

Alun Davies AM
Deputy Minister for Agriculture, Food,
Fisheries and European Programmes
Welsh Government



5 March 2012

Dear Alun,

Common Fisheries Policy Task and Finish Group Inquiry into proposed reforms to the Common Fisheries Policy

As you are aware, the CFP Task and Finish Group are looking at the impact on Wales of the proposed CFP reforms. We are now writing with our initial findings and recommendations. We hope our findings will prove useful in the development of your position on these proposals and that you will be able to support our findings as part of the UK delegation, within the Council of Ministers and directly with the European Parliament.

Summary of main findings

Given the current state of the EU fisheries sector and the continuing decline of European fish stocks the Group believes that the proposals from the European Commission are timely and should be broadly welcomed. We also welcome the Welsh Government's focus on ensuring that the proposals set out by the European Commission take sufficient account of interests and needs of the small scale coastal fishing fleet in Wales.

The Group supports the European Commission's aim of bringing forward proposals to ensure a more sustainable and profitable future for the fishing industry. However, during the course of the inquiry stakeholders from all sectors called for the Commission to provide clarity on a number of elements of the legislative proposals and we urge you to seek further information from the Commission on these areas so that stakeholders in Wales have greater certainty about the possible outcomes of the proposal.

In particular six priority areas have been identified in this first phase of work, which we believe would require changes to the text of the draft regulations:

- Ensuring consistency, integration and compliance between the CFP and existing EU environmental Directives;
- Ensuring that Multiannual plans are developed as a matter of priority and make reference to coastal stocks and ecosystems;

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- Ensuring genuine decentralisation and regionalisation of fisheries management and an adequate voice for small scale fishers and producers in the advisory councils;
- Ensuring that the mandatory proposals for transferable fishing concessions do not allow for fishing opportunities to end up in the hands of the most powerful economic actors to the detriment of coastal communities;
- Ensuring that the proposals on discards do not prevent the current sustainable activity of returning live discarded catch to the sea; and
- Ensuring that robust measures are in place to ensure that data collection is undertaken in a systematic and consistent way across Member States.

In addition, serious concerns have been expressed to us about the detrimental impact of Historic Fishing Rights in the 6 to 12 nautical mile area of the Welsh sea. Although not a matter directly addressed by these proposals we believe that the Welsh Government should continue to search for a solution to this issue in its discussions with the UK Government and other Member States. We have also made comments on the Aquaculture provisions and the proposed European Maritime and Fisheries Fund.

Next Steps

This is merely the first stage of our inquiry. We will continue to monitor progress throughout the negotiation process, seeking every opportunity to influence the final outcome. This will include taking evidence from the UK Minister in the spring term and visiting the European Parliament to discuss our findings.

We are also writing to the European Parliament to highlight the areas where we would like to see specific amendments to the legislative proposals. A copy of this correspondence is enclosed.

Additionally we will be sharing findings with other interested parties including the Committee of the Regions, the European Commission, devolved legislatures in the UK, Westminster, CALRE, other EU networks and interested groups.

We look forward to your response and engaging with you in the next phase of the negotiations on this important issue to Wales.

Yours sincerely



Julie James
Chair

Key Findings of the National Assembly for Wales CFP Task and Finish Group

1. Historic Fishing Rights

Although we understand that the matter of historic fishing rights is currently outside the scope of the CFP proposals, the devastating impact that boats with these rights have on the Welsh fishing fleet mean that we must take every opportunity to raise the serious problems caused by this on-going issue. We welcome the Welsh Government's proposals to end historic fishing rights in the 0-6 nautical mile area but believe that steps should also be taken to address this issue within 6 to 12 nautical miles of the coast.

Serious concerns were expressed by the fishing industry in Wales about the impact of historic fishing rights in the 6 to 12 nautical miles. They stated:

- That despite Welsh fishers having very little access to quotas for commercial stocks, fishing stock number in Welsh waters have continued to deteriorate.
- That trawlers from fleets with historic rights provide no direct economic benefits to Welsh coastal communities and any catch that they land is registered in their own Member State so is not added to the historic record of catches in Wales.

Although we note the European Commission's view that there is little appetite from Member States including the UK to address this issue through the CFP at present, we welcome your statement to the Group that the Welsh Government could initiate discussion on this matter if it was the view of the Assembly and Government that this should be done.

