

Case Study: The Fisheries Partnership Agreements

By Alan Hudson

“The EU will continue to pay particular attention to the development objectives of the countries with which the Community has or will agree fisheries agreements.”¹

1. Introduction

The EU has, for more than twenty years, entered into agreements with developing countries to gain access to their coastal fishing waters in return for financial compensation. In principle, the EU will fish only where there is a surplus stock which the local fleet does not have the capacity to catch. In practice – because of the difficulties of accurately estimating stock levels, and because short-term economic interests have taken priority over sustainable development – it seems likely that the EU fleet has fished beyond sustainable levels. Eighty percent of the economic benefits of the EU’s external fishing agreements go to the Spanish fleet, with Portugal, France, Italy, the Netherlands, Greece, Poland and Lithuania also benefiting. By paying financial compensation to third countries, the EU in effect subsidises its Member States’ fleets.

In July 2004, the Agriculture and Fisheries Council agreed to the Commission’s proposal for an integrated framework for Fisheries Partnership Agreements (FPAs) with third countries.² Such agreements are an external dimension of the EU’s Common Fisheries Policy. The integrated framework is intended to provide the basis for FPAs which, by prioritising sustainable development, will meet the needs of the EU fishing fleet, and the needs of fisheries sectors in developing countries. In contrast to earlier agreements, a portion – between 20 and 40% – of the financial transfer should be for targeted measures to help develop the local fisheries sector. Thus far, no FPAs have been ratified; Morocco’s is closest to ratification. All third country agreements which include financial compensation are due to be replaced by FPAs by 2008.

2. Implications for development

The EU’s fisheries policy has major implications for developing countries. Of the EU’s twenty fisheries agreements with third countries, eighteen are with ACP states. For many of these states, the financial rewards they receive from granting access to the EU fleet are substantial; in total, annual payments have amounted to Euros 150 million. For some developing countries, such payments can be a significant source of revenue. But the importance of fisheries extends beyond the payments received for access; in terms of people’s livelihoods, their diets, and in terms of government revenues. For instance, in Senegal, around 15% of the economically active population derived their livelihoods from fisheries, with fish providing 75% of the animal protein in the population’s diet, and up to 50% of export earnings come from fish products.³

If the sustainability of fisheries in developing countries is undermined, there will be high developmental costs and eventually a loss of the revenue from fisheries agreements. Therefore, if the EU is serious about promoting development in its partner countries, then it must ensure

¹ European Consensus on Development, December 2005, para 36 – 14820/05.

² Council conclusions on fisheries partnership agreements with third countries, 19 July 2004.

³ Source: Coalition for Fair Fisheries Agreements – cited in DFID’s “Developments: The international development magazine”

coherence between the two objectives of its external fisheries agreements: promoting the interests of its distant-water fishing fleet; and ensuring the sustainable development of third country fisheries. The concept of Fisheries Partnership Agreements goes some way in recognising that sustainable development is crucial, but it remains to be seen how they will work out in practice.

3. EU (Council) players, processes and development inputs

In 2000, the Commission submitted a Communication to the Council and the European Parliament on fisheries and poverty reduction, emphasising the need for coherence between the EU's policies on development and on fisheries.⁴ This was followed by a Council Resolution on fisheries and poverty reduction in 2001, and then – after the revision of the Common Fisheries Policy – a Communication from the Commission on an Integrated Framework for Fisheries Partnership Agreements with Third Countries, in December 2002.⁵ The Council conclusions on fisheries partnership agreements were produced in July 2004, after 18 months of negotiations, a period of time which illustrates the complexity of the issues and the diversity of EU Member States' views. By July 2004, near-consensus had been reached, but Coreper was invited to consider proposed amendments from Sweden and Germany, relating in particular to making the results of impact assessments available to Member States in good time.

The Council Conclusions of 2004 provide the Commission with the framework to negotiate specific FPAs with third countries. A mandate is also required from the Council for each specific agreement. With fisheries an area of Community competence, the Commission is very much in the lead. It is the hub of negotiations, with other institutions – including Council Working Groups – reportedly reduced to the role of pleading with the Commission to take certain issues forward. Within the Commission, DG Fisheries is very much in the lead, with DG Development consulted as regards implementation and monitoring, but somewhat marginalised and lacking the resources to be a champion for development issue as regards fisheries policy. Development, it would seem, is not the motivation for FPAs; their purpose is to promote the interests of EU fishing fleets.

