



# **Cynulliad Cenedlaethol Cymru The National Assembly for Wales**

## **Y Pwyllgor Amgylchedd a Chynaliadwyedd: Grŵp Gorchwyl a Gorffen ar y Polisi Pysgodfeydd Cyffredin**

## **The Environment and Sustainability Committee: Common Fisheries Policy Task and Finish Group**

**Dydd Mercher, 18 Ionawr 2012  
Wednesday, 18 January 2012**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol****Committee members in attendance**

|                              |  |
|------------------------------|--|
| Yr Arglwydd/Lord Elis-Thomas | Plaid Cymru<br>The Party of Wales  |
| Llyr Huws Gruffydd           | Plaid Cymru<br>The Party of Wales  |
| Julie James                  | Llafur (Cadeirydd y Grŵp Gorchwyl a Gorffen)<br>Labour (Task and Finish Group Chair) |
| William Powell               | Democratiaid Rhyddfrydol Cymru<br>Welsh Liberal Democrats                            |
| David Rees                   | Llafur<br>Labour   |
| Antoinette Sandbach          | Ceidwadwyr Cymreig<br>Welsh Conservatives  |

**Eraill yn bresennol****Others in attendance**

|                    |   |
|--------------------|---|
| Lowri Evans        | Cyfarwyddwr Cyffredinol, Cyfarwyddiaeth Gyffredinol<br>Materion Morol a Physgodfeydd<br>Director General, DG Maritime Affairs and Fisheries   |
| Joost Paardekooper | Swyddog Polisi, y Pwyllgor Pysgodfeydd Cyffredin a<br>Dyframaethu, Cyfarwyddiaeth Gyffredinol Materion Morol a<br>Physgodfeydd<br>Policy Officer, Policy Officer, Common Fisheries Policy and<br>aquaculture, DG Maritime Affairs and Fisheries |

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol****National Assembly for Wales officials in attendance**

|                |  |
|----------------|--|
| Alun Davidson  | Clerc<br>Clerk                           |
| Catherine Hunt | Dirprwy Glerc<br>Deputy Clerk            |
| Gregg Jones    | Y Gwasanaeth Ymchwil<br>Research Service |
| Nia Seaton     | Y Gwasanaeth Ymchwil<br>Research Service |

*Dechreuodd y cyfarfod am 9.00 a.m.*

*The meeting began at 9.00 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions**

[1] **Julie James:** Good morning, everyone, and welcome. In the event of a fire alarm, we should leave the room via the marked fire exits and follow the instructions of the ushers. We are not expecting a test this morning. Please switch off all mobile phones and other electronic devices because they interfere with the broadcasting equipment. We can use English or Welsh today; my understanding is that anyone speaking in Welsh here will be heard in English in Brussels, so that is working as normal. The microphones will come on and off automatically, so there is no need to switch them on. There are no apologies or substitutions this morning.

**Ymchwiliad i'r Diwygiadau Arfaethedig i'r Polisi Pysgodfeydd Cyffredin—  
Tystiolaeth gan y Comisiwn Ewropeaidd  
Inquiry into Proposed Reforms to Common Fisheries Policy—Evidence from  
the European Commission**

[2] **Julie James:** I welcome our witnesses, Lowri Evans, Director General of Maritime Affairs and Fisheries, and Joost Paardekooper—I hope that I said that correctly—policy officer for the common fisheries policy, and we are also joined by Gregg who is over in Brussels. Would you like to make some introductory remarks, after which committee Members will ask you questions on anything that is not covered in your introduction?

[3] **Ms Evans:** Bore da. Diolch am y gwahoddiad. Siaradaf yn Saesneg am ran fwyaf o'r cyfarfod fel y gall Joost ddeall yr hyn rwyf yn ei ddweud. Dywedaf ychydig yn Gymraeg: os wnewch chi fy holi yn Gymraeg, fe'ch atebaf yn Gymraeg. **Ms Evans:** Good morning. Thank you for the invite. I will speak English for the majority of the meeting so that Joost can understand what I am saying. However, I will say a little in Welsh: if you ask me a question in Welsh, I will answer you in Welsh.

[4] You get two for the price of one today. Joost Paardekooper is the guy who really knows about this, so if you ask a technical question, I will not bluff—I will pass the question straight over to Joost. So, I will give only a very brief introduction because I know that you have many questions. I will just outline the panorama of this.

[5] I know that you have already done a lot of work. So, basically you are looking at a package of proposals from the Commission, namely what was proposed in July complemented by the financial instrument in December. For us, that is a coherent set of economic reform proposals and we put that firmly into the jobs and growth agenda—the Europe 2020 agenda. So, that is the broad macro contextualisation.

