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REPORT OF THE WORKING GROUP (WG5) ON THE EVALUATION OF THE SOCIO ECONOMIC IMPACT OF THE REFORM OF THE CFP IN THE MEMBER STATES. MARSEILLE, 19<sup>TH</sup> APRIL 2012

Participants: see attached list

Coordinator: Giampaolo Buonfiglio

Attached documents: Agenda, slides presented by da Claire Macher, Pepma letter on AIS.

1. WG5 met in Marseille on 19<sup>th</sup> April 2012 to examine the current situation in the Mediterranean regarding fishery activities
2. The RAC MED Executive Secretary opened the session and thanked the participants and the associations. The Executive Secretary reminded the meeting of the RAC MED Working Group procedures and underlined the double role held by the coordinators who coordinate the working groups and are also responsible for conveying the results achieved to the Executive Committee. The Agenda of the meeting was approved and Giampaolo Buonfiglio of AGCI Agrital was nominated coordinator.
3. The coordinator expressed his thanks and gave the floor to Claire Macher, an expert from IFREMER, for the presentation of the case study "Hake fisheries in the Gulf of Lion", which is part of a partnership project. Ms Macher underlined that this model will assist the introduction of the WG and the development of methodologies for the evaluation of the socio-economic impact of fishery management measures, rather than just examining biological aspects. The CFP Green Paper described an idealistic situation and these commendable aims should have been transferred to the proposed regulation. However it is once more the case that there is no correlation between these objectives and the social economic impact of this proposal. WG5 must therefore provide the Comex with the data necessary to quantify the effects of the proposed measures from a socio-economic point of view. Claire Macher reminded the meeting that the aim of the case study on hake is to develop practical methods to analyse the impact of various scenarios that would derive from a gradual reduction in fishing mortality at several levels: bio-economic, for the stocks, the fleets and for the markets, in order to achieve Maximum Sustainable Yield (MSY), and the consequences of these scenarios on the gross profit margin of the French fleet. She closed her presentation informing those present that the vessels chosen had declared landings over one tonne in 2008: three French and two Spanish fleets. The two scenarios that were applied concerned the temporary suspension of fishing activities for the trawlers (equivalent to reducing fishing effort by 8%); a step towards MSY for hake through the gradual reduction of fishing mortality over a year by varying the number of days per vessel per fleet and the number of vessels per fleet.



4. At the end of the presentation the ETF representative asked whether the price's increase is related to the lower quantities of fish products sold in the market, and if this higher price could offset the reduction in the fishing effort, leaving a real operative margin to the firm. Claire Macher replied that it would be necessary to analyze prices and examine price oscillations, in the case study the prices used were stable per category and the only variation considered was that between large and small hake.

5. The FNCCP representative thanked Ms Macher for the report which takes socio economic issues into account although it seems to him that biological aspects are still predominant. Ms Macher informed the meeting that the study takes into account instruments which make it possible to ascertain the impact on fishery activities, the scenarios had been discussed in the context of the partnership group.

6. The IPI representative stated that if research is solely based on the reduction of the number of days or the number of vessels, the quality of the reduction should be taken into account above all.

7. The coordinator thanked Claire Macher and all those who intervened and moved on to the next agenda item relative to the situation in the Member States in the EFF period, in order to examine the condition of fisheries activities in the Mediterranean. The coordinator pointed out that it would be a good idea to provide numerical information to support the issues, so that the EC has a clearer and more complete picture which would boost chances of receiving a constructive reply. The diversification policies proposed by the EC are unworkable. During this WG it was not feasible to prepare a document however it was possible to begin assigning tasks, establishing methods, and over the next weeks put together as much data as possible to have an idea of the situation during the EFF period. This would lead, for example, to knowing how many jobs had been lost and how many companies had closed, the potential income from fisheries systems and how this has changed in the last 5 years. The model proposed by IFREMER could be used to examine the scenario that would present itself should the aim of achieving MSY be moved. If the EC were to discover that by moving the date by which MYS should be achieved more gradually and knowing for example how many companies could thus manage to survive it would be possible to imagine a change in the political decision making process.

8. The IPI representative suggested that a note be added to the document proposed by the coordinator so as to provide results on fishing tourism activities, as recognized in Italy, France and Spain, so as to be aware of its economic significance.

9. The ETF representative proposed that the model used for the Gulf of Lion be modified as follows: the effort capacity should be considered on different levels, taking into account the differences from one area to another. It was also suggested that the EC could be requested to develop an analysis model to examine the level of economic impact on the sector. Lastly, as several countries are involved it is necessary to achieve synergy between the various actors by means of national meetings also interesting the trade unions of the different countries.

