



# Human Development Report 2005

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## Policy Incoherence: EU Fisheries Policy in Senegal

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# Policy incoherence

## EU fisheries policy in Senegal

*"For us, it has no sense or benefit because the industrial fishing boats don't leave us any chance of survival. They fish right up to the coast without being stopped and the government doesn't have the means to control their activities. If the government would listen to us, we wouldn't sign an agreement with people who catch everything, even the small fish."*

Mario Alberto Da Silva, West African artisanal fisherman<sup>1</sup>

### The fisheries sector is an essential component in Senegal's development

In Senegal, fish provides 75% of local protein needs and fishing plays an important role in the national economy. In 2002 it was estimated that the fishing industry generates about 100,000 direct jobs for Senegalese nationals, of which more than 90% are in small scale (artisanal) fishing. Another 600,000 people (15% of the working Senegalese population) are employed in related industries.<sup>2</sup>

The rising global demand for fish combined with pressures on world supplies means that Senegal's 'blue gold' is an increasingly valuable resource. Since 1986, the sector has outpaced the groundnut and phosphate sectors in terms of exports, providing about one third of the country's foreign exports.<sup>3</sup> In 1999 the earnings from fishery exports was US\$314 million. This was twice the country's debt repayment for that year.<sup>4</sup> Fishing access agreements also contribute significantly to government revenue.<sup>5</sup>

### The Law of the Sea gave Senegal control over its fish resources

The UN Convention on the Law of the Sea (UNCLOS), signed in 1982 and in force in 1994, provides for an Exclusive Economic Zone (EEZ) of 200 nautical miles. This places 95% of the world's fish stocks and 35% of the oceans under the jurisdiction of coastal nations. The enforcement of EEZs meant that the open access previously enjoyed by the long distance fishing fleets of the EU was lost. Subsequently, the EU had to negotiate access through fisheries agreements or through private license and joint venture arrangements.

While the UNCLOS certified Senegalese ownership of their fish resources, article 62 of the UNCLOS recommends that coastal states authorise other states to catch the 'surplus' resources they do not have the means to exploit.<sup>6</sup>

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<sup>1</sup> In WWF, (2004) *WWF's work on fishing access agreements*

[http://www.panda.org/about\\_wwf/what\\_we\\_do/marine/what\\_we\\_do/sustainable\\_fisheries/overfishing/access\\_agreements.cfm](http://www.panda.org/about_wwf/what_we_do/marine/what_we_do/sustainable_fisheries/overfishing/access_agreements.cfm).

<sup>2</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," (New York and Geneva: UNEP, 2002), 1.

<sup>3</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iii.

<sup>4</sup> Nordberg, Espen, (2003) *Fisheries Partnership Agreements - rebranding or a real step towards sustainability?* [http://www.wwf.dk/db/files/parliament\\_magazine\\_june\\_2003\\_fina.pdf](http://www.wwf.dk/db/files/parliament_magazine_june_2003_fina.pdf).

<sup>5</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iii.

<sup>6</sup> Article 62, section 2 reads *'The coastal State shall determine its capacity to harvest the living resources of the exclusive economic zone. Where the coastal State does not have the capacity to harvest the entire allowable catch, it shall, through agreements or other arrangements ... give other States access to the surplus of the allowable catch...'*

[http://www.un.org/Depts/los/convention\\_agreements/texts/unclos/part5.htm](http://www.un.org/Depts/los/convention_agreements/texts/unclos/part5.htm)

## The Senegalese fish sector has become increasingly export-oriented

Since the early 1980s, key drivers of this change have included:

1. The non-reciprocal advantages offered under the **Lomé Conventions** which allowed Senegalese fish products duty free access to the European market. This arrangement made Senegalese fish products more competitive but also left the country dependent on the EU market - the destination for 60% of its fish exports in 2002.<sup>7</sup>

When it entered into full force in April 2003, the **Cotonou** agreement (signed in June 2000) replaced Lomé. Like Lomé, the Cotonou agreement contains market-access provisions based on the non-reciprocal trade preferences extended to the ACP countries.<sup>8</sup> These ACP preferences will continue until the end of 2007. The EU is seeking to replace the current unilateral preferences with new reciprocal arrangements, known as Economic Partnership Agreements (EPAs), that are due to commence in January 2008.<sup>9</sup> However, progress towards these arrangements has been slow.

