

# Towards low-impact and socially sustainable fishing

## Briefing on the implementation of Article 17 of the CFP on allocation criteria

May 2014

The recent CFP reform has delivered substantial progress, in particular in relation to provisions on stock and fleet management and the allocation of fishing opportunities. However, its success will critically rely on the political will of governments. In this briefing, Greenpeace presents its expectations regarding the implementation of Article 17 on allocation criteria.

### Introduction

The new CFP basic regulation (Regulation 1380/2013) shall “ensure that fishing and aquaculture activities are environmentally sustainable in the long-term and are managed in a way that is consistent with the objective of achieving economic, social and employment benefits, and of contributing to the availability of food supplies” (Article 2); this puts environmental sustainability at the forefront of its objectives. Moreover, fisheries management under the new Regulation must meet a number of specific objectives, most notably the recovery of fish stocks above biomass levels which can support the maximum sustainable yield (MSY) as well as the promotion of coastal fishing activities. To achieve those objectives, the Regulation introduces a number of new requirements: some of the most significant ones refer to the allocation of fishing opportunities.

Article 17 of the new CFP requires governments to allocate fishing opportunities (i.e. access to quotas and fishing grounds and/or effort) based on environmental, social and economic criteria, moving away from the focus on historic catch levels. Moreover, governments are requested to apply the criteria in such a way that creates incentives for the use of selective and low-impact fishing methods.

Greenpeace is of the opinion that, if properly weighted and applied, the criteria should form the foundation of fleet management by shifting access to fishing opportunities towards fleet segments that use more selective, low-impact fishing methods, while maximising social and employment benefits for local communities. Governments are investing valuable public capital when they allocate access to fishing opportunities (in almost all cases free of charge) through licensing conditions and quotas or fishing effort. This allocation’s economic opportunities hold the biggest potential for motivating change in the fishing sector.

## Sample action plan for governments

### **What does Article 17 require Member States to do?**

Historically, Member States have always been responsible for deciding on how to allocate their available fishing opportunities to their own vessels. In the new CFP, this discretion is confirmed (Article 16.6) but, for the first time, is limited by Article 17, which imposes a number of obligations and restrictions to Member States. According to Article 17, “when allocating the fishing opportunities available to them, Member States shall use transparent and objective criteria including those of an environmental, social and economic nature”.

#### Scope

Member States should apply Article 17 when allocating fishing opportunities, that is to say when they grant access to fishing quotas or fishing effort (e.g. kW/day or number of days at sea). A fishing opportunity is defined as “a quantified legal entitlement to fish, expressed in terms of catch and/or fishing effort”<sup>1</sup>; **Article 17 is therefore meant to apply for both quota management and effort management systems.** This interpretation is confirmed by Recital 33, which states that “access to a fishery should be based on transparent and objective criteria”.

#### Timeline

The criteria should be transparent and objective, which means that **they must be set out in advance and be openly available to the public**, or at least to all interested stakeholders, including fishermen who may be applying for fishing opportunities. Therefore, **the set of criteria should be released at the latest by the end of 2014**, so anyone interested can know on what basis fishing opportunities will be allocated for 2015.

#### Determination of criteria: favouring environmental and social sustainability

Article 17 also requires that such transparent and objective criteria include those of an environmental, social and economic nature. Given that the long-term environmental sustainability of fishing activities is at the forefront of the CFP objectives (Article 2.1), **environmental criteria should favour those vessels/fishermen that fish in a more selective and environmentally sustainable way.** Similarly, given that the objectives of the CFP also include the achievement of economic, social and employment benefits and the promotion of coastal fishing (Articles 2.1 and 2.5), **social and economic criteria should favour those vessels/fishermen who most contribute to economic and social well-being of local communities.** Recital 33 also states that “Member States should promote responsible fishing by providing incentives to those operators who fish in the least environmentally damaging way and who provide the greatest benefits for society”; those incentives are to be provided through the allocation of fishing opportunities.

Article 17 adds that “ Member States shall endeavour to provide incentives to fishing vessels deploying selective fishing gear or using fishing techniques with reduced environmental impact, such as reduced energy consumption or habitat damage”. **Governments should therefore explore ways to provide incentives to vessels using selective and/or low-impact fishing methods.**

In conclusion, **Article 17 introduces obligations which fundamentally alter and limit the way fishing opportunities shall be allocated. Member States cannot maintain their current approach to the allocation of fishing access**, often only focused on historic catch levels.