10. The PEPMA delegate informed the participants on comments made by Commissioner Damanaki, who stated that fishers could reconvert to aquaculture. It was suggested to the meeting that if this kind of policy continues at European level then fisheries production will be reduced and will risk extinction.



11. The PROFILMER representative expressed agreement with the coordinator, stating that an economic approach is useful and important, as fisheries policy has not taken this aspect into consideration in the past and therefore it has been and continues to be limited. Each time that an attempt is made to examine this aspect in greater detail the data provided are approximate and the technical studies have extremely high costs. For two years now the effects of a total suspension of fishing activities can be noted, and fishers have had to find other sources of income.

12. The representative of IVEAEMPA expressed support for the proposal formulated by the coordinator and suggested that the MS be asked to define exactly what socio economic diversification means. It is necessary to find some alternatives, in Spain alone over the last three years 17 000 jobs have been lost in the fisheries sector.

13. At the end of this discussion coordinator gave the floor to Federcoopesca representative for a presentation of the situation in Italy, in the EFF period, on the basis of the questionnaire already distributed by the RAC MED Secretariat. The meeting was informed that in Italy the number of vessels on the fleet register fell between 2007 and 2010. The price of fuel has risen; in Italy diesel for fisheries is not subject to duty or VAT. He closed his intervention by agreeing with the proposal made by the coordinator to present official data so as to give greater weight to the work carried out.

14. The Lega Pesca delegate informed those present that in Italy increased fuel prices have an immediate effect on the earnings of the crew and their families due to the type of contracts used. The EFF should take this into account as this kind of contract entails the division of net earnings from the catch after the deduction of a series of costs, including fuel. The coordinator proposed that a footnote be added to the questionnaire with the cost of diesel as the industrial pump price.

15. The representative of FNCCP proposed that some aspects be described in technical terms, such as the register of active vessels and those awaiting demolition, the jobs assigned to those on board including the owner. The coordinator replied that at this stage it would be preferable to compile the data requested so as to produce a document in May.

16. The Federcoopesca delegate suggested the addition of the average age of the fleet and the investments in terms of fleet modernisation.

17. The coordinator proposed the insertion of the financial resources dedicated by each country to modernizing the sector and also requested that each country provide a brief description of the supply chain from landing to marketing in order to supplement the information available. Lastly a coordinator was nominated for each country: Ceccaroni for Italy, Parera for Spain, Taoultzis for Greece, De Vandeuil for France, and Levstik for Slovenia.

18. The representative of Lega Pesca proposed that any definitions of activities connected to fisheries be brought together in a document.

19. The coordinator passed the floor to the AMOP representative who illustrated the AIS (Automatic Identification System, EC control Regulation) in terms of the protection of privacy.



20. The Pepma representative informed the Meeting that the fishing vessels which have installed AIS on board cannot deactivate it. This represents a violation of privacy which is a democratic principle. In Greece a decree states that this right must be protected and therefore it is necessary to find a way to offset this EC regulation as the system in question manages personal data which should be evaluated by a competent body. There is no legal framework to regulate this tool and fishers do not wish for these data to be in the public domain.

21. The representative of Lega Pesca quoted art.10 para. 3 of the regulation on control which provides the MS with the possibility of cross checking the data from the AIS with those from the bluebox as a control tool, and as such it is no longer simply a safety measure. The European Data Protection Supervisor has already noted that there are many issues in the control Regulations concerning privacy and encourages the EC to consult with the Data Protection office and to let the Supervisor participate in issues within his field of competency.

22. The coordinator thanked the participants for the discussion on AIS and passed the floor to Steven Mackinson, coordinator of the project GAP2 who was invited to take part in the WG in order to collaborate with the RAC MED in the formulation of an opinion on regionalisation.

23. Mr Mackinson stated that regionalisation is an important issue although it is still not entirely clear. Regionalisation is the decentralisation of EU powers instead of the “*command and control*” method applied in the past. One thing is clear: the RACs will be much stronger in their role as catalysers of interest and discussion; how this new role will be developed remains to be seen. There are many challenges and there are two consequences: the incapacity to involve the stakeholders in the decision making process; the CFP will be more and more problematic in fisheries management.