In addition, we strongly hope that further decentralisation of fisheries management could offer new opportunities for regional agreements to be reached on the limiting of historic rights within 12 nautical miles of the Welsh coast. Without serious action in this field the future of small scale traditional coastal fishing communities will continue to be at risk.

We recommend that the Welsh Government should explore the opportunities for new dialogue with Member State who hold historic fishing rights in Welsh waters.

In its discussions with the UK Government and devolved administrations on the proposals we recommend that the Welsh Government explore the opportunity for reaching regional agreements to curtail the impact of historic rights in Welsh waters.

2. The Marine Strategy Framework Directive (*Article 2.4*)

The Common Fisheries Policy has an essential role to play in ensuring the delivery of the Marine Strategy Framework Directive. As such we welcome the European Commission's proposal that the CFP should implement an ecosystems based approach to fisheries management and should ensure

Maximum Sustainable Yield by 2015. However, much of the evidence we received expressed concern about the lack of an explicit link between the Directive and the CFP proposals. There are three main areas for concern:

- That the requirements for seas to obtain good ecological status by 2020 contained in the Directive is not explicitly reinforced in the Policy.
- That the requirement for regional cooperation between Member States contained in the Directive has not been included in the CFP regulations.
- That the targets on discards contained in Directive do not match those contained in the CFP proposals.

Stakeholders strongly believe that this lack of clarity creates potential inconsistencies and conflict between the Directive and the Policy which could undermine the intent of the European Commission's proposals.

In your evidence to us you stated that you believed there was already integration between the Directive and the Policy but that the Welsh Government would not object to a declaration about the integration of these measures on the face of the proposals. We welcome this statement and given the views expressed to us by stakeholders **we recommend that the Welsh Government should pursue in its discussions and negotiations on the proposals an amendment to *Article 2.4*.**

We recommend that *Article 2.4* be amended to read:

The Common Fisheries Policy shall integrate Union environmental legislation requirements; *contribute to the achievement of good environmental status of EU waters by 2020 and favourable conservation status under the Habitats and Birds Directives.*

3. The Habitats and Birds Directives (*Article 12*)

Concern was expressed by several environmental organisations about the wording contained in the CFP proposals in relation to the Habitats and Birds Directives. There was a strongly held view that the proposals as currently set out weaken the levels of protection offered to marine sites and species by the existing Directives. Though this may be a drafting error in the text of the proposals it could have serious implications for the effective implementation of these Directives.

We therefore call for the Welsh Government in its discussions and negotiations on the proposals to advocate that amendments should be made to text of the proposals as follows:

***Article 12.1* to be amended to read:**

.....Member States in such a way as to *avoid deterioration of habitats and disturbance of species* in such special areas of conservation.

***Article 12.2* to be amended to read:**

The Commission shall be *obliged* to adopt delegate acts...to specify fishing related measures to *avoid deterioration of habitats and disturbance of species* in such special areas of conservation.

4. Multiannual Plans and Maximum Sustainable Yield (Article 2)

There was support from both environmental and industry bodies for the proposal to develop multiannual plans for the management of fisheries stocks. Stock management based on planning over several years in line with an ecosystems approach will deliver better outcomes for fish stocks and the industry.

There was agreement, however, that much more detail is needed in the regulation on how and by when the plans will be developed. In addition, as the plans will become the 'principle vehicle' for the delivery of sustainable fisheries, there should be a clear process for stakeholder engagement in their development.

Much of the evidence supported the view that multiannual plans should be subject to an environmental assessment and to ensure a whole ecosystems approach should, where relevant, take account of inshore fisheries.

Although we recognise that gaps in data and scientific knowledge may in the short-term provide a barrier to the development of some multiannual plans, their importance to the success of the policy means that we believe that a commitment must be made to develop these as a matter of urgency.

We therefore recommend, where possible, that multiannual plans should be adopted by 2015 to bring them in line with the commitment to achieving maximum sustainable yield for fish stocks by 2015 and that the Welsh Government should seek to secure the following amendment to the text of the proposals:

Add a new section 5 to Article 2 stating that *Multiannual plans shall, where possible, be adopted by 2015.*

In addition,

We urge the Welsh Government to seek further clarity from the European Commission about how and when these plans will be developed.

