

Baseline study on the CFP external dimension and global fisheries governance

Executive Report



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Report commissioned by the UK Department for Food and Rural Affairs (DEFRA)

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The following independent report was commissioned by DEFRA from external experts in order to gather information on fisheries management issues. The report is intended to help inform the policy development process on reform of the Common Fisheries Policy (CFP). Although the report raises a number of important issues and contributes to the body of background evidence feeding into the reform process, the content of the report contained does not necessarily reflect UK government policy.

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EXECUTIVE SUMMARY

The EU Common Fisheries Policy (CFP) is currently undergoing a reform process with changes due in 2012. The consultation process for the reform began with the publication of a Green Paper in 2009 and invited a range of stakeholders to provide contributions. The Department for Food and Rural Affairs (DEFRA) commissioned this study to consider the main issues for reform of the 'external dimension' of the CFP.

This study has focused on the interactions of the CFP on developing countries and the contribution that a reformed CFP could make to international fisheries governance. It therefore reviews elements of the external dimension such as: Fisheries Partnership Agreements (FPAs), the EU's engagement with Regional Fisheries Management Organisations (RFMOs) and engagement with international fisheries governance bodies (e.g. UN, FAO). It also assesses some of the internal policies of the CFP that affect global fisheries governance and wider policies that have a significant impact, such as trade. The EU currently imports 65% of fisheries products available on the market and the EU external fleet contributes 21% of the total community catches for human consumption (equivalent to 12% of fisheries products available on the market.) This highlights the importance of good fisheries governance for long-term EU food security as well as for the activity of its external fleet.

Good fisheries governance has been defined in this report as: *Effective policies, institutions and processes that are transparent, accountable to civil society, free of corruption, and backed up by effective legislation and enforcement that lead to successful fisheries outcomes characterised by economic, environmental and social sustainability e.g. sustainable wealth creation, sustainable stocks, ecosystem health and support to food security.*

When referring to international fisheries governance this report considers both the governance of resources within developing countries' Exclusive Economic Zone (EEZs) (where the EU has a fishing interest) and fisheries governance on the high seas. One of the key findings in this report is that the principle constraint on achieving good global fisheries governance is the lack of capacity both at the coastal state level to effectively manage their resources and at the level of RFMOs where most of the responsibility for management of the high seas fisheries resources lies. Distant Water Fleets (DWF) play a role in governance outcomes but it is the existence of an effective framework for fisheries management that determines much of the outcomes of good or poor fisheries governance.

The EU signs FPAs with developing countries to gain access to selected fish resources within their EEZs. However, a lack of fisheries management capacity makes the operation of the EU's external fleet within their waters questionable. In contrast, where there is good fisheries governance i.e. effective catch allocations based on rigorous science and effective control and surveillance to enforce regulations within coastal states waters, the operation of Distant Water Fleets (DWF) – either through fishing agreements, private agreement or through joint ventures – poses less of a concern.

Despite the importance of good fisheries governance within coastal waters of developing countries, EU development funding to the fisheries sector is declining. Countries that have signed an FPA are not always eligible for development support, even though they may be the countries with the weakest fisheries governance. Furthermore, the sector is infrequently highlighted as a priority within development plans such as Poverty Reduction Strategy Papers (PRSPs) making it difficult for the EU to prioritise the sector. The potential wealth contribution of the fisheries sector within developing countries needs to be assessed and recognised. Following this investment in good fisheries management (e.g. adding value to fish products) and governance (e.g. creating a framework to enhance capacity) is required to

realise the significant contribution of the fisheries sector to economic growth. Supporting the drivers of good governance – such as greater transparency and accountability – is also vital to push the sector reform process forward.

FPAAs have attempted to support fisheries sector reform to improve fisheries governance of coastal states. This has been through providing funding that the coastal state can dedicate to fisheries sector reform. However, by its own admission, DG Mare has recognised that there are considerable challenges in achieving this. This is partly owing to FPAAs conflicting objectives (i.e. to secure EU access as well as drive reform) but also owing to the current management framework of FPAAs which does not allow for long-term policy dialogue. EU support to fisheries sector reform would be more effective through long-term development channels where good governance measures could be promoted within those nation states in need of better fisheries management. In order to achieve this funding for good fisheries governance should be ‘de-linked’ from funding for access. Access costs could be subsidised initially (as they currently are) but a clear timeframe given for ship owners to take on full responsibility. Funding for improved fisheries governance would be the key financial contribution from the EU with contributions from both DG Mare and DG Development working closely together. Such funding would be linked to the development needs of the sector but would also be phased out as fisheries wealth creation and governance improves. Challenges remain including limited funding available through EU development channels and the current disconnect between DG Mare and DG Development. It is therefore suggested that the EU undertakes a review of how such a ‘de-linking’ process may take place and how to best coordinate fisheries and development policies going forward.

At the level of the high seas and migratory stocks, improving regional fisheries governance is also considered important for global fisheries governance. There are current gaps within the RFMO network that need to be filled (e.g. West Africa/Central Atlantic) and sharing of lessons-learned is needed across the diverse range of regional organisations. One of the key constraints of RFMOs is the lack of effective developing country participation both in engaging in setting management measures and in ensuring compliance. Related to this, the issue of allocating quotas at the RFMO level is at the centre of the challenge of integrating developing country access aspirations as well as being critical for the long-term sustainability of stocks. Overall, the EU needs to consider what its priority objectives are at the regional level (to promote good governance and sustainable development or secure EU access) and also how it may need to concede access to emerging fishing nations or consider rights-based fisheries management approaches that allow for a share in profits from regional resources without increasing overall fishing capacity.

Another consideration is whether FPAAs should be negotiated at the regional level with linkages to the relevant RFMOs. Even if FPAAs were not negotiated regionally, the EU could agree regional good fisheries governance frameworks (i.e. with developing countries that share a regional distribution of fish stocks for example the Indian Ocean region, Pacific region and West African regions). These could provide support to fisheries management issues that require a regional approach (e.g. MCS, IUU), strengthen RFMO capacity and promote EU policy coherence by providing an overarching framework within which all the EU’s different policies that affect global fisheries governance could fit (i.e. development support, Economic Partnership Agreements, Integrated Maritime Policy). Such a framework could be led by the policy coherence unit within DG Development working closely with DG Mare and DG Environment.

At an international level, the EU can play a role in improving global governance by prompting international frameworks (e.g. UNCLOS, FAO code of conduct) to consider some of the current governance challenges (e.g. RFMOs, allocation of rights and wealth creation).

Despite the linkages between the CFP external dimension and global fisheries governance, the CFP's impact on promoting good governance is limited, primarily because EU distant water fleets are only one of the actors operating within developing countries' EEZs and the high seas, and because the outcome of global fisheries governance is mainly a factor of fisheries management capacity within coastal states and within RFMOs. There are also a range of other EU policies outside of the CFP that influence global fisheries governance. For example, the EU's international trade, development and environmental policies have important linkages to good international fisheries governance, but currently the contribution of these policies to improved governance is limited by policy incoherence.

During the CFP reform process consideration also needs to be given to internal aspects of the CFP that have an impact on global fisheries governance, in addition to the external dimension. At its most basic the EU reputation for managing its own resources defines its legitimacy for improving fisheries governance on the international stage. At a more detailed level, the EU structural policy defines what subsidies the external fleet can benefit from and the control policy goes a long way towards controlling the activities of the EU external fleet. Member States can play an important role in improving global fisheries governance through their implementation of the control policy and the IUU regulation, their engagement within FPA negotiations and RFMOs (where they have overseas territories) as well as their financial and technical contribution to fisheries development.

