

## Research for PECH Committee — EU fisheries policy – latest developments and future challenges

### KEY FINDINGS

- The **2013 reform of the CFP** was a turning point in EU fisheries policy in the fields of fisheries management, Common Market Organisation (CMO) and external dimension. Not all objectives are fully achieved, although some significant advances have been seen in the economic dimension.
- **Fishing mortality** has been reduced, but it does not seem likely that all CFP objectives will be met by 2020. The **landing obligation** is a paradigm in fisheries management but until now it has failed to achieve its objectives.
- Perceived “unfair” **competition** between EU and non-EU producers might call for tailored trade measures, including consumers’ information, which would help to differentiate EU seafood products.
- **Fleets and producers** are conditioned by access and trade agreements, respectively, and some EU markets focus on imported species. **Brexit** provides opportunities to revisit the exploitation of shared stocks and further cooperate.
- The EU is a natural leader in **fisheries governance**. Further efforts, however, would face difficulties where third fleets are subject to weak regulations. Capacity-building, clauses in partnership agreements, unregulated sea areas, amongst others, require further EU attention to deter unsustainable practices.



Fishing is an economic activity that is intrinsically dependent on the productivity of the marine environment. Maintaining fishing resources at levels that can sustain the fishing activity requires setting long-term goals that may sometimes not be compatible with the short-term interests of the fishing industry, and political and economic factors. In the EU, the course of the fishing sector is not only influenced by the evolution of the **Common Fisheries Policy** (CFP), and its reforms, but also by market conditions, availability of fish in EU waters, and accessibility to non-EU waters. These factors impose challenges for EU policy-makers.

The present document is the executive summary of the study on “*EU fisheries policy – latest developments and future challenges*”. The full study, which is available in English can be downloaded at: <http://bit.ly/2k6rVSX>

The **EU fisheries sector** encompasses an economic activity with a relatively low contribution to the EU economy. The sector has, however, high significance in terms of food security, cultural identity, employment and income. EU fleets operate in Western Waters, the North Sea, the Arctic, the Baltic Sea, the Mediterranean, Outermost Regions, third country waters, and areas under the mandate of Regional Fisheries Management Organisations (RFMOs).

The 2013 CFP **reform** reflects the before mentioned complexity. The CFP reform brought about a number of ground-breaking measures in EU fisheries. But, the implementation of regulations on **fisheries management**, **Common Market Organisation** (CMO), and **external dimension** measures have, in many cases, resulted in uneven outcomes, and in some cases failure to achieve the general objectives of the CFP. Much is still needed to overcome recent failures and address the envisaged challenges posed by the evolution of EU fisheries, markets and exploitation of fishing resources beyond EU waters.

## Aim

The aim of this study is to inform the European Parliament's Committee on Fisheries (PECH) about the **latest developments** of the CFP and to describe the **future challenges** to be faced by the EU fisheries policy in the near future, and what is required to address the forthcoming challenges.

## Results

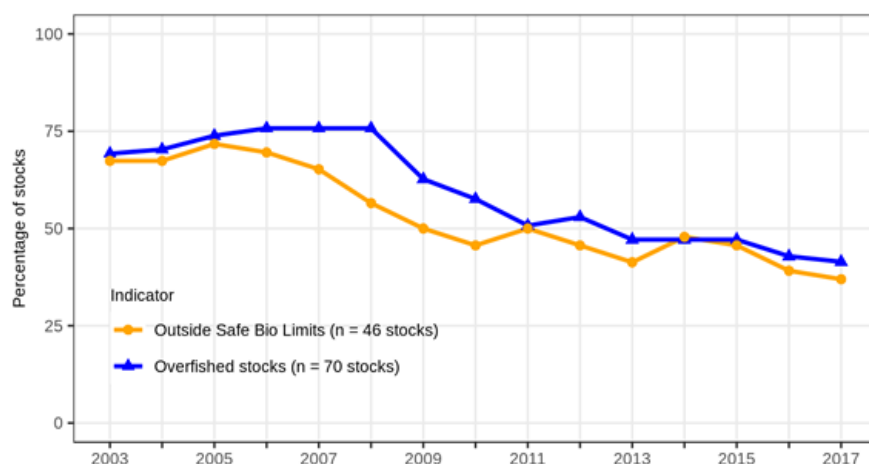
### Fisheries management

#### 1 Latest developments

There has been some success over the last fifteen years in terms of fisheries management. Fishing mortality has decreased and biomass has increased (Figure 1) in the North East Atlantic owing to long-term management plans and fishing effort reductions. The economic performance has also improved.

