or Member State basis.

Discards

Highland Council agrees that discarding must be reduced. Whether it can ever be entirely prevented is arguable. The Council is aware that states outwith the EU claim to have a discard ban in place. Given the difficulty in policing discard bans the Council questions the real effectiveness of implementing discard bans alone, especially in mixed fisheries.

Discarding has no single cause; lack of quota can lead to discarding or high-grading. The lack of a market for certain stocks means that there is no incentive to land these stocks. Even the most selective gears will catch some undersized fish.

The Council recognises that an effort scheme alone would not solve the issue of discarding. However measures such as fishing gear measures, stock avoidance and discard bans used together would help reduce discards. While effort management does provide a means of solving mismatched quotas in a mixed fishery, more detail from the Commission is required on this proposal before a meaningful view can be taken.

An effort based system may provide a better basis for mixed fisheries. Greater flexibility in quota swaps, greater selectivity, avoidance of areas of abundance of low quota species coupled with enhanced monitoring are all measures which can be used to lower discarding levels. The Council suggests that the best approach is through the

development of fisheries relevant measures at a regional level involving fishermen and with carefully applied incentives and appropriately severe penalties for infraction of the rules is probably the best way forward.

10. A differentiated fishing regime (Green Paper 5.1)

Highland Council welcomes the Green Paper's proposals for differentiated fishing regimes for offshore and inshore fisheries and the fact that the Commission recognises the potential impacts of a reformed CFP on inshore waters and the viability of the small scale fisheries sector. The Council notes however that inshore fisheries are a Member State responsibility and increasingly a matter for local co-management (in Scotland via Inshore Fisheries Groups).

If Rights Based Management is implemented as a means to address overcapacity then the 2 tier approach suggested by the Commission, which would allow small scale inshore fleets to be protected from market forces should also be established. In setting up such a system it is important to define inshore fisheries correctly and to recognise that there is considerable overlap (particularly in Scotland) in the social, economic and stock interests of fishing communities.

It is through sensitive inshore management regimes, which protect local, small scale fishing interests and which encourage collective community management schemes, including community quotas, that the social objectives of fisheries policies are best assured. In Scotland, the establishment of Inshore Fisheries Groups provides a real prospect of this being realised.

While Member States therefore take the lead in managing fisheries to meet social objectives, the EU could facilitate this through the relaxation of trading regulations to allow quota to be held locally and leased to those most likely to contribute to the local economy.

11. Trade and Markets (Green Paper 5.4)

Highland Council agrees with the Commission when it points out the complexity of the market for fish products. Long supply chains involve Producer Organisations (POs), catchers, fish salesmen, processors, distributors, retailers and ultimately, consumers. Reducing this complexity could help improve supply chain linkages and improve efficiency.

There also appears to be a need for greater balance of power between catchers and buyers. Catchers landing their fish at port have limited leverage, the catch has to be sold while fresh, and thus buyers have an advantage in price setting. The Commission's support for trade partnerships that help address this balance would be welcomed.

The Council is also concerned that any coordinated attempt to constrain catches to raise quayside prices can be negated by cheap imports from other countries. Highland Council would like to see POs help suppliers influence the value chain via their marketing role and it is glad that the Scottish Government has recently established a PO reform group, which it hopes will be able to consider this issue.

Small scale fisheries are a feature of the Scottish sector, particularly in the Highlands and Islands. The dispersed nature of much of Scotland's catching sector may justify public support for product promotion. At present such measures are not feasible under existing EU trade regulations. Support could be channelled via certification schemes and subsequent marketing support to allow establishment of niche market products. This would also promote conservation behaviour in suppliers. MSC accreditation is helping to move fisheries in the right direction by providing an incentive for fishermen to comply with sustainable management measures but certification comes at a cost and can be difficult to maintain. Public support for such certification schemes could help significantly.

Scotland exports most of its catch and imports most of the seafood it consumes. Seafood is seen as a nutritious but expensive product. Increasing interest in carbon taxation as a means to reduce greenhouse gases production will increase the cost of seafood and will depress exports due to the added levy. As a trend across food production, it is expected that distances between source and market will reduce. Plans to encourage the domestic market in Scottish seafood will become more important in the medium term and there should be support for such initiatives regionally.

12. Structural Policy (Green Paper 5.7)

The objective of provision of any public financial support ought to be focus on promoting self-sufficiency. In order to help this point, funding should aim to accelerate achievement of efficiency and profitability, safeguard the industry from external shocks which could impinge of that process and help build up the institutional infrastructures for industry involvement in fisheries management.

The European Fisheries Fund (EFF), has resolved anomalies like grant aiding new vessel building at a time when policy sought a reduction in capacity. Clearly it is important to ensure that there is further alignment between support measures and policy priorities.

Highland Council believes that the Commission should also consider implementing a system whereby Member States that default on implementing and enforcing Community policy should face funding reductions.

13. Relative Stability and Access to Coastal waters (Green Paper 5.3)

Highland Council recognises widespread support in Scotland for the retention of Relative Stability in relation to the allocation keys for the distribution of TACs as national catch quotas. The Council fully supports this view.

Given the current structure of Scottish fisheries, Scotland could lose out if Relative Stability was to be abandoned or significantly altered. However in the longer term climatically induced changes in fish population distribution might mean that Relative Stability inhibits the adaptation of the Scottish fleet. In the shorter term, a majority of Member States might seek to remove Relative Stability from a reformed CFP and this may be damaging to Scotland.

Opening up the principles of Relative Stability to review also has risks. The prospect of a reallocation of a resource could provoke Olympic fishing (racing to build a track record)

or misreporting of catches, as well as introducing uncertainty for the industry. Discussion on Relative Stability therefore must be carefully prepared and managed.

Highland Council is also concerned about the ongoing status of the 12 nautical mile limit. The Council believes that within 12 nautical miles, the continuing derogation from the principle of equal access since 1982 is vitally important. Inshore fisheries management and its integration with marine environmental management in some of Europe's most sensitive habitats should remain the responsibility of the Member State.

14. Aquaculture

The background paper submitted with this response indicates the importance of aquaculture in the Highlands of Scotland. It is equal in importance to the catching sector in terms of value and landings. However output and value is dominated by salmon and mussel culture and there are opportunities to diversify this sector via new technologies.

Highland Council's view on the role of the Commission is that it should provide the overarching policy context within which Member States have the freedom to agree and implement regional strategies and to integrate aquaculture. This is entirely in line with the regional approach already supported. The Scottish Government already implements a Strategic Framework for Scottish Aquaculture.

In a Highland context, EU policy should support:

- Diversification for the sector
- Technological advancement
- Marketing initiatives and product development
- Efficiency projects
- Environmental improvements and reduced impacts
- Regional/national partnerships and joint ventures
- Processing and marketing
- Animal welfare, working conditions and hygiene initiatives, including depuration plants for shellfish