[6] So, sectorally what does it look like? It looks like our current system is not working in favour of sustainability. We have a fairly bleak situation of 75% of the EU fish stocks being overfished and a third that you could categorise in scientific terms as being in a worrying state. The system does not work for the EU market; two-thirds of the fish that we eat is imported. Industrially, too many of the fleet segments are living on low profit and they depend on subsidies for survival. So, the political diagnosis at this end is that business as usual is not an option and that we need to make structural changes to our policy and do so urgently.

[7] On the loss-making dimension, our analysis shows that 30% of the European fleet is loss-making, so that is not just poor profitability, but loss-making. Why is that? Briefly, that is due to a couple of issues: there are not as many fish as there should be. That is the basic biological parameter. Our fishermen are catching only a fraction of the fish that were there to be caught even as far back as the 1990s. Clearly, getting more fish into the sea and increasing sustainability through more sustainable policy is a precondition of improvement for the industrial picture. The second industrial dimension is massive underutilisation of capacity. There are lots of boats fishing very little and that is a very inefficient use of capital.

[8] So what is the vision? We think that we need to agree on a long-term vision for the policy. We know what is wrong, but we need to be more active politically in defining where we want to be in 10 years' time and then seeing how we get there. So, we need a much better long-term vision.

[9] Stock sustainability is the first precondition for economic sustainability. I think that there is a degree of political consensus about that. The question is about timing and urgency.

We are saying ‘urgency’ and we are trying to sell that. That is not sold yet. If we do not have the stock sustainability, we will not have a sustainable industry. We will not have a viable fishing sector if we do not have enough fish to fish. Then there is a bigger picture of how the fishing industry—and here we expand the definition to include not just the catching industry, the sea fishing industry, but aquaculture explicitly, so the farming industry, as well as the onshore dimension, which is the processing—fits in to how the member states and the regions want the coastal communities to develop. We are putting the sectoral policy explicitly in a local development context. That is what we are trying to persuade the member states to do. We think that fisheries should be developed as part of the development of our overall maritime economy.

[10] Another dimension that is very important is the demand side—so the consumer side, or the voter side to put it bluntly. Consumers have a hugely increased awareness of sustainability, which is a relatively new phenomenon. It is particularly marked in the United Kingdom and in Wales. People really understand the precariousness of the stock and they want to do something about it. They want to know that they eat or buy sustainably caught or farmed fish. There is a dynamic on the demand side that is a positive opportunity for the sector. We want to help the catching side and the farming side organise themselves in a better, more effective way so that they feed into this quite dynamic picture on the demand side so that they get more money for their fish—so that they capture more of the value in the supply chain. Our proposals have some measures in that direction as well.

[11] Last but not least, our system needs to be simpler and cheaper. I am sure that I am preaching to the converted on that. Public administrations everywhere are looking to do more with less, so, next time around, we need a less complex European policy. I will leave it there as a general contextualisation.

[12] **Julie James:** Thank you very much indeed. Members, who wants to go first?

[13] **David Rees:** I do not mind going first. Good morning. You mentioned the fact that you want to make it more sustainable and that you want to help coastal communities. In that case, I wish to go back to a point on historic rights. At the moment, the historic rights are up to 12 nautical miles. There is a great deal of concern among the Welsh inshore fleet that that allows fleets from outside Wales to land fish that are not counted against Wales’s quota. They may suffer as a consequence of any quota set down the line as it will not be recognised against the Welsh inshore fleet. Is there a view within the European Commission to change historic rights, thereby perhaps making stocks within the 12 nautical miles more sustainable because they will be less fished, but also making them more useful for the coastal communities because they are the communities that will be able to fish within those areas?

[14] **Ms Evans:** I will start and I will ask Joost to finish. The response from me is quite straightforward on a political level. We do not perceive political demand from the member states to go in that direction, so this is not part of the proposals right now. That is clear. The member states are all saying to us that they want to preserve the overall picture at a European level. This is the relative stability issue. For very many, if not the overwhelming majority of member states, keeping the quotas allocated seem to be a precondition. Therefore, we are not proposing to change the overall European relative stability picture. With regard to historic fishing rights, which is what your question was about and which concerns the local dimension of that, our proposal does not go into that either, to be completely clear. Joost, you can explain why that is.

[15] **Mr Paardekooper:** I do not know whether I can explain everything, but I would like to add two elements. First, you talk about your historic fishing rights and specific rights you have within the 12-mile zone. As Lowri indicated, we do not touch the overall approach to the 12-mile zone. So, member states have, to a high degree, the option to define who is allowed

into the 12-mile zone and who is not. I understand that, for instance, the UK is not willing to change anything in relation to that.