5. Transferable Fishing Concessions (*Articles 27-33*)

A range of concerns were expressed by stakeholders about the European Commission's proposals to introduce a mandatory scheme of transferable fishing concessions for all vessels over 12 meters and all vessels that used towed gear. In particular concerns were expressed that:

- The introduction of transferable fishing concessions would lead to the privatisation of a public resource and that the fishing concessions were likely to end up in the hands of the most powerful economic actors.

- That the transferable fishing concessions system would not necessarily deliver a pension to fishers enabling them to retire and reducing overcapacity. While the person who owns the fishing concessions would be able to lease them in order to receive a pension this would only provide money to the owner of the boat and not the crew.
- That the transferable fishing concession system would lead to genuine fishers having to pay large amounts to lease quota to owners of boats and fishing concessions.
- That as a number of vessels are multi-purpose using both towed and passive gear, it is not clear how and when the mandatory system would apply to these vessels.
- The mandatory system could cause particular problems for the small scale coastal fishing fleet in Wales because of the limited access they have had historically to quota species.

In general stakeholders felt that a mandatory system of concessions should not be introduced and that a voluntary system should be one of a suite of tools that Member States could use to reduce overcapacity and bring about change in fishers' behaviour.

We welcome your view that sufficient safeguards need to be put in place under a system of transferable fishing concessions to protect small scale fleets and that Member States should be provided with the powers to put these safeguards in place. We also welcome the negotiations that you have undertaken with the UK Government to seek a floor in the availability of quota to Welsh fishers and believe that such negotiations could be vital in protecting Welsh fishing communities under a system of transferable fishing concessions.

Although we recognise the European Commission's view that there is sufficient scope in the text for Member States to put their own safeguards in place and that a successful outcome to your negotiations could offer some protection to Welsh fishers we feel that this issue is too important to be left to chance.

We therefore recommend that the system of transferable fishing concession should be voluntary and that the Welsh Government should seek to pursue this in its negotiations on the Policy.

As a minimum the Welsh Government should seek greater clarity on the application of the proposals to boats with mixed gear and on the safeguards that could be applied to protect and maintain Europe's diverse fishing fleet.

6. Decentralisation and Regionalisation

We welcome the European Commission's proposals for the decentralisation and regionalisation of fisheries management. Without decentralisation and an increased role for stakeholders it is difficult to imagine sustainable

management of EU fisheries. However, stakeholders felt strongly that there was a lack of clarity about how decentralisation of fisheries management will work in practice e.g. if the Advisory Councils will have a role, if they will be expected to manage fisheries jointly with Member States or if Member States will be compelled to work together to deliver decentralised fisheries management.

We support your view that these proposals should enable Member States to establish smaller regional scale management of the seas e.g. at an Irish sea level and agree that this approach could allow for more appropriate management of Welsh fisheries. We were therefore pleased to receive confirmation from the Director-General of Maritime Affairs and Fisheries, Lowri Evans, that the proposals will allow Member States to come together to manage seas on a smaller regional scale e.g. an Irish Sea basis.

We welcome your commitment to the development of fisheries management on a smaller regional scale and recommend that you continue to pursue this issue with other relevant Member States.

The Group heard broad support for the role and functions of Advisory Councils and stakeholders felt strongly that the Advisory Councils should be involved in the development and assessment of multiannual plans. However, some concerns were expressed about the way in which Advisory Councils have operated in practice. Stakeholders felt that:

- The current Regional Advisory Councils are too remote from small scale fishers and consequently their views have not been properly represented in the past.
- Those representing small scale fishing interest do so on a voluntary basis where their individuals must choose between being on their boats and attending meetings to represent the industry.

We note that you shared similar concerns to the Group about the voice given to small scale fishers in the current regional advisory councils and welcome your suggestions that regional management on a smaller scale could provide the coastal sector with a stronger voice. However, the Group heard from industry representatives that they would welcome the opportunity to engage further with the Advisory Council process.

We therefore recommend that consideration is given to ensuring that the structure of Advisory Councils in futures enables the voice of coastal fishers and communities to be heard.

We strongly welcome the proposals contained in the European Maritime and Fisheries Fund that would allow Member States to provide support for small scale sector representatives to engage in the Regional Advisory Council process.

