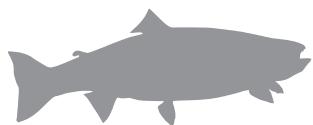


# Fishing for a Future: The Reform of the Common Fisheries Policy

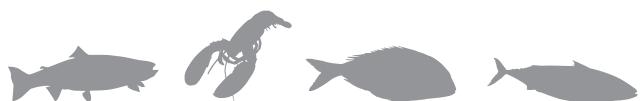
by  
Killian Kehoe







**Fishing for a Future:  
The Reform of the Common Fisheries Policy**



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# Introduction and Overview

## Introduction – the Context of Reform

The European Commission's Green Paper on the Reform of the Common Fisheries Policy (CFP), published on 22 April 2009, marks the commencement of a broad-based consultation with Member States and stakeholders with a view to bringing about a wholesale and fundamental reform of the Policy.

In Ireland, this consultation process has led the Minister of State with responsibility for Fisheries, Mr. Tony Killeen T.D., to appoint Dr Noel Cawley<sup>1</sup> to oversee consultations with Irish stakeholders on the reform of the CFP. This consultation will form a vital input to Ireland's negotiating framework for the CFP Review. The consultation phase will be followed by a Commission summary of the public debate in 2010 and a legislative proposal to the Council and the European Parliament to be adopted in 2011, with a view to its entering into force in 2012.

The preparedness of the Commission to consider a radical reform of the CFP offers a timely opportunity (in the words of the Green Paper) to address the “vicious circle of decline”<sup>2</sup> in which Europe’s and Ireland’s fisheries have been trapped in recent decades. It is against this background that the IIEA wishes to make a contribution to both the Irish and European consultation process. This paper, which was compiled by Killian Kehoe after significant stakeholder consultation, follows a successful panel discussion on 8th October 2009 at the Institute on the Reform of the CFP with Dr. Reinhard Priebe, a Director in the European Commission’s DG Fisheries with responsibility for the Atlantic, Outermost Regions and Arctic, with Lorcan Ó'Cinnéide, Chief Executive of the Irish Fish Producers’ Organisation, as well as other key stakeholders.<sup>3</sup>

## Overview of the Paper:

**Section A** of the paper discusses the **origins of the CFP from an Irish perspective** discussing the development of the two pillars of the CFP, namely **fishing limits and access and the emergence of relative stability**.

**Section B** addresses the **failures of the CFP**, in particular focusing on:

- B.1 the need to redefine the **objectives** of the CFP, which currently conflict with each other, and undermine the sustainability of the industry
- B.2 the specific **failures in the current policy**, namely
  - (i) ambiguous and out-of-date **objectives**
  - (ii) unevenness in approach to **fisheries management** and dissipation of **conservation benefits**
  - (iii) the anachronistic nature of **relative stability** whereby the proportion of fishing quotas allocated to Member States is fixed
  - (iv) regulations causing unacceptable levels of **fish by-catch and fish discards**
  - (v) insufficient support of **coastal/inshore fleets** and the negative implications in terms of **carbon emissions, environmental degradation and climate change**

**Section C** of the paper considers **options for reform of the CFP and their implications**, in particular focusing on the need:

- C.1 to revise and sharpen **CFP objectives** by giving due precedence to the biological and environmental sustainability of fish stocks as a first priority, while alleviating the short term costs of favouring this approach
- C.2 to progressively implement an **ecosystem-based approach** leading to **maximum sustainable yield and a ban on fish discards**
- C.3 to extend **exclusive and restricted access zones** from 12 to 24 miles
- C.4 to regionalise and localise **fisheries management** for a more effective, customised but uniform approach through subdividing roles more clearly between firstly the setting of overall policy objective, secondly effecting and overseeing implementation and thirdly operational day to day management.
- C.5 to reduce **fossil fuel consumption** and **carbon emissions** by promoting fuel efficiency and greater preference for coastal inshore fleets as opposed to distant water fleets
- C.6 to introduce **differential decommissioning of distant-water vessels** and **retire associated quotas** to address the current capacity problems
- C.7 to modify **relative stability** by updating it to better reflect current fishing practices
- C.8 to financially counter **short-term economic and social pain** by financing and facilitating industry adjustment to **ensure long-term sustainability**
- C.9 to achieve **transparency of quota management, uniformity of control and enforcement of equalisation of penalties across Member States**

**Section D** of the paper examines the impact of **the potential accession of Iceland to the EU** and the potential for greater subsidiarity in the implementation of the CFP

The **conclusion** outlines Irish strategic interests and suggests that the Treaty of Lisbon and Icelandic accession could encourage the regionalisation and localisation of fisheries management



## A. Origins of the Common Fisheries Policy from an Irish Perspective

The legal basis for the EU's CFP mirrors that of the Common Agricultural Policy and is set out in Articles 38 to 44 of the Treaty on the Functioning of the European Union, as amended by the Lisbon Treaty. In particular, Article 39 outlines the basic objectives of such a policy:

*"1. The objectives of the common (fisheries) policy shall be:*

- (a) to increase (fisheries) productivity by promoting technical progress and by ensuring the rational development of (fisheries) production and the optimum utilisation of the factors of production, particularly labour;*
- (b) thus to ensure a fair standard of living for the (fisheries) community, in particular by increasing the individual earnings of persons engaged in (fisheries);*
- (c) to stabilise markets;*
- (d) to assure the availability of supplies;*
- (e) to ensure that supplies reach consumers at reasonable prices.*

*2. In working out the common (fisheries) policy and the special methods for its application, account shall be taken of:*

- (a) the particular nature of (fisheries) activities, which results from the social structure of (fisheries) and from structural and natural disparities between the various (fisheries) regions;*
- (b) the need to effect the appropriate adjustments by degrees;*
- (c) the fact that in the Member States (fisheries) constitutes a sector which is linked with the economy as a whole."<sup>4</sup>*

From the mid-sixties, a Common Agricultural Policy was put in place to give effect to these objectives, but when it came to fisheries, the original Six Member States proceeded with considerably less haste in establishing a common policy.<sup>5</sup> The next two sections outline the development of two pillars of the CFP, namely the development of fishing limits and fishing access, and the emergence of the concept of relative stability.