2. An **export subsidy** of 15%, later raised to 25%, was first applied to canned tuna and later extended to all piscatorial products. While the subsidies were suspended with the 50% **devaluation** of the CFA franc in 1994, the devaluation more than compensated for the subsidy suspension. Devaluation not only encouraged a shift in fishing effort to export-oriented species but also the export of species previously consumed locally.<sup>10</sup>
3. In 1980 Senegal was the first sub Saharan country to negotiate an Extended Fund Facility with the IMF and a **Structural Adjustment Programme** (SAP) with the World Bank.<sup>11</sup> As a part of the SAP government support for the fisheries sector was first reduced and then shifted to export-stimulating mechanisms.<sup>12</sup>
4. The Senegalese government has concluded a number of **fishing access agreements** – principally with the EU.<sup>13</sup> Often, developing country governments are only able to gain revenue from domestic fisheries if their governance infrastructure is well developed. Consequently, Senegal, like many African governments, has tended to prefer short-term financial compensation from fisheries access agreements to a thriving informal domestic sector from which it is difficult to extract revenue.<sup>14,15</sup>

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<sup>7</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iv.

<sup>8</sup> The Cotonou agreement aims to make EU development co-operation more efficient and is built on three inter-related components; political dialogue, trade & investment, and development co-operation. Negotiations for the EPAs were launched in September 2002.

<sup>9</sup> Those countries that have not negotiated an EPA once the Cotonou Agreement is phased out will lose all preferences accorded under Cotonou.

<sup>10</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 20.

<sup>11</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 15.; These two agreements were suspended and cancelled shortly afterwards as the country had failed to meet the performance criteria. Negotiations resumed and the country signed a 3 year Structural Adjustment Facility was signed in 1986. SAPs were signed in 1986, 1987 and 1988. With the SAPs the government gradually withdrew from the fisheries sector and replaced official funding with private funding.

<sup>12</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 16.

<sup>13</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iii.

<sup>14</sup> CTA, "EU Common Fisheries Policy and its implications for EU-ACP relations," *Agritrade - Technical Centre for Agricultural and Rural Cooperation*, 27th July 2004 2004.

<sup>15</sup> NB – whilst it is difficult to extract taxes from an informal fishing sector, a thriving sector does generate many forward and backward linkages beneficial for the local economy. Likewise government

The growth of fish exports has helped to improve Senegal's trade balance<sup>16</sup> and revenue from the fisheries sector has been an important source for debt repayments.<sup>17</sup> However the value of this sector is now being eroded by multilateral trade liberalisation. The 2000 Cotonou agreement<sup>18</sup> will phase out the trade advantages of the ACP countries after 2008.<sup>19</sup> Meanwhile, WTO-led moves to reduce worldwide customs tariffs will increase competition and undermine the relative benefits of Senegal's duty free access to the EU market.<sup>20</sup>

**Trends in export volumes of Senegalese piscatorial products (tonnes)<sup>21</sup>**

| 1980   | 1982   | 1984   | 1986   | 1988    | 1990    | 1992   | 1994   | 1996    | 1998    | 1999    |
|--------|--------|--------|--------|---------|---------|--------|--------|---------|---------|---------|
| 84,036 | 91,742 | 94,102 | 93,975 | 111,125 | 124,673 | 86,111 | 93,674 | 107,080 | 109,448 | 124,338 |

**Fishing access agreements between the EU and Senegal date back to 1979<sup>22</sup>**

The EU has a long history of fishing, strong domestic demand for fish products and a socio-economically important fishing industry.<sup>23</sup> With collapsing fish stocks in EU waters and over-capacity in the EU fishing fleet there has been a great deal of pressure on the European Commission to negotiate access to foreign fishing grounds. In 1979, Senegal was the first country to sign a fisheries access agreement with the EU.<sup>24</sup>

The EU is the world's largest market for fish products and is supplied largely from third-country and international waters. Currently the EU has fisheries access agreements with about 20 countries, most of them in Africa. In 2000, the EU paid a total of €137.45 million under these agreements.<sup>25</sup> In 1999, fishing agreements provided roughly a quarter of the fish consumed in the EU.<sup>26</sup>

revenues may be misused and end up in private bank accounts. An ignorance of the former and a desire for the latter have perhaps played a role in the profusion of fisheries access agreements in ACP countries. It is also more convenient for local governments to collect license fees from Brussels in single lump sum payments instead of separate negotiations with individual foreign vessel owners.