[16] There are two additional elements that may cause you some concern. First, when we develop our future multi-annual plans on the stocks, we will include more than one stock. So, they will either be multi-stock based, including all the stocks in a certain area, or fishery based. When we talk about fisheries, we know that there are specific elements or characteristics within these 12-mile coastal areas, and we consider that these specific elements of the coastal fisheries should be taken into account in future multi-annual plans. We have not done that so far, because they have until now been based on single stock, not on fisheries or on the characteristics of the fleets, such as the way that they fish. We want to convert these plans into fisheries plans for several reasons—one of which is because we think that they will cater more for the detailed and specific elements and characteristics of these fleets.

[17] The second element is nothing new and is very much a national decision. In our legislation—which we propose to continue—we allow for the member state to take specific measures, but they must always be stricter than the conservation measures that the union introduces. So, member states are allowed to take more strict measures with regard to fleets operating in a 12-mile zone. So, if there are specific issues to be dealt with in a certain region, say in the coastal waters of Wales, it would be up to the UK administration to define whether it wants to cater for those issues and whether it wants to introduce specific additional measures to the conservation measures that are already in place in Europe. They would apply not only to the vessels of Wales, but also to other vessels that may operate in that area. That is also an option for a member state to respond better to this idea of conserving the historical fishing rights.

[18] **Ms Evans:** So, basically, the broad message is that there is enormous flexibility at the national level—and by ‘national’ we mean at a UK level—to do things differently. However, that is a national prerogative as we see things.

[19] **David Rees:** There are four pillars to the European maritime and fisheries fund that was announced in December, one of which is the support for the development of coastal inland fisheries. Is there any view that that pillar will focus on supporting communities for inshore fishing, which may suffer as a consequence of historical rights beyond that?

[20] **Ms Evans:** You can look at the EMFF proposal as a menu. It is up to Wales or the UK to pick from that menu the elements that best support the local development agenda. You are focusing on inshore fishing, so that is one dimension. You are likely to be able to access more European help by putting that into a wider context. So, for example, if you have an inshore fishing dimension that you particularly want to help, I would encourage you to look at how you can better organise the fishermen, so that they are moving into processing, working more collaboratively and co-operatively, and developing brands and getting marketing schemes together. We can do an awful lot to channel support in that direction.

[21] In addition to that, in the present fund there is an explicit local development agenda. You might understand LEADER from the common agricultural policy perspective better perhaps than the fisheries dimension, so, if you like, it is a LEADER for the fishing sector. I encourage you to look at that, perhaps together with LEADER, to see how you can get more community-based development, which goes beyond fishing. So, there are activities that are sea based that can extend beyond straightforward fishing.

9.15 a.m.

[22] You can look at developing the energy dimension, which is already there, and at how you can get fishermen better and more directly involved in environmental protection, doing

science-based work, for example, so having fisheries-science partnerships would be a part of the picture; and algae, the development of sea-based resources in a wider sense. So, I would encourage you to be a little more expansive in your thinking. So, the answer to your question is ‘Yes, there is support there’, but I encourage you to look at it with a slightly wider perspective.

[23] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr am ein pwyntio i'r cyfeiriadau hynny. Mae'r dystiolaeth rydym wedi ei gael yn gyffredinol yn croesawu cryfhau gweithgarwch y cynghorau cynghori rhanbarthol, ond o safbwynt y mudiadau amgylcheddol a hefyd cymdeithas y pysgotwyr eu hunain, roedd gofid ar sail eu profiad o'r cynghorau cynghori hyn a'u bod efallai wedi tueddu gweithio yn fwy o blaid y pysgotwyr mwy yn hytrach na'r bobl rydym newydd sôn amdanynt sef y pysgotwyr llai, er enghraifft, y rheini yn gweithio ym mae Ceredigion—gwyddost am y lle hwnnw cystal os nad llawer yn well na mi o ran y pysgodfeydd. Y math hwnnw o gŵyn neu o gonsyrn sydd wedi cael ei fynegi. Carwn gael arweiniad gennynt ar sut mae'r Comisiwn yn gweld y cynghorau cynghori rhanbarthol hyn yn gweithio yn ymarferol.

**Lord Elis-Thomas:** Thank you very much for pointing us in those directions. The evidence that we have had generally welcomes strengthening the work of the regional advisory councils, but in terms of the environmental bodies and also the fishers' own organisation, there was concern based on their experience of these advisory councils that they perhaps tended to operate more in favour of the larger fishers rather than the people whom we have just been talking about, namely the smaller fishers, for example those working in Cardigan bay—you will know about that place as well as if not better than I do in terms of fisheries. It is that kind of complaint or concern that has been voiced. I would like to have some guidance from you on how the Commission sees these regional advisory councils operating in practice.

