
*IMPACT OF THE NEW CFP
IN THE MEDITERRANEAN:
THE ROLE OF RBM*

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WHAT'S NEW (1)

- GENERAL AND SPECIFIC OBJECTIVES:
NOTHING REALLY NEW. USUAL
CONTRADICTIONARY SPECIFIC OBJECTIVES
- PRINCIPLES OF GOOD GOVERNANCE:
CORRECT, BUT EXPERIENCE DOES NOT
SHOW THEY ARE FULLY TAKEN ON
BOARD
- OBLIGATION TO LAND ALL CATCHES BY
2016 (in the Mediterranean)

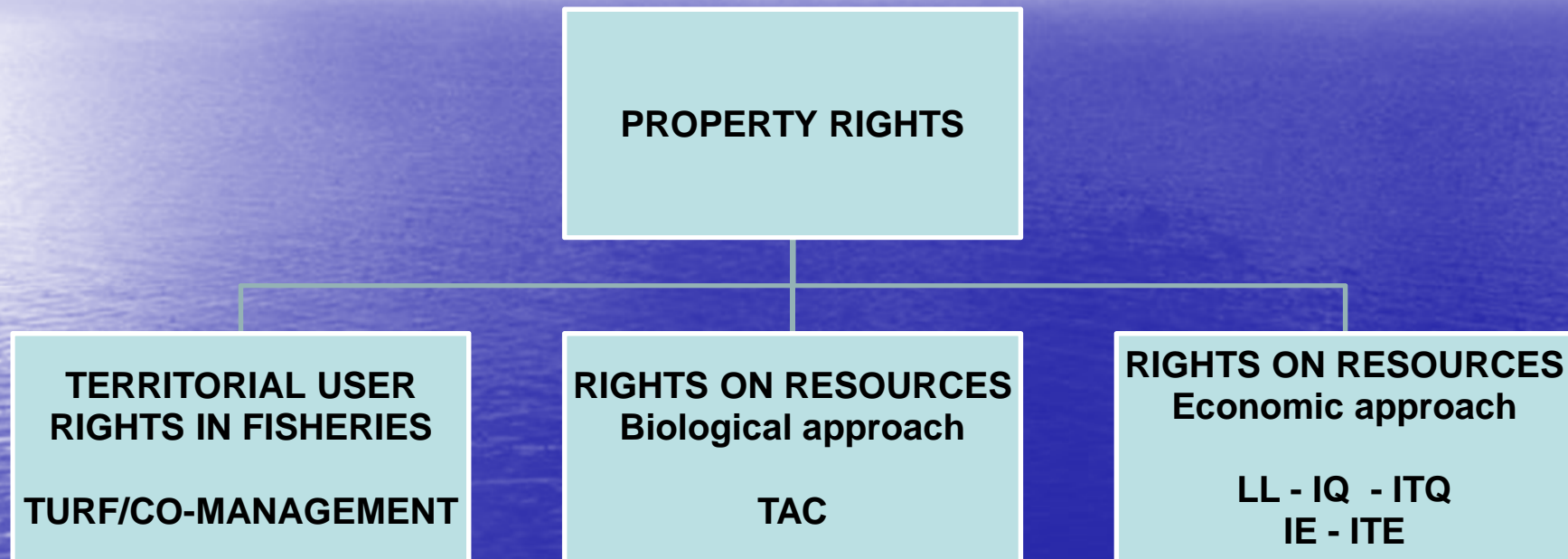
WHAT'S NEW (2)