## A.1 Fishing Limits and Access

Faced in 1970 with the imminent accession of Ireland, UK, Denmark and Norway (as was then expected), and the consequent 80% expansion of the Community's fisheries resource, the original six Member States introduced new regulations laying down a common marketing and structural policy for the fisheries sector.<sup>6</sup>

Perhaps the most notable, novel and prescient element enunciated in Regulation 2141/70 was the principle of *equal access to a common resource*<sup>7</sup> which aimed to ensure that no Member State could deny access within its coastal zone to the fleets of other Member States and that any necessary conservation measures would have to be agreed by the Council of Ministers. This *equal access* provision overturned the general approach set down in the internationally agreed London Convention of 1964 whereby coastal states were given exclusive fishing rights up to 12 nautical miles from their coasts except for historical rights limited to particular species and areas.<sup>8</sup>

The concept of equal access also went against the tide of a gathering consensus, internationally, among coastal states leading towards the extension of exclusive fishing limits in the early 1970s. The European Community itself established a 200 mile exclusive zone on 1 January 1977 and most international coastal states did likewise during that year.<sup>9</sup>

It is noteworthy that the Community had an Article inserted in the London Convention which ensured that no provisions of the agreement would prevent any particular arrangements being made between Member States of the EEC.<sup>10</sup> The insertion of this provision was clearly designed to provide a benchmark for the upcoming accession negotiations with new Member States. Needless to say, this new benchmark would be highly beneficial to the pre-existing Member States who, with limited fishing grounds were anxious to improve or at least copperfasten access to the extensive fisheries resources of the applicant States.

Not surprisingly, Ireland and other acceding states were strongly opposed to the principle of equal access, and under the eventual Treaty of Accession the newcomers were granted a 10-year derogation providing for exclusive 6 mile zones beyond baselines drawn between headlands, with fishing in an outer 6-12 mile zone restricted to vessels which fished traditionally in these areas.<sup>11</sup>

In the course of the protracted negotiations to establish a CFP, determined efforts were made by Ireland and the United Kingdom to secure restricted access within a 50 mile coastal band, going as far as the adoption of national measures which were subsequently found to be in contravention of Community law.<sup>12</sup> The Accession Treaty also required the Council of Ministers, on the basis of a report and proposal from the Commission, to decide on the arrangements which would follow the expiry of the derogation after 31 December 1982. Ultimately, if no agreement could be reached on access arrangements after that date, the derogation from the principle of *equal access to a common resource* would lapse and other Member States would be legally entitled to fish up to the beaches of the coastal Member State.

Another salient factor was the looming accession negotiations with Spain and Portugal. Spain's powerful fishing fleet, equivalent to about 40% of the then EU(10) fleet, had enjoyed unrestricted access in the 12-200 mile Community zone prior to 1977 but, as a third country, was now obliged to operate within the tight limitations of a 1980 EU/Spanish Fisheries Framework Agreement. Whatever terms Ireland could negotiate to further its fishing interests in a Community of Ten would become totally unobtainable in a Community which included Spain and Portugal.



Faced with these unpalatable possibilities, Member States such as Ireland and UK accepted the access derogation arrangements as a component part of the new CFP which was eventually agreed on 25th January 1983.<sup>13</sup> As it turned out, these access arrangements were rolled over in the subsequent 10 yearly reviews of the Policy.

## A.2 The Emergence of Relative Stability

The radical changes in fishing limits in the 1970s and the absence of a CFP in an enlarged Community created both dislocation and uncertainty. One notable consequence of the extension of limits, was that the Community's considerable distant water fleets (mainly from the UK and Germany) were dislodged from Icelandic and other third country waters resulting in over 400,000 tonnes in lost fishing opportunities. At the same time and with effect from 1 January 1977, the Community had to ensure the discontinuance of third country fishing activity in its own 200 mile zone (by countries such as USSR, Spain etc.) except where mutually agreed. Until November 1976, all attempts by the Commission and the Council to reach agreement on the share-out and conservation of internal fish resources foundered on the divergent interests of Ireland and the UK with their extensive fishery resources, vis-a-vis the more resource-strapped Continental Member States.

Ireland, which was represented on the Council of Foreign Ministers by Dr. Garret FitzGerald, was to the forefront in insisting that the Community, before addressing external issues such as the extension of fishing limits, would have to provide assurances that the terms of any internal policy would facilitate the expansion of the relatively underdeveloped Irish fishing industry.<sup>14</sup> Ireland's efforts eventually paid dividends. In the Hague Resolution of November 1976 Annex VII,<sup>15</sup> the Council declared its intention in a new common fisheries policy, to secure the continued, and progressive development of the Irish fishing industry on the basis of the Irish government's fisheries development programme. In practice, this would mean that future quota allocations by the Community would facilitate a doubling of the 1975 Irish catch of 75,000 tonnes by 1979.

The quid pro quo for this concession was that Ireland, along with other Member States, agreed that the Community would have the power to negotiate with third countries on behalf of its Members. In addition, the principle of relative stability was established<sup>16</sup> and a Community methodology devised for allocating shares of Total Allowable Catches (TACs) to Member States for each fishing area and species. The allocation key establishing relative stability was based on three main criteria:

1. Traditional fishing activity (i.e. average catches over the period 1973-1978).
2. The preferences for regions dependent on fishing (i.e. giving effect to the Hague Resolution and a doubling of the 1975 Irish catch).
3. Compensation to certain Member States for lost fishing opportunities in third country waters (this benefited mainly the UK and Germany).<sup>17</sup>

When the agreed allocation key was applied to the 1982 TACs for the seven main commercial fish species, Ireland's quota share expressed as a percentage of Cod Equivalent in Community waters amounted to 4.4% compared to 36.6% for the UK, 23% for Denmark, 13.4% for West Germany, 13.4% for France and 7.3% for the Netherlands. Of the Member States bordering on the Atlantic, North Sea and Baltic Sea only Belgium at 2.1% had a smaller share than Ireland. Were it not for The Hague Agreement the Irish share would have been a mere 2.2% which would have been more or less the same as Belgium. Under the new dispensation, Irish fish landings grew to between 165,000-217,000 tonnes by the early 1980s, which was more than twice the 1975 level of 75,000 tonnes and



this in turn compared with total Irish landings of a mere 25,000 tonnes in 1963.<sup>18</sup>

Despite Ireland's laudable negotiating achievement at The Hague, any allocation key that was largely reliant on recent historic performance was bound to eventually militate against a country with such a low base in the first place. The allocation key agreed in January 1983 which underlies the principle of *relative stability* of fishing activity has remained the cornerstone of the CFP for over a quarter of a century.<sup>19</sup>



## B. The Perceived Failures of the Common Fisheries Policy

Though there has been inevitable evolution of the CFP over the past 27 years, mainly emanating from Spanish and Portuguese accession and the reviews in 1992 and 2002, the overall architecture and core elements of the policy have remained essentially unchanged. In assessing what changes should be made to the CFP it is necessary to:

- briefly review the inadequate objectives and undesirable outcomes; and
- detail the perceived failures.

### B.1 Inadequate Objectives with Undesirable Outcomes

The objectives of the CFP following its last review in 2002 are enshrined in Council Regulation (EC) No 2371/2002<sup>20</sup> where it is stated that ‘the Common Fisheries Policy shall ensure exploitation of living aquatic resources that provides sustainable economic, environmental and social conditions.’ While committed to the progressive implementation of an ecosystem-based approach<sup>21</sup> to fisheries management, the Regulation also aims ‘to contribute to efficient fishing activities within an economically viable and competitive fisheries and aquaculture industry, providing a fair standard of living for those who depend on fishing activities and taking into account the interests of consumers.’

