

**Dear Commissioner Vella**

Congratulations with the results at the October and December fisheries Council meetings.

President Juncker in his 1st November 2014 Mission Letter to you emphasized the need for “Implementing the recently agreed reform of the Common Fisheries Policy to put the EU firmly on the path of a sustainable fishing sector and fishing communities.” The key element to the new Common Fisheries Policy (CFP) is the reduction of discards and the introduction of full catch accountability.

BalticSea2020 appreciate that the increased TAC’s for a number of stocks reflect that with the CFP reform all catches shall count against quota holdings. However, the Commission has not put forward proposals or guidelines to ensure that all catches in effect will be counted, accurately documented and landed in accordance with the Basic Regulation’s Article 15. Common knowledge and hard data shows that substantial discarding in the form of illegal high-grading has taken place over the years. The extended landing obligation entail that now even less valuable and non-marketable fish must be landed. It goes against sound logic to assume that discarding will now disappear without proper supplementary provisions.

The landing obligation has been in place in the Baltic since 1st January 2015. Already now it is clear that discards above permitted levels have taken place throughout the year. Member States have not established the required documentation of catches and maintenance of prescriptive gear regulations leave fishermen little possibility to avoid unwanted catches.

We fear that neglecting proper catch documentation threatens the realisation of the reform which was broadly supported in Council, the European Parliament and by the public. Furthermore we fear that the uncertainty with regard to policy implementation may severely impede consumer confidence with the industry. More than 900.000 consumers have signed a petition to end the practice of discarding and they expect the political mandate to be transformed into practice.

Given the many uncertainties BalticSea2020 appreciate and support the intermediary decision to go easy on the sanctions with fishermen not complying with the landing obligation. However fishermen’s practices is of no consequence for Member States obligation to count all catches against Member State quotas. The Basic Regulation is clear about this, and the Control

Regulation's Article 105 sets out the necessary tool to ensure a "payback" from Member States' overfishing.

BS2020 note that the signed agreement between EU and Norway on fishing in 2016 is based on discard rates in 2016 "will be zero". We expect that the EU commitment to this international agreement will manifest itself into adequate initiatives to ensure full catch accountability. Furthermore, in context of the IUU policy that the Commission has promoted and sanctioned against non-compliant nations, we suggest that the integrity of the Union may suffer if the Commission fails to ensure order in our own house.

BS2020 ask the Commission to guide Member States with regard to their obligation to document all catches and to ensure adequate quota reservations in situations where accurate documentation is not possible in the short term. BS2020 in June 2015 forwarded a note to this end to EFCA. We will follow the Commission's action in relation to the overfishing in the Eastern Baltic that is likely to be presented in the ICES advisory report in May 2016.

Full catch accountability is the centerpiece of the reformed CFP. Without it the MSY principle cannot work, negative externalities from overfishing will hit the small scale fleets, results based management cannot take place and the market will suffer. BS2020 attaches great importance to this part of the reform being given full political attention and we will share our concern with all responsible parties including the European Parliament, The European Court of Auditors and Member States. Regulatory inertia, in breach of the letter and spirit of the CFP, by Member States and the Commission, can not be a justification to derail the implementation of the CFP.

Sincerely yours



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## ANNEX

This P.M was sent to EFCA 16<sup>th</sup> June 2015 in preparation of the EFCA control seminar in Denmark 24<sup>th</sup> June 2015

## MAKING FULL CATCH ACCOUNTABILITY WORK

### RATIONALE

Counting all catches against TAC/quotas must take place according to article 15 (Basic Regulation). The provision applies for the Baltic from 1<sup>st</sup> January 2015. Discards were substantial in 2014 (25% Eastern cod). Unaccounted discards may have continued in 2015 and with reduced quotas and the no-sanctioning decision are likely to take place in 2016. It is necessary to establish full catch accountability from 1<sup>st</sup> January 2016 for three reasons:

#### Member State responsibility

Even if fishermen are not sanctioned Member States have a clear obligation to account for all catches. The Control Reg. art 33 states: *"All catches shall be charged against the quotas applicable to the Member State"*. The Commissioner underlined 10<sup>th</sup> March 2015 in his answer to EP question 00088, that *"If a Member State does not regularly submit to the Commission the aggregated catch reports or if the Commission finds that the quota available to this Member State has been exhausted, the fishing activities for the stocks concerned are prohibited. If a Member State has exceeded the allocated quota, the Commission can make deductions from future quotas in accordance with the rules of the Control Regulation"*.

To the extent unaccounted catches have taken place under the new policy in 2015 the Commission in 2016 will be obliged to establish the level of such catches and the Member States responsible for this must be sanctioned in order to safeguard the main feature of the reformed CFP and to secure the principle of level playing field.