THE RBM APPROACH

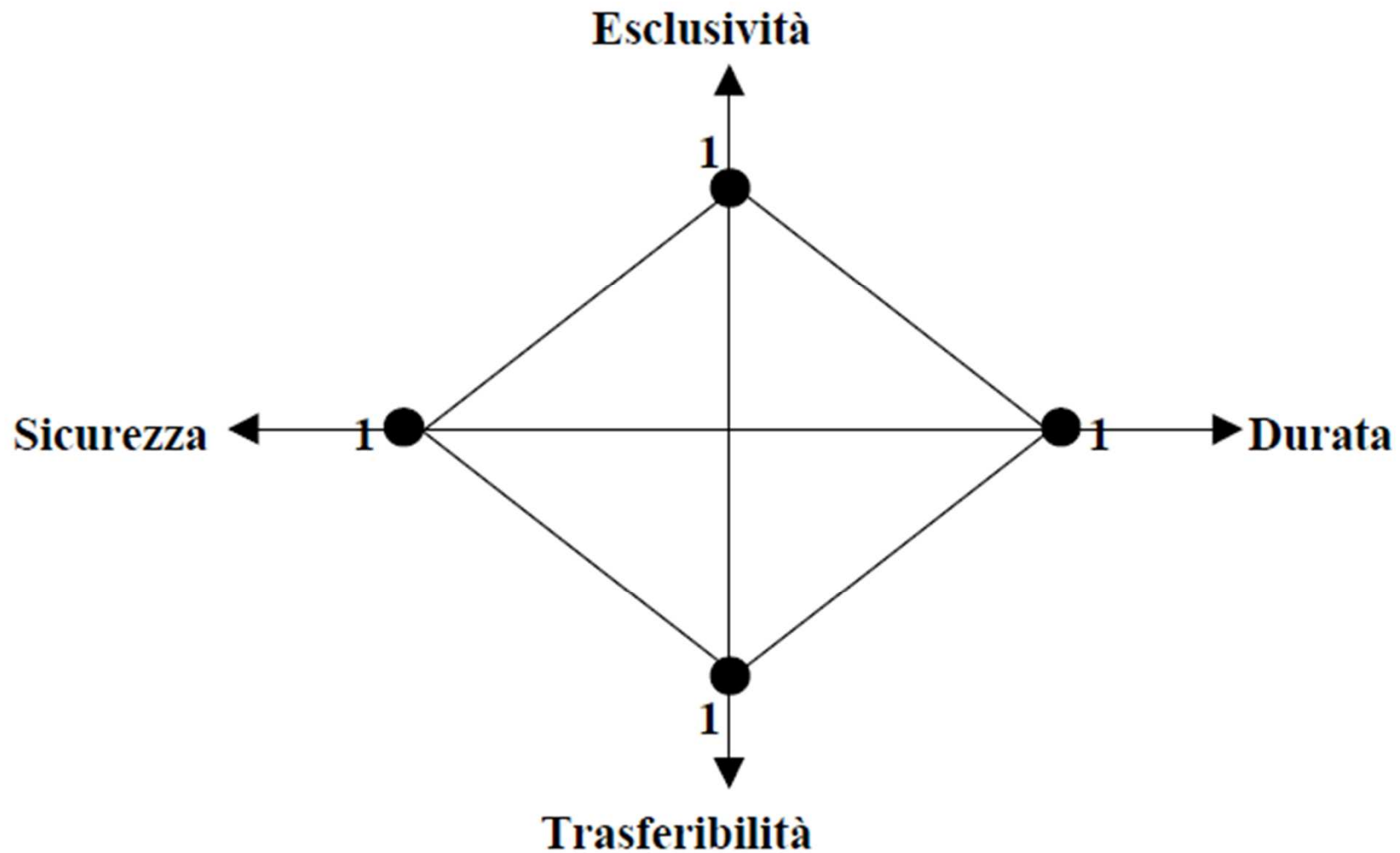
- ESTABLISHMENT OF SYSTEMS OF (TFC) TRANSFERABLE FISHING CONCESSIONS
- ALLOCATION OF TFC
- ALLOCATION OF INDIVIDUAL FISHING OPPORTUNITIES (IFO)