These objectives are not fundamentally different from those which prevailed over the previous 20 years of the CFP, the main difference being the focus on an ecosystem approach to fisheries management. In furtherance of these objectives, a number of beneficial new initiatives were introduced over the past decade such as increased stakeholder involvement through new Regional Advisory Councils,<sup>22</sup> the discontinuance of public aid for new vessel construction and recovery plans for severely threatened fish stocks.

However despite the merit of both the objectives and the new initiatives, the Community fisheries sector is still beset by serious stock decline, fleet overcapacity, overfishing and low or negative economic returns in the catching sector.<sup>23</sup> As the Green Paper points out, 88% of Community stocks are being fished beyond their Maximum Sustainable Yield (MSY)<sup>24</sup> which means that output from these fisheries are not only below their optimum levels but are being subjected to a level of fishing effort which will lead to further stock depletion.<sup>25</sup> In this regard, the CFP performance has been markedly worse than international norms, with the Food and Agriculture Organisation estimating that, on average, 25% of global stocks are fished beyond MSY<sup>26</sup> with comparable figures of 25% for USA, 40% for Australia and 15% for New Zealand.<sup>27</sup> More worryingly, the International Council for the Exploration of the Seas (ICES) has estimated that most Community stocks are being fished beyond MSY and it is estimated that 30% of Community stocks are now outside safe biological limits. This means that in the absence of effective emergency recovery measures, these stocks will be unable to replenish themselves and may be threatened with extinction.<sup>28</sup>

The primary cause (and also consequence) of stock depletion is persistent fleet overcapacity, inadequate regulatory compliance, overfishing and the poor financial performance of the Community catching sector resulting in depressed levels of income and employment in remote and



disadvantaged coastal areas. The Green Paper states that the average annual reduction of 2% in EU fleet capacity in recent years has been nullified by a corresponding improvement in the technical efficiency of fishing and the impact on stocks is often exacerbated by weak and uneven enforcement of control measures.<sup>29</sup> In this regard, the Irish performance since 2002 is markedly better than the Community as a whole with a reduction of 35% in the capacity of the whitefish fleet being brought about by a Government/EU-funded decommissioning scheme and rigorous enforcement of control measures following the establishment of the Sea Fisheries Protection Authority.<sup>30</sup> The inability or unwillingness of other Member States whose fleets are fishing in the same zones to pursue similar measures may lead to dissipation of benefits to Ireland and will be raised, later, as a serious defect in the CFP.

## B.2 Specific Failures

Even in the best circumstances where an island nation has total exclusive access to, and control over the fish resources within its 200 mile zone, the putting in place and operation of a sustainable fisheries management regime is a formidable challenge. It is well established that in the absence of such a regime each participant in a fishery may, in the short term, profitably increase his fishing effort to a point in the longer term where the stocks are fished out resulting in the phenomenon described by Garrett Hardin as the *Tragedy of the Commons*. This refers to a dilemma in which multiple individuals acting independently and solely pursuing their own self-interest will ultimately destroy a shared limited resource even when it is clear that it is not in anyone's long term interest for this to happen.<sup>31</sup>

The challenge facing the EU's CFP is dauntingly more complex regarding the sustainable management of Community fish resources, given that they are shared between a large number of Member States - a phenomenon unparalleled anywhere else in the world.

In essence the CFP provides the overall fisheries management framework and in recognition of the fact that there cannot be a one-size-fits-all approach, each Member State is afforded a certain degree of latitude in the choice and implementation of measures at national level. The upshot however is that there can be a serious lack of uniformity in the approach to the management of particular shared fisheries with dire consequences for the state of the stocks and the viability of the catching sector. This anomaly has created a highly unsatisfactory situation for the majority of Member States and is at the heart of some of the CFP's failures outlined below:<sup>32</sup>

### (i) Ambiguous and Out-of-Date Objectives

In the preamble to Regulation(EC) No 2371/2002 the stated objective of the CFP is 'to provide for sustainable exploitation of living aquatic resources and of aquaculture in the context of sustainable development, taking account of the environmental, economic and social aspects in a balanced manner'.<sup>33</sup> There are obvious short-term conflicts between the environmental and the other two components while in the long term all three components are fully aligned.

The Regulation, however, is largely silent as to how the short-term balance should be struck. In interpreting the above overall objective, Article 2 states that, for this purpose, the Community shall adopt the precautionary approach and aim at a progressive implementation of an ecosystem-based approach to fisheries management. Implicit in this is a degree of priority for the environmental over the economic and social aspects. This is understandable in that the success of the economic and social objectives are dependent on the success of the objectives for conserving the stocks rather



than the other way round.

What was implicit in the 2002 Regulation has, since then, been given considerably more gravity by the Commission's commitment to achieving MSY as close as possible to 2015, the target date set by the World Summit on Sustainable Development which took place in Johannesburg in 2002. The key issue here is the timescale. Achieving MSY by 2015 would require reductions in fishing mortality of the order of 50% well in advance of this target date with devastating short-term social and economic consequences. Furthermore the implementation of an ecosystem-based approach, *inter alia*, necessitates minimisation of fish by-catch and elimination of fish discards—an issue which may acquire new momentum because of the accession negotiations with Iceland where there is already a total ban on discards.<sup>34</sup>

All of these developments seem to call for greater short-term economic and social pain to achieve long term stock sustainability. Any amendment of CFP objectives must not only carefully calibrate and explicitly prioritise the long-term environmental, economic and social objectives but also seek to alleviate the serious short-term economic and social consequences. If it is the CFP's destiny to dole out more and more misery, then internal to the Policy, there should be some mechanism to cushion the blows in the manner of the Common Agricultural Policy as otherwise political decision-making in favour of long-term conservation at the expense of short-term economic and social pain will become impossible.

### **(ii) Unevenness in Approach to Fisheries Management and Dissipation of Conservation Benefits**

The Total Allowable Catches for particular ICES Areas<sup>35</sup> are typically subdivided into national quotas for several Member States. While the responsibility for control and enforcement of EU fishery regulations such as mesh sizes, conservation boxes etc falls to the coastal state, the management of quotas lies with the state whose flag the vessel is flying (the flag state). However, since fish quotas are managed differently from one Member State to the next and in some cases are devolved to Producer Organisations it is not feasible for the coastal state to ensure compliance of catches and log book entries with individual vessel quota entitlements.

