

EVOLUTION OF THE EU FISHERIES SUBSIDY REGIME

Drivers and Approaches

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IEEP

**Independent, non-profit institute, dedicated to
the analysis, understanding and development of
policies appropriate for a sustainable
Environment in Europe**

Not part of the EU or National institutions

Independent and client based work programme



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Why Fisheries Subsidies?

- Reduce costs of fishing or raise incomes, increasing effort and/or capacity
- Over capacity key driver in over fishing
- Decline in key fish stocks & industry
- Significant environmental impact



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Structure & Evolution

- EU framework Regulation (FIFG & EFF)
- Member State Implementation
- Positive evolution
 - 1999 environmental provisions & links to capacity management
 - 2002 construction subsidies phase out
 - 2006 transitional measures, calls for construction



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Role of

- Integrated assessments
- Whole of government decision making
- Stakeholder involvement



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by providing a careful and comprehensive analysis of likely social, economic and environmental impacts, both direct and indirect, [Impact Assessments] contribute to meeting the specific commitments of the ... Sustainable Development Strategies.

European Commission, 2005

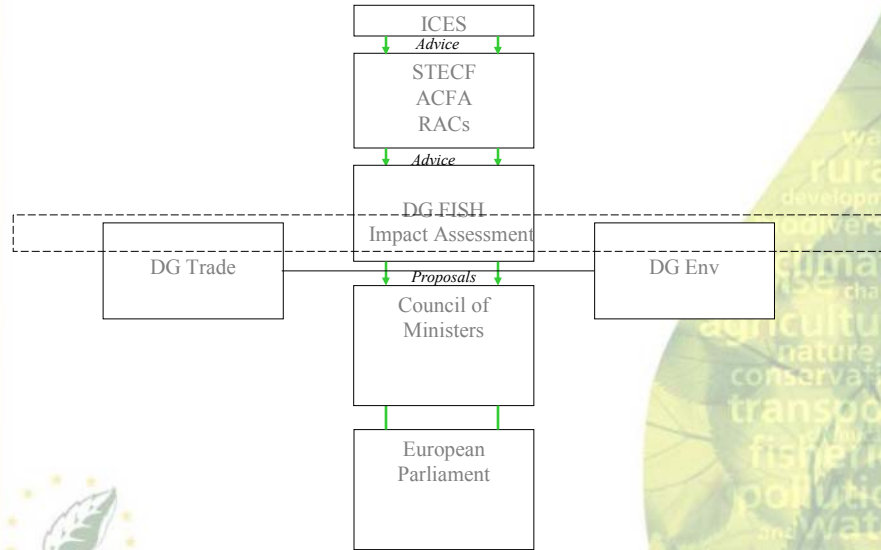
Thanks to WWF's 2002 Stop Overfishing Campaign, the EU has stopped providing subsidies for building new boats.

WWF, 2006



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CFP processes & Impact Assessments



EFF Impact Assessment

- **First subsidy ‘integrated assessment’**
- **Lacking quality & process**
- **Too late in policy cycle - used to justify rather than develop EFF**
- **Undermined by political decision making process**

Undermining IA Context

- Subsidy regime taken as a given
- Political pressure on reintroducing capacity enhancing subsidies with enlargement
- Weak political case for IAs at the time
- Commission in the learning phase
- Nonetheless, still valued



Future (supporting?) IA Context

- Greater questioning of subsidy regime with poor take up
 - Political stability
 - More established IA system – stronger political case
 - Capacity & experience in developing IAs
-
- Value is context specific
 - Wider drive to undertake IAs important
 - Broader institutional buy-in essential



Whole of Government Decision Making

- College of Commissioners represents whole of government decision making
- Requires > 1 Commissioner to be affected → flexibility
- Influence diminishes with lengthy Council negotiations eg EFF
- Extent within Council varies greatly
- → whole of government *proposal* making
- DG Trade driven subsidy position



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Stakeholder Involvement

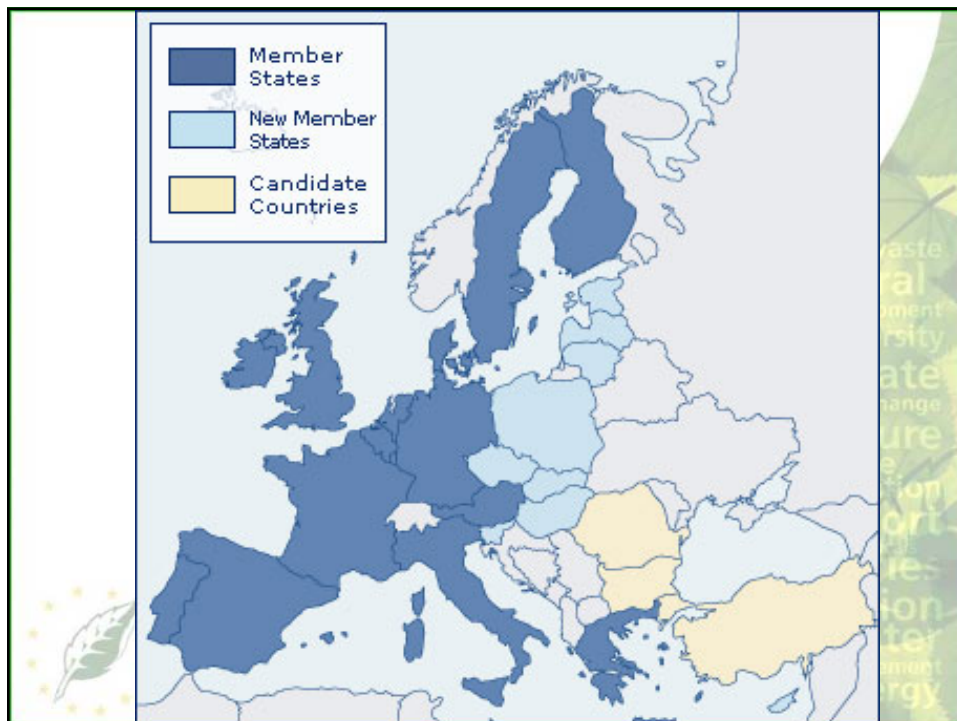
- Industry & NGO participation increased
- Industry better placed, NGOs struggle most
- Degree of influence questionable, but largely welcome
 - NGOs support reform agenda
 - Generates understanding & acceptance from industry
- Good practice & increases legitimacy



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Political & Economic Context

- **Political leadership key (but not sufficient alone)**
 - sets the tone of industry positions
 - level playing field the priority
- **2002 reform part of wider reform package**
- **Stock decline & oil price rise → declining incomes**
- **2004 EU Enlargement**



Conclusions

- Support for evidence based policies → role of IAs, OECD, NGOs to overcome tuulastaa
- Established system makes reform difficult
- Leadership follows stark messages – crisis necessary?
- Multi-lateral approach important: even reformers sensitive to un-level playing field
- Quality & roles of IAs in other EU subsidy reform?
- What factors support whole of government decision making at EU & MS level?



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