APPARENTLY BY FAR THE MOST INNOVATIVE AND CONTROVERSIAL TOOL INTRODUCED BY THE PROPOSAL

TYPES OF PROPERTY RIGHTS



CARACTERISTICS OF PROPERTY RIGHTS

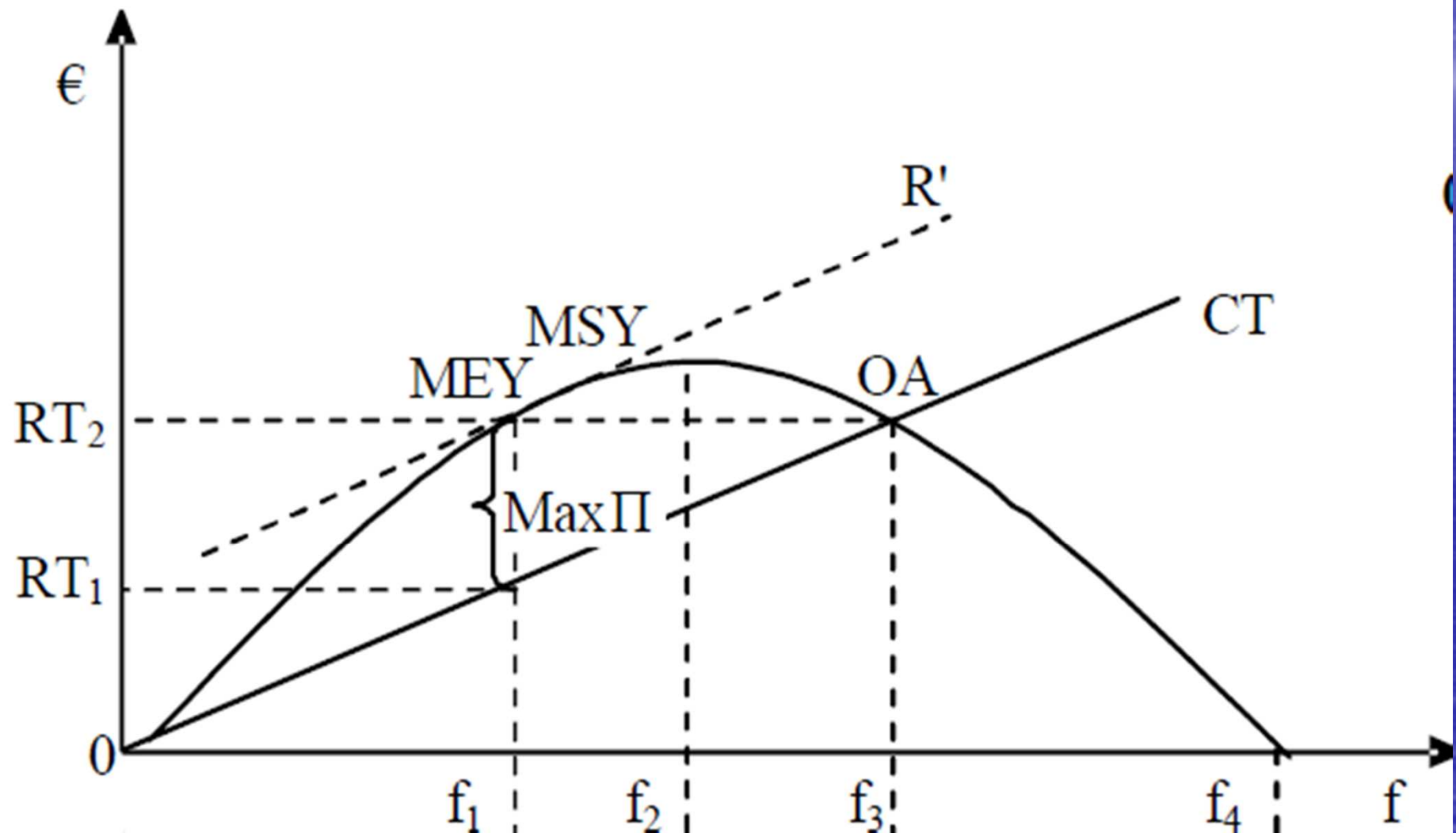


RBM IN THEORY (ITQ – ITE)

ITQ's AND ITE's APPROACH AIMING AT:

- REACH THE MAXIMUM EFFICIENCY OF PRODUCTION FACTORS, (max rent from the fishery or max profit for the vessels)
- STOCK RECOVERY (F_{msy}) OR ($F_{0,1}$)
- CONCENTRATION OF COST AND EARNINGS

THE MODEL RATIONALE



MAIN ECONOMIC FEATURES

- TARGET IS MEY VIA EXCHANGE OF ITQ OR ITE IN ORDER TO REACH MAX PROFIT (OR RENT)
- EXCHANGE IS BASED ON RECIPROCAL CONVENIENCE
- IN CASE OF NO CONVENIENCE THERE IS NO EXCHANGE
- EXCHANGE BRINGS TO COST AND EARNINGS CONCENTRATION

EQUITY VS ECONOMICS

- MAX PROFIT AND CAPITAL RENT ARE ASSOCIATED WITH FISHERY STOCK(S) RECOVERY (MEY)
- HUMAN CAPITAL IS NOT INCLUDED IN THE PICTURE UNLESS A SOCIAL RECOVERY PLAN IS IN PLACE (HAS IT BEEN CHECKED?)
- IN ANY CASE TAXPAYERS WILL BEAR THE COST