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<sup>1</sup> See Regulation 1224/2009 and Regulation 2371/2002

## Process for the adoption and implementation of criteria

### Consultation of stakeholders

All governments should start by making public their current method of allocation of fishing opportunities. Meanwhile, they should explore options and start developing a set of environmental, social and economic criteria, if they have not done so yet. **This process should be transparent and involve all relevant stakeholders:** fishermen (including small-scale low impact fishermen), scientists, NGO representatives, community representatives etc. The fisheries administration should also coordinate with the environment administration and other relevant actors within the government.

### Weighting of criteria

Once a draft list of criteria is established, it will also be necessary to **weight the different criteria**. In this regard, environmental criteria should be given priority as the CFP (in Article 2) emphasises the need to ensure environmental sustainability as a prerequisite for securing social and economic benefits. Also, the criteria that contribute most to the objectives of the CFP should be given a greater weight. These entail environmental sustainability, but also achievement of economic, social and employment benefits, reduction of unwanted catches and promotion of coastal fishing.

### Accessibility of criteria

Once finalised and weighted, the list of criteria may have to be formally adopted through national legislation. In any case, **the criteria should be publically available and easily accessible**. For example, they could be uploaded on a relevant website, such as the website of the fisheries ministry, and at least, they should be available within brief delay on demand. All governments should also transmit the set of criteria to the Commission, as they have the obligation to inform the Commission of the method they use to allocate fishing opportunities (Article 16.6).

### Government's responsibility

In a number of countries, the allocation of fishing opportunities to individual vessels is done through other entities than the ministry itself, for example by a public agency or producer organisations. Regardless of that, the national fisheries administration should establish a list of criteria, which should be used when it allocates fishing opportunities itself (to individual vessels or to groups such as producer organisations) or when other entities allocate fishing opportunities. The government should ensure that the criteria are applied by all organisations, which should report to the national administration.

### Transparency of ownership

After the allocation of fishing opportunities, **governments should make the list of owners of fishing opportunities publically available** (i.e. how many quotas or fishing effort was allocated to each individual vessel). It is indeed the only way for affected parties and other stakeholders to assess whether the government and/or the organisations in charge of allocating fishing opportunities actually used the respective country's set of environmental, social and economic criteria.

### Evaluation

Finally, every 2 or 3 years, each government should assess and publicly report on whether the application of the list of criteria has contributed to the achievement of the CFP objectives and has indeed favoured those fishermen that use more selective, low-impact fishing methods while contributing most to local communities. The government might then need to adjust the set of criteria accordingly.

## Areas to look at when developing the list of criteria

Potential environmental, social and economic criteria cover a wide spectrum, and some are more relevant to some countries than to others. Greenpeace considers that a number of areas should be looked into by governments (and other stakeholders) when developing these criteria.

### Relevant areas for developing environmental criteria:

- ✓ Selectivity (eg gear type and rate of unwanted species)
- ✓ Impacts on the wider marine environment ( eg by-catch rate of non-fish species and impact on marine habitats, including the seabed)
- ✓ Energy consumption (eg overall energy consumption per ton of fish caught, CO<sub>2</sub> emissions)
- ✓ Quality of the product

### Relevant areas for developing social and economic criteria:

- ✓ Employment and working conditions
- ✓ Social and economic contribution to coastal communities
- ✓ Profitability of the fleet (excluding subsidies)
- ✓ History of compliance

## Our expectations in brief

As described above, the new CFP significantly changes the way access to fishing grounds should be granted from now on. It is clear that Member States cannot maintain their current approach to allocation of fishing opportunities, too often exclusively focused on historic rights. They should develop a new and fairer method. Governments should use this opportunity to stimulate change in the sector and initiate a shift towards low-impact and socially and economically sustainable fishing.

### To sum up, we expect governments to:

- **publicise their current method of allocating fishing opportunities;**
- **launch a transparent process involving a consultation of stakeholders to develop a set of criteria, including those of environmental, social and economic nature;**
- **weight the different criteria in a way that favours vessels that are the most environmentally sustainable and have the most socio-economic benefits for coastal communities;**
- **make the final list of criteria (and their respective weight) publically available;**
- **ensure that those criteria are effectively applied from January 2015 at the latest (by the government itself and/or other entities involved in the allocation of fishing opportunities),**
- **make the list of beneficiaries of fishing opportunities publically available, and**
- **review the success of the application of the criteria and make adaptations if necessary.**