<sup>16</sup> The agreement was signed in Cotonou, Benin in June 2000 and entered into force on 1<sup>st</sup> April 2003.

See [http://europa-eu-un.org/articles/de/article\\_2201\\_de.htm](http://europa-eu-un.org/articles/de/article_2201_de.htm)

<sup>17</sup> Debt repayments in 2002 as a % of GDP = 4.3% and as a % of exports of goods and services = 12.6% in UNDP Human Development Report, Human Development Indicators, p. 200

<sup>18</sup> In force on 1 June 2003

<sup>19</sup> The agreement was signed in Cotonou, Benin in June 2000 and entered into force on 1<sup>st</sup> April 2003.

See [http://europa-eu-un.org/articles/de/article\\_2201\\_de.htm](http://europa-eu-un.org/articles/de/article_2201_de.htm)

<sup>20</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iv.

<sup>21</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 5 & 18.

<sup>22</sup> NB. Despite the Law of the Sea not coming into force until much later the EC, by negotiating fisheries access agreements, was anticipating the introduction of Exclusive Economic Zones. Many countries had also unilaterally declared EEZs – among them most of the coastal states of European Community.

<sup>23</sup> According to the Commission on Fisheries in 1999 some 1,300 vessels and 20,000 jobs in fishing directly depend on fisheries agreements with third countries. In addition the agreements also provide as many as 50,000 – 100,000 jobs in ancillary industries such as ship building, fish processing, transport, marketing etc. O'Riordan, Brian, "EU distant water fisheries: who pays and who benefits?," *El Anzuelo: European newsletter on fisheries and the environment* 3 (1999): 4.

<sup>24</sup> Nordberg, *Fisheries Partnership Agreements - rebranding or a real step towards sustainability?*

<sup>25</sup> Niki Sporong, Clare Coffey, Kate Bevins, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," (London: Institute for European Environmental Policy, 2002).

<sup>26</sup> O'Riordan, "EU distant water fisheries: who pays and who benefits?," 4.

## There is increasing pressure on the Senegalese fish stocks

The pressure on West African fish stocks increased six-fold between the 1960s and the 1990s, mainly as a result of fishing by EU, Russian and Asian fleets.<sup>27</sup> The small-scale fishing industry of Senegal is now in direct competition with the fishing fleets of the EU to supply both the local and the EU market.

According to a 2002 UNEP study 'a serious risk of local market supply shortages looms ahead as fishing efforts shift from locally consumed species to export-oriented ones'.<sup>28</sup> This has far-reaching effects as local food security and jobs are being threatened by shortages in the supply of locally caught fish.<sup>29</sup>

The export of fish has raised its price in the domestic market and has also affected the selection of fish available to local consumers. The export market has led to concentration fish resources in the capital. Consumers in and around Dakar consume about 43 kg/yr compared with the average of 26kg/yr for the country as a whole. Markets that are further from the coast tend to get less fish and poorer quality. Meanwhile, over-fishing has had an adverse impact on fish stocks. Studies show that by 2000 the average landed size of most export species have fallen below the level of sexual maturity representing fishing activities that have increased beyond sustainable levels.<sup>30</sup>

## The EU has been strongly criticised for its role in the depletion of West African fish stocks

*"The fisheries agreements with Senegal illustrate the EU fishery policy in West Africa. Since 1979, the EU fishing industry benefited from profitable access to the once-rich Senegalese waters, with few restrictions imposed by either the EU or Senegalese government. After over 15 years of EU-Senegalese 'cooperation' the assessment is clearly negative, from both an environmental and social point of view: fish stocks are depleted and the Senegalese artisanal fishery is disrupted."*

