

5th Baltic Sea Fisheries Forum

The need for fleet restrictions in a modern fisheries management system

12th April 2023, 10:00 – 17:00

Tallinn, Estonia

Hybrid meeting¹

Report by secretariat (online) and Chair of the ExCom, Jarek Zieliński (in person)

Welcome address

The Vice Chancellor, Ministry of Rural Affairs of Estonia welcomed all participants in the room and online. He underlined that the Baltic Sea Fisheries Forum is one of the important events for the fisheries sector. Some important topics had been identified for the meeting, such as fleet management. He drew attention to the economic and social aspects related to fleet management. He mentioned the policy package published by the European Commission, which refers to the fleet management under the CFP and more specifically to the energy transition of the EU fisheries. The fishing fleet should go hand in hand with new energy solutions.

How the economic viability of the fishing fleet depends on the rules?

Ain Soome, Head of the Fisheries Department of the Ministry of Rural Affairs of the Republic of Estonia stated that the fishing quota should be matched with the capacity of the fleet and with the available resources, in order to get the balance between the needs and the availability. He referred to the CFP, established in 1983. In the 1980ies, structural policy was the basis for the fisheries policy. The fishing fleet had been increased with different supports/funding and did not match the existing fishing opportunities.

The European Commission's view on the management of the fishing fleet under the Common Fisheries Policy. Antonios Stamoulis Directorate General for Maritime Affairs and Fisheries at European Commission, Policy Officer presented a summary of the EU fishing fleet policy. The EU fishing fleets are very diverse in terms of gear and size. Vessels range from under 6 metres to over 75 metres. He stated that the CFP has various management tools to prevent overcapacity, such as capacity ceilings at the level of each Member State, entry/exit schemes, fleet management requirements at segment level, permanent elimination of the capacity entitlements related to vessels decommissioned with public aid. He referred to the Basic Regulation, Article 22 on management and adjustment of fleet capacity, requiring the member States to implement measures to adjust the fishing capacity of their fleet to their fishing opportunities, in order to achieve a stable balance

¹ Recording available under the link used for the meeting [Maaeluministeerium, kalanduse teabekeskus: Läänemere V kalandusfoorum "Kalalaevastiku piiramise vajadus kaasaegses kalapüügikorralduses" 12. aprillil Tallinnas \(kalateave.ee\)](#)

between environmental and economic sustainability in the long-term. He also referred to the Commission guidelines² for the analysis of the balance between the fishing capacity and the fishing opportunities. The situation is not optimal if there is lack of balance. The guidelines set out three sets of indicators for the assessment of balance: biological, economic and technical. The STECF makes the assessment of the balance indicators for key fleet segments and review of national reports on Member States efforts to achieve balance between fleet capacity and fishing opportunities³. For each Member State, country chapters are provided and include: (1) an overview of whether, according to the Commission Guidelines, fleet segments can be considered in or out of balance with their fishing opportunities; (2) an assessment on whether the Member State fleet report provides a sound and comprehensive analysis of balance between fleet capacity and fishing opportunity; (3) a comparison of the indicator values, trends and assessment of balance by fleet segment found in the fleet reports with those calculated by the EWG, highlighting any discrepancies and, where possible, identifying the reasons for such discrepancies and (4) an assessment on whether the measures in the new or revised action plans are appropriately targeted, timebound and likely to contribute to redressing the imbalance in the fleet segments concerned. The report also lists the fleet segments that were indicated to be out of balance with their fishing opportunities, together with the fish stocks and fishing areas on which they rely. He mentioned the EU Fleet Register is a database where all the fishing vessels flying the flag of an EU country have to be registered. The main objective of the Fleet Register is to enable any EU fishing vessel with key characteristics to be identified, with the aim of monitoring the implementation of capacity management countries. During his presentation, he stated that the fleet renewal and modernisation is a challenge for the future of the sector.

On the inadvisability of capital restrictions under individual quota regimes

Ragnar Árnason, Professor emeritus Department of Economics University of Iceland

referred to the fact that the ITQ system had been formally established in Iceland as the permanent cornerstone of Icelandic fisheries management. Its coverage was greatly increased, and its legal and property rights attributes were clarified and strengthened. Thus, in spite of the small vessel exemption (abolished in 2004), from 1991 onwards a high quality ITQ system may be said to have applied in the Icelandic fisheries. Under the ITQ system, the basic property right held by individuals is a right to harvest. These harvesting rights are defined as shares in the total allowable catch (TAC). The TAC is set by the fisheries authorities or the fishermen themselves for each fishing season. Once the TAC has been set, the harvesting shares, or quota shares as they are often called, define the annual quota, i.e., the amount of harvest each fisher may take during fishing season. In a well-designed ITQ system, both quota shares and annual quotas are perfectly divisible and tradable. To deal with the fisheries problems, in the past the governments resorted to various ill-advised methods including capital controls (vessel length, tonnage, power, number). These methods

² COM(2014)545 FINAL

³ [JRC Publications Repository - Scientific, Technical and Economic Committee for Fisheries \(STECF\) – Assessment of balance indicators for key fleet segments and review of national reports on Member States efforts to achieve balance between fleet capacity and fishing opportunities \(STECF-21-16\) \(europa.eu\)](#)

were ineffective in restoring net economic surplus from fisheries and had a long term negative effect by distorting the capital structure of the fishing industry. ITQs are examples of property rights for fishers, expressed in volume of extractions. If correctly administered and sufficiently enforced, ITQs work well and can provide appropriate stock management. ITQs have become widely used in the world and are currently employed by 30 nations, accounting for close to 30% of global marine catch. Under appropriately operated ITQs, fishers/fishing companies will invest in the socially optimal fishing capital. Capacity ceilings are redundant or even harmful. In conclusion he stated that under a reasonable ITQ management regime, fishing capital restrictions are at best unnecessary and most likely harmful. Even under weak management, capital constraints are probably worse than nothing except when stock collapse threatens. In that case, however, effort restrictions are probably preferable to capital restrictions.⁴