The **landing obligation** has been gradually phased in since 2015, but it has largely failed to achieve its objectives. Discarding has not yet been reduced, enforcement is poor, and the lack of support and compliance is evident. This also undermines the quality of the catch data used in stock assessments.

**Maximum Sustainable Yield (MSY)** is a key objective. The difficulty to achieve it simultaneously for all stocks, jointly caught in mixed and multispecific fisheries, led to the concept of  $F_{MSY}$  ranges, framed in **Multi-Annual management Plans (MAPs)**, to allow some flexibility in the annual setting of Total Allowable Catches (TACs). However, the management of bycatch species remains challenging.

**Figure 1: Trends in stock status in the Northeast Atlantic, 2003-2017**

Source: Scientific, Technical and Economic Committee for Fisheries (STECF)

## 2 Future challenges

Improvements in control and enforcement, and MSY-based decisions on Total Allowable Catches (TACs) decisions may allow the CFP to meet its objectives, but subsidies should not be reintroduced. MAPs have only been in place for a short time, and it is too early to draw conclusions on whether they have enhanced regional cooperation. **Regionalisation** allows Member States to cooperate in formulating joint recommendations. The challenge is to leave some room for regional divergence while maintaining some fundamental CFP principles and objectives applicable to all fisheries. The **Mediterranean and Black Seas** have traditionally been left outside the CFP, and are governed by own regulations and multiple decision layers. The management of fisheries in that region has been largely ineffective until now. New governance is emerging under the umbrella of the "[MedFish4Ever](#)" Ministerial Declarations.

Without effective monitoring, control and surveillance, the CFP objectives will be undermined. The current revision of the **Control Regulation** will improve the EU control system and harmonise procedures across Member States. Options for using **new monitoring technologies** to increase compliance with the landing obligation are being discussed. In particular, electronic monitoring using cameras and sensors are being extensively debated. There are limitations due to costs, but the lack of acceptance by the fishing industry is the main barrier.

There is a need to better align the CFP, the Marine Strategy Framework Directive and the EU Birds and Habitats directives under an **integrated ecosystem-based fisheries policy**. Current management systems are not well-suited to deal with **climate change**. The "relative stability" allocation keys do not adapt to changes in fish distributions, leading to conflicts and suboptimal exploitation of resources. There is a compelling need to define new and better **ways to share fishing opportunities**.

Three cases are described, illustrating situations where fisheries management is particularly difficult and hampered also by other factors, and where the status of stocks is often alarming. The **Baltic Sea** is a case where the marine ecosystem is undergoing large ecological changes and the productivity of the eastern cod stock is plummeting, rendering its recovery uncertain. Small pelagics in the **Adriatic Sea** is a case where the lack of political will and of scientific consensus have left the fishery largely unregulated, with dramatic increases in catches in the recent years. The mixed fisheries in the **Celtic Sea** is a case where zero-TAC regulations enter into conflict with the landing obligation, aggravated by the high risks of so-called "choke species".

## Common Market Organisation

### 1 Latest developments

The current Regulation on the **Common Market Organisation (CMO)** aims at protecting primary **producers**, improving the competitiveness of the **sector**, and linking **market** considerations to **resource** management issues. The recent period has indeed seen a strong increase in profitability, especially in the fisheries sector, suggesting that some of the developments undertaken have been quite successful:

- (i) A better adjustment between fishing **opportunities** and fishing **capacities**, because of an improvement in some stocks and a reduction of the fleet size.
- (ii) The end of the so-called '**withdrawal**' **scheme**, which was considered as biologically and economically harmful, to help to match supply and demand.
- (iii) The **Illegal Unreported and Unregulated (IUU) Regulation**, which is considered as a key example of an EU-led initiative to promote sustainable fisheries, by levelling the playing field between producers. First results show that this could be extended to other socio-economic aspects.
- (iv) The systematic development of **production and marketing plans**, which are a move towards a more market-oriented approach. The aim is to improve the match between supply and demand.