Vlad Kaczynski & David Fluharty, Marine Policy, 2002<sup>31</sup>

Although the practice is 'well-established', fisheries access agreements with developing countries have attracted a great deal of criticism. For example, the Coalition for Fair Fisheries Agreements (CFFA), launched in 1992, was incensed by the conclusion of a contentious fisheries agreement between the EU and Senegal in 1997.<sup>32</sup>

All bilateral fishing agreements are based on the principle of complementarity between national and foreign fishing concerns. Prior to all agreements states should;

- assess stock levels of each targeted species
- estimate the sustainable level of annual take on the basis of scientific studies
- determine the balance that can be ceded to foreign fishing fleets.<sup>33</sup>

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<sup>27</sup> Hogan, Rolf, (March 2003) *Environmentalists target EU access agreement* Science in Africa - Africa's First On-Line Science Magazine: <http://www.scienceinafrica.co.za/index.htm>.

<sup>28</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," iii.

<sup>29</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 20.

<sup>30</sup> Nordberg, *Fisheries Partnership Agreements - rebranding or a real step towards sustainability?*

<sup>31</sup> Vlad M. Kaczynski, David Fluharty, "European policies in West Africa: who benefits from fisheries agreements?," *Marine Policy* 26 (2002): 82.

<sup>32</sup> See [http://www.icsf.net/jsp/publication/samudra/pdf/english/issue\\_17/art03.pdf](http://www.icsf.net/jsp/publication/samudra/pdf/english/issue_17/art03.pdf). In 1997, three groups of NGOs – the Coalition for Fair Fisheries Agreements (CFFA), Eurostep and the EU-NGO Liaison Committee launched a campaign to promote greater consistency between the policy objectives of EU development co-operation and the actual practice of fisheries agreement.

<sup>33</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 22.

However, according to UNEP, the concept of complementarity has not functioned particularly well in many of the EU fishing agreements.<sup>34</sup>

Controversy has stemmed from;

- the 'export' of EU fishing fleets to areas with already scarce resources,
- occasionally excessive fishing rights in fishing agreements stemming from a lack of information on fish stocks, the leverage of the European fishing lobby and the need for better financing of the governments of the signatory countries,<sup>35</sup>
- agreements that have tended to ignore the interests of coastal communities and provided little support for research and development of the fishing sectors in recipient countries,<sup>36</sup>
- the limited capacity of signatory states to monitor or control the activities of the EU fishing fleets,
- the lack of transparency in the negotiation of agreements and a lack of communication and coordination between the Directorate General for Development and the DG for Fisheries during negotiations which has led to institutional disagreements within the EU.
- subsidies provided to EU vessels that have contributed to structural over-capacity in the EU fishing fleet and the over-exploitation of stocks. License fees paid by the European boat owners account for only one-third or less of the total value of compensation paid by Brussels in fisheries access agreements.<sup>37</sup> These subsidies have helped EU vessels continue to fish even when the stocks were too low to make it economically profitable. The subsidies also displaces foreign investors and local entrepreneurs,<sup>38</sup>
- concerns over illegal, unregulated and unreported (IUU) fishing by EU fleets, In July 2004 a Fisheries 'Compliance Scoreboard' published by the European Commission admitted that undeclared landings, misreporting and under-reporting of catches from EU fishing fleets are widespread. A very low level of compliance has been observed with regard to reports of catch volume in third party waters.<sup>39</sup>
- fishing methods that can cause long term environmental damage,<sup>40</sup>
- the economic benefit for the EU<sup>41</sup> is also questioned, since considerable sums of public money are used to subsidise access to resources for private operators.,<sup>42</sup>
- Fundamentally, the policies have attracted criticism because of the conflicting impact of EU fisheries policies on EU development policies in West Africa.

### **The EU has made a number of international commitments to fish in a sustainable way and pursue the goal of policy coherence**

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<sup>34</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 22.

<sup>35</sup> Koulaïmah-Gabriel, A. and A. Oomen, "Policy Management Brief 9: Improving coherence: challenges for European Development Cooperation," (Maastricht: European Centre for Development Policy Management, 1997).

<sup>36</sup> Koulaïmah-Gabriel, "Policy Management Brief 9: Improving coherence: challenges for European Development Cooperation."

<sup>37</sup> Vlad M. Kaczynski, "European policies in West Africa: who benefits from fisheries agreements?," 75.