[24] **Ms Evans:** Rwyf yn meddwl bod yr hyn y maent yn ei ddweud wrthyh yn wir. Mae'n wir nad yw'r pysgotwyr bach wedi cael eu lle haeddiannol yn y ffordd mae'r broses yn gweithio ar y funud a dylem wneud yn siŵr ei fod yn gweithio yn well y tro nesaf. Mae fy rheolwr, y Comisiynydd Maria Damanaki, yn ymwybodol iawn o hynny. Wrth gwrs, mae llawer o bysgotwyr bach o gwmpas ynysoedd gwlad Groeg ac mae hi'n hollol ymwybodol o'r broblem.

**Ms Evans:** I think that what they are telling you is true. It is true that the small fishers have not been given the place that they deserve in the way that the process works at the moment and we should ensure that it works better next time. My boss, Commissioner Maria Damanaki, is very aware of that. Of course, there are many small fishers around the Greek islands, and she is fully aware of the problem.

[25] I am getting the English-language feedback now; it is really difficult. I will switch to English. The other dimension is the non-governmental organisations. The NGOs are almost proxies within the regional advisory councils, as far as I can see, for the environmental dimension. They are much more overtly bringing those issues into the regional advisory council discussions, and they play an extremely positive and constructive role. However, again, we need to be absolutely sure that the role of the NGOs in the regional advisory councils is built up even more, because the small-scale fishers completely understand the environmental dimension. They really understand the environment in which they are fishing. However, it is difficult for both the small-scale fishers and the NGOs generally to withstand the very large fishers in those organisations from time to time. So, I concede that there is an issue that we need to improve there, and it is an issue that my commissioner is putting pressure on us to improve already, even in advance of the reform.

[26] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr am hynny. Y cyngor yw bod eisiau inni gynghreirio gyda physgotwyr Groeg ar

**Lord Elis-Thomas:** Thank you very much for that. So, the advice is that we on the Cardigan bay coastline need to ally ourselves

arfordir bae Ceredigion, felly. Derbyniaf hynny'n llawen. with Greek fishers. I happily accept that.

[27] Mae gennyf un cwestiwn arall mwy cyffredinol ynglŷn â'r symud pwyslais tuag at ofalu am ecosystemau yn hytrach na rhywogaethau, sef patrwm cyffredinol y newid polisi. Sut bydd hynny yn effeithio yn ymarferol eto ar ardaloedd arfordirol Cymru yn dy farn di? I have another more general question regarding the change in emphasis towards looking after ecosystems rather than species, which is the general pattern of the change in policy. Again, what will be the practical impact of that on the coastal areas of Wales in your view?

[28] **Ms Evans:** I did not get that question. Could you repeat it for me?

[29] **Yr Arglwydd Elis-Thomas:** Sut fydd y newid cyffredinol o fesur cyflwr rhywogaethau i drafod pysgodfeydd yn nhermau ecosystemau morol yn ehangach yn effeithio yn ymarferol ar bysgodfeydd arfordirol llai? Dyna oedd y cwestiwn cyffredinol. **Lord Elis-Thomas:** What will be the practical impact of the general change from measuring the condition of species to discussing fisheries in terms of maritime ecosystems more broadly on smaller coastal fisheries? That was the general question.

[30] **Ms Evans:** This is a difficult question as well. We have put into this batch of proposals an explicit political and legal acknowledgement that the environment and the fishing industry have to go hand in hand. We see it, not as either environment or fisheries, but more like environment and fisheries. That is the long-term sustainable development dimension.

[31] So far, we have been managing the fishery policy from a single-species perspective—that is, managing cod, salmon or whatever. The first move—and we are engaged in that move now—is to a more multispecies or fisheries-based approach. The science is only now enabling us to do that. We will therefore be looking to make the first proposals this year for multi-annual plans for two stocks—this is for the North sea cod fishery, which will be a multispecies fishery. After that, the Baltic fishery will trace the interaction between cod and sprat—this is all very technical. We will then see what it looks like. That is the first stage. Basically, it means that the member states, or the fishing community, will have to make political decisions on trade-offs between different types of fish. That is the first move.

[32] In the longer term, we will also have information from the scientists about the potential trade-offs between fishing and wider ecosystem issues such as habitat, the food chain or other resources in the sea, but the science is not there yet. So, in this set of proposals, we have an explicit, strategic, directional intention, which will begin to translate into implementation through a mixed-fishery approach, with more complex stuff coming later, as the science allows.

[33] **Yr Arglwydd Elis-Thomas:** Diolch yn fawr am ateb cyflawn. **Lord Elis-Thomas:** Thank you for such a full answer.