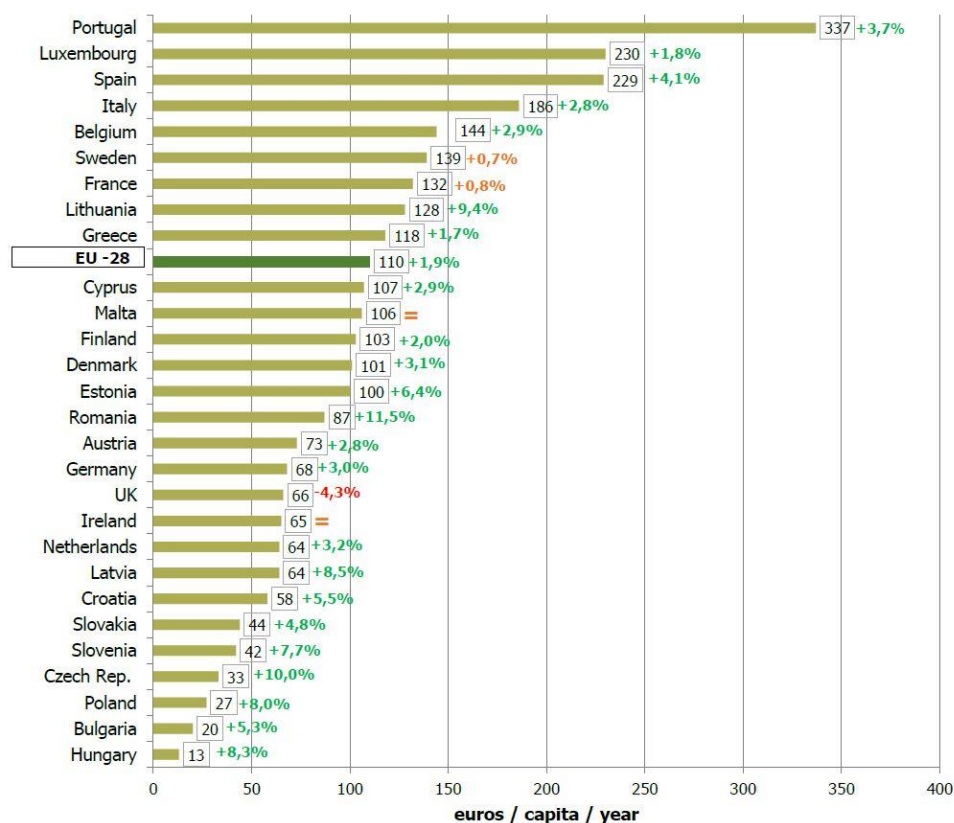
### 2 Future challenges

In a context of creeping **globalisation** and **Free Trade Agreements (FTA)**, levelling the playing field between EU and non-EU producers is still an issue, both for aquaculture and some globalised fisheries markets (e.g., tuna). Making sure that all the **EU sustainability standards**, such as working conditions or production processes (e.g., feeding), are verified, is essential.

Informing consumers about the origin of seafood products, even for processed commodities, is also needed. This is illustrated in the case of **Seabass and Seabream aquaculture**, where a non-EU country is increasing its market share in the EU market in a context of a customs union. In the absence of public actions, there is a risk of seeing pressure on international prices, an increase in imports and the potential exclusion of some EU products from the EU market. The Seabass and Seabream case suggests imposing requirements on **environmental and social aspects** for non-EU producers wishing to export to the EU market.