#### TAC levels

Even if the Basic Regulation's MSY provision leaves little room for alternative choices it is an option for the council of ministers to apply alternative ICES reference point and set a TAC at a higher level than advised. This may, as in the Baltic be relevant in order to accommodate industry adaptation or reduce the incentive to discard. Such a decision however may impede stock rebuilding if unaccounted catches occur. Thus accurate accounting is necessary.

### Results based management

A movement towards “free choice of gear” as presently considered is only possible if the primary management objective: The outtake from the stock is accurately accounted for. STECF in April 2015 concluded: *“While EWG 15-01 consider that the use of outcome based setting of management measures through results based management (RBM) provides many benefits in comparison to the existing prescriptive based approach (e.g. less complex legislation; harnessing the skills of fishermen to develop solutions suiting their business models), the success of such an approach is heavily predicated on compliance with catch documentation requirements. The application of a full RBM approach requires full confidence in the ability of management systems to adequately quantify catch.”*

## **STRATEGIC APPROACH**

### **Improve present control**

I exclude the pre reform approach to fisheries control, as a means to ensure catch accounting and the landing obligation (LO). Catch accounting and the LO has been the case for fish above the minimum landing size since 2002. Still large amounts of marketable fish have been discarded (highgraded), and no single case has to my best knowledge been sanctioned. The LO entail, that non-marketable fish must also be landed. This hardly increases the incentive to oblige. The reduction of the minimum conservation size (mrcs) is expected to have a positive effect. However ICES estimated discards in the Eastern Baltic for 2014 to 25 %. This stands in opposition to the BALTFISH position that *“current measures in place in the Baltic Sea appears to be sufficient to control total outtake and fishing mortality in the Baltic Sea”* (based on STECF 2012).

Conclusion: control of the LO require a sea going inspection beyond whats possible.

### **Ensure MS responsibility**

The Control Regulation clearly establishes MS responsibility to ensure an accurate accounting of the MS catch quotas. This principle must prevail even as the LO introduce a new problem in relation to counting catches that may escape direct inspection. The problem can be handled in a two-choice model:

#### Full Documentation (FD)

By establishing FD in terms of remote electronic systems such as CCTV, sensor systems etc. and ensure the fisher’s interest in the well functioning of the system it is possible to obtain a very reliable accounting of catches (numerous reports on functionality can be found). FD may be used on a voluntary basis - as is the case to-day where about 40 % of cod catches in the North Sea are taken under fully documented fisheries.

Full and direct documentation can also be obtained by full observer coverage.

Full documentation entail that all catches may be considered accounted for.

#### Enhanced Statistical Catch Documentation (ESCD)

ESCD entails that the reliability of the catch registration is assessed indirectly through data on catch methods and patterns, comparison with reference fleets, observers and other. ESCD entails that the amount of unaccounted catches is assessed for the relevant fisheries segments chosen by the Member State. The degree of fine tuning of the segments and of applying the assessment methods will determine the precision of the assessment, hence the quota deduction needed to take account of uncertainties and unaccounted catches.

The modalities of the approach are numerous.

The Member State may use and combine FD and ESCD as it wishes. If it chooses not to use these methods it may fish on a basic quota, and a supplementary quota will not be set free. If the MS choose to use CCTV it has to show that the surveillance of the system is sufficient in order to set free the full supplementary quota. If the MS uses ESCD a portion of the supplementary quota may be set free, the calculation of this is based on a processing of relevant data in an algorithm that establishes the likely amount of unaccounted catches. This amount cannot be set free.

This approach delivers an incentive to MS and to fishermen to develop more selective fishing and to improve monitoring and documentation of catches and it ensures a level playing field.

The setting free of the supplementary quota should be based on the Commission's approval of an MS plan.

## TACTICAL IMPLEMENTATION

The above model can be implemented in the Baltic TAC/quota regulation as follows:

### COUNCIL REGULATION No /2015 fixing for 2016 the fishing opportunities in the Baltic Sea

Cod		25-32
MS 1	x tonnes <sup>1</sup>	<sup>3</sup> Of this amount a basic quota of 29.220 tonnes may be fished from 1 <sup>st</sup> January 2016 and the residual 7.000 tonnes may be fished following the Commission's approval of a management plan that ensures full catch accountability within a margin of uncertainty of 5%
MS 2	x tonnes <sup>2</sup>	
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Union	36.220 tonnes <sup>3</sup>	

(Note 29.220 tonnes is ICES's advice. However if discards can be contained the argument is that the safety buffers may be removed and the figure set at 36.525 tonnes). This paradigm is quite similar to the one for fully documented fisheries.

It is suggested that work be done to develop proper algorithms that may be used to assess the amount of unaccounted catches from vessels without full documentation.

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