

Chapter 8

Italian fisheries in the Common Fisheries Policy (CFP)

8.1 Reform of the Common Fisheries Policy

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They are undoubtedly radical policies, ranging from technical measures for the management of fish resources, in view of a strengthened long-term sustainability, to a review of the existing common market organisation for fishery products. Subsequently the project regarding the financial instrument for the period 2014-2020 that will replace the EFF was presented.

Based on the regulations contained in the Lisbon Agreement relating to how the EU operates, the new CFP must be the outcome of a joint decision between the Council and Parliament.

The Commission's proposals have taken into account the findings that emerged following a long consultation phase both at a political and technical level with social and professional groups, focussed on the "Green Book", published by the Commission itself in April 2009.

The "Green Book" contained an opinion of the current CFP, in force since 2003, which was altogether unsatisfactory. According to the Commission, even in light of some positive outcomes achieved in the process of long-term management of stocks, excessive exploitation of resources were still being recorded, also because of the over sizing of the Community's fleet. What is more, the decision making process appears particularly complex and focussed on the Council and the burden and cost of the bureaucratic formalities that lie with the sector's companies and national administrations has increased noticeably. To solve these problems the Commission suggested important changes in regard to which in-depth deliberations have already begun.

Individual fishing rights

An important proposal concerns the introduction of individual fishery rights. Individual rights would be assigned to fishermen in place of contingents and quotas and these would be shared out amongst Member States every year based on the decision of the Council. Special procedures would be applied where contingents and quota do not exist.

Rights could be sold either temporarily or permanently, to other fishermen on the registers of the same Member State and in this way generate a profit. In the light of some of the experiences already acquired in some countries outside of the EU, the Commission's experts maintain that the introduction of individual rights could gradually lead to an alignment of fishing capacity (fleet

size) and available fish stocks, in accordance with the criteria of long-term biological sustainability. Individual rights would guarantee the allocation, also on an individual basis, of annual possibilities of fishing established starting with national quotas.

When it comes to the specific situation with regard to the Mediterranean Sea, where quotas only apply to the capture of blue fin tuna, the fisheries possibilities ought to be identified (possibly even in terms of the number of fishing days) within the context of management plans already envisaged by Article 19 of Regulation (EC) 1967/2006. The system of individual rights could exclude, on the basis of a national decision, the vessels of the “small coastal fishing fleet” (up to 12 metres long and no use of trawl nets).

The Commission’s proposal will need to be evaluated particularly carefully. Generally speaking it does not appear easily applicable to Italian fisheries, with the exception of sessile stocks fisheries (bivalve molluscs) which is undertaken by 700 vessels out of a total of 13,609 that make up the Italian fleet. Furthermore, fishing in the Mediterranean Sea is regulated using specific technical and management measures reviewed with the aforementioned Regulation (EC) 1967/2006. The changes that will have the greatest impact (the new sizes of trawl nets and the minimum distances from the coast) came into effect in June 2010. Hence it might be preferable, in the Mediterranean region, to evaluate the impact that the new rules will have, from a biological perspective and in socio-economic terms, before putting in place a profound change such as that envisaged by the Commission. In any case, the introduction of such a system in the Mediterranean region needs to be done progressively and requires appropriately specific procedures for its implementation. A group of Member States including France, Germany, Ireland and Poland have, up to now, expressed their total opposition to the Commission’s proposals under consideration.

Some countries have highlighted, in particular, that the collective and inalienable nature of fishery stocks would not be compatible with the market of the transferability of individual concessions.

Abolition of public funding for permanent cessation

The Commission justified its proposal by highlighting the excessive cost and reduced functionality in order to bring about a reduction in fisheries capacity.

According to the Commission’s figures, public funding for permanent cessation (scrapping of vessels) amounted to €1 billion for the period 2000-2006, whilst fisheries capacity has increased by 3% per annum as a result of technological innovation and the use of more modern methods of capture. The fact still remains that the abolition of aid would not be without consequence for businesses in the sector. In some cases it constitutes a sort of “severance pay” for those operators who leave the business. Moreover, within the same family, this form of publicly funded incentive can even be used indirectly to support the entry of young fishermen.