As one objective of the CMO is to ensure that the **best use is made of each and every species** available in EU waters, finding the routes to the market for less known, local species, can be challenging. This occurs because an increasing number of markets are supplied by a limited, but known, number of species - mostly imported -, especially when specific (private) labels are required. In addition, the **spending on seafood** is still low in some countries, where meat is the preferred food (Figure 2). While informing the consumers is again central, developing public initiatives to enhance the value of every EU product might be an option.

**Figure 2: Per capita household expenditure on fishery and aquaculture products in the EU in 2017 and % variation 2017/2016 (out-of-home consumption is excluded)**



Source: EUROSTAT; [The EU fish market](#), 2018 Edition, p.30., EUMOFA

In order to improve the competitiveness of the sector, it is important to ensure that the most efficient **production systems** are encouraged, considering all aspects of sustainability, including the economic performances, e.g. due to the difference in costs and ex-vessel prices obtained from each fishing method (Table 1). This especially applies in the context of shared fisheries, where management methods and exploitation strategies co-exist, including across different Member States. The two **Western Waters** sub-cases show the importance of considering the question of access regulations in a mixed-shared fishery, which is particularly relevant in the context of **Brexit**. In turn, the **producer organisations** (POs) have a key role to play in such fisheries, e.g., by facilitating formal or informal cooperation systems among the POs. Future development in mixed-shared fisheries also needs to consider the specificities of **Small-Scale Fisheries** (SSF), especially with regards to Article 17 of the CFP, calling for the inclusion of environmental and social criteria in the definition of fishing opportunities.

**Table 1: Average seabass ex-vessel prices per fleet segment, 2000-2015**

Fleet segment	Ex-vessel price (EUR/kg)
Hook fleet	14.0
Polyvalent fleet	11.9
Netter fleet	9.0
Demersal trawl fleet	8.6
Pelagic mixed trawl fleet	8.0

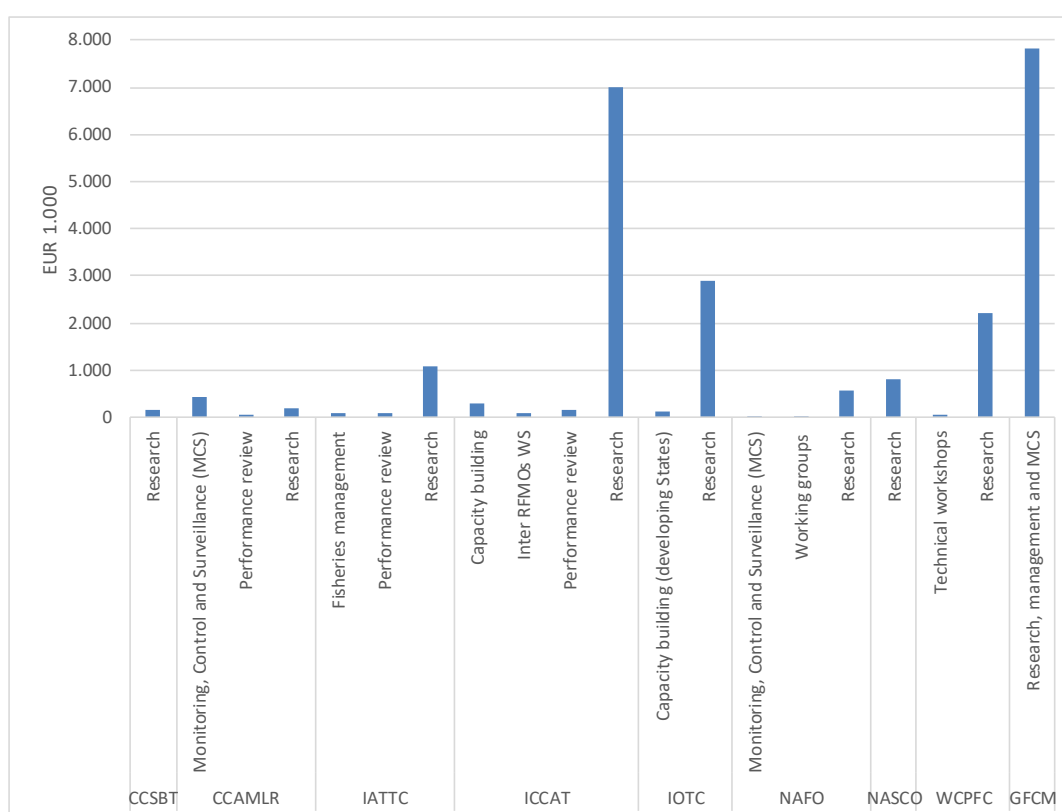
Source: Own elaboration, data from Daurès and Nourry, 2017