ACRONYMS

ACP	African, Caribbean and Pacific States
CCAMLR	Commission for the Conservation of Antarctic Marine Living Resources
CECAF	Fishery Committee for the Eastern Central Atlantic
CFCA	Community Fisheries Control Agency
CFFA	Coalition for Fair Fisheries Agreements
CFP	Common Fisheries Policy
CSRP	Commission Sous-Régionale des Pêches
CTA	The Technical Centre for Agricultural and Rural Cooperation (ACP-EU Working Institution)
DEFRA	Department for Environment, Food and Rural Affairs
DFID	Department for International Development
DG Mare	Directorate General of Maritime Affairs and Fisheries
DWF	Distant Water Fleet
EAC	East African Community
EBA	Everything But Arms Initiative
ECA	European Court of Auditors
EDF	European Development Fund
EEZ	Exclusive Economic Zone
EFF	European Fisheries Fund
EPA	Economic Partnership Agreement
ERS	Electronic Reporting System
EU	European Union
FAO	UN Food and Agriculture Organisation
FLEGT	Forest Law Enforcement, Governance and Trade
FPA	Fisheries Partnership Agreement
FPI	Fisheries Performance Index
GSP	Generalised System of Preferences
GT	Gross Tonnage
ICCAT	International Commission for the Conservation of Atlantic Tunas
IMP	Integrated Maritime Policy
IMROP	Mauritanian Institute for Oceanographic Research and Fisheries
IOTC	Indian Ocean Tuna Commission
ITQ	Individual Tradable Quotas
IUU	Illegal Unreported and Unregulated Fishing
LDC	Least Developed Countries
LDRAC	Long Distance Regional Advisory Committee
MCS	Monitoring Control and Surveillance
MDG	Millennium Development Goals
MRAG	Marine Resources Assessment Group
MSC	Marine Stewardship Council
MSY	Maximum Sustainable Yield
NAFO	Northwest Atlantic Fisheries Organisation

NEAFC	Northeast Atlantic Fisheries Commission
NGO	Non Governmental Organisation
PCD	Policy Coherence for Development
PRSP	Poverty Reduction Strategy Paper
RBFM	Rights Based Fisheries Management
RFMO	Regional Fisheries Management Organisations
RoO	Rules of Origin
SADC	Southern African Development Community
SEAFO	South East Atlantic Fisheries Organisation
SPS	Sanitary and Phyto-Sanitary
TAC	Total Allowable Catch
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
VMS	Vessel Monitoring System
VPA	Voluntary Partnership Agreements
WBFM	Wealth Based Fisheries Management
WCPFC	Western Central Pacific Fisheries Commission
WTO	World Trade Organisation
WWF	World Wildlife Foundation

1 Introduction

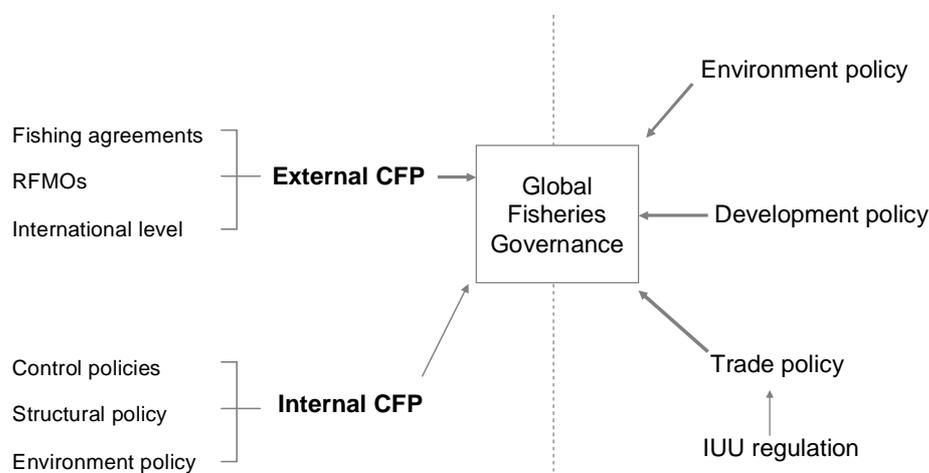
1.1 Objective

The EU Common Fisheries Policy (CFP) is currently undergoing a reform process with changes due in 2012. The consultation process for reform began with the publication of a Green Paper in 2009 which invited a range of stakeholders to provide contributions. As part of this discussion, Defra commissioned a study to examine the external dimension of the CFP with an overall objective to assess current linkages between the CFP external dimension and international fisheries governance. The outputs of this report should help to inform the UK position on CFP reform in relation to the external fisheries policy.

1.2 Scope

In order to focus the report it has primarily concentrated on the interactions of the CFP on developing countries and the contribution that a reformed CFP can make to international fisheries governance.

This report looks at both policies within the CFP and those outside that are likely to have significant impacts on international fisheries governance. Within the CFP there are specific 'external fisheries policies' but there are also internal policies that may have linkages with international governance. It was therefore considered important to examine both of these policies within the scope of this report.



1.3 Defining Good Fisheries Governance

The report uses the following 'working definition' of good fisheries governance:

Effective policies, institutions and processes that are transparent, accountable to all stakeholders including civil society, free of corruption, and backed up by effective legislation and enforcement that **lead to successful fisheries outcomes** characterised by economic, environmental and social sustainability e.g. Sustainable wealth creation, sustainable stocks, ecosystem health and support to food security.

Good international fisheries governance is built on the good governance of individual states as it is the responsibility of coastal state governments to control fisheries within their own waters and for flag states to control their fleets that operate on the high seas and within other countries' EEZs.

While we may be able to agree ‘overarching principles’ of good governance the definition of successful fisheries outcomes will be context specific and different countries will chose different pathways and timescales to achieve this.

2 EU External Fisheries Policy

2.1 EU External Fleet

The EU has an external fisheries policy due to the operation of its external fleet outside of community waters. The EU external fleet is active on all the major oceans operating within other countries Exclusive Economic Zones (EEZs) under EU negotiated fishing agreements, private agreements or joint ventures; and on the high seas mainly through membership of Regional Fisheries Management Organisations (RFMOs).

The external fleet contributes 21% of community catches (destined for human consumption) and represents 12% of fisheries product available on the market.

In the *Indian Ocean*, EU vessels mainly target tuna and tuna-like species and account for 50-75% of purse seine catches within the Indian Ocean Tuna Commission (IOTC) area but only 1% of long-line catches¹.

In the *Atlantic Ocean* EU vessels also target tuna and tuna-like species on the high seas and through agreements with coastal states², again accounting for the majority of the purse seine catches (75%) and 25% of long-line catches. There are also a number of important trawl fisheries targeting a range of pelagic or demersal fish within other coastal states EEZs in the North- East Atlantic (Norway, Greenland, Iceland); South-West Atlantic (Argentina; Falklands; Uruguay) and Central Atlantic (Morocco, Mauritania and Guinea Bissau).

In the *Pacific Ocean*, EU vessels are less active but where they operate it is mainly for tuna and tuna-like species³.

2.2 Common Fisheries Policy: External Dimension

Objective of the external dimension

The current EU External Fisheries Policy (EC, 2005) originally had two main objectives:

- To *maintain the presence of the EU fleet in third country waters* (while contributing to sustainable and viable fishing activities in those waters); and
- To *ensure the supply of fisheries products to the community market* while respecting quality and hygiene standards and market rules.

Since the last reform of the CFP two additional objectives have been added to:

- Improve world *governance* of all matters affecting the fisheries sector (through effective implementation of the existing legal framework and through promotion of regional cooperation mechanisms);

¹ Vessels access coastal states EEZs either through EU negotiated Fisheries Partnership Agreements (FPAs) (e.g. Seychelles, Madagascar, Mozambique and Comoros Islands) and through private agreements (e.g. Tanzania, Kenya, Somalia). There are also joint ventures (e.g. Mozambique, Seychelles).