[34] **Antoinette Sandbach:** I would like to move on to the implementation aspect. A number of concerns have been expressed to us in the evidence to this task and finish group in relation to transferable fishing concessions. There is concern that they will particularly disadvantage our small-scale fisheries, which tend to be the more environmentally sustainable fishers. Why are you proposing mandatory transferable fishing concessions? Why have you chosen this tool to address the issues of overcapacity over any of the other options that may have been available to you?

[35] **Ms Evans:** It is true to say that this is one of the most controversial dimensions of the proposal. Let me explain the context a little. The present situation perpetuates overcapacity and unprofitable fisheries. Therefore, what we are proposing is the use of a rights-based management system for trawlers and larger vessels over 12m. As you say, it will be mandatory. The proposal actually says that we want to put in place an obligation for member states to set up a system—I repeat, a system—with enormous flexibility within that.

[36] So, what does ‘transferable concessions’ mean? There is an awful lot of misunderstanding about this term. It is basically a system in which user rights are allocated for a public good under conditions that are to be defined. This is not about privatisation. The first reason for wanting to do it this way is that we think that it will be an effective tool for fishermen to improve performance, so that they have greater long-term certainty and a better incentive to behave in a sustainable way in the long term. That is one reason: behavioural change. We think that it is a driver for behavioural change. That is the first reason for our proposal. We are saying that, if you allocate a right for a sufficiently long period—and there is no science to put a number on that—and that right can be traded, basically, it can become an asset that can constitute a guarantee for a bank, for example, and it can incentivise the fishermen to behave better. It can also facilitate those who want to leave the industry.

[37] So, we then come to the overcapacity dimension. Why this tool? It is because we have tried other tools in the past for dealing with overcapacity and incentivising the long-term behavioural way of fishing, and they have failed. So, our present approach is basically to subsidise the scrapping of vessels. I do not know whether you have seen it, but a very critical court of auditors report came out at the end of last year, which devastatingly criticises that, and it is completely right. Those subsidies have been completely ineffective in terms of the results, so we have been reducing the number of vessels every year, helped by that mechanism, but the technological progress in the industry outstrips it. Unless you had much more money—a giant amount—you would never be able to deal with that through financial subsidies, and, of course, there is no giant amount of money. So, we are proposing to scrap the scrapping subsidy and instead turn any money available from Europe to positive investment-based aid. Our analysis is that we have spent €1 billion of taxpayers’ money on this between 2000 and 2006 and it has been ineffective. So, we are proposing transferrable concessions because we believe it is the best tool that exists; we do not have a better plan.

[38] **Antoinette Sandbach:** Does that mean that you are, in effect, accepting as part of your policy that this is likely to concentrate rights in the hands of the most powerful economic fishers, perhaps at the expense of the smaller fishermen, and, in effect, are you saying that the EU view is that that is a price worth paying, as it were?

[39] **Julie James:** May I add one other dimension to that before you answer? The other thing that many of the fishermen’s associations have said to us is that they worry that, unless there is a provision that says you have to be a fisherman to hold one of these, what will happen is that they will be traded until they are all in the hands of non-fishermen banks, hedge funds and so on.

[40] **Ms Evans:** I completely disagree with what you invited me to agree with, in the way you said it. [*Laughter.*] So, let us put that on the record. We say that there should be a system, so let us get more detail. We do not want to micromanage this at Brussels level, but, of course, we would expect—and it would be amazing if it did not happen—that the member states, in designing a system, would introduce safeguards that would guard against market excesses. We have learnt this from the banking system, inter alia, recently. There must not be a system that would concentrate all of the rights in the hands of the most powerful, and we are not advocating such a system. The design of the system has to privilege the small scale—this is my personal view, of course—so member states have to look very carefully at whether to include the small-scale fleet in the system at all. Our proposal is to make it mandatory, as I



said, for the larger scale fleet, and optional, in terms of what the member states do, for the small-scale fleet. That is the first choice. So, you can exclude the small-scale fleet altogether if you want.

[41] The second dimension of avoiding concentration is a matter of laying down rules of what you want. This is completely at the discretion of the member states. Again, the design of any system should be limited to fishermen. This is not dictated in the proposal, but common sense would say that. At the moment, if I understand it properly—there is an urban myth at least—Manchester United Football Club owns some fishing quota in the present UK system. That, it seems to me, is not something that is likely to lead to optimal policy results.

9.30 a.m.