## External dimension

### 1 Latest developments

The EU is a key player in **Regional Fisheries Management Organisations (RFMOs)**, and in actively proposing conservation and management measures, and providing financial support (Figure 3). The EU also has many **Sustainable Fisheries Partnership Agreements (SFPAs)** in place, guaranteeing supply to the EU market, and providing sectoral support to coastal states. The EU Regulation on the **Sustainable Management of External Fishing Fleets (SMEFF)** attempts to facilitate a more effective control of operations beyond EU waters. This commitment, however, may not yield good results when other fleets are weakly regulated. The SMEFF establishes common eligibility requirements for EU vessels operating abroad, including direct agreements between Member States' companies and third countries.

**Figure 3: EU contribution to Regional Fisheries Management Organisations (RFMOs), 2014-2017**



Source: Own elaboration from EU data

Note: [CCSBT](#) = Commission for the Conservation of Southern Bluefin Tuna; [CCSAMLRL](#) = Convention for the Conservation of Antarctic Marine Living Resources; [IATTC](#) = Inter American Tropical Tuna Commission; [ICCAT](#) = International Commission for the Conservation of Atlantic Tunas; [IOTC](#) = Indian Ocean Tuna Commission; NAFO = Nord Atlantic Fisheries Organization; [NASCO](#) = North Atlantic Salmon Conservation Organization; [WCPFC](#) = Western and Central Fisheries Commission; [GFCM](#) = General Fisheries Commission for the Mediterranean Sea

**IUU fishing** stands as a challenge requiring cooperative efforts among the diverse countries. The Union's IUU Regulation has deployed diverse mechanisms to restrict access of IUU products to its markets. In turn, **transshipments at sea** is also an issue that boosts IUU fishing. The EU has promoted the ban on transshipment at sea in diverse RFMOs although it has faced opposition by other parties.

**Unsustainable fishing practices** constitute a threat to targeted and non-targeted resources. The EU has tabled draft proposals to RFMOs on bans on **finning** and **large-scale driftnets**, but they have



encountered unequal acceptance. Large fishing **capacity** implies a risk for fish, and a waste of economic resources. Actions to reduce fishing capacity are high on the agenda of many RFMOs. One of the main constraints relates to the legitimate claims of developing States to develop their fisheries. The topic has been proposed by the EU to diverse RFMOs.

Developing nations endure a **lack of institutional capacities** to control the expansion of their fishing effort and monitor activities in their Exclusive Economic Zones (EEZs). The lack of **scientific capacities** also impedes proper data reporting and participation in the scientific process. Concerning SFPAs, coastal states may lack the means to determine surpluses and conduct activities in the field of **Monitoring, Control and Surveillance** (MCS). The EU is currently contributing to **capacity-building initiatives**, for example, training Western African inspectors under the auspices of the European Development Fund (EDF).