It is for this reason too that the eventual abolition should include appropriate criteria of graduality.

Special system for the small coastal fishing fleet

A new system, particularly favoured by the European Parliament, could prove particularly positive for Italy. The number of vessels sailing under the Italian flag that would fit into this category is 8,800 (66% of the Italian fishing fleet). The Commission’s proposals appear somewhat generic and what would seem appropriate would be the introduction of a form of direct help to supplement the fishermen’s income, for the purpose of socio-economic viability for the coastal communities. In this way it would also be possible to bolster the social aspect of the common fisheries policy.

Direct aid could be distributed in view of the obligation to cut back on fishing efforts in order to preserve stocks, in accordance with pre-established and compulsory methods. In other words, attention needs to be focussed, at a community level, on the need for temporary halts in fishing, which have been in effect in Italy for some time and have provided positive returns in terms of preserving stocks.

Discarding at sea

The European Commission proposed banning the discarding of the so-called non-target species, with a diversified calendar based on stocks. There are various reasons behind this practice. For example, the species discarded are those that cannot be sold or which have not reached the minimum size. In the cases of species subject to quota limits, the quantities fished above and beyond the quota are discarded.

In order to achieve its objective the Commission included in its proposals a number of measures ranging from the use of more selective equipment to monitoring of the fishing effort even with the presence of on-board observers. A large number of Member States said they are willing to continue discussing the proposal in question. It was generally stressed, however, that it is essential to move gradually and with different technical approaches according to the various zones and types of fishing.

The decision-making process and the simplification of the CFP

The Commission's proposal, aimed at putting together a simplified *governance* of the Common Fisheries Policy in accordance with the principle of subsidiarity, appears to be one that can be supported.

In this respect the experience resulting from the effect of Regulation (EC) 1967/2006 on the sustainability of fisheries in the Mediterranean Sea, which referred in particular to national management plans, may constitute a valid reference point. It is also important to provide for the expanding roles of the Regional Consultative Committees, with a view of ensuring the more effective and constant involvement of professional and social organisations as well as the scientific experts in the decision-making process. Nonetheless, the Council must continue to take decisions along with the Parliament, about all the proposals, even those of a technical nature, which may have a major impact on coastal communities and businesses.

The international scale of the CFP

A problem that has been particularly experienced for some time by Italian fishermen is that of the diversity of rules for the various fleets, both EU and non-EU, operating in the same fishing areas. This diversity results in a competitive gap between businesses and also threatens the long-term sustainability of capturing commonly shared species. It is important to stress, in this regard, that scientific experts maintain that the current fishing crisis in the Adriatic Sea is the result of an increase in the number of fleets from the third countries, whilst those from Italy are subjected to programmes to reduce their capacity.

The leadership role of the EU at an international level is indisputable and, in actual fact, should be strengthened from the point of view of taking increasingly more decisive action to combat illegal fishing.

In this regard the fact should not be overlooked that EU funding, envisaged as part of the partnership agreement with Morocco, was allocated as an incentive for the abandonment of driftnets, which are still being used by Moroccan fishermen. Finally, what is needed is a reinforcing of the role and powers of the General Fisheries Commission for the Mediterranean (GFCM), to further improve the cooperation between scientific experts, make progress in the establishing of shared rules and ensure their total implementation by member countries.

Conclusive remarks

Italy cannot fail to support the need for a profound change in the Common Fisheries Policy in order to give the sector sound prospects once again.

At the close of 2010 the sector's gross saleable production fell to its lowest since 2000. The drop in the quantity of sea catches by the Italian fleet led to an increase in imports, whilst the production prices of the domestic market remained virtually unchanged.

In these conditions the *status quo* cannot represent a valid option for Italian fisheries. It is necessary, instead, to set new objectives and look again at the list of priorities.

The sector's professional organisations have pointed out which, in their view, are the critical points of the Commission's proposal for the new CFP.