The Working Party on External Fisheries Policy is the key Council Working Party on FPAs. It meets twice a month, and is made up of staff from Member States' Permanent Representations and experts from capitals. Discussions on fisheries at the Working Party on Development Cooperation are reported to be extremely rare, a situation which is explained by a clear – perhaps too clear – division of labour between the fisheries and development Working Parties. And, there have been very few development inputs into the Working Party on External Fisheries Policy. Indeed, there seems to be little opportunity for development interests to feed into Council discussions of FPAs.

In September 2003, the Committee on Fisheries of the European Parliament produced, on its own initiative, a report on the FPAs proposal, with the Committee on Development Cooperation also offering its opinion.⁶ The former gave more emphasis to the interests of the EU fishing fleet, the latter more emphasis to sustainable development issues. The net effect of these opinions on the approach to FPAs taken by the Commission appears to have been negligible.

During negotiations with third countries, the Commission and Member States hold official Council Working Group Meetings in the margins, in which the Commission informs Member

⁴ Communication from the Commission to the Council and the European Parliament on Fisheries and Poverty Reduction, 8 November 2000, COM (2000) 724-final

⁵ Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries, 23 December 2002, COM (2002) 637-final

⁶ Report on the Commission communication on an integrated framework for fisheries partnership agreements with third countries, 11 September 2003 – A5/0303/2003.

States of progress. Member States with strong interests in promoting the interests of their fishing fleets send their representatives to promote their national interests. In recent years, other countries including Germany, the Netherlands, Sweden, and the UK have also sent representatives to promote development interests.

Once negotiations are concluded, the Commission will initial the agreement which then has to be ratified by the third country and by the European Community under Art. 37 and hence Qualified Majority Voting. Parliament can give its opinion under the consultation procedure. The Council has not blocked a fisheries agreement; this reflects both the fact that the Commission works closely to the Council's mandate, and the fact that no Member State has felt it appropriate to block – on the grounds of development concerns – the progress of an agreement in the Agriculture and Fisheries Council.

The ACP states are of course part of the FPA negotiations. But, there are serious question marks about the capacity of many individual ACP states to defend their interests in negotiations with the European Union. The FPAs may be a step towards a partnership, but – with DG Development marginalised, and impact assessments not widely available – the process is currently much more of a commercial negotiation than a dialogue on sustainable development. Indeed, some developing countries remain to be convinced of the value of the new FPA approach, and would prefer to retain control over what is done with the financial compensation received rather than have to spend it on issues indicated by the EU. There is some discussion of fisheries issues at EU-ACP Joint Parliamentary Assembly, but little leverage over policy or particular negotiations.

An important innovation of the FPAs is the importance they place on scientific evidence of fisheries stocks, and of ex ante and ex post impact assessments. Impact assessments in this area do not have a good reputation, but if they are taken seriously, and made available to all parties in a timely manner, they may provide a better basis for concluding sustainable fisheries agreements.

4. Lessons for policy coherence for development

The evolution of the integrated framework for FPAs with third countries, and the negotiation of specific FPAs holds a number of lessons in terms of policy coherence for development:

- In an area of Commission competence, where DG Fisheries is in the lead, and where Council considerations are focused on fish rather than development, there is little formal opportunity for development inputs to be made in the Council's institutions. There may be value in institutional arrangements which require consultation with CODEV on an issue such as third-party fisheries agreements, which has important development implications.
- In the absence of effective entry points for development inputs within Council processes, coherence at Member State level is especially important. Within Member States, while policy coherence for development will only be attained once non-development ministries take account of development issues, development ministries will have to take the lead in making the case that fisheries policies have important development implications.
- Coherence at Commission level is equally crucial. DG Development ought to be involved in the design of any proposal, and the negotiation of any partnership, which has development implications. And the Development Cooperation Working Party should be kept informed by the Commission when partnership negotiations are planned.
- Reliable scientific data and timely, widely available impact assessments are essential to the formulation of policies which are coherent and supportive of development objectives.

For policy proposals with development dimensions, independent assessments of the likely development impacts should be required.

- Delivering and implementing real policy coherence for development requires that developing countries are on board and that policies of partnership with the EU are an integral part of developing countries' strategies and plans. Attaining policy coherence for development in terms of EU policies is necessary but not sufficient.
- Policy coherence for development in bilateral relationships depends too on the activities of other countries. For instance, a fisheries agreement which appears sustainable would be rendered ineffective were the developing country to have entered into agreements with other fishing countries and failed to take this into account in its assessment of biological stocks.