From an Irish perspective, one of the key industry selling points of Ireland's 35% Whitefish Fleet Decommissioning Programme<sup>36</sup> was that the individual quotas of the remaining Irish whitefish vessels would increase by 35%, or pro rata with the reduction in fleet capacity. However, if Ireland's reduced fishing effort is not matched by a similar reduction in other fleets operating in the same zones, or worse still if the Irish vacuum is filled by the increased effort of other fleets, some of whom have underutilised quotas, then the 35% expected increase in Irish vessel quotas will be (and to some extent already has been) whittled away by further reductions in Total Allowable Catches.

### **(iii) Relative Stability or Relative Misery**

The principle of relative stability, referred to above, is the bedrock on which the CFP is built. Treasured by those Member States who have benefited from it but resented by those who have lost out, it has remained the only enduring certainty in a sector which has experienced traumatic change. Without this principle it could be argued that the fleets of the Member States would rush headlong into the *Tragedy of the Commons*. However, how reasonable is it to insist for some 25 years and possibly into the indefinite future that the fishing fleets and fishing entitlements of the various Member States should only move in the precise proportion which they occupied in the reference period 1973-1978? For the most part, this principle has involved the imposition of relative misery with proportionate



contraction of capital and labour to match declining resources, but with little attention to the disproportionate economic and social effects in areas heavily dependent on fishing.

Furthermore, the initial quota share-out agreed in 1983<sup>37</sup> related to the catches of seven key species. In the intervening period a large number of additional and sometimes previously unknown commercial species were added to the quota net with the share-out based on relative catches in the preceding period. Such an allocation criterion is patently unethical in that it represents an incentive (and reward) to plunder non-quota stocks which were due in the course of time to come into the quota system, the most pertinent and disturbing example being that of the overfished and now depleted deep-water stocks which became subject to quota earlier this decade.<sup>38</sup>

#### **(iv) Regulations Causing Unacceptable Levels of Fish By-catch and Fish Discards**

Perhaps the most visible violation of an ecosystem-based approach in the current CFP is the very high level of by-catches and discards in Community fisheries. The sea is not a supermarket and especially in mixed fisheries such as those of the Irish continental shelf, it is no surprise that the random mix of the various national species leads to heavy by-catches and subsequent discarding. A proportion of discarding is regulatory in origin allied to inflexible individual vessel quotas while a further proportion is attributable to high grading or slipping of the net — a practice whereby fishermen faced with a limited quota for a particular species dispose of smaller-sized low-value fish in favour of higher-priced larger fish of the same species. These practices can result in levels of total fish mortality which can be up to, or over 100% higher than the landed catch and are very damaging not only to stock conservation but to marine ecosystems.

#### **(v) Inadequate Preference for Coastal/Inshore Fleets and Implications for Carbon Emissions, Environmental Degradation and Climate Change**

The Community's fish catching sector is a high consumer of scarce and increasingly expensive fossil fuels with larger distant-water vessels which travel long journeys to fishing grounds being among the heaviest consumers. In recognition of the heavy fuel cost burden borne by catchers in a situation of tight or negative margins, almost all Member States provide a full rebate of excise duty on marine fuel oil. The vessels benefiting most from these arrangements are the larger distant-water vessels.

A deficiency in the current CFP is the absence of effective measures to improve the industry's environmental performance and its impact on climate change and the failure to show preference for more socially and environmentally acceptable coastal /inshore fleets as opposed to larger distant-water vessels.



## C. Options for Reform of the CFP and Implications

Any objective assessment of the performance of a policy that has presided over the continuously deteriorating condition of Community fisheries for over a quarter of a century must come to the conclusion that not only has the CFP utterly failed to achieve its objectives, but the two previous reviews in 1992 and 2002 have materially failed to correct its failures.

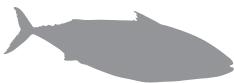
With hindsight, it could be said that the current policy represents the lowest common denominator that was historically struck, at particular stages, between the different interests of the various Member States. However, the policy has become somewhat anachronistic. The Community Institutions, the Member States, the stakeholders and civic society, on behalf of present and future generations, must now face up to these fundamental failures and be prepared at this late stage to embrace the type of radical reform necessary to bring about sustainable fisheries by the time of the next review in 2022.

Achieving political agreement for such radical reform in a Community of 27 Member States will require imagination and ingenuity as well as additional financial resources to combat the pervasive imbalance between long-term biological and environmental considerations and short-term economic and social considerations. While recognising the need to set down common rules and principles at a central EU level, there is now an urgent need to delegate decision-making, management and control to regional and local level accompanied by a reallocation of fish resources (in terms of quotas and access) to coastal inshore fleets and smaller vessels. In fully embracing the ecosystem-based approach, the new policy must also anticipate the growing scarcity and expense of fossil fuels on which the fishing industry has a uniquely high dependence and introduce new structural and other measures designed to bring about a more environmentally-friendly industry with less damaging impact on climate change.

Before considering what changes should be made to the current policy or indeed whether it should be scrapped entirely, it must be acknowledged that fishing as a form of hunting is a highly individualistic and competitive activity which supersedes any sense of collective responsibility for the protection of the stocks. This is a tendency which is exacerbated by the sharing of fisheries with fishermen from other Member States who may not be as restricted as Irish fishermen by their quota allocations. Nevertheless, the current system of relative stability, no matter how imperfect, has at least prevented the descent into chaos which would pertain in its absence.

In terms of the principles which ought to guide any proposed reforms, it is worth considering the core design principles for regulating a common pool resource outlined by recent Nobel Prize winner Elinor Ostrom in her leading study "Governing the Commons". These principles require that there be clearly defined boundaries in terms of who can appropriate and by how much. The rules must be adapted to local conditions and most resource appropriators must participate in the decision-making process. There must also be effective monitoring by monitors who are part-accountable to the appropriators and there must be a scale of graduated sanctions for violations of Community rules, as well as accessible mechanisms of conflict resolution.<sup>39</sup>

Having regard to all the considerations outlined in this document the options for radical reform of the Policy are summarised as follows:<sup>40</sup>



## C.1 Revise and Sharpen CFP Objectives

Unresolved conflicts between competing objectives and diametrically opposing short and long-term considerations as between stock sustainability on the one hand, and social/economic conditions on the other, call for clarity and explicit prioritisation of the CFP's objectives. Since biological/environmental sustainability of fish stocks is a necessary pre-condition for long-term economic and social sustainability, this suggests that the objectives should give due precedence to the former while committing the CFP to promoting structural adjustment and alleviating the serious adverse short-term economic and social impact.

The Commission's commitment to achieving MSY for Community fisheries as close as possible to 2015, the target date set by the World Summit on Sustainable Development, must be reflected in the objectives of the CFP as part of its ecosystem-based-approach to fisheries management.<sup>41</sup> Given the accelerated rate of reduction in fish mortality required (which will vary from one fishery to the next) and the consequent scale of industry dislocation, it is suggested that detailed implementation of fisheries management and recovery plans be permitted to achieve MSY by agreed target dates between 2015 and 2020 with a view to achieving overall MSY by the next review in 2022.