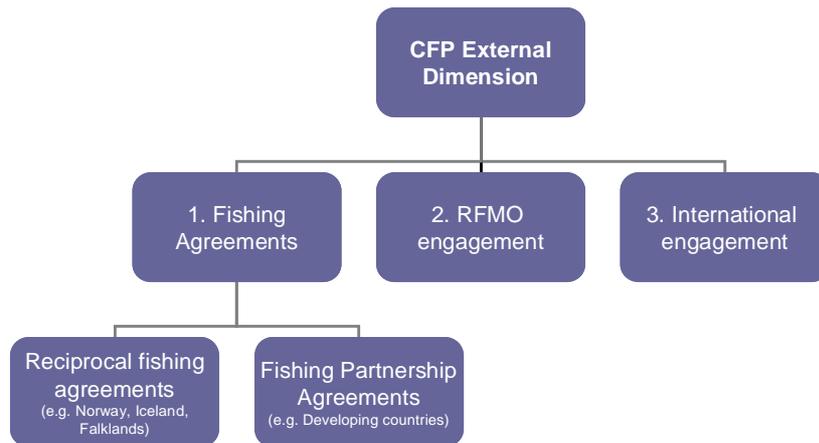
² Vessels access coastal states EEZs either through EU negotiated reciprocal Fishing Agreements (e.g. Norway, Iceland, Falklands) or EU negotiated Fisheries Partnership Agreements (e.g. mixed agreements with Morocco, Mauritania and Guinea Bissau and tuna agreements with Cape Verde, Cote d'Ivoire, Sao Tome and Gabon). There are also private agreements (e.g. Senegal, Benin, Congo, Ghana, Nigeria, Liberia, Sierra Leon, Equatorial Guinea and Libya) and some joint ventures (e.g. Morocco, Senegal, Namibia and Angola).

³ Vessels access coastal states EEZs through EU negotiated Fisheries Partnership Agreements concluded with Kiribati, Solomon Islands and Micronesia.

- Implement an approach based on *partnership*, particularly with developing countries that have concluded or are ready to conclude Community bilateral agreements involving a financial contribution.

CFP External Dimension

The CFP external dimension has three main elements:



Linkages with CFP Internal Dimension

There are aspects of the CFP internal dimension that touch on the operation of EU's External Fleet.

CFP Internal element	Linkage to international fisheries governance
Control and enforcement	<i>Strong link:</i> Enforcement applies to EU fleets within and outside of community waters
Structural policy	<i>Strong link:</i> Funding is available to both internal and external fleet
Environment	<i>Link:</i> Standards on by-catch/discards mainly apply to internal waters but there is debate on whether 'equivalent' standards should also apply to external waters.
Aquaculture	<i>Potential link:</i> Under proposed reforms, FPAs could include access to coastal areas to EU industry for aquaculture activities
Conservation measures	<i>No link:</i> TACs, effort controls refer only to internal waters
Access	<i>No link:</i> System of assigning access within internal waters to maintain relative stability
Common organisation of the markets	<i>Weak link:</i> Trade policies outside of the CFP govern most trade rules. Some COM measures can override trade policies when a shortage of supply of raw material for EU processors (i.e. provide quotas at 0, 4 or 6%).

Wider EU Policies

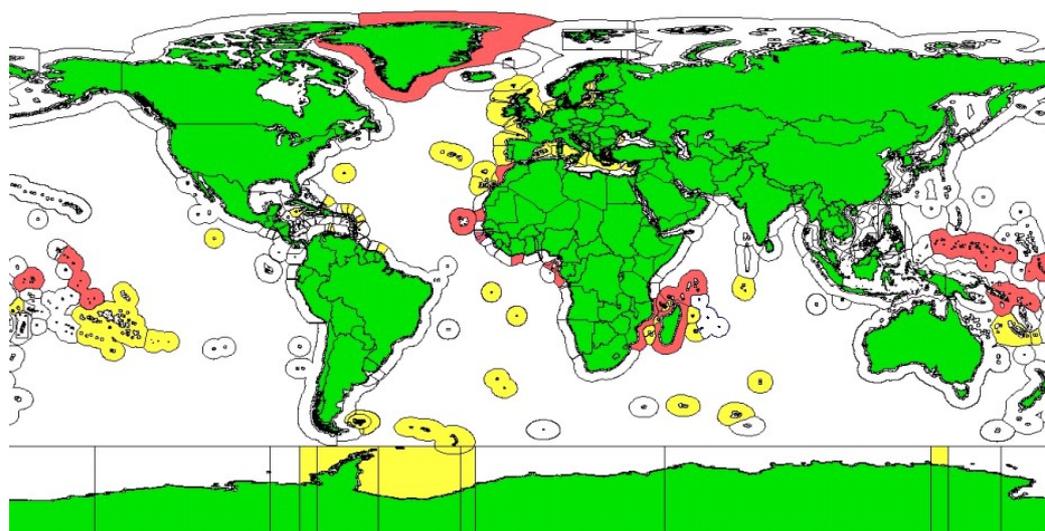
In addition to the CFP, there are a number of other EU policies that have implications for good international fisheries governance:

- Integrated Maritime Policy (IMP): with its overarching objective to improve global maritime governance and enhance EU engagement with RFMOs;
- Trade Policies: tariffs for import of fisheries products, negotiation of regional trading agreements (e.g. Economic Partnership Agreements (EPAs)) and specific regulations to ensure the safety (Sanitation and phyto-sanitary regulations) and legality (IUU regulation) of imported seafood product; and
- Development Policies: determine EU investment into developing countries' management of their fisheries sector.

3 Fisheries Partnership Agreements

3.1 Current FPAs

In addition to reciprocal fishing agreements⁴, the EU has specific Fisheries Partnership Agreements (FPAs) that are concluded with developing countries and include a financial contribution for access and sector reform. The map below illustrates where FPAs currently exist (as of July 2010) and the table below summarises the financial contribution. FPAs account for 8% of EU catches and 4% of fish available on the EU market.



- Fishing Partnership Agreements
- Waters under EU jurisdiction (including overseas territories)

Source: MRAG (2007) updated in 2010

Current Fisheries Partnership Agreements

Ocean	Country	Species	Date	Value/year € ¹
Atlantic	Greenland	Mixed	2007-2012	15,847,244
	Morocco	Mixed	2007-2011	36,100,000
	Mauritania	Mixed	2008-2012	76,250,000
	Cape Verde	Tuna	2007-2012	385,000
	Guinea Bissau	Mixed	2007-2011	7,500,000
	Guinea	Tuna	2009-2009 ²	1,050,000
	Ivory Coast	Tuna	2007-2013	595,000
	Sao Tome	Tuna	2006-2010	663,000
	Gabon	Tuna	2005-2011	860,000
Indian Ocean	Seychelles	Tuna	2005-2011	5,355,000
	Madagascar	Tuna	2007-2012	1,197,000
	Mozambique	Tuna	2007-2011	900,000
	Comoros Island	Tuna	2005-2010	390,000
Pacific	Micronesia	Tuna	2007-2010	559,000
	Kiribati	Tuna	2006-2012	478,000
	Solomon	Tuna	2007-2010	400,000

Source: http://ec.europa.eu/fisheries/cfp/external_relations/bilateral_agreements_en.htm

¹ Average annual amount

² EU repealed agreement following events of 28 September 2009, when Government forces opened fire on protesting crowds resulting in over 150 deaths.

⁴ The EU has reciprocal fishing agreements with Norway, Iceland, Faroe Islands and Argentina.

3.2 Challenges

Despite recent reforms of the agreements away from the simple 'pay, fish and go' model to a focus on promoting sector reform there are still a number of criticisms of FPAs.

FPAs act as subsidies driving over-capacity

There is concern that because FPAs involve public money for access they subsidise the EU external fleet and encourage over-capacity. For most tuna FPAs the EU contribution accounts for 65% of the access cost, whereas in mixed agreements the EU accounts for the 78%; 92% and 71% within the Greenland, Morocco and Mauritania respectively.

No guarantee EU fleet is targeting 'surplus stocks'

There is no guarantee that EU fleets always target 'surplus stocks'⁵ under FPAs, which is a legal requirement under the 1982 United Nations Convention on the Law of the Sea (UNCLOS). This is mainly a concern for mixed agreements where Distant Water Fleets (DWF) target similar stocks to national fleets. For instance, when many of the EU agreements were first concluded there was very little national fleet activity but this has since grown significantly, for example in West Africa. For tuna stocks it could be assumed that if RFMOs were operating effectively catches would be sustainable within the limits set by RFMOs. However, RFMOs limits (especially for tropical tuna most often found in or adjacent to developing country waters) are mainly effort limits (i.e. restricting the number of vessels) rather than catch limits (i.e. quotas) which means that technological creep leads to greater catches each year. RFMOs also lack capacity or the ability to control and enforce limits among contracting flag states.