[42] I imagine that the other big dimension—and on a personal level I would strongly encourage this—is that any system design should recognise the issue of regional economic links so that the system, if we are looking at local development, must be part of the safeguard. So, there could be issues such as preserving the economic fabric, the development potential of coastal communities, landing obligations and things that are short of nationality discrimination. However, there is a great deal of scope to design a system in way that makes sense in terms of economic development and regional objectives. You only have to be clever enough to figure it out.

[43] **Llyr Huws Gruffydd:** Byddaf yn holi ynglŷn â'r argymhellion o safbwynt datganoli rheolaeth, neu weithredu rheolaeth, pysgodfeydd, sydd wedi eu croesawu ar y cyfan. Un elfen o'r dystiolaeth rydym wedi ei gael yw bod angen mwy o eglurder ar sut mae'r Comisiwn yn gweld y bydd datganoli rheolaeth dros y pysgodfeydd yn gweithio'n ymarferol. Pwy fydd yn gyfrifol am reolaeth ymarferol y pysgodfeydd ac yn y blaen? A wnewch chi ymhelaethu ar eich safbwynt chi?

**Llyr Huws Gruffydd:** I will ask a question about the recommendations on the devolution of fisheries regulation or the implementation of fisheries management, which have generally been welcomed. One element that has come through in the evidence we have received is that there is a need for greater clarity on how the Commission views the devolution of the regulation of fisheries. Who will be practically responsible for the management of fisheries and so on? Will you elaborate on your point of view?

[44] **Ms Evans:** The word we use is 'regionalisation'. It means, in legal terms, 'other empowerment' of the member states. In legal terms, this is a common policy. Getting more subsidiarity into a legal common policy is difficult, so do not underestimate the legal issues. We imagine that there will be an overarching framework, in terms of objectives, set through multi-annual plans. What the outcomes, results and objectives should be will be fixed by co-decision between the European Parliament and the European Council.

[45] So, what is the place for regionalisation? Regionalisation would mean that the regions, the member states concerned, would get together—and I will get to who and how—to decide how to implement that. They would decide what sort of management needs to be in place for selectivity—what sorts of nets should be used—whether there is a need to limit the geography or the time of the fishing effort.

[46] Who would be making the decisions on local managerial issues, such as those? Our proposal does not specify who should be doing it, because part of what we are trying to do is get away from Brussels micromanagement. However, it is true that there is a lot of confusion. I would imagine that the local actors—the fishermen, the non-governmental organisations, the local and the regional authorities and the national authorities in the sea basin, such as the Celtic sea—would have to get together in some way. It could be in or around the regional advisory councils or not. That is for you to see. It is not our place to dictate to you, if we are

devolving powers, how you should be doing that. I concede that there is a great deal of confusion, so if we need to do more to facilitate, for example, work on how the Celtic sea regionalisation might work, we would be happy to do that. However, I would like you to occupy that space and come up with your own ideas on how you think it could work. Then, we can sit down together to see whether this is a legally feasible approach. So, we have no ideology on it; none whatsoever. There are legal limits; we have no ideology on those either. We are willing to delegate as much as possible within the legal architecture available.

[47] **Llyr Huws Gruffydd:** Thank you for that. When the Deputy Minister in Wales says that he wants fisheries management to take place on a smaller regional sea level, such as the Irish sea, are you suggesting that that is perfectly feasible as things stand?

[48] **Ms Evans:** Yes.

[49] **William Powell:** The governance issues are fascinating; I would like to go further on the subject, but, given the time constraints, I propose to move to the issues to do with discards, as set out in article 15 of the proposals. Will the director general comment on the view that there should be a focus on reducing unwanted catch in addition to the obligation to land all catches? That was a strongly held view by the New Under Ten Fishing Association when it submitted its evidence on behalf of the fisherwomen and fishermen in this area.

[50] **Ms Evans:** This is a real core part of our proposal. If this nettle is not grasped, we will not have real reform. Currently, 23% of all fish that are caught are discarded, which is just ridiculous on any level. It is throwing protein back into the sea, it is actually contributing to the unsustainability of the fisheries, and, as I said about the dynamic on the demand side, the consumer does not want the fishermen to do that any more.

[51] The second dimension is that part of that, although not all of it, is set up as a structural defect of the present legal system, because it is based on landing quotas, and the reform proposals are to move to catch quotas, meaning that if you catch it you land it. That is the legal shift; it gets rid of what is practically a legal obligation, in some circumstances, to throw the fish away if you have exceeded your catch quota. So, we remove that legal phenomenon, but how do you do that? It is a big change. The first approach is, obviously, not to catch it if you do not want to sell it. There must be a change of fishing behaviour, which is considerable in some fisheries. The fewer species there are in the fishery, the easier it is to achieve the behavioural and structural change.