## C.2 Progressively Implement an Ecosystem-Based Approach Leading to MSY and a Discard Ban

Since fisheries are acknowledged to have a heavy impact on marine ecosystems, it follows that the adoption of the ecosystem-based approach will have a pronounced negative impact on fisheries and related activities in the short-term but this will turn to a sustained positive benefit in the long-term.

The ecosystem-based approach is outlined in the Food and Agriculture Organisation's Technical Guidelines for an Ecosystem Approach to Fisheries as "a plan to develop and manage fisheries in a manner that addresses the multiple needs and desires of societies, without jeopardising the options of future generations to benefit from the full range of goods and services provided by marine ecosystems ... This approach strives to apply an integrated approach to fisheries within ecologically meaningful boundaries."<sup>42</sup> In terms of practical changes to fishing practices, this would see the use of environmental signals in management, the minimisation of ecosystem impacts, the prioritisation of long-term sustainability and a focus on participatory decision-making.<sup>43</sup>

Critical to the adoption of the ecosystem-based approach will be the application of a suite of accompanying structural and income support measures designed to alleviate dislocation and distress. Any plans to minimise unwanted bycatch and phase out discards at sea will necessitate changes in the current quota and bycatch regulations.

Before implementation, plans need to be tailored to the specific circumstances of each fishery and carefully piloted. Prior consultation with and support from fishermen will be essential to its success as will some degree of flexibility in the transfer of quota entitlements between vessels. Integral to a ban on discarding at sea will be a requirement to use selective fishing gear and real time closure of fisheries where there is a preponderance of juvenile fish. This is currently the practice in Iceland and Norway where discard bans are already in place. In relation to by-catches, both Norway and Iceland have already successfully adopted practices which have seen by-catches taken ashore and either turned to protein, oil, or sold for human consumption.



The key outcome of this approach should be a much lower level of fish mortality while fishermen should be allowed to retain/sell a portion of the landed discards as an incentive/reward for participation. A discard ban would require careful monitoring and surveillance to ensure compliance.

## C.3 Extend Exclusive and Restricted Access Zones

It is estimated that about 70% of EU fishing vessels accounting for 50% of total employment consist of vessels less than 10 metres operating in inshore waters. Furthermore the Green Paper<sup>44</sup> states that the restriction of fishing opportunities in the 0-12 mile zone has generally worked well and could even be stepped up if a specific regime is developed for coastal small-scale fleets. These vessels engage in traditional fishing activities, have lower fossil fuel consumption as a proportion of the value of landings than larger vessels and make a significant socio-economic contribution to remote coastal communities in the vicinity of a great number of small ports and harbours.

It is proposed that coastal inshore fleets be further protected and supported by establishing a 12-24 mile restricted zone where access would be limited both to vessels which traditionally fished in this coastal band and which meet uniform and non-discriminatory size and other requirements. It is further proposed that fishing rights accruing to foreign vessels in the 6-12 mile coastal zone be phased out except where reciprocal neighbourhood arrangements can be agreed. The Irish Box which is a conservation zone regulating Spanish fishing activity in an area mainly to the south and west of Ireland should be retained.

## C.4 Regionalise and Localise Fisheries Management for More Effective, Customised but Uniform Approach

In reviewing the appropriate locus for decision-making within the CFP, it is necessary to draw distinctions between:

- (1) the role of setting overall policy objectives, rationale, parameters of fisheries management strategy and assignment of responsibilities for implementation;
- (2) the role of interpreting, transposing, giving legal effect to and overseeing the implementation of the strategy;
- (3) the role of operational day-to-day management of the fisheries.

Taking this broad classification, it is proposed that the role set out at (1) would broadly correspond to that of the EU institutions. Role (2) would lie with the Member State while that set out at (3) would fall to para-statal or appropriately structured industry-based organisations.<sup>45</sup>

Under the CFP as currently constituted, the role of the Commission and the Council goes considerably beyond that set out at (1) into detailed and complex technical areas requiring local /regional expertise. The central EU decision-making process will become even more democratised, and potentially more cumbersome, when co-decision with the European Parliament for all matters other than TAC and quota setting comes into effect on foot of the Lisbon Treaty.

However subsidiarity of decision-making is not simply a matter of further empowering Member



States at the expense of the EU institutions, due to the need to take account of the differing national interests in managing fisheries. In this regard, the Regional Advisory Councils (RACs) which were established on foot of the 2002 review may provide the means for greater regionalisation of decision-making. Representative of fishing, environmental and other stakeholders, the RACs are of an advisory nature only and it is beyond the remit of this document to say how well they have performed their existing role or to venture to suggest that they should be transformed into Regional Management Councils.

Nevertheless, it is proposed that the Commission carry out a review of the performance of RACs against their existing mandate and assess whether and how their role could be strengthened (e.g. with a view to bringing forward proposals with the necessary measure of cross-national and cross-stakeholder support for ratification by the central EU institutions and implementation by the Member States).

Finally it is advocated that the management and control of fisheries within the proposed 24 mile limit should be the exclusive responsibility of the coastal state.

## C.5 Reduce Fossil Fuel Consumption and Carbon Emissions

In addition to limiting the impact of fishing on the marine environment, which is inherent in the ecosystem-based approach, the CFP could place greater focus on reducing the industry's fossil fuel consumption/carbon emissions and its contribution to climate change. The current rebate of excise duty on marine diesel in almost all Member States encourages fuel-intensive fishing patterns (to distant waters) and a level of usage which is considerably beyond what it would otherwise be. Nevertheless because of low economic returns and further financial pressure to be caused by the move to MSY, it may not be feasible to reverse this fiscal relief in the foreseeable future.

However, the CFP should provide for measures aimed at improving/modifying vessel/engine/gear design and operation which would result in greater fuel efficiency as well as affording greater preference for small-scale coastal fishing through extension of fishing limits as set out above, complemented by the differential decommissioning of larger distant-water vessels as outlined below.

## C.6 Introduce Differential Decommissioning of Distant-Water Vessels and Retire Associated Quotas

For reasons already alluded to, the CFP should provide for substantially higher premia within its Decommissioning Grants Scheme<sup>46</sup> to specifically encourage the withdrawal of distant-water fishing capacity. In a situation where coastal vessels of the same flag as those withdrawn are unable to fill the vacuum, the quotas of the flag state associated with the withdrawn capacity should be considered redundant and in lieu of this, further financial support should be provided to alleviate the impact in the affected area in the flag state.