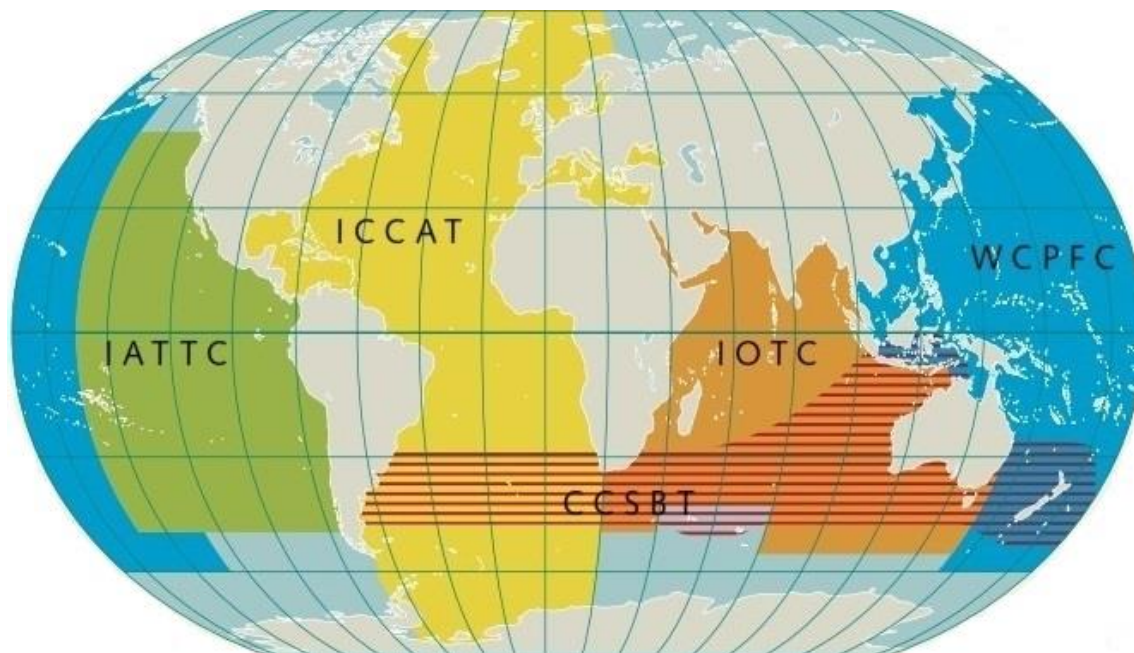
## 2 Future challenges

**New technologies** offer promising results to deter IUU fishing. Concerted effort and sound research are required to establish the right **balance** between fishing **capacity** and fishing **opportunities** in **RFMOs**. There is increasing concern about **social sustainability**, e.g., working conditions, health and safety. The RFMOs are well placed to promote this process, which requires coordination with maritime and labour organisations. **Allocation criteria** must be developed to ensure the fair distribution of fishing opportunities amongst parties in RFMOs. Allocation shall not be based solely on historical catches, but it should also include socioeconomic factors, compliance, and ecological impacts, for instance. Within RFMOs, efforts are being made to define allocation criteria but there is still much to do to achieve consensus and operationalise the process.

The **SFPA case study** informs about the lack of scientific capacity in a number of African coastal States which requires urgent attention. In addition, coastal States are not able to define the surplus when catch data from the diverse fleets are not available. The **tuna RFMO** case (Figure 4) informs that there is a need to **ban transshipments at sea** to counteract IUU fishing. The EU tabled a draft proposal for tropical tunas in the Atlantic but it was rejected by some parties. **Destructive fishing practices** should be banned. The EU successfully promoted a **ban on large-scale driftnets** in the Indian Ocean.

The EU is well-placed to lead **international fisheries governance** due to its institutional and economic strengths. There is a need, however, for coordination among EU funds, and with other donors. Large marine areas lack RFMOs, particularly off the coasts of Western Africa, and require international coordination. Finally, **Brexit** provides an opportunity for the EU and coastal States to cooperate in setting quotas based on zonal attachment of stocks. Under the Law of the Sea, cooperation is sorely required to manage transboundary stocks. Unilateral exploitation may only lead to overfishing.

**Figure 4: The Regional Fisheries Management Organisations (RFMOs) for tuna**



Source: World Ocean Review

Note: [IATTC](#) = Inter American Tropical Tuna Commission; [ICCAT](#) = International Commission for the Conservation of Atlantic Tunas; [CCSBT](#) = Commission for the Conservation of Southern Bluefin Tuna; [IOTC](#) = Indian Ocean Tuna Commission; [WCPFC](#) = Western and Central Fisheries Commission

## Further information

This *executive summary* is available in the following languages: English, French, German, Italian and Spanish. The study, which is available in *English*, and the summaries can be downloaded at: <http://bit.ly/2k6rVSX>

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