Mixed agreements controversial

Mixed agreements are more controversial than the tuna agreements as they rely heavily on subsidised access to coastal states EEZs, they are more likely to be in direct competition with national fleets (compared to tuna fisheries that are more likely to be offshore) and they include provision for the use of bottom-trawls (often highlighted as a destructive fishing technique although it will depend on the modifications to avoid damage to the sea bottom and reduce by-catch).

Coastal states lack ability to add-value to their fisheries resources

Countries that have FPAs with the EU do not capture a significant proportion of value-added. This is partly owing to the priority of FPAs in promoting the flow of raw fish into the EU but is also affected by EU trade policies, for instance strict Rules of Origin (RoO) mean that countries cannot benefit from preferential tariffs unless the fish has been caught by their own or EU fleets thus barring the opportunity to use other DWF catches in processing and export to the EU. There are also issues at the coastal state level that restrict the capacity to add-value, such as deficiencies in infrastructure and health and hygiene standards.

Lack of a regional scope

FPAs are currently negotiated at a bi-lateral level despite the fact that the resources are often shared across national boundaries or are highly migratory stocks managed at the

⁵ Surplus stocks are those that are deemed to be beyond the harvesting means or the coastal state or a stock that is not entirely used by a coastal state.

regional level. There are proposals within the CFP reform to address certain measures at the regional level for example:

- Stock assessments and scientific research on migratory or shared stocks;
- Action against IUU; and
- Improved Monitoring, Control and Surveillance (MCS)

There are no current proposals to agree access conditions at a regional level. The only example of a regional fisheries agreement is that concluded between the US and some Pacific States (South Pacific Tuna Treaty agreed through the Forum Fisheries Agency). There have been a number of benefits realised through this regional agreement including strengthened negotiation position of the Pacific States, a system for revenue sharing and coordination with the Western Central Pacific Fisheries Commission (WCPFC).

The pros and cons of such an approach for the EU are outlined below:

Pros of regional approach to FPAs	Cons of regional approach to FPAs
<ul style="list-style-type: none"> • Access to resources agreed at the level of the stock; • Build capacity for regional institutional capacity; • Link access negotiations with relevant RFMOs. 	<ul style="list-style-type: none"> • Slow down process for agreeing to access; • Current lack of capacity within developing states to negotiate or coordinate at a regional level; • Other DWFs do not operate in this way (apart from US in Pacific for tuna)

FPAs have not yet succeeded in improving national fisheries governance

Coastal states with which the EU has signed FPAs are often characterised by poor governance and an inability to maximise the wealth generated from their fisheries. FPAs have attempted to support fisheries sector reform and improve fisheries governance but by its own admission DG Mare has recognised that there are considerable challenges in achieving this within the FPA framework. The framework does not provide the mechanism or timeframe for ongoing dialogue and technical assistance. The process of ‘reforming fisheries policy’ often ends up being a paper exercise driven by external consultants. There are also concerns that the funding provided within FPAs is a disincentive for coastal states to directly tackle fisheries management in order to generate sustainable rents from the fishery.

Development funding is also not forthcoming where the EU already engages with FPAs. This is despite the fact that it is often countries that have FPAs that are in the most need of improved fisheries governance and that funding under an FPA can only target a very small aspect of the required fisheries sector reform and not provide a holistic approach.

Concerns over funding sectoral reform through FPAs

There are a number of concerns over funding fisheries sector reform through FPAs:

- There is an inherent conflict of interest as the EU Directorate General for Maritime Affairs and Fisheries (DG Mare) is responsible both for negotiating access for EU fleets to coastal states EEZs and for promoting reform of the fisheries policy and management;
- Funding channelled into fisheries management through FPAs comes to an abrupt halt if a new agreement is not negotiated leading to unsustainable institutions. For example, the fisheries research institute in Senegal (CRODT) was completely dependent on financing from the FPA and since it has not been renewed the institute has almost ceased to operate;
- EU funding support for sectoral reform is piece-meal and concentrates on specific aspects (e.g. MCS and Illegal Unreported and Unregulated Fishing (IUU)) rather than a wholesale review of policies and institutions;

- DG Mare does not have the remit or capacity to provide ongoing technical assistance for sectoral reform which requires long-term support.

In order to address these concerns a number of actors have suggested that funding of FPAs should be '*de-linked*', i.e. there should be separate funding for sector reform which does not rely on any access granted to the EU external fleet. There are a number of pros and cons of this approach:

Pros of 'de-linking' FPA funding	Cons of 'de-linking' FPA funding
<ul style="list-style-type: none"> • Investment into developing countries fisheries management would not be dependent on an FPA (and would therefore continue if an FPA ceased); • Avoid conflict of interest between negotiating access and supporting reform of fisheries policy; • DG Development could lead investment and technical assistance to fisheries management with the remit to provide long-term support. 	<ul style="list-style-type: none"> • DG Development currently lacks financing and capacity for support to the fisheries sector driven by its lack of priority within countries' PRSPs; • May result in DG Mare only supporting access and providing no funding for sector reform; • Potential for DG Mare and DG Development to become even less coordinated.

4 Regional Fisheries Management Organisations

4.1 EU Strategy

The EU's strategy for Regional Fisheries Organisations, as set out in the EU external fisheries policy (EC, 2005), is to:

- Maintain coherence with the CFP and its aim for the sustainable management of fisheries resources;
- Defend long term interests of industry and the employment it creates;
- Promote action against IUU, in particular control measures.

The EU is a member of a range of RFMOs as outlined below:

RFMO		Tuna	EU member
Mediterranean			
GFCM	General Fisheries Council for the Mediterranean	Tuna	✓
Atlantic Ocean			
NAFO	Northwest Atlantic Fisheries Organisation		✓
NEAFC	North-East Atlantic Fisheries Convention		✓
NASCO	North Atlantic Salmon Conservation Organisation		✓
ICCAT	International Convention for the Conservation of Atlantic Tuna	Tuna	✓
SEAFO	South East Atlantic Fisheries Organisation		✓
Indian Ocean			
IOTC	Indian Ocean Tuna Commission	Tuna	✓
SIOFA	South Indian Ocean Fisheries Agreement		✓
CCSBT	Convention for the Conservation of Southern Bluefin Tuna	Tuna	✓
Pacific			
WCPFC	Western and Central Pacific Fisheries Commission		✓
PSC	Pacific Salmon Commission		
NPAFC	North Pacific Anadromous Fish Commission		
IPHC	International Pacific Halibut Commission		
IATTC	Inter-American Tropical Tuna Commission	Tuna	
Bering Sea			
CCBSP	Convention of the Conservation and Management of the Pollock Resources in the Central Bering Sea.		

Antarctic			
CCAMLR	Convention on the Conservation of Antarctic Marine Living Resources		✓
General			
IWF	International Whaling Commission		

4.2 Framework for EU external fleet

RFMOs provide the legal framework (in terms of conservation and management measures) for the operation of the EU external fleet that targets highly migratory or shared stocks. This is important both for the fleet on the high seas, but also those operating within FPAs and targeted shared stocks. For instance RFMOs are the most important body for the management of tuna stocks and the relevant bodies that involve developing countries are:

- International Convention for the Conservation of Atlantic Tuna (ICCAT)
- Indian Ocean Tuna Commission (IOTC)
- Western and Central Pacific Fisheries Commission (WCPFC)

The role of RFMOs is limited due to a number of factors both within and outside the control of EU policy including: the lack of effectiveness of RFMOs in achieving good fisheries governance; the absence of a fully fledged RFMO in some areas where EU fleets are active; and even where RFMOs exist the lack of quota allocations for a range of species targeted by EU's external fleet.

4.3 RFMO weaknesses

Despite the important role of RFMOs there are a number of key weaknesses that undermines global fisheries governance

Gaps in RFMO coverage where EU vessels operate

There are significant gaps in RFMO coverage. The most critical gap, within the developing country context, is that for shared stocks such as hake and cephalopods along West Africa. There are consultative bodies that cover these species – CECAF (Fishery Committee for the Eastern Central Atlantic) and CSRP (Commission Sous-Régionale des Pêches), which aim to harmonise fisheries policies – but neither of these are fully-fledged RFMOs which would enable them to create their own legally binding regulations and enforce them through penalties and sanctions.