RBM IN THE COMMISSION PROPOSAL

- THE PROPOSAL HAS TO CONSIDER ALL RBM APPROACHES AT EU LEVEL
- IN NORTHERN SEAS , TOGETHER WITH OTHER TOOLS, ITQ's AND ITE's ARE IN PLACE AND MANY MS CONSIDER THESE TOOLS AS THE BEST OPTION.
- IN MULTISPECIES, MULTIGEAR FISHERIES, AS THE MEDITERRANEAN, RBM MEANS ITE's

EU/PCP IMPACT ASSESSMENT

- “.... achieving F_{msy} for all stocks is not possible in Mediterranean fisheries as these are multi-species. Indeed, F_{msy} for one stock can be achieved by setting a certain level of fishing effort. However, this level will be higher or lower than the levels corresponding to F_{msy} for other stocks exploited in the same fishery. Therefore, setting a level of fishing effort for one stock would result in situations of over- or under-exploitation for other stocks”

.....AND CONCLUDE

- THE ONLY POSSIBLE APPROACH TO MODIFY FISHING EFFORT AND MEET THE CONSERVATION POLICY OBJECTIVES SEEMS TO BE RELATED TO THE IMPLEMENTATION OF AN ITE SYSTEM...
- (NOT COMPLETELY TRUE SINCE THERE ARE SOME MONOSPECIFIC STOCKS)

CONSEQUENCES IN THE PROPOSAL DEFINITIONS

- ***'Fishing opportunity'*** means a quantified legal entitlement to fish, expressed in terms of catches and/or fishing effort....”
- ***"transferable fishing concessions'*** means revocable user entitlements to a specific part of fishing opportunities....
established in management plans adopted by a MS in accordance with Article 19 of Regulation (EC) No1967/2006”

ITE's PRO's AND CON's

ITE's IS THE FORESEEN SOLUTION. IS IT *THE* SOLUTION TO STOCK RECOVERY PROBLEM?

- MAX DAYS AT SEA IDENTIFICATION, NOT EASY TO DECIDE (LOGBOOK, DCF?)
- CAPITAL STUFFING AND RACE TO FISH: DO THEY STILL REMAIN?
- DO THE FISHING RIGHT MARKET WORKS PROPERLY?

DAS/TAS IDENTIFICATION

CHOICE CAN BE BASED ON:

- LOGBOOKS – ARE THEY AVAILABLE AND RELIABLE? (should be, but...)
- DCF – DATA CAN BE MORE RELIABLE, BUT AGGREGATED BY AREA/ FLEET/ METIER – LAST YEARS FUEL↑AND DAS↓
- BIO-ECONOMIC MODELS ALLOWING FOR EQUILIBRIUM EFFORT AND SUITABLE FORMULA FOR ATTRIBUTING DAS/TAS

CAPITAL STUFFING, RACE TO FISH

- WHEN RESTRICTIONS ARE IMPOSED ON SOME FACTORS, OTHERS WILL BE EXPANDED, AS FAR AS POSSIBLE.
- IF A LIMIT ON TIME IS INTRODUCED, AT LEAST TECHNICAL INNOVATIONS WILL BE STRESSED INCREASING EFFORT. MAX PROFIT FROM EACH UNIT OF TIME
- RIVALRY IS NOT REMOVED = RACE TO FISH STILL CONTINUES FOR EACH UNIT OF TIME: OPPOSITE RESULT

DOES THE FISHING RIGHT MARKET
WORKS PROPERLY?
THE CASE OF A PROFITABLE FISHERY

- VESSEL VALUE DEPEND ON DAS/TAS – SELLING THEM REDUCE ITS VALUE –
- SELLING ALL DAS, THE VESSEL HAS NO VALUE
- OWNERS WILLING TO GET OUT WILL SELL VESSEL WITH DAS/TAS
- WHERE IS THE CHANGE WITH ACTUAL LIMITED LICENCING SYSTEM?