<sup>38</sup> As a rule the license fee paid by the vessel owner accounts for only one-third or less of the total value of compensation paid by Brussels Vlad M. Kaczynski, "European policies in West Africa: who benefits from fisheries agreements?," 75.

<sup>39</sup> CTA, "EU Common Fisheries Policy and its implications for EU-ACP relations."

<sup>40</sup> See for example in {Europa, 27th September 2002 #6}

<sup>41</sup> A report by the Institute for European Environmental Policy estimated that between 2000 and 2006 the EU fisheries sector will be subsidised to the tune of at least €1,253 million Euros each year, Niki Sporrang, & Kate Bevins, "Subsidies to the European Union fisheries sector," (London: Institute for European Environmental Policy, 2002).

<sup>42</sup> Niki Sporrang, "Subsidies to the European Union fisheries sector."

Incoherent policy frustrates the aims of one sector through the impacts of policies and actions in another. In such cases the effectiveness of aid can be significantly reduced, reducing the EU's legitimacy and credibility. The fisheries sector is a glaring example of how EU trade policy has worked against its own stated developmental and environmental goals.

EU policy coherence is a legal requirement of the Treaty of European Union (Maastricht, 1992). Article 130v of the Treaty stresses that other EU policies should take account of the objectives of development cooperation.<sup>43</sup> In 1995 the EU member states signed on to the UN FAO International Code of Conduct for Responsible Fisheries, which committed them 'to give priority to the nutritional needs of local communities' when designing fisheries policies.<sup>44</sup> The EU member states are also signatories to the Rio Convention (1992), the Convention on Biological Diversity (1992), and the Kyoto International Conference on the sustainable contribution of fishing to food security (1995)<sup>45</sup> which all deal with fishing, food security and sustainable development and which the fisheries agreements may contradict.

The EU's external fisheries policy is the responsibility of the European Commission's Directorate General for Fisheries (DGXIV). Development cooperation with the ACP is managed by the Directorate General for Development (DGVIII).<sup>46</sup> The DGVIII has concluded development cooperation agreements with more than 70 ACP states, in part to support the development of effective and efficient artisanal fisheries in each country.<sup>47</sup> Despite increased communication and collaboration, the incoherence of EU fisheries and development policy continues to be a major problem.

### **To address these criticisms the EU has developed a new approach to Fisheries Agreements**

In November 1997 the Agriculture and Fisheries Council of the EU adopted a set of conclusions in which it reaffirmed its commitment to third-country agreements, but recognised the need to adapt the policy in line with both environmental and social concerns as well as internal budgetary constraints.<sup>48</sup>

The March 2001 EU **Green Paper on Fisheries** came to the following conclusions on the shortfalls of existing access agreements between 1996 and 2000:

- unsatisfactory control and surveillance procedures meant the fishing mortality and by-catches of the EU fleet were not always known,<sup>49</sup>
- a lack of proper biological stock assessments meant that the fishing access offered to the EU fleet was not always soundly, scientifically based,
- some agreements rendered it impossible to react quickly to problems such as a reduction in stocks that would require emergency measures,<sup>50</sup>
- some agreements did not offer enough guarantees for the protection of small-scale coastal fisheries.<sup>51,52</sup>

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<sup>43</sup> CTA, "EU Common Fisheries Policy and its implications for EU-ACP relations."

<sup>44</sup> WWF, "Fishing Madness - 101 reasons why the CFP needs radical reform," (WWF, 2002), 12.

<sup>45</sup> EC, (2001) *Fisheries and Poverty Reduction - European Commission Communication (2000) 724 to the Council and European Parliament Mr Nielsen in agreement with Mr Fischler* <http://europa.eu.int/comm/development/body/publications/fish/suppldec2.pdf>.

<sup>46</sup> CTA, "EU Common Fisheries Policy and its implications for EU-ACP relations."

<sup>47</sup> CTA, "EU Common Fisheries Policy and its implications for EU-ACP relations."

<sup>48</sup> Niki Sporrang, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 2.

<sup>49</sup> See also <http://www.flmnh.ufl.edu/fish/innews/EC.HTM>

<sup>50</sup> EC, "Green Paper on the Future of the Common Fisheries Policy," (Brussels: European Commission, 2001).