[52] So, the first best approach is not to catch it if you do not want to sell it or if you do not think you can sell it: avoid catching the unwanted fish. The second approach is to move to a much more selective way of fishing. A lot of this is about changing fishing practices and gear. On the fishing gear side, our financial instruments will want to give an incentive to help fishermen pay for the cost of fishing gear. So, that is another big dimension.

[53] The third dimension, which we really must not focus on too much, is that we must have some channels of what to do with the fish that are landed even so, but it should not be too much. The Norwegians have a discard ban now, and very little fish is landed that is not sellable. There is much more detail that we need to get into for that part of the story, but the broad political message is that, at least for undersized fish, they should not go into the food chain because this would incentivise, for example, catching undersized fish. So, whatever we do on the land side, we must be careful not to create economic incentives to catch unwanted fish. That is very broad brush.

[54] **William Powell:** I want to develop a little further the issue of what safeguards could be put in place to ensure that markets are not created to create an incentive for the capture of undersized fish.

[55] **Ms Evans:** One aspect is to have better control or modified control. We are not legislating on this, but we can suggest potential ways member states might think about in terms of their implementation obligations. One option is to have cameras on board. That is one dimension so that one understands much better the composition of the catch. That would provide a better traceability of the composition of the catch. However, the fundamental requirement is for behavioural change and control is an add-on. If we set up economic incentives that state that you cannot sell undersized fish, the supply chain on the demand side will not be able to buy the undersized fish. So, that is a fundamental part of this. Do you want to add anything, Joost?

[56] **Mr Paardekooper:** Lowri has covered most of the points, but there are two points I would like to address. It is true that the proposal introduces the landing obligation, but we do not see all the other elements that Lowri mentioned in the process. However, in the end, as we have seen from the experience in Norway and Iceland, this is about trying to get fishermen to behave in such a way as to avoid the unwanted catches. Part of that is, on the one hand, about selectivity and, on the other hand, about fishing strategies. Earlier today, Lowri mentioned the idea of staying away from certain areas, which are spawning grounds or that have high concentrations of juveniles. So, it comes down to these combinations of actions. That also means that we need to adjust our legislative instruments in the realm of technical measures. As you rightly pointed out, we must also ensure that there is no incentive from the market to go for unwanted catches. That is why our proposal is to minimise the income opportunities of the unwanted but unavoidable catches that will then be landed by limiting the sales channel to a very small area of the market. The moment we broaden that, we may well create such that incentive.

[57] **Ms Evans:** In practice, this is likely to be a bigger problem in the Mediterranean fisheries than in those close to Wales.

[58] **William Powell:** I have one final question. What is your impression of how robust the data currently are in this regard? That is clearly the basis of everything.

[59] **Ms Evans:** This was a big issue that we brought to the table in the December council, and we had a very useful discussion with member states on this. That was on the North sea and Atlantic stocks. There are enormous data deficiencies in fisheries. We also need to understand that throwing more money at this is not all of the answer either. We are working intensively with the scientists from the International Council for the Exploration of the Sea and with our scientific committee to see how we can derive better strategies for dealing with data deficiencies for stocks that are relatively small or unknown. We have to move towards more of a proxy way of working in science rather than using completely empirical and heavily data-rich modelling approaches, which is what we have for the very big stocks in the North sea and the Atlantic ocean. So, we have to have a diversification strategy. Australia and New Zealand have already moved ahead in a more advanced way than Europe on that.

[60] We hope to catch up in 2012 and to discuss that with the member states actively this year. That is a big part of the picture, namely to completely understand this, to get the fishermen on board and to get all of the expertise from them. They know a lot about the local patterns, which the scientists could never afford to survey and understand. We need to get all of this better managed into the picture. I think that the scientists have been historically a little reluctant to move away from their lovely, very expensive data-rich models and I perceive, shall we say, a political understanding on the part of the science world now—I was discussing this with them only yesterday—and they will help the politicians in this direction.

9.45 a.m.

[61] **Antoinette Sandbach:** Could I follow up on the discards issue but at a slightly different level? Concern has been expressed to us that there is no explicit link between the discards policy in the marine strategy framework directive and that in the CFP proposals. Indeed, there may be some contradiction between them. Are there any plans to make an explicit link to that directive, and if so, how do you propose to take that forward?

[62] **Ms Evans:** Historically, the fisheries policy and the environmental policy have been managed as two separate policies. That is my personal view. However, with this reform proposal, these policies are now twinned. That is an explicit part of the proposal, and moving to an ecosystem-based approach is the long-term strategic direction we talked about earlier. On the relationship between the two, they remain two parallel policies. However, healthy fish stocks and the sustainable exploitation of fish stocks—which includes discards as one component of that sustainability—are a pre-requisite for reaching ‘good environmental status’, which is the terminology used in the marine strategy framework directive, by 2020. Everything we are now doing within the common fisheries policy is completely coherent and aligned to the good environmental status that the marine strategy framework directive requires. Technically speaking, our target is maximum sustainable yield by 2015. If we achieve that, which will be so much easier if we get rid of the discards, we will be absolutely on track.