7. Discards

While both the environmental bodies and the fishing industry expressed support for the principle of ending discards some expressed concern about the unintended consequences of a blanket ban on discards. In particular the Committee feels it is important that:

- Unwanted catch is minimised in the first instance by putting a focus on using selective gear and that a closer link is made between *Article 14* on technical measures and *Article 15* on discards.
- That safeguard should be put in place to prevent the creating of new markets for vulnerable under-sized fish species.

We note that you hold a similar view to that expressed to the Group by stakeholders and therefore we recommend that the Welsh Government should seek an amendment to *Article 15* of the proposals as follows:

All catches of the following fish stocks subject to catch limits caught during fishing activities in Union waters or by Union fishing vessels outside Union waters shall be brought and retained on board fishing vessels and recorded and landed except where used as live bait *or where unwanted catch can be returned alive.*

8. Data Collection (Article 37 and the European Maritime and Fisheries Fund (EMFF))

All the evidence supported the view that that the reform of the CFP must be underpinned by a sound scientific evidence base. It is important that data collection under a reformed CFP is designed to support the development of an ecosystems approach and not only single fish stock conservation. Collection of a wider range of good quality data will be important for the successful development and implementation of multiannual plans and fundamental to the development of sustainable European fisheries. We were pleased that this was acknowledged by the Director General in her discussion with us and we welcome the European Commission's proposals to work with the scientific community and Member States to improve the evidence base.

If attempts to fill the current data gaps are to be successful it was felt that further work is needed to incentivise fishers to take part in data collection and to develop the partnership between scientists and fishers. There is a need to ensure that the data gathered is fed back in a useful way to the industry so that they can see a benefit from participating in its collection.

We therefore strongly welcome the proposals in the EMFF Regulations to enable Member States to support these kinds of projects and recommend that the Welsh Government utilise any future funds provided to it under the EMFF to support this type of work in Wales.

We welcome your acknowledgement that Wales needs to strengthen its data collection measures and the support that has been provided to projects such as Fish Map Mon that aim to create a partnership between the industry and scientists. **We would recommend that you to replicate the good practice illustrated in this project across Wales.**

However, in order to ensure that data gathering is given serious attention by all Member States we propose that the CFP regulations be strengthened to require Member States to develop data collection plans with stakeholders and recommend that you support such a change through the negotiation process.

Article 37.3 Data Requirements for Fisheries Management currently requires Members States to ensure the national coordination of the collection and management of scientific data for fisheries management. **We recommend that the proposals are amended as follows:**

Article 37.3

Member States shall ensure the national coordination of the collection and management of scientific data for fisheries management and *shall produce multi-annual plans for data collection*. To this end they shall designate a national correspondent and organize an annual national coordination meeting. The Commission shall be informed of the national coordination activities *and of the production multi-annual plans* and be invited to the coordination of meetings.

9. Aquaculture

There was general support for the European Commission's proposal that Member States should be required to develop national aquaculture strategies. In her evidence to the Group, the Director-General for Maritime Affairs and Fisheries stated that the EU was one of the only places in the world where the aquaculture sector had not grown in recent years.

Although Member States should be given the flexibility to design national strategies suitable for their industry we heard from stakeholders that it will be important to have a strong central direction at an EU level.

We note the subsidiarity concerns expressed by the UK Government and note that in your evidence to the Group you were minded at that time to support this position. However, in light of the views expressed subsequently to the Group we wish to acknowledge the desire in the industry to ensure growth for its sector by having a central driver at an EU level. It will be important, however, to ensure that the CFP requires the industry to adhere to environmental safeguard and directives.

In light of the views expressed to the Group by the industry we would ask the Welsh Government to reconsider its position on this element of the proposals.

10. Proposals for a European Maritime Fisheries Fund

Having begun the gathering of our evidence on the CFP proposals prior to the publication of the EMFF proposals we were pleased to see that many of the wishes expressed by stakeholders for the fund had been addressed. In particular we welcome the proposals to allow Member States to provide funding for:

- Higher-aid intensity rates for the small scale coastal fleet;
- Business and marketing support for the small scale coastal fleet;
- Coastal business start-ups; and
- Representative organisation of the small scale coastal fleet to enable them to engage in CFP dialogue.

We hope these elements remain part of the EMFF and **we strongly encourage you to support them in the negotiation process.** We believe that the EMFF proposals offer Wales the opportunity to develop a holistic package of support for its coastal communities and look forward to seeing the Welsh Government's proposals for the use of these funds.