DOES THE FISHING RIGHT MARKET WORKS PROPERLY? THE CASE OF AN UNPROFITABLE FISHERY

- DUE TO THE CRISIS, MANG'T AUTHORITY WILL REDUCE DAS/TAS OPPORTUNITIES PER VESSEL
- LESS EFFICIENT VESSELS MAKE LOSS AND WOULD SELL THEIR PORTUNITIES
- DAS PRICE WILL FALL **IF NO SCRAPPING PREMIUM IS IN PLACE**
- BUYERS CAN AQUIRE DAS AND CONCENTRATE THEIR FTP –
- EQUITY AND SOCIAL DRAWBACKS IF NOT PROPERLY MANAGED

FIRST CONCLUSION

- ITE's DO NOT GUARANTEE ANY POSITIVE IMPACT ON RESOURCES
- CAPITAL STUFFING AND RACE TO FISH INCREASE WITH ITE's
- HIGH RISK IF NOT PROPERLY MANAGED
- DIFFERENT THE CASE OF MONOSPECIFIC FISHERIES

THE COMMISSION'S PROPOSAL: THE TFC

- ***Art.5 "transferable fishing concessions'*** means revocable user entitlements to a specific part of fishing opportunities....
established in M. Plans adopted by a MS in accordance with Article 19 of Reg (EC) 1967/2006"

MOREOVER....

- § 28.2 Each MS shall allocate TFC
For each stock OR GROUP OF STOCKS for which fishing opportunities are allocated
- § 28.3 For the allocation of TFC pertaining to mixed fisheries, MS shall take account of the likely catch composition of vessels participating in the fishery

Art.19 MANAGEMENT PLANS

- TRAWL NETS (>12 mt, fish, crust, mollusc)
- PURSE SEINE (>12 mt pelagic)
- DREDGES (< 12 mt. mollusc)
- SURROUNDING NETS AND SEINES (<12 mt, fish, crust, molluscs,)

MS CAN DECIDE TO DRAW OTHER PLANS

SPECIES COMPOSITION BY DAS

- ITALIAN TRAWLER 12/18 -

Species	GSA 9
HAKE	12,9
RED MULLET	10,1
HORNED OCTOPUS	8,9
SQUILLA MANTIS	5,0
WHITE SHRIMPS	3,6
COMMON SQUIDS	3,4
COMMON OCTOPUS	3,4
NEPROPHS	3,2
SHORTFIN SQUID	2,7
MUSKY OCTOPUS	1,7
ANGLERFISH	1,4
OTHERS	43,8
TOTAL	100,0

WHAT COULD WE EXPECT?

- MS SHALL TAKE ACCOUNT OF THE LIKELY CATCH COMPOSITION (which largely change over time and among fishing areas)
- ALLOCATION OF INDIVIDUAL FISHING OPPORTUNITIES TO TFC HOLDERS IS MS RESPONSIBILITY, AS ESTABLISHED IN MP'S UNDER ART.19 - REG. MED.

A POSSIBLE OUTCOME

TFC IN CASE OF TRAWL NETS CAN ONLY BE ALLOCATED PER GROUP OF STOCKS BASED ON THE MS MANAGEMENT PLAN:
FISH, CRUSTACEAN, MOLLUSCS

IFO WILL BE ALLOCATED IN TERMS OF ITE's (DAS/HOURS) WHICH AFTER ALL IS A PROPERTY RIGHT THE OWNER CAN DECIDE TO SELL (OR NOT TO SELL)

FINAL CONCLUSION

FROM A TECHNICAL POINT OF VIEW:

- THE IMPLEMENTATION OF THE PROPOSAL, AS IT IS NOW, DOES NOT SEEM IMPLYING BIG CHANGES IF PROPERLY DEALT. ITALIAN EXPERIENCE WITH MP's HAS SHOWN THIS IS A REALISTIC OUTCOME
- IT IS EVIDENT THAT IN THE MED THE MOST IMPORTANT INNOVATION IS THE CLEAR INTRODUCTION OF DAS (OR HOURS) IN MP's.
- MOST MP's ALREADY CONSIDER DAS AS A POSITIVE OPTION

FROM A POLITICAL POINT OF VIEW:

- THE PROPOSAL IMPLICITLY ASSUME THERE WILL NOT BE FUNDS LEFT FOR PERMANENT WITHDRAWAL

IN THIS RESPECT THE PROPOSAL IS NOT A SOLUTION FOR THE MEDITERRANEAN. DAS/TAS ARE NOT A SUBSTITUTE FOR SCRAPPING PREMIUMS SINCE THE RIGHTS MARKET WILL NOT BE VERY ACTIVE IN THE FORESEEABLE FUTURE.

A PHASING OUT PERIOD IS NEEDED

- SSF: WHERE HAVE THEY ENDED UP?



**THANK YOU FOR YOUR
ATTENTION**