The trade unions have contested the lack of consideration given to social issues in particular. Between 2004 and 2010 the number of those working in the sea-fisheries fell by 6,000. These stances highlight how the process bringing about new CFP will not be easy. This is also because in many points the Commission's legislative plans are limited to setting the objectives – as, for example, in the case of the banning of discarding – leaving the complex task of putting in place the operational tools to Member States.

The same approach applies to the criterion for maximum sustainable yields (MSY), set in 2002 by the world summit on sustainable development. It requires graduality, a specific process for different species and scientific evaluations, which are time-consuming. Many of the deadlines contained in the European Commission's legislative proposals will have to, by necessity, be postponed.

Furthermore, efforts must be directed at transiently maintaining public funding in favour of the modernisation of fleets that will focus on safety at sea and the reducing of energy costs.

Particular attention should be paid to the regulatory proposal for the new Common Market Organisation (CMO) of fisheries products, which focuses on boosting the role and the functions of the producer organisations. Within a framework of heavy reliance on external sources, as the Commission indicated, there are great opportunities promoting the comparative advantages of EU products in terms of freshness, local origin and the variety of catches.

When it comes to the issue of EU financial resources for fisheries, the Commission proposed a total allocation of €6.7 billion for the programming period 2014-2020, which is a slight reduction compared to the amount set up to 2013 (€6.8 billion). The final decision rests with the European Council of Heads of State and Government, in agreement with the Parliament.

Italy's delegation has already stated that, given the need to adequately support the application of the new CFP, further reductions would be incomprehensible. Even the distribution formula used for sharing out EU resources should hopefully remain unchanged from the current situation (at present Italy receives little less than 10% of EFF funding), given the weight of our fleet compared to that of the total EU tonnage.

To sum up the issues discussed so far, it is apparent that a complex period of negotiation on the future of fishing awaits both Italy as well as the other Member States, bringing together all

of the issues currently on the negotiating table. These range from the goals of sustainability and safeguarding of the marine environment to the operational tools for working at sea, as well as the simplification of bureaucracy and the financial support to be allocated to the sector. The final goal is that of safeguarding the biological resource, whilst at the same time finding the right solutions for the profitability of businesses.

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8.2 EU Legislation

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The Treaty of Rome which founded the European Economic Community (EEC) was the juridical corner stone of the Common Fisheries Policy (CFP). The Treaty of Lisbon, which founded the European Union (EU) and came into force on 1 January 2010, confirmed Community responsibility over fishery resource management, but made one fundamental innovation: CFP-related legislation has to be approved on the basis of the ordinary co-decision legislative procedure between Council and Parliament.

Originally, from a formal point of view, the CFP was part of the common agricultural policy. It later acquired an increasingly distinct and specific identity, above all after the creation of the Exclusive Economic Zone or EEZ (up to 200 nautical miles from the coastal baseline) in the 1960s, and the arrival of new member states. Council Regulation (EEC) 170/83 ratified member commitment to maintaining the EEZ and guaranteed all member state vessels free access to the Community fishing areas. The relative stability principle was also introduced, to be implemented on the basis of management procedures which set total allowable catches and contingencies on an annual basis. It was necessary to wait until the beginning of the 1990s for approval of the first provisions aimed at reducing the Community fishing fleet, together with structural measures to reduce their social impact. In particular, a suitable Financial Instrument for Fisheries Guidance (FIFG) was created within the Community Structural Funds framework. From 1 January 2007, the Financial Instrument for Fisheries Guidance (FIFG) was replaced by the European Fisheries Fund (EFF). With Council regulation (CE) 2371/2002, the Council underlined the need to ensure a sustainable future for fisheries, while nonetheless maintaining company income stability, occupational levels as well as conserving marine eco-systems. The CFP thus became an integral part of Community policy for sustainable development, giving equal weight to environmental, economic and social aspects.

Towards a new reform of the CFP

According to the European Commission, the available data indicates that the CFP has not achieved globally-satisfactory results. Expert scientific observations indicate that 75% of stocks are over-exploited and that 35% of companies operate at a loss.

At the end of a long period of consultations with all stakeholders involved in fisheries, on 13 July 2011 the Commission sent a regulatory proposal to both Council and Parliament concerning common fisheries policy which contains several highly-innovative indications that will have a strong impact on fisheries management.