24. Mr Mackinson gave the floor to the coordinator to get RAC MED’s opinion on regionalisation. As already mentioned RAC MED issued a first opinion on regionalisation in the document of 28<sup>th</sup> October 2011 on the Reform of the CFP, in which, in general terms, the RAC MED position is considered as in favor of regionalisation which takes into consideration the specific nature of the Mediterranean area and would also see greater involvement of the stakeholders. However RAC MED expressed disappointment in noting that the intentions declared in the Green Paper on the reform of the CFP had not been transferred into the proposed regulation on the Reform of the CFP. Genuinely innovative proposals were expected. The EC replied that this lack of correspondence was due to the legal services which attempt to mediate in drawing up a decentralised decision making process while respecting the legal structure of the EC. Decisional decentralization is not foreseen, the proposal to create *regional bodies* is not compatible for the time being with the EC’s legal regime. In the *non-paper* on regionalisation, decision making is entrusted to a mechanism by which proposals are formulated by the EC on management plans and technical measures for each sub-basin (for example the Mediterranean), leaving the MS involved to carry out these technical measures within a given time frame. However if the MS are not able to put these EC proposals into practice, the EC will make use of delegated acts and in so doing will repossess its powers. Making proposals without having previously ensured the commitment of the stakeholders thus entrusting implementation to the MS is a scenario that will most probably lead to the use of delegated acts. This risk could be reduced if the EC were to modify this tendency, guaranteeing that the proposed management plans and technical measures would be subject to prior consultation among stakeholders in the countries involved. This would



avoid EC proposals being too far removed from reality. Another aspect that should not be overlooked is the lack of participation in RAC by the national administrations. In the light of this, and considering that there is scant commitment among MS to participate in RAC meetings, it is hard to foresee the MS finding a common language in the short term. The coordinator closed his intervention by stating that from the RAC MED point of view, all recommendations should pass through the RACs, then the researchers and the administrations, and therefore he suggested that a draft Opinion be presented to the next Comex, with the assistance of the project GAP2.

25. Mr Mackinson expressed his agreement with the worries expressed by the coordinator on the use of delegated acts which could indeed be a problem. Sarah Goddard took the floor to present two possible models designed to investigate the possible workings of regionalisation. The first is a cooperative model in which the Member States concerned would create mini councils which should approve the opinions to be sent to the EC. The second model relates to the organisation of fisheries management at regional level. The MS would have to create organisations for regional management and the RACs would formulate opinions addressed directly to the regional organisms rather than to the EC.

26. The coordinator asked whether the mini councils established by the MS would be mixed among the different MS and attended by officials from the fishery administrations of the different MS, or whether the mini institutional councils established by the EC. If the councils are created by the EU the council would come from the EC, if on the other hand all seven Mediterranean MS establish councils which have deliberative capacities there would be two issues to face: would these be new regional institutions or a mini GFCM? Furthermore, what kind of institutional framework would be created? Mr Mackinson replied that the initiative would have to be taken by the MS to create these mini councils, which would be flexible given the limits of the Treaties in force, and the RAC would provide assistance to these mini councils.

27. The coordinator commented that both models would require the convocation of Mediterranean fisheries Conference, seven MS plus the future MS Croatia.

28. The WWF delegate asked whether these mini councils would be established according to the fisheries per region or by fishing activity. Considering that the role of the RAC MED concerns principally shared stocks, should these mini councils be established by the countries concerned (for example hake fisheries in the Bay of Biscay shared between France and Spain) and only deal with that area?

29. The delegate from the French Ministry, irrespective of the position held by France, expressed his reluctance to relinquish powers to mini councils or organisations for fisheries management. He further suggested that care should be taken in the use of acronyms so as not to create confusion, and he also stated that there is a risk of duplicating organisms that already exist such as RAC. Lastly there are the legal difficulties, mini Corepers could be created.

30. The PEPMA representative brought the meeting's attention to the fact that currently the EC decides, the MS apply and the RAC MED struggles to make its voice heard without achieving many results, given this situation we could opt for regionalisation with the first option, creating a collaborative link between the GFCM, the RAC MED and the mini council.



31. The coordinator underlined that if the participation of all ministries were to be envisaged for the RAC MED it would be a mini council and therefore no further organisms would be necessary.
32. The KGZS representative informed those present that the Slovene ministry would like to participate in the RAC MED sessions, however given the current economic situation it does not have the necessary means.
33. The representative of ETF suggested that these management structures could be extended to include representatives of trade union groups.
34. The Executive Secretary took the floor to highlight that it is necessary to have the participation of researchers in RAC activities in order to establish useful collaboration without having to establish new organisations, it would be more opportune to strengthen the existing ones. However strengthening RAC should be proportional to economic consolidation in order to be able to take more work on board.
35. Steven Mackinson summarised the discussions and stated that if the first model is considered there would be no added value as organisations already exist. The alternative being participation of all representatives of the MS in the RACs so that the RACs become coordinating bodies and as such they would also represent mini councils to which there would be the possibility to add researchers.
36. The coordinator thanked the staff of the GAP2 project and proposed that a draft be prepared on this matter, to be validated by all participants and then sent to the members of the Comex.
37. The representative of the French Ministry expressed his fear that the decision making process would be very long and he did not share the wish to see an extended RAC.
38. The Chair Mr Kahoul took the floor. There were no further comments and so he thanked the participants for having come to Marseille and the interpreters for their assistance. The meeting was closed at 17.00.

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