<sup>51</sup> EC, "[http://europa.eu.int/comm/fisheries/greenpaper/green/volume1\\_en.pdf](http://europa.eu.int/comm/fisheries/greenpaper/green/volume1_en.pdf)," 17.

<sup>52</sup> EC, (2001) *Green paper on the future of the common fisheries policy (CFP)* [http://www.europa.eu.int/comm/development/cotonou/index\\_en.htm](http://www.europa.eu.int/comm/development/cotonou/index_en.htm).

In November 2001 the Council of the European Union voted to accept the European Commission Communication (2000) 724 on '**Fisheries and Poverty Reduction**'.<sup>53</sup> This recognised that the Commission has made poverty reduction the central objective of its development policy and that the fishing sector in developing countries has the potential to contribute to poverty reduction. It argued that fishing agreements should allow for the legitimate desire of developing countries to develop their own fishing industry. It also recognised that EU fisheries, trade, consumer protection and environmental policies can affect these industries and committed the EU to improving the coherence of its policies.<sup>54</sup>

In December 2002, the European Commission published 'On an Integrated Framework for Fisheries Partnership Agreements with Third Countries' (COM(2002)637), which advocated moving beyond the 'cash for access' agreements towards **Fisheries Partnership Agreements** negotiated with third countries.<sup>55</sup>

The Commission promises that such agreements will protect the EU distant water fishing fleets while strengthening the conditions to achieve sustainable fisheries in the waters of the partner country.<sup>56</sup> The communication also makes a specific commitment to greater policy coherence though how well that will work remains to be seen.<sup>57</sup> The Fisheries Partnership Agreements will fit within the framework of the broader Economic Partnership Agreements which will govern trade and development co-operation between the EU and ACP countries after the General System of Preferences is phased out under the Cotonou agreement.<sup>58</sup> However, as of November 2004, no Fisheries Partnership Agreements have been concluded.<sup>59</sup> A decision on whether FPAs represent a real change in EU fisheries policy or merely polished rhetoric will have to wait until at least a few FPAs have been concluded.

### **Since January 2003 the latest incarnation of the Common Fisheries Policy (CFP) has made some key changes**

1/. The abolition of public aid for building new fishing boats after the end of 2004 and tougher conditions for subsidies for the modernisation of boats.

The CFP aims to eliminate overcapacity in the EU within the next 10 years, with a 40% reduction of the EU fleet in the next 5 years based on a regional analysis of resources and capacity. The new system establishes a maximum fleet capacity for each member state, which will be reduced as public funding is used to decommission boats. A special fund has also been set up for the voluntary reduction of capacity.<sup>60</sup>

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<sup>53</sup> See EC, *Fisheries and Poverty Reduction - European Commission Communication (2000) 724 to the Council and European Parliament Mr Nielsen in agreement with Mr Fischler*.

<sup>54</sup> EC, *Fisheries and Poverty Reduction - European Commission Communication (2000) 724 to the Council and European Parliament Mr Nielsen in agreement with Mr Fischler*.

<sup>55</sup> EU, "Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries," (Commission of the European Communities, 2002).

<sup>56</sup> Niki Sporrang, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 2.

<sup>57</sup> 'To ensure the coherence between the CFP in its external and internal dimensions, as well as the coherence between CFP and Community Co-operation for Development Policy the instruments and procedures of each policy must contribute to the achievement of the overall objectives of sustainability of fishing activities in the waters of our Partner Coastal States'. EU, "Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries," 9.

<sup>58</sup> Personal communication – those countries that have not negotiated an EPA once the Cotonou Agreement is phased out will lose all preferences accorded under Cotonou.

<sup>59</sup> Apparently the latest agreement with Angola (2003) represents a step in the direction of Fisheries Partnership Agreements.

<sup>60</sup> WWF, (2004) *WWF stop fishing campaign: Europe's new fishing policy*  
[http://www.panda.org/about\\_wwf/what\\_we\\_do/marine/index.cfm](http://www.panda.org/about_wwf/what_we_do/marine/index.cfm).



2/. The incorporation of a more ecosystem-based approach to fisheries management through the introduction of recovery plans for threatened stocks and management plans for non-threatened stocks.