## C.7 Modify Relative Stability

Admittedly, it is difficult to justify the use of a reference period for fish catches dating from the 1970s as the basis for determining the share-out of Community fishing entitlements into the early decades of the 21<sup>st</sup> Century. Nevertheless, if the system were upended the chances of reaching agreement on an alternative allocation key would be immeasurably greater in a Community of 27 Member States than it was for the current Policy which took 7 years to negotiate. Rather than scrapping the current allocation key, the system should be progressively reformed so as to better achieve the CFP objective of sustainable fisheries taking account of the environmental, economic and social aspects in a balanced manner.

The allocation key could be modified as follows:

- Member State's individual quotas should be proportionately reduced by the percentage of uncaught quotas during a recent reference period e.g. 2000-2007.
- The pattern of fish swaps between Member States could be examined over the same recent reference period with a view to permanently reflecting these in future quota allocations.
- Where quotas associated with the decommissioning of distant-water vessels are declared redundant, they should be reallocated to the Member State(s) most proximate to the fishery in question for the benefit of the coastal fleet.
- The Hague Preferences would continue to be applied in the determination of quotas because of the on-going safeguards they provide to areas dependent on fishing, especially in a situation of declining TACs.

## C.8 Financially Counter Short-Term Economic and Social Pain to Ensure Long-Term Sustainability

The scale of industry dislocation resulting from the adoption of MSY will be far greater in the short to medium term than heretofore experienced and will necessitate much higher levels of EU funding to facilitate industry adjustment as well as counter economic decline and social distress in areas highly dependent on fishing. These measures would need to be sufficiently comprehensive and attractive if EU and national political decision-making is to make the transition from the understandable pre-occupation with short-term socio-economic concerns to long-term fisheries sustainability.

## C.9 Achieve Transparency of Quota Management, Uniformity of Control and Enforcement and Equalisation of Penalties across Member States

Many of the fisheries in Ireland's Exclusive Economic Zone (EEZ) are shared with the fleets of at least five other Member States and while there is reasonable transparency in relation to technical measures (such as mesh sizes etc) this is not necessarily the case with quota management. At present,



the quotas for each of the fleets fishing in the same zone are managed separately by the Member States (or their agencies) whose flag the vessel is flying. Furthermore, the quota management arrangements vary from one state to the next and compliance with quota is a matter for the flag state. This situation poses an obvious difficulty for the coastal state which carries the responsibility for control and enforcement in its own EEZ.

There is a perceived need for total transparency regarding the quota arrangements for the fleets of Member States sharing the same fishing grounds and compliance with quotas should also be a matter for the control authorities of the coastal state where the catches are made within its own EEZ.

There are also significant differences between Member States in the level of resources devoted to control and enforcement relative to the size of their fishing industries and EEZs and also in the level and nature of penalties applied for infringement of regulations. It is acknowledged that these matters fall within the ambit of the Member State but in the interests of generating a sense of fairness and a culture of compliance among Community fishermen the EU should attempt to harmonise the approach of Member States in this vitally important area.

In light of these suggestions on control and enforcement, it is noted with interest that the latest Fisheries Council meeting in Luxembourg on 19<sup>th</sup> and 20<sup>th</sup> October 2009 approved a new control regulation which will enter into force on 1 January 2010. The amendments include the adoption of technological surveillance tools, harmonising inspection standards and introducing a traceability system. They also attempt to provide for increased responsibility for Member States by establishing cross-Community data systems allowing for systematic cross-checking of information from sources such as log books and landing declarations, the establishment of a penalty points system comparable to that existing for traffic offences, and the harmonisation of administrative sanctions. Whether these measures manage to create a culture of compliance remains to be seen and will depend on enforcement and implementation by both the Commission, which will enjoy new powers, and the Member States, which will have to respond effectively to new responsibilities.<sup>47</sup>



## D. The Impact of the Potential Accession of Iceland

While the above proposals address the content of potential reform, the context of the CFP reform process has undeniably changed significantly with the recent application by Iceland for accession to the EU on 16<sup>th</sup> July 2009. At a Council meeting of 27<sup>th</sup> July 2009, EU Foreign Ministers acknowledged the application and unanimously decided to invite the European Commission to submit an opinion on it, which is expected before the end of 2009.<sup>48</sup>

Despite positive indications, Icelandic accession is by no means certain. It will only be realised after successful accession negotiations, the approval by the Icelandic parliament (the Althingi) of amendments to the Icelandic constitution and a decision by Icelandic citizens voting to accede to the EU in a referendum.<sup>49</sup> Public opinion currently appears to suggest a strong degree of uncertainty amongst the Icelandic population about the prospect of membership.<sup>50</sup>

Iceland already has a long-standing relationship with the EU, having joined the European Free Trade Association (EFTA) in 1970, the European Economic Area (EEA) in 1993 and the Schengen area in 2001. In all, the country has adopted 22 out of 35 chapters<sup>51</sup> of the *acquis communautaire*,<sup>52</sup> and as a result, the country already complies with many of the rules of the single market. However, this does not extend to common policies and rules on fisheries and agriculture.

There are several perceived advantages to Icelandic membership from the point of view of EU Member States, not least the potential benefit to the Community of Icelandic expertise into the successful management of their fishing resources.<sup>53</sup> However, particularly difficult negotiations are expected to take place on Iceland's obligations under the CFP in the course of any accession negotiations.<sup>54</sup> Fisheries account for approximately 40% of Iceland's exports, and income from fisheries is worth more than €2,500 per person, which is 100 times more than the EU average.<sup>55</sup> Historically, the loss of control of their fishing resources and the perceived inefficiencies of the CFP have been the primary reason blocking Icelandic accession, and both negotiating sides, Iceland and the European Union, have already adopted conflicting positions in this respect.<sup>56</sup>

In terms of the current reform process, the upcoming accession negotiations may well provide a catalyst for overwhelming and unprecedented change to the CFP. Unsurprisingly, the launch of the Green Paper by the Commission has already been seized upon by the Icelandic government as an opportunity to provide solutions to current Icelandic reservations about the CFP.

Previous statements made in 2002 by the then Minister for Foreign Affairs of Iceland, Halldor Asgrimsson, during the last reform of the CFP provide some insights into the probable bargaining position of Iceland. At the time, it was suggested that Iceland would consider membership of the EU if certain conditions could be met, in particular, if Iceland maintained control of its own fishing resources through managing the Icelandic exclusive economic zone separately, and issuing catch quotas on the basis of previous fishing experience, therefore preserving Icelandic stocks primarily for the Icelandic fleet.<sup>57</sup> This exceptionalism was justified by distinguishing Icelandic fish stocks from those in the North Sea, where fleets from several Member States compete for fish, thereby requiring common rules on sharing of fishing stock and management.<sup>58</sup> The Icelandic approach proposed of the application of the principle of subsidiarity to the CFP, by ensuring that decisions relating to the CFP would take place as close as possible to the level where they have effect.