[63] **Julie James:** I wish to turn to a completely different topic for a moment, namely the maritime fisheries fund. You talked a bit about this in your opening statement with regard to what you want to achieve, and so on. I would like you to talk a bit more about the allocation criteria and generally how you imagine that fund will work—what percentages will be used for which pillar, and whether there are any rules from Brussels that you want to lay out. My understanding is that you are hoping that the member states will do a great deal of this work. I would like a bit more clarity on the distinction between those two things.

[64] **Ms Evans:** It is premature to talk about allocation criteria, either in terms of how much each member state will get in the overall scheme of things or how, within a particular structural proposal, the money will be divided up between the various axes. That discussion on the allocation and the money is tied up with the big picture. Therefore, I have no idea what is going to come out of that. That is under negotiation at a more macro level. To go back to our proposal, what I can tell you now is that, as the Commission, we are proposing that €6.7 billion should be allocated to this sectoral policy. We are treating it as a sectoral policy now and not as a sub-branch of a cohesion policy. This is an awful lot of money for this sector. Within the Commission discussions, we persuaded colleagues that this was a good investment because there is so much potential from the economics of the sea and the coastal communities. So, that is one hint, I would say. If you really want to have fisheries support money in the next instrument, the economic rationale is, in my experience, the only one that works.

[65] There is now an emphasis on innovation and inclusive growth, supporting the policy change orientation that we have been talking about so far. The big political headline is that we have removed the inefficient fleet subsidy part of it. So, I suppose that that is the biggest single observable change. We then say, very positively, that we want to use the money next time to support policy change, but I do not want to go into that in more detail. However, I will emphasise perhaps a stronger boost to aquaculture, because we need the fish, and because of our poor record of developing aquaculture in Europe, relative to the rest of the world. Aquaculture in the EU is stable, but aquaculture in the world is growing exponentially, and it does not make sense that we are importing fish. So, there will be a strong support for aquaculture, in an environmentally sustainable way, obviously; a strong boost to the development of coastal communities, so not just fish, but fish plus—centred on fish; and support for data, science and control, so that if we want to regionalise, which we do, then we must ensure that the underpinning with regard to data and science and control absolutely

works. The reality is that there must be more central money given to that at a time of fiscal consolidation. That is one part of it, so that we have a level playing field.

[66] We want to actively help the fishermen. I am not sure whether I need to repeat this, but we want to do everything that we can to help the fishermen change their way of fishing—for example, if we need to help pay for equipment, or if we need to help them to get involved in the industry in a different way with producer organisations, marketing organisations, and so on. That is so as to get the best value out of the fish. Then, relatively small amounts of money will be used for cross-cutting instruments—not just for fisheries, but for integrated maritime policy. That would be stuff like maritime surveillance—that is, coastguards—or maritime spatial planning, or anything that may need to be done to boost new initiatives there. However, generally speaking, the headline message is that this is more or less a fish fund, but for fish in the widest sense. The main financing instruments for the maritime area will be the regional cohesion policy and the research policy instrument. So, these will all be cross-connected, and the word ‘maritime’ will be explicitly hardwired into the other very big instruments.

[67] **Julie James:** Thank you very much for that. Do Members have any more questions that they would like to ask? I see that there are none. Is there anything that you feel that we have not covered that you would like to tell the committee about?

[68] **Ms Evans:** I have one political message. A lot of what we want to achieve for the common fisheries policy from the Commission seems to me to be very little more than common sense and remedying a past misguided approach to the sector. However, it will take an awful lot of political energy for this reform to be negotiated to a successful outcome. The UK is among the closest supporters generally of the orientation of the reform, and we will need every ounce of political commitment that we can get from the UK—from Scotland, Wales and Northern Ireland—in order to get most of this through. The enthusiasm in some of the other member states is much less than you might believe. I really hope that you will throw all of your political efforts into backing as much as you can of what is on the table right now.

[69] **Julie James:** Thank you very much for that message and for a clear and effective evidence session. I have learnt a lot and I am grateful for that. The committee hopes to go to Brussels towards the end of March—28 or 29 March, I am not quite sure—so I very much hope that we can meet in person at that time. It just remains for me to thank the committee and to close the committee.

*Daeth y cyfarfod i ben am 9.54 a.m.  
The meeting ended at 9.54 a.m.*