Poor performance in stock management

RFMOs are very variable in their mandates, approaches and performance but they all share a number of limitations and challenges. While RFMOs are currently the best mechanism for managing shared and high seas stocks they are limited by a lack of compliance, enforcement and political will and most of all excess capacity fuelled by inappropriate subsidies. The existence of IUU fishing and poor fisheries governance at a national level undermines the management efforts of RFMOs.

The goal of strengthening the role of RFMOs in managing high seas and shared stocks is made particularly difficult owing to the great divergence in mandates and effectiveness in regulation implementation within the different RFMOs. However, there are some promising signs of coordination and lesson-learning such as the biennial joint meetings of all tuna RFMOs which began in 2007 (Kobe process).

Lack of developing country involvement

A key problem of RFMOs is the lack of effective participation of developing countries both in setting management measures and in ensuring compliance. As a consequence RFMOs are

often seen to be driven by DWF nation interests and full compliance and enforcement is not achieved. The reasons for this failure range from a simple lack of capacity to a conscious decision not to take part so that the country's fleet is not bound by the rules of the RFMO. In contrast to this general picture, the Pacific States have been able to join together as a regional group within the Pacific Islands Forum Fisheries Agency significantly increasing their negotiation power within the WCPFC.

Lack of allocation of high quality rights

Quotas have only been set for selected species (e.g. bluefin tuna, swordfish and albacore within ICCAT). For the rest, including other tropical tuna species targeted by the EU external fleet, RFMOs rely on effort restrictions that only limit number of vessels rather than overall fishing power, meaning that technological advancements can significantly increase the quantities of fish caught each year.

There are significant challenges in assigning quota. For instance, although IOTC has expressed the intention to set quotas for tuna species there are key disagreements on how quota should be allocated. EU, Japan and Taiwan are in favour of allocations based on historical data (previous fishing activity) while coastal states in the area (e.g. Seychelles) are arguing for a method in line with the proximity of their EEZs. Without agreement on the mechanism for allocating rights, countries continue to increase their fishing effort to build up a track record and thereby have a stake if and when quotas are allocated.

There are a number of suggested options for allocating quota while taking into consideration the aspiration of emerging fishing nations. Suggestions include reserving a set-aside quota (20–30%) for new entrants or returning a percentage of the quota each year to a central pool for re-distribution. WCPFC has devised a set of criteria on how developing countries (mainly island states) within the commission region should benefit from quotas if and when they are allocated.

Another approach to rights allocation would be to allocate 'RFMO profit shares' rather than 'catch shares' to fishing and coastal nations so that developing countries would have a share in the benefits without the need to increase fishing capacity.

4.4 EU engagement with RFMOs

Incoherent approach to RFMOs

The EU currently lacks a coherent approach to RFMOs. Approaches are not coherent across different RFMOs and there is a lack of coordination between the fishing agreements the EU signs and RFMO management.

The problem stems from incoherence on EU's objectives in engaging with RFMOs. On one hand the EU's role has been to promote sustainable and responsible fisheries through conservation measures and improved compliance. However the EU's position on a number of issues (e.g. reducing capacity to allow for new entrants, improving gear selectivity) is likely to be tempered through their other role to defend the interests of the EU fishing industry. It is often noted that EU delegations to RFMOs are accompanied by a large number of industry representatives compared to NGO and scientific input.

DG Mare states that a key aim of the new Integrated Maritime Policy (IMP) is to strengthen global maritime governance through engagement with RFMOs, but has not defined specific objectives or how this will interact with the Common Fisheries Policy (CFP).

Lack of EU influence within RFMOs

The EU's influence on RFMOs is restricted by a poor reputation for fisheries management based on the perceived failure of EU's management measures within European waters. The EU is also only one contracting party of any one RFMO and needs to engage all states (in particular developing country states) to have an overall impact.

EU's approach to allocation of rights within RFMOs

The EU (together with other key DWF fishing nations) needs to effectively address the allocation of fishing rights through RFMOs. This means either accepting a reduction in fishing to accommodate developing country aspirations or moving towards wealth-based approaches that in theory would allow for sharing increased benefits from improved management without further increasing capacity.

5 International organisations

International agreements such as UNCLOS provide the overarching legal framework for EU's engagement within RFMOs and the legal basis for targeting 'surplus' resources within coastal countries' EEZs (i.e. through private agreements and FPAs). The 1995 United National Fish Stocks Agreement (on straddling fish stocks and highly migratory fish stocks) further strengthened the role of RFMOs.

The FAO as a UN body also plays an important role in providing international standards for good fisheries governance and has developed the 1995 Code of Conduct for Responsible Fisheries and more recently the FAO Action Plan on Illegal, Unregulated and Unreported Fisheries. The EU has an opportunity both to influence these processes but also to use these frameworks in its own policies – for instance the new EU regulation on IUU fishing is built on the FAO action plan giving it legitimacy under WTO rules.

6 Wider Policy issues

This section summarises some of the wider EU policies that affect global fisheries governance.

6.1 Internal CFP Policies

There are a number of policies within the internal CFP that have an impact on global fisheries governance.

- *EU Structural Policy*

In addition to the EU contribution for access through FPAs, the EU external fleet (operating also on the high seas) is eligible for funding under the CFP Structural Policy. This includes funding from the European Fisheries Fund (EFF) and all diesel used by EU fishing vessels is exempted from fuel taxes. Subsidies to the fishing industry are criticised as fuelling an increase in fishing capacity where it normal circumstances it would not be economic to fish.

Total funding provided specifically to the EU external fleet is not available but payments to the European Tuna fleet between 1994 and 2006 have been estimated below⁶.

Scheme	Amount €	No. payments	Share
Construction of new vessels	17,070,433	33	58%

⁶ In the overall context of EU fishing subsidies total payments to the EU tuna fleet represented less than 1% during the period (1994–2006)

Modernisation of vessels	10,793,708	113	37%
Exportation/Reassignment/Transfer to third country	1,587,120	3	5%
Total	29,451,261	149	100%

Source: www.fishsubsidies.org

Note: Financing for construction of new vessels and exportation/transfer ended in 2004

- *Control Policy*

EU vessels operating outside of community waters are subject to control under the CFP and it is the responsibility of individual Member States to ensure the compliance of their own fleets. The new Control Regulation⁷ strengthens elements of control and enforcement for instance it allows Member States to inspect other MS flagged vessels outside of community waters and allows for joint deployments coordinated by the Community Fisheries Control Agency (CFCA). Joint deployments have taken place within NAFO and planned for NEAFC but are not envisaged within other RFMOs.

- *Environment Policy*

The external fleet is criticised for operating under less stringent environmental rules than those required in internal waters, for example where it concerns by-catch or damage to the sea-bed. While measures are likely to be different in different fisheries, some NGOs such as WWF suggest external measures should be equivalent to the standards set in internal waters. There is an opportunity through CFP reform for EU fleets to operate under the highest environmental standards and set an international example by requiring low by-catch and discard rates, and reducing impact of fishing on the sea bed.

6.2 Trade policies

- *General trade policies*

There is a concern that EU trade policy works in conjunction with the external fisheries policy to make it more difficult for third countries to add-value to their fishery products and export them to the EU.

Tariff barriers are not the main issue as none of the countries that have an FPA with the EU are subject to tariffs for the import of fish or fisheries products⁸. However, African, Caribbean and Pacific States (ACP) trade preferences are being eroded as the EU brings down tariff peaks in line with WTO and signs other free trade agreements. This means that countries with processing capacity (e.g. Cote d'Ivoire, Seychelles, Madagascar) are likely to become less competitive in the future especially compared to countries (such as Ecuador, Columbia, Thailand) that undertake primary processing of tuna into loins which is then canned in Europe.

Of more concern as trade barriers are the EU's Rules of Origin (RoO) and the sanitary and hygiene requirements (SPS measures). Stringent RoO allow tariff preferences only for originating fish (caught by the third country or EU vessels) and this effectively limits the ability of the third country to access raw product and therefore process and export it to the EU unless they buy product from high-priced EU suppliers⁹. SPS measures are often a

⁷ COUNCIL REGULATION (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy.