This approach echoes the stance recently adopted by Ossur Skarphéoinsson<sup>59</sup> in the context of the upcoming accession negotiations in July 2009, when he stated that the CFP would have to be significantly amended before being acceptable to Iceland, and that there would need to be increased devolution of decision-making under the CFP.<sup>60</sup>



In terms of its impact on the CFP, the accession of Iceland may result in derogations for Iceland from the equal access provisions of the CFP, but in the longer term, it may result in a greater emphasis on subsidiarity, when it comes to the implementation of the CFP. However, it is difficult to predict the outcome of the accession negotiations at this early stage. Although both sides have adopted a tough bargaining position, both the European Commission and the Icelandic government have also stated that Iceland may be members as early as 2012.



## Conclusion

The reforms outlined in this paper, identify many of Ireland's strategic interests. In particular, certain of the proposed reforms address the specific features and vulnerabilities of the Irish fishing sector, namely the suggested adoption of an ecosystem-based approach,<sup>61</sup> the preference for a more sustainable coastal inshore fishing fleet,<sup>62</sup> the extension of exclusive and restricted access zones to protect stocks more effectively,<sup>63</sup> the preservation of relative stability but with certain vital modernising modifications<sup>64</sup> and increased levels of financial support to facilitate industry adjustment while countering the social costs.<sup>65</sup> However, it ought to be emphasised that the failures identified in the current CFP and the reforms proposed apply across the Community fisheries sector, especially as the CFP governs a common and shared resource, to which there must be common solutions.<sup>66</sup>

There is a general acceptance that the CFP has essentially failed to achieve its objectives, and in many cases has perpetuated and even exacerbated the problems of overfishing and overcapacity. Furthermore, previous reviews of the CFP in 1992 and 2002 have materially failed to correct these failures, despite the fact that similar problems were identified at each juncture. Many consider that the current policy represents an anachronistic compromise that has fallen short of meeting most, if not all, of the CFP's objectives. In light of this, the various stakeholders in the sector ought to confront these fundamental failures now and be prepared at this late stage to embrace the type of radical and committed reform necessary to bring about sustainable fisheries by the time of the next review in 2022.

Reform of the CFP could achieve what previous equivalents have failed to do by redressing the long-standing imbalance between long-term sustainability and short-term economic and social considerations. It should also provide for greater delegation of decision-making at regional, Member State and local level in accordance with common EU rules and principles, particularly when the Lisbon Treaty is ratified.

Under Lisbon, the CFP would be subject to significantly increased levels of co-decision and the involvement of the European Parliament.<sup>67</sup> This involvement would also extend to the ratification of international fisheries agreements, for which its consent must be secured. This would provide for more democratic input from political representatives of coastal constituencies and a more consultative role for interest groups and stakeholders.

The introduction of Lisbon, coupled with Icelandic demands for more localised management of the CFP in the context of its accession negotiations, is likely to lead to a stronger emphasis on the need for further subsidiarity and decentralisation of the administration and management of the CFP to the Member States. It could make future decision-making necessarily more broad-based and holistic, but it remains to be seen whether the recent pattern of decline can be reversed by the current reform process.

# ENDNOTES

1 Dr. Cawley is the former Chief Executive of the Irish Dairy Board and is current chair of the National Seafood Strategy Implementation Group.

2 Green Paper on the Reform of the Common Fisheries Policy, Brussels, 22.4.2009 COM (2009) 163 final, page 5.

3 A video recording of this event is available on the Institute's website at <http://www.iiea.com/events/reinhard-priebe-on-the-reform-of-the-common-fisheries-policy>.

4 Article 39, Treaty establishing the European Community, Official Journal C 325. The changes introduced by the Treaty of Lisbon, which was recently approved in the second Irish referendum on 2nd October 2009, will be addressed in the conclusion below.

5 In Search of a Common Fisheries Policy, by John Farnell and James Elles (Gower 1984) makes this point.

6 Regulation (EEC) No. 2141/1970 of the Council of 20 October 1970 laying down a common structural policy for the fishing industry, and Regulation (EEC) No. 2142/70 of the Council of 20 October 1970 on the common organisation of the market in fishery product.

7 Article 2(1) Regulation (EEC) No. 2141/1970 of the Council of 20 October 1970 laying down a common structural policy for the fishing industry.

8 Article 3 of the London Fisheries Convention 1964.

9 For example, Norway extended its exclusive economic zone to 200 miles on 1st January 1977.

10 Article 10 (a) of the London Fisheries Convention provided that “[n]othing in the present Convention shall prevent the maintenance or establishment of a special regime in matters of fisheries (a) as between Members States and Associated States of the European Economic Community...”

11 Articles 100 – 103 of the Act Concerning the Conditions of Accession and Adjustments to the Treaties from the Treaty of Accession of Denmark, Ireland and the United Kingdom to the European Communities, Official Journal L 73 of 27th March 1972.

12 All in a Life by Dr. Garret FitzGerald, (Macmillan 1991), page 162 records this element of the negotiation process.

13 Council Regulation (EEC) No. 170/83 of 25th January 1983 OJ L 024, 27/01/1983 P. 0001 - 0013.

14 All in a Life by Dr. Garret FitzGerald, (Macmillan 1991), page 163 details this element of the negotiation process.

15 Council Resolution of 3rd November 1976, “The Hague Agreement”, Annex VII.

16 Council Regulation (EEC) No. 170/83 of 25th January 1983 OJ L 024, 27/01/1983 P. 0001 – 0013, Article 4(1).

17 Council Regulation (EEC) No. 172/83 of 25 January 1983 OJ L 024, 27/01/1983 P. 0030 – 0067.

18 The Irish Sea Fishing Industry, R. O'Connor, (Economic and Social Research Institute, 1990).

19 Council Regulation (EEC) No. 170/83 of 25th January 1983 OJ L 024, 27/01/1983 P. 0001 – 0013, Article 4(1).

20 Council Regulation (EC) No 2371/2002 OJ L 358, 31.12.2002, p. 59 – 80, Article 2(1).

21 Further discussion of an eco-system-based approach is dealt with below in section C.2.

22 Established by Council Decision 2004/585/EC OJ L 256, 3.8.2004, p. 17-22.

23 This extends to some of the EU's Economic Partnership Agreements with third countries, which have created controversy in some cases amongst the development community. See, for example, Actionaid's publication “Selfish Europe” on how such agreements have contributed to the decline of fish stocks in Senegal (<http://www.actionaid.org/main.aspx?PageID=1114>).

24 Communication from the Commission to the Council and the European Parliament on implementing sustainability

## ENDNOTES

in EU fisheries through maximum sustainable yield, COM(2006) 360 final, defines Maximum Sustainable Yield as “the maximum yield that may be taken year after year. It is characterised by a level of fishing mortality that will, on average, result in a stock size that produces the maximum sustainable yield.” This is derived from the outcomes of the World Summit on Sustainable Development at Johannesburg in September 2002.