First of all, the Commission proposed that a system of transferable fishing licences be set up for all vessels longer than 12 metres and for those that, regardless of length, use towed equipment. Licences will be issued by member states with a minimum 15 year validity and will allow the holders to capture a given quantity each year (available fishing opportunities). Furthermore, it will be possible at a national level to rent out or definitively sell the licences.

It is worthwhile highlighting that the new licensing system should also apply to the fleets operating in the Mediterranean Sea. The overall fishing opportunities, to be shared amongst fishery companies, should be allocated as part of the management plans laid down by article 19 of Council Regulation (EC) 1967/2006.

Another really important novelty contained in the CFP reform regulation proposal concerns prohibiting by-catch discards. This is to be implemented in accordance with a prearranged calendar based on the different varieties of fish stocks and in accordance with the technical regulations identified by Member States. Basically, all catches should be landed.

Furthermore, it is proposed that UE fisheries be managed on the basis of multi-year plans aimed at guaranteeing, within 2015, both limited impacts on marine ecosystem and, as established in the 2002 Johannesburg summit conclusion, mortality levels that are compatible with the maximum sustainable yield (MSY).

The proposals made by the Commission also allow for re-launching aquaculture to increase Community supply availability and to consolidate the role of producer organisations, even inter-professional ones, in marketing and in providing information to consumers.

Finally notification was given as regards the external role of the CFP on partnership agreements with third countries and the role of regional organisations. The objective is to reinforce the role of the EU in fishery governance at a world scale.

The Mediterranean Sea in the CFP

In October 2002, the Commission sent a notification to the European Council and Parliament regarding “an EU action plan to preserve and exploit the fish resources of the Mediterranean Sea in a sustainable manner within the sphere of Common Fishery Policy”.

The above-mentioned notice laid the foundation for obtaining a review of Council Regulation (EC) 1626/94 concerning technical measures to preserve fishery resources in the Mediterranean Sea, bearing in mind the guidelines of the new CFP in force since 1 January 2003.

The Commission notification emphasized that the specific nature of Mediterranean fisheries “from a biological, social and economic point of view are such that they require the community to create a specific management context”. And again: “the great differences in catches, technological interactions and the dispersion of landing ports, make production abatement measures such as annual maximum landing levels and quotas in the Mediterranean generally inadequate”.

A quota system remains in force only for red tuna fish and this originated from the annual estimates produced by ICCAT (International Commission for the Conservation of Atlantic Tunas).

Following three years of difficult negotiations Council regulation EC no. 1967/2006 was approved. The innovations with the greatest impact became effective as from 1 June 2010, and amongst these, several should be borne in mind: (art.9) the minimum net mesh size for towed nets (40 mm square mesh in the cod-end; or a 50mm rhomboid-mesh); and the minimum distance and depth values for using fishing equipment (art 13). In particular, the use of trawl nets within a distance of 1.5 nautical miles from the coast is prohibited, whereas for hydraulic dredges this limit was set to 0.3 miles. Possible exemption from ordinary rules was also allowed for should member states apply to do so in accordance with distinct procedures.

As from 1 June 2010, so-called “special forms of fishing”, exempted from pre-existing general regulations as regards mesh sizes and minimum distances, were prohibited. Council Regulation 1967/2006 also a the possibility of exemptions for “special forms of fishing”.

Another important novelty is to be found in the management plans (art. 19) that Member States are required to adopt for some fishing activities in territorial waters. Given the specific characteristics of many types of fishing in the Mediterranean Sea, the main objective of these plans is to combine fishing effort management with specific measures of a technical nature.

There is still insufficient data to be able to make a preliminary assessment of both the biological effects and the effects in terms of business profitability of the regulations which have introduced new technical and fishery management provisions in the Mediterranean Sea.

To be sure, the regulations being examined have proved to be difficult to interpret in some cases and difficult to implement as a whole. Nonetheless the Commission has publicly acknowledged Italy as the member state which has made the greatest efforts to correctly implement Council Regulation (EC) 1967/2006, and the support provided to ministerial efforts from scientists.

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