⁸ They previously qualified for zero tariffs under the Cotonou agreement and now either as a LDC (under the EBA initiative) or as part of an EPA.

⁹ However, the EU has agreed to more relaxed RoO under the ESA EPA (which concerns the Seychelles, Comoros and Madagascar) where there is a quantify of fish that can be imported before

considerable hurdle for countries in order to export to the EU, especially where capacity and supporting infrastructure is weak.

Fisheries certification provides a significant opportunity to drive improved fisheries outcomes through market demand. Such schemes (e.g. Marine Stewardship Council) do help to improve fisheries management capacity which can contribute to better fisheries governance. However, there are concerns from developing countries that such schemes act as yet another trade barrier. There are also concerns that certification schemes only look at 'ecological sustainability' and do not look at indicators for good governance (e.g. transparency, accountability, lack of corruption) or for sustainable wealth (resource rents or added-value). There has recently been some work in this area for example the development of a Fisheries Performance Index (FPI) that provides indicators that measure both wealth creation and enabling factors i.e. good fisheries governance. However this index has not yet been verified and further development of governance indicators may be required.

Fisheries Performance Indicators (FPI)

A set of Fisheries Performance Indicators (FPI) have recently been developed to measure wealth creation in fisheries with support from the World Bank and DFID. The indicators measure the success or failure of fisheries to maximise potential wealth (outputs) as well as enabling factors that allow wealth generation in fisheries (inputs such as good governance) (Anderson, 2010). Output indicators measure success in stock sustainability, harvest & post sector economic performance and community sustainability. Enabling factors assess the macro-economy (governance, GDP, economic freedom); property rights & responsibilities; management effectiveness and post harvest market institutions and infrastructure.

- *IUU regulation*

The IUU regulation (1005/2008) brought into force January 2010 requires a new system of catch certification for consignments imported into the EC that are validated by the flag state. This validates that catches have been made in accordance with applicable laws and international conservation and management measures.

The IUU regulation has significant potential to reduce IUU fishing (and thereby contribute to improved global fisheries governance) since it allows the EU (in theory) to prevent illegal fish from reaching its markets. It also has a link to RFMO compliance as it requires all countries that import fish products into the EU to be members and to implement RFMO regulations or they are named and shamed (and potentially barred from importing into the EU). Furthermore, the regulation improves transparency by publishing an EU IUU vessel list.

However the impact of the IUU regulation will depend on whether Member States undertake sufficient risk assessments and related audits; as well as the capacity of flag states to provide proof of their validations. There is some evidence to suggest that developing countries lack the capacity to truly validate catch certificates. The fisheries sector could learn from the approach used within the forestry sector to reduce trade in illegal timber where significant resources are being invested in forest governance systems. For example a FAO/EU/UN programme is providing \$13 million for capacity building in forest governance to prevent illegal timber trade compared to only €1 million being made available to assist developing countries implement the IUU fish regulation.

Impact of development policies on global fisheries governance

There is a significant need for development funding to improve developing countries' fisheries governance. However, while FPAs should not preclude development funding to the fisheries sector, this is often what happens in practice. For instance the EU has a significant

RoO applies; and under the Pacific EPA preferential tariffs are given to products that have undergone a tariff heading change (i.e. from fresh/frozen to canned).

development programme to support fisheries sector reform within ACP states (ACP-Fish II). However countries that have an FPA with the EU are not excluded from the programme but are not eligible for further funding from ACP-Fish II. Furthermore EU development support for the fisheries sector has been declining as the fisheries sector is often not highlighted within development plans such as Poverty Reduction Strategy Papers (PRSPs) and its potential contribution to economic growth is not recognised. Meanwhile coastal states sell access to their waters without the knowledge of the potential rents that can be generated by their fisheries or the potential added-value if more fish was landed and processed in country.

Although DG Development should be playing a pivotal role in fisheries sector reform in developing countries there is limited coordination between DG Development and DG Mare surrounding FPAs and EU's engagement with RFMOs including issues developing countries access to regional resources.

7 Concluding Points

7.1 Importance of global fisheries governance to the EU

- *Food security*: Europe is now highly reliant on fish imports to reach its need for fisheries products and imports contribute to 65% of Europe's fish consumption¹⁰.
- *Demand for sustainable & legal products*: The EU is leading the demand for sustainable products and compliance with the IUU regulation depends on good fisheries governance within flag states.
- *Objectives for improved maritime governance within the IMP*: The IMP has an international element striving for improved maritime governance and healthy oceans.
- *EU commitment to policy coherence for development*: The EU has made a commitment to policy coherence for development. Improved global fisheries governance has an important role to support sustainable development in developing countries.

7.2 Key barriers

Conflicting Objectives

It is clear that one of the key barriers for the CFP to promote good international fisheries governance is its conflicting objectives. Within the commission diagnostic assessment of the CFP, it is recognised that the policy is currently based on: *a trinity of equally important, and in practice sometimes contradictory objectives of international fleet presence, supply security and governance contribution.*

The conflict of current objectives is inherent within EU's negotiation of FPAs and its engagement in RFMOs. In order to contribute to good fisheries governance it may be the best policy to reduce EU capacity or to assist third countries to add-value to and trade their fisheries products to support their development, but this currently conflicts with objectives to defend EU industry interests.

The Green Paper on CFP reform questions whether the external fisheries policy should have the same objectives as the internal dimension, namely achieving sustainable and responsible fisheries. It suggests that objectives that currently guide the external policy,–

¹⁰ Fish products provide on average 15% of all animal protein per head in the EU, although there considerable variation between member states, for instance the proportion reaches 50% in Portugal but are less than 10% in more than half of all Member States.

such as maintaining a presence of an EU fleet internationally and ensuring this fleet supplies the EU market – as well as the assumption that the presence of EU vessels gives EU legitimacy to engage with RFMOs could be of less relevance today.

Lack of good fisheries governance within coastal states

A lack of good fisheries governance within coastal states makes the operation of the EU's external fleet more questionable. In contrast, where there are effective catch allocations based on rigorous science and effective control and surveillance to enforce regulations within coastal states waters, the operation of Distant Water Fleets (DWF) – either through fishing agreements, private agreement or through joint ventures – poses less of a concern .

A lack of good governance within coastal states also contributes to the following problems:

- Higher levels of IUU fishing;
- Low control of external fleets regards to national and regional regulations;
- Lack of scientific assessments to ensure DWFs target only 'surplus' resources;
- Low transparency on access agreements and related corruption;
- Incoherent trade and fisheries policies¹¹;
- Lack of private sector investment in national fisheries and processing sectors;
- Conflicting policy objectives e.g. food security versus access to DWFs.

Lack of capacity for good fisheries governance within developing countries is therefore a significant barrier to improving global fisheries governance but increasing this capacity through development funding is not currently a priority for the EU.

EU approach within FPAs to promote good fisheries governance

Within coastal states' EEZs, the EU has attempted to promote good fisheries governance within the FPA framework. However, the attempt to promote sector reform linked to EU access will always face problems such as an inherent conflict of interest, the time required for policy dialogue and the need for the coastal state policy to take primacy in order to provide an effective framework for access agreements. FPA payments are currently a disincentive to coastal states to get a good handle on their fisheries management in order to maximise resource rents.

Policy incoherence

The EU's ability to contribute to successful outcomes of good fisheries governance within developing countries is undermined by policy incoherence. There are a wide range of tools currently used by the EU's different departments to support development of the fisheries sector in third countries e.g. FPAs, EPAs and development support including support to developing countries to engage within RFMOs. However none of these tools are coordinated. This incoherence takes place both at the national level where FPAs are not linked to wider development and trade issues, and at the regional level where the range of initiatives lack shared objectives.