The new CFP will progressively implement an ecosystem-based approach, based on the precautionary principle, to fisheries management.<sup>61</sup>

3/. Increased premiums for the scrapping of vessels in order to achieve additional reductions in fishing effort resulting from recovery plans.<sup>62</sup>

Subsidies for building new boats will be eliminated at the end of 2004. So too will public funding for the permanent transfer of EU vessels to third countries. Funds saved on boat building will be made available for retraining fishermen and compensating coastal communities for fishing restrictions imposed under recovery plans.

The new Common Fisheries Policy is still a work in progress and sets the framework for a series of legislative changes that will take time to introduce. Nevertheless, considerable uncertainty remains over the future shape of the distant water fishing agreements.

### **The latest agreement with Senegal (2002-2006) made some improvements but is still an old style 'cash for access' agreement**

The latest agreement with Senegal covers a four year period – from July 1<sup>st</sup> 2002 to 30<sup>th</sup> June 2006. The total cost to the EU budget is EUR 64 million, of which 19% is earmarked for supporting measures such as monitoring resources, inspection, safety and other support for small-scale fisheries. In return, roughly 125 EU vessels get access to Senegalese waters.<sup>63</sup> In other words, the Senegalese agreement is very much 'business as usual' for the EU – the old story of 'cash for access'.

Regulation of the EU fleet has increased somewhat with the new agreement. For example, the areas where EU vessels can fish have been reduced for greater protection of the Senegalese artisanal fleet. The agreement has specified annual rest periods, by-catch limits and increased the mesh size of one type of net to reduce catches of undersized fish. There will be observers on board EU vessels, and 50% of crew members must be Senegalese.<sup>64,65</sup>

Whilst the new agreement is an improvement in several ways, such as the specified rest periods, it still contains no maximum catch quotas or effort limits.<sup>66</sup> There is also no indication as to what is considered to be sustainable levels of fish stocks or when fishing opportunities would be reduced. As the agreement states that a reduction of fishing opportunities would lead to a fall in EU payments there is less incentive for Senegal to prevent further deterioration in their fish stocks.<sup>67</sup> Moreover, while the regulation of the fishing zones is more detailed than under previous agreements, extensive inshore trawling is still allowed for smaller trawlers which can approach to within 6 nautical miles of the coast.<sup>68,69</sup>

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<sup>61</sup> WWF, *WWF stop fishing campaign: Europe's new fishing policy*.

<sup>62</sup> WWF, *WWF stop fishing campaign: Europe's new fishing policy*.

<sup>63</sup> Niki Sporong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 9.

<sup>64</sup> Niki Sporong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 11.

<sup>65</sup> According to Brian O'Riordan these criteria were included in previous agreements

<sup>66</sup> NB – this is not uncommon in distant water fisheries agreements as it can be hard to measure the 'outputs' (i.e. fish caught). Instead the agreements prefer to try to control the inputs (number of boats and length of fishing season) as a proxy for the output. However, it is argued below that the calculations used for the estimates of fishing capacity (gross tonnage of vessels) do not account for 'technological creep' – the steady progress of detection and fishing technology.

<sup>67</sup> Niki Sporong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 11.

<sup>68</sup> Niki Sporong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 11.

Senegal, as yet, has no system for allocating quotas based on overall TAC.<sup>70</sup> Instead the EU's fishing access and intensity of fishing exploitation is assigned in terms of vessel size (measured in gross registered tonnage – GRT), the number of authorised vessels and the time when they can operate. The size of a vessel, however, bears little relation to its harvesting and processing capacity. Technology has progressed and ships of the same tonnage are now equipped with more sophisticated detection and fishing equipment that allow them to catch more fish than ever before. A 2002 UNEP report points out that estimating fishing capacity in terms of gross tonnage is an obsolete method of calculation that contravenes international recommendations aimed at promoting sustainable fishing.<sup>71</sup> Vlad Kaczynski and David Fluharty argue (2002) that this approach allows '*the EU fleets to harvest an essentially unlimited volume of resources for one pre-fixed license payment*'.<sup>72</sup>