What is the nature of the Common Fisheries Policy? And how to unfold it?
Mogens Schou, Master in economics and Master in organisations and sociology, Denmark

He referred to the fact that the CFP is not working well enough. In his view, the fisheries policy should be simplified. It should assess how much to fish with best available science, and all catches should be counted within TACs. Management should be left to fishers. The CFP dilemma: quota are not controlled, and that invites fishers to discard. The reform of the CFP in 2013 continued with TACs and quota. But still the TACs are not controlled enough, even more from 2019. CFP 1983-2013 Legal framework was established and only landed fish counted against quota. TAC was reduced to take account of discarding. There was an obligation to discard juveniles. An incentive to high-grade was created. Discarding is counteracted with massive regulation and control. Result: poor stock utilisation, adverse incentives, extensive discarding and poor economy. The CFP reform took place in 2013, and was gradually implemented until 2019. It included a change from landing system to catch quota system. There were still no incentives to document catches. The regulations on gear and capacity continued. But despite the reform, incentives to discard persist. He underlined that there is a need for full accountability in fisheries and at the same time full freedom for fishers to decide how to fish. A free-enterprise approach should be applied. This free-enterprise model applies only to fully documented fisheries (with CCTV). This would result in increased fishing possibilities and technical rules related to selectivity could be removed, as well as capacity ceilings. The bans to sell undersized fish for consumption could also be removed. Exemptions could be simplified (e.g. with relation to high survival rates). He referred to a number of reports on fully documented fisheries. It is important to have flexible quota allocation system, enabling transfers, to match catches with quota. The Commission is too passive, it should not be scared with the Council. Trials with fully documented fisheries had been done. And should be continued. The Commission is the guardian of the Treaty and

⁴ [03 Ragnar Arnason Presentation \(final\)_9be7529d7wu173.pdf \(amazonaws.com\)](#)

the CFP is part of the Treaty. The Commission should assess the benefits for fishers that have fully documented catches.⁵

Using market-based management systems to balance the fleet: the Swedish example, Anton Paulrud Swedish Pelagic Federation

He stated that there are two different management schemes applied in Sweden, for large vessels and small vessels (below 12 m). He underlined that small scale fishery has very restricted fishing opportunities and at present only targets herring and flounder. Other fishing opportunities have disappeared due to various factors, among others overfertilisation, pollution, seals and cormorants. Herring is low priced. Coastal fishing opportunities must be restored by decreasing populations of seals and cormorants and by prolonging the fishing season. Summer closure affects fisheries and the processing industry. The Swedish pelagic fisheries are faced with several challenges such as warming of water, especially in coastal areas, resulting in low catches, lack of confidence in ICES advice, request for increased Swedish landings, the dioxin problem, and lack of harbours for large vessels in Sweden. RBM can be a good solution to balance the fleet and make it more adaptive, but there is no need for RBM for small vessels. In general, fishers are of the opinion that CCTVs cannot always be effective to monitor very large pelagic catches.

Conclusions from the Chair:

Discussion during the Forum may be concluded that the sector, but also some Baltic Member States are interested in providing changes to the CFP, with regards to the capacity ceilings, especially for the small scale fishing fleet, and also with regards to modernization of the bigger size vessels. For the sake of safety, social conditions, efficiency and modernization of the restructured fleet.

This discussion should be followed by the BSAC, with special attention to the small scale coastal fishery segment and on other side on the Baltic pelagic sector.

Seeing the engagement of the MS in the discussion this might be, in time, the subject of the discussion with the Baltfish forum.

The sector presented also positive results of introduction of the ITQ based quota managements system, followed by the reduction of the fleet.

Director Charlina Vitcheva did not attend this meeting. The EC was represented by the one of the Political Advisors.

He declared that at this point the EC does not plan to change the CFP but is open to listen to all parties and to discuss future.

Presentations from the Forum will be available soon.

https://www.kalateave.ee/et/component/events/?view=event&event_id=1695

⁵ [04 Mogens Schou 12.04.2023 Estonia_b887286a1wu173.pdf \(amazonaws.com\)](#) additional information from Mogens Schou on fisheries management [A New EU Fisheries Policy - Mogens Schou on Fisheries Management \(weebly.com\)](#)

Important part of this trip to Tallin, was to **talk to Member States administration** about involving them more in active cooperation between Baltifish Forum, and the BSAC, especially with regards to the Action Plan package, and recommendations requested by the EC from the BSAC. Also, to invite Member States to assist in organization of the BSAC workshop on predators. This was done.

It was also opportunity to discuss with **Polish administration on the future cooperation during coming Polish presidency of the BALTIFISH.**

Special attention was put on **meeting and exchange of views about the BSAC with Estonian Members**, in the context of the past 11 months with new Secretary and Chair.

Important part of this discussion was about the conclusions of the BSAC Evaluation report, implementing them, and about future of the BSAC.

The aim of this discussion was to hear opinion, comments and concerns of the BSAC member, to improve this organization and to make these Members more active and more involved in the BSAC activities.

This was the first of next meeting planned to meet and to hear from all ExCom Members, both sector and OIG. This is the direct implementation of the one of the major conclusions from the BSAC evaluation, to improve the BSAC and to get members more active and devoted to the work of the BSAC and to seeking the compromise.

Meetings are planned to take place in their venues in time agreed mutually, in the environment allowing open exchange of views and discussion.