CFP limited influence on global fisheries governance

Within the influence of the CFP are: FPAs, engagement with RFMOs and the CFP structural policy and control regulations. However, the EU fleet also operates outside of these frameworks (e.g. through private agreements with coastal states or joint ventures) and its compliance within coastal states' EEZ will also be driven by the capacity of that state for

¹¹ For example trade policies that lead to over-exploitation of resources and limit the potential contribution of trade to economic growth and poverty reduction.

monitoring, control and surveillance to enforce regulations.

At the regional level, the EU is only one contracting state within any one RFMO and its influence is undermined by perceptions that it is failing to achieve sustainable fisheries management within its own waters. Regional management is affected by effectiveness of RFMOs as the mechanism to govern high seas and shared stocks; coastal states ability to govern and ensure compliance within their own waters; and activities of other distant water fleets operating within coastal states EEZs and the high seas.

Constraints of RFMOs

Under an ideal situation of effective RFMOs there would also be no major concern for EU DWF targeting high-seas or shared stocks. However, while there is considerable management effort going into RFMOs there are still major limitations and challenges in achieving desirable outcomes. Limitations include the lack of involvement of developing countries, but at its core is the fact that RFMOs are based on traditional command and control management and have not addressed the incentives for cooperation by focusing on how wealth could be enhanced for all parties through the allocation of secure rights.

Role of trade policies in improving global fisheries governance

Trade policies could have a greater impact than the CFP on good fisheries governance given that 65% of all fish consumed in the EU is imported (compared to 12% on the market from the external fleet). However they are restricted by WTO rules and need to be indiscriminate or justified on the basis of 'relating to the conservation of exhaustible natural resources' under Article XX (g).

8 Recommendations

1) Make the external dimension a priority within CFP Reform

Recognise the importance of global fisheries governance to the EU and ensure that the 'external dimension' of the CFP is considered at the heart of the CFP reform process rather than as a peripheral issue.

2) Review objectives of the external fisheries policy

The priority objective of the CFP external fisheries policy should be to improve global fisheries governance and successful fisheries outcomes characterised by sustainable fisheries, a fair allocation of benefits and sustainable wealth creation. This objective also needs to coherence with EU development policy and the IMP. DG Mare, DG Development and DG Environment need to take joint responsibility for improved international fisheries governance and in particular DG Development and DG Mare need to work towards better integration and coherence of their policies.

Given the importance of imports of fish products into the EU, it may be important for the CFP to have an objective to protect EU food security. Promoting good global fisheries governance may be a more effective way of achieving this than through promoting access of the EU fleet to external fisheries resources.

3) Reform internal policies that impact on global fisheries governance

Reform internal CFP policies to improve their impact on global fisheries governance, for instance:

- Structural policy: only allow subsidies to the external fleet that improve environmental standards and do not lead to over-capacity;
- Control policy: strengthen Member States control and inspection over their external fleets and consider Joint Deployments for all RFMOs;
- Environment policy: strive for the EU to set the highest environmental standards within and outside of community waters.

To have legitimacy on the international state the EU needs to show leadership through a good reputation in management of its own resources.

4) Improve transparency on the EU external fleet

Improve the availability of comprehensive data on the EU external fleet starting with a distinction between external and internal fleets on the vessel register. Catch data of and subsidies to the external fleet should also be collated and published by DG Mare.

While the EU fisheries access agreements are far more transparent than for any other country, this could be further improved by making the pre and post EU evaluations publically available so that stakeholders can scrutinise the contribution the FPAs make to improved fisheries governance and development of third countries. EU transparency needs to go hand in hand with improved coastal state data availability including information on other fleets to give the whole picture and therefore context of the EU external fleet.

5) Lay down foundations for good fisheries governance in coastal states

In order to improve global fisheries governance it is vitally important that coastal states put in place their own fisheries strategies and good governance frameworks into which access of foreign fleets can be built-in. However, it needs to be recognised that even through there are huge benefits in the long-term to such sectoral reform there is significant investment required in the short-term along with mitigation support for the losers. This is where the EU can provide support and track progress against governance indicators.

Governance support for the fisheries sector would need to focus on:

1. Incentives for good governance e.g.:
 - Understand wealth potential of fisheries sector;
 - Integrate fisheries into PRSPs;
 - Improve transparency of fisheries data including other DWF activities;
 - Strengthen civil society to demand transparency in management.
2. Development of good governance frameworks: making use of wealth-based and rights-based approaches where appropriate;
3. Enhance fisheries management capacity: support MCS; action against IUU and improve scientific assessments;
4. Support ability to add-value to fisheries resources:
 - Sanitation and traceability capacity;
 - Landing and processing infrastructure

Development support to good fisheries governance needs to start with addressing incentives. An important way of achieving this is through studies to assess the wealth potential of the fisheries sector and by supporting stakeholders in achieving transparency of data and accountability of fisheries management.

Support for good governance frameworks can then assist the development of clear fisheries policies and effective institutions and build capacity for fisheries management as well as the

ability to add-value to the fisheries resource. Wealth and rights-based approaches are potential models for sector reform.

Wealth based fisheries approaches (WBFM):

- Recognise that economic incentives are essential to drive sector reform for sustainable fisheries;
- Allows management of incentives rather than spending large amounts on command and control management rarely available in developing countries;
- Articulates the potential of fisheries to create wealth under effective management providing a significant incentive for finance ministries together with fisheries ministries/departments to reform the sector;
- Results in less trade-offs in the long-term as the overall contribution to wealth can be maximised allowing greater resources to be dedicated to environmental and social aims.

Rights based fisheries management approaches:

- Address the inherent problem of having an open and free access to a renewable resource;
- Allow incentives to change from a 'race to fish' to a race to 'add value' to the fishery resource;
- Require 'high-quality rights' that are directly linked to the resource in order to change incentives;
- Need to be backed up by effective institutions and scientific advice;
- May require safeguards to avoid over-concentration of rights.

6) Phase out subsidies to the EU External Fleet

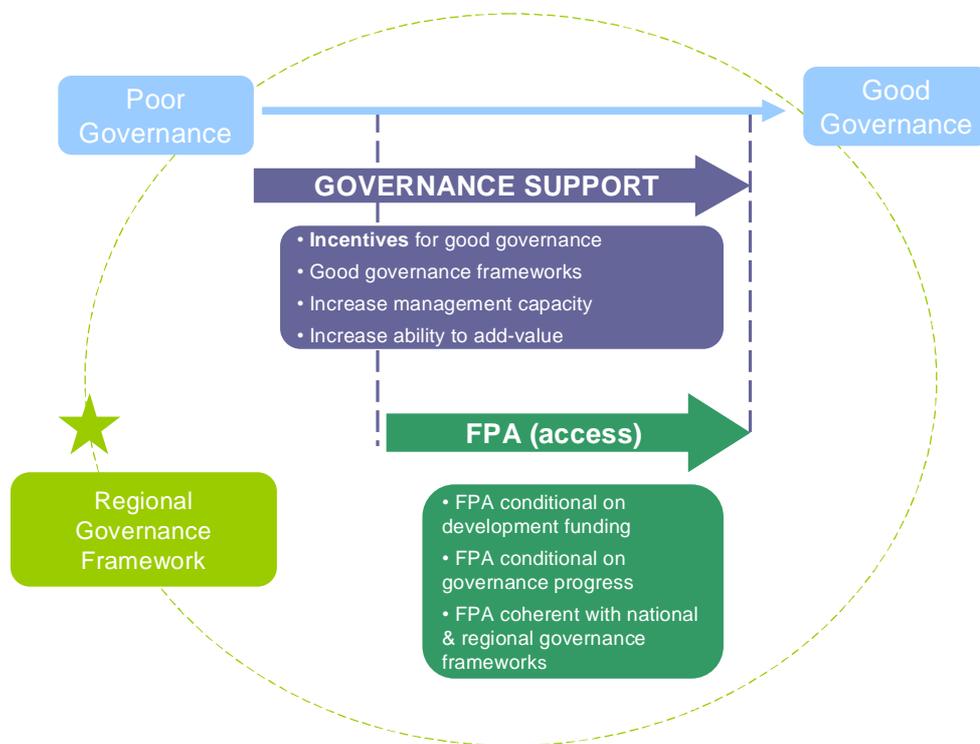
Fisheries subsidies are known to drive over-capacity and subsidies to the EU external fleet need to be phased out to support improved fisheries governance. This includes both phasing out subsidies for access to developing countries EEZs within FPAs (as discussed below) and reducing subsidies for fuel, modernisation or re-flagging vessels under the CFP structural policy.