25 Green Paper on the Reform of the Common Fisheries Policy, Brussels, 22.4.2009 COM (2009) 163 final, page 7.

26 See footnote 24 for an explanation of Maximum Sustainable Yield (MSY).

27 <http://www.fao.org/docrep/009/A0699e/A0699e00.htm>

28 Communication from the Commission to the Council and the European Parliament. Review of the management of deep-sea fish stocks. COMM(2007) 30 final.

29 Green Paper on the Reform of the Common Fisheries Policy, Brussels, 22.4.2009 COM (2009) 163 final, page 7.

30 Steering a New Course, Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013, Report of the Seafood Industry Review Group, page 116.

31 The Tragedy of the Commons, Garrett Hardin, Science, 162 (1968): 1243-1248.

32 These failures apply to all Member States and are inspired to a significant extent by the failures identified by the Commission Green Paper, as much as by independent analysts.

33 Council Regulation (EC) No 2371/2002 OJ L 358, 31.12.2002, p. 59 – 80, Article 2(1).

34 The potential accession of Iceland is discussed below.

35 ICES Areas are sections of the ocean demarcated by the International Council for the Exploration of the Sea according to area maps (<http://www.ices.dk/aboutus/icesareas.asp>).

36 This programme is administered by BIM ([http://www.bim.ie/templates/text\\_content.asp?node\\_id=863](http://www.bim.ie/templates/text_content.asp?node_id=863)).

37 Council Regulation (EEC) No. 172/83 of 25th January 1983 OJ L 024, 27/01/1983 P. 0030 – 0067.

38 Communication from the Commission to the Council and the European Parliament. Review of the management of deep-sea fish stocks. COMM(2007) 30 final.

39 Governing the Commons: The Evolution of Institutions for Collective Action, Elinor Ostrom, Cambridge University Press, 1990. Ostrom was awarded the Nobel Memorial Prize in Economic Sciences on 12th October 2009.

40 These options are designed to address the interests of all Member States by creating a sustainable fishing sector.

41 According to a Communication from the Commission to the Council and the European Parliament on implementing sustainability in EU fisheries through maximum sustainable yield, COM(2006) 360 final.

42 FAO, 2003. The Ecosystem Approach to Fisheries. FAO Technical Guidelines for Responsible Fisheries. No. 4, Suppl. 2. Rome, FAO, page 112.

43 In Reflections on the Common Fisheries Policy, David Symes and Michael Sissenwine (commissioned by the European Commission in July 2007), page 40.

44 Green Paper on the Reform of the Common Fisheries Policy, Brussels, 22.4.2009 COM (2009) 163 final, page 16.

45 Steering a New Course, Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007-2013, Report of the Seafood Industry Review Group suggests this possibility.

46 In Ireland this scheme is administered by BIM ([http://www.bim.ie/templates/text\\_content.asp?node\\_id=863](http://www.bim.ie/templates/text_content.asp?node_id=863)).

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47 Fisheries Council Agrees on Control Regulation and on 2010 Fishing Possibilities for the Baltic Sea, DG Mare press release, 20 October 2009, [http://ec.europa.eu/fisheries/press\\_corner/press\\_releases/2009/com09\\_58\\_en.htm](http://ec.europa.eu/fisheries/press_corner/press_releases/2009/com09_58_en.htm).

48 Iceland's EU bid referred to the Commission, Toby Vogel, European Voice 27 July 2009.

49 A referendum is not required under Icelandic law but has been set as a pre-requisite to accession by the Icelandic government.

50 A sceptical applicant, Toby Vogel, European Voice, 8 October 2009. This article indicates that both the concern over control of fishing resources and the response of both the UK and Dutch governments to Iceland's obligations after the collapse of its banks have created opposition to the prospect of EU membership amongst the Icelandic population. This varies with opinion polls taken in mid-2002 suggesting that 90% of Icelanders were in favour of their government opening accession negotiations with the EU (ANALYSIS: Why Iceland is on track to become the EU's 26th Member State, Dick Leonard, European Voice, 30 May 2002).

51 Accession is a logical next step, Ossur Skarphedinsson (Iceland's Minister for Foreign Affairs and External Trade), European Voice, 23 July 2009.

52 The *acquis communautaire* is the total body of EU laws, which all countries seeking to accede to the Union must first adopt.

53 Coming In From The Cold, European Policy Centre, 8/9/2009. These are identified as (i) the advanced development of Iceland both politically and economically, (ii) the proven track record of the country to respect the obligations of membership both through its participation in Schengen and the European Economic Area (EEA), (iii) its strategic importance in the Arctic (a position previously lost by the EU when Greenland voted to leave the EU in 1985) and membership of NATO make it a valuable ally, and (iv) its small population is unlikely to pose any significant population migratory problems for the Member States.

54 Iceland's EU bid referred to the Commission, Tony Vogel, European Voice 27 July 2009. The article quotes the European Commissioner with responsibility for Enlargement, Olli Rehn, as saying that "the distance to be covered [in the talks] is shorter though not necessarily easier".

55 Accession is a logical next step, Ossur Skarphedinsson (Iceland's Minister for Foreign Affairs and External Trade), European Voice, 23 July 2009.

56 Accession is a logical next step, Ossur Skarphedinsson (Iceland's Minister for Foreign Voice, 23 July 2009).

57 ANALYSIS: Why Iceland is on track to become the EU's 26th Member State, Dick Leonard, European Voice, 30 May 2002.

58 ANALYSIS: Why Iceland is on track to become the EU's 26th Member State, Dick Leonard, European Voice, 30 May 2002. It was reported that Mr. Agrimsson made an analogy to support his argument stating that Icelandic fish "are not a shared resource any more than Finnish trees are a shared resource, or British oil."

59 The current Minister for Foreign Affairs of Iceland.

60 Iceland 'unwilling to share fishing resources' in EU, Honor Mahony, EU Observer, 23 July 2009.

61 Outlined in section C.2.

62 Outlined in section B.2(v) and section C.

63 Outlined in section C.3.

64 Outlined in section C.7.

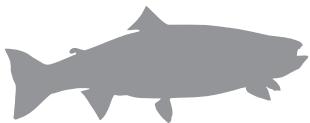
65 Outlined in section C.8.

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66 The affect of these reforms on consumers is difficult to predict, but the likely short term impact is that Community landings are likely to reduce, as the industry rationalises and fishes closer to MSY. But any potential for an increase in price is significantly tempered by the overwhelming presence of fish imports in the EU, which benefit from very low import duties. These are likely to increase where supply of Community fish reduces or increases in price, and will protect consumers to a great extent from the impact of the proposed reforms.

67 Articles 37 and 188N Treaty establishing the European Community, Official Journal C 325. However measures on fixing prices, levies, aid and quantitative limitations and on the fixing and allocation of fishing opportunities (Article 43.3) will continue to be adopted by the Council on a proposal from the Commission.





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