7) Use FPAs and development as transitional frameworks towards good governance

FPAs need to be a part of a transitional framework leading to good fisheries governance within coastal states, where funding for sectoral reform is *de-linked* from access payments and ship-owners progressively take responsibility for paying for access. FPAs are currently signed with countries with relatively poor fisheries governance as this provides both the EU vessels a legal framework in an uncertain climate and keeps EU vessel activity within limits given the absence of good management. However, under good fisheries governance regimes, FPAs should not be necessary.

The *diagram* below describes this transition. It first requires funding for improved fisheries governance which would be independent (i.e. delinked) from the level of access to EU fleet and directly related to the development needs of the country. FPAs, that would agree EU vessel access, could then be agreed conditional on: a) secured funding for improved fisheries governance from DG Mare and DG Development; and b) some progress on improved governance against selected indicators over a certain time period. DG Mare could remain responsible for negotiating access agreements but ship-owners would take progressive responsibility for paying for access.

Overarching regional agreements for improved fisheries governance (i.e. at the Pacific, Indian Ocean and West African level), could provide support for fisheries management issues best tackled at that level (e.g. MCS, IUU) and could promote EU policy coherence and RFMO management capacity. This could be led by the policy coherence unit within DG Development but would need active engagement and commitment by DG Mare and DG Environment.



There are, however, risks in this approach, for example DG Mare and DG Development could become even less coordinated if they took separate responsibility for governance support (DG Development) and access agreements (DG Mare) rather than coordinating their efforts. There are also questions on how Member State and multi-lateral support can contribute to this process. Given these risks and questions it is recommended that the EU undertakes a review of the options for de-linking FPA funding and coordinating fisheries and development policy.

Improvements to current FPA structure

In the absence of a de-linking process there are a number of ways FPAs could be improved:

Phase out EU contribution for access

A time-line for phasing out the EU contribution for access needs to be agreed and an exit-strategy provided for fleets that will not be economically viable without subsidies (e.g. suggestions by representatives within the industry that this would include elements of the trawler fleet operating under the mixed agreements).

Improve assessments for assessment of sustainable catches within coastal countries' EEZs

In reality most of the fish stocks are shared (including demersal and pelagic resources targeted under mixed agreements). Improved assessments therefore need to take place at the regional level:

- For tuna, support a move towards allocating quotas to more easily check whether EU catches are within sustainable limits;
- For non-tuna resources, support regional organisations to undertake assessments and provide advice to coastal states on sustainable catch limits (e.g. CECAF and CRSP in West Africa).

Widen out representation at FPA negotiations

DG Development and Member States concerned with fisheries development need to be represented within FPA negotiations. National fisheries stakeholders also need their views taken into account to avoid conflicts over resources.

Independent evaluations of FPAs against governance indicators

FPAs should be independently evaluated against governance indicators. While the FPI provides some initial governance indicators further work is needed to develop a comprehensive list.

Improve coordination with other DWF

The EU needs to engage with international actors (e.g. Japan, Taiwan, China) to build consensus on responsible fishing within third country waters. This can be done at the RFMO level but also at diplomatic levels to encourage transparency of all access agreements.

8) Adopt a regional approach to promote policy coherence

There are significant benefits in giving regional support to developing countries covering elements such as MCS, stock assessments and action against IUU. This would be best channelled through RFMOs rather than through parallel institutions. The EU should also consider agreeing access agreements at the regional level with links to the relevant RFMOs.

A regional framework could also be used to enhance EU policy coherence. 'Regional governance agreements' could include overarching objectives for good fisheries governance and then provide the framework for other policies that touch on fisheries including FPAs, EPAs, EU engagement with RFMOs and development support. However support at the regional level should not be at the expense of support for good governance at the national level which is a priority as a building block for good global governance.

9) Strengthen Regional Fisheries Management Organisations (RFMOs)

Support creation of RFMOs where they are lacking

RFMOs provide an important framework for the EU's external fleets (that target shared or highly migratory stocks) but they do not exist for all the shared stocks that the EU targets. In particular CECAF needs to be strengthened to act as a RFMO for shared stocks along the coast of Africa (e.g. hake).

Enhance coordination across RFMOs

The EU can play an important role in improving the coordination between RFMOs and enhancing their performance by harmonisation and sharing lessons learnt.

Balance EU representation at RFMOs

Ensure that scientists and NGOs are well represented within the those accompanying EU delegations to RFMOs rather than over-domination by the fishing industry.

Support RFMOs to allocate quotas

- Encourage RFMOs to assign quotas for all species, especially those targeted by DWF: RFMOs as they are unlikely to be able to gain compliance of contracting parties until there are strong rights (i.e. exclusive, valid, secure and transferable) that create incentives for long-term sustainable management.
- Consider innovative methods of rights allocation: The EU needs to recognise that it may need to agree to other methods of assigning rights (rather than historical catch record method). This can include consideration of methods of rights allocation based on profit share allowing economic benefits to be shared without increasing overall fishing capacity.

- Ensure safeguards are put in place to prevent concentration of rights: There are different ways of achieving this, for example: restricting the time-frame on rights e.g. 20-year concessions or assigning Community Development Quotas (CDQs).

Support the highest environmental standards within RFMO regulations

The EU could support improved conservation measures within RFMOs (by-catch limits, selectivity of gear, reduced impact on the sea-bottom) and continue to promote the use of long-term management plans and the ecosystem-based approach to fisheries management.

Consider EU role within RFMOs as a 'trading partner' rather than a 'catching partner';

The EU could have a role within RFMOs as a 'trading partner' given that it is one of the largest international importers of fish. The EU would therefore not need to defend EU vessels' interests operating within the region to have a stake in regional fisheries management. However, such a role would need to be assessed against RFMO mandates.

10) Apply trade measures that contribute to good fisheries governance

Support coastal states ability to add-value and trade with the EU, for example:

- *Relax RoO:* The EU should relax its Rules of Origin to allow developing countries greater flexibility to add-value to fisheries products and export them to the EU¹²;
- *Provide additional support through EPAs to increase capacity for trade:* EPAs provide a potential vehicle for development in the fisheries sector and provide support for meeting EU-specific trade requirements such as SPS and governance frameworks required to implement the IUU regulation;
- *Coordinate with other EU policies:* Trade policies need to be coherent with EU's other fisheries policy hence the suggestion for regional governance framework agreements;

Use the IUU regulation to improve global fisheries governance

The IUU regulation has considerable potential to improve global fisheries governance but this relies on:

- Member States effectively auditing catch certifications based on rigorous risk assessments;
- The EU using the ability to ban countries from importing that have not adhered to RFMO regulations;
- Provision of significant support to developing countries for improved fisheries governance to ensure that they can correctly validate catch certificates.

Explore opportunities to use fisheries certification to incentivise improved global governance

Fisheries certification provides a significant opportunity to drive improved fisheries outcomes through market demand. Such schemes currently focus on environmental outcomes rather than institutional performance (and these are currently the only criteria included within the FAO guidelines on eco-labels for marine fish). There have been recent initiatives to design governance indicators (within a Fisheries Performance Index) and these could be integrated within certification schemes. However such an approach needs to be implemented without creating further trade barriers for developing countries.

11) Support review of international frameworks

The EU could play an important role in encouraging the international legal framework to consider current gaps in guidance:

¹² For example the Pacific interim-EPA allows any fish to be considered as originating (and therefore benefit from no tariffs) if it has been processed and changes tariff heading (e.g. from fresh to canned).

- UNCLOS to consider how it can strengthen the role of RFMOs, how developing countries can benefit from resources in the high seas adjacent to their territories and a fair process for allocating rights.
- The FAO code of conduct to be broadened out to give guidance on models for responsible fisheries such as wealth and rights-based approaches;
- The FAO voluntary guidelines on the eco-labelling of fish and fishery products from marine capture fisheries to consider wider 'governance indicators' rather than only environmental criteria.