Since there are no catch limits specified under the agreement, and figures on the actual catch are not available, the commercial value of the agreement cannot be calculated.<sup>73</sup> Kaczynski and Fluharty allege, '*To protect commercial interests of the EU fleets, all information related to the execution of the [West African] agreement[s] (actual volume or composition of catches, data on effort and other vital information) are not reported to the coastal countries despite the contractual obligation in the treaties to do so nor are the data made public in Europe*'.<sup>74</sup> According to Niki Sporrong of the IEEP<sup>75</sup>, '*the lack of catch limits remains a key weakness of the agreements, and is in stark contrast to the EU's domestic fisheries management, where targeted stocks are increasingly covered by Total Allowable Catch limits (TACs)*'.<sup>76</sup>

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<sup>69</sup> This was noted as environmentally damaging in Nordberg, *Fisheries Partnership Agreements - rebranding or a real step towards sustainability?*

<sup>70</sup> Personal communication

<sup>71</sup> UNEP, "Integrated Assessment of Trade Liberalisation and Trade-related policies: a country study on the fisheries sector in Senegal," 26.

<sup>72</sup> NB – this might be a little strong – and wasn't entirely endorsed by other interviewees. Vlad M.

Kaczynski, "European policies in West Africa: who benefits from fisheries agreements?," 78.

<sup>73</sup> Niki Sporrong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 9.

<sup>74</sup> Vlad M. Kaczynski, "European policies in West Africa: who benefits from fisheries agreements?," 78.

<sup>75</sup> The Institute for European Environmental Policy <http://www.ieep.org.uk/> Nikki Sporrong is now the director of the new Fisheries Secretariat for Sustainable Fisheries established in June 2004 by the Swedish Government. See <http://www.fishsec.org/press0505.html>

<sup>76</sup> Niki Sporrong, "Fisheries Agreements with third countries - is the EU moving towards sustainable development?," 18.

# Policy incoherence

## Various examples

*'Does Europe want to help us with development aid or do they want to ruin us with subsidised exports?'*

Cattle farmer Seydou Madiene, Burkina Faso<sup>77</sup>

### EU beef exports to West Africa

The debate on EU coherence was launched in 1993 over the dumping of EU subsidised beef surpluses to coastal West Africa. It was argued that the CAP subsidies created unfair competition for Sahelian farmers and flagrantly undermined European aid projects in Sahelian countries which were designed to encourage meat production.<sup>78</sup>

### EU tariff escalation

The highest tariffs on industrial goods imported to the OECD countries are on those goods that are critical to the economic well-being of developing countries – steel, textiles, clothing and leather.<sup>79</sup>

### Intellectual property rights

The protection of intellectual property rights under the WTO ostensibly promotes research and innovation but it also restricts access to essential drugs and other services in poor countries.

### Immigration restrictions

Immigration restrictions are imposed for cultural reasons and to sustain domestic wages but they restrict remittances to developing countries and aggravate labour shortages in OECD countries.

### Fishing subsidies

The fishing subsidies of OECD countries absorb \$15-20 billion a year but benefit large companies more than poor fishing communities and deplete fish populations on which poor coastal fisheries depend.<sup>80</sup> According to a 2002 report by WWF these subsidies are valued at roughly 20% of the value of global fish catches and can directly lead to over-capacity and over-fishing.<sup>81</sup> Meanwhile, the WWF estimates that the global fishing fleet is 250% larger than that needed to catch what the oceans can sustainably produce.<sup>82</sup>

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<sup>77</sup> In Eurostep, (1999) *Eurostep dossier on CAP & Coherence - coherence in EU Policies towards developing countries* <http://eurostep.antenna.nl/about/>.

<sup>78</sup> Koulaïmah-Gabriel, "Policy Management Brief 9: Improving coherence: challenges for European Development Cooperation."

<sup>79</sup> Picciotto, Robert, "Policy Coherence and Development Evaluation - Concepts, issues and possible approaches" (paper presented at the Institutional approaches to policy coherence for development - OECD policy workshop, May 2004), 11.

<sup>80</sup> Picciotto, "Policy Coherence and Development Evaluation - Concepts, issues and possible approaches", 11.

<sup>81</sup> WWF, "Turning the tide on Fishing Subsidies - Can the World Trade Organization play a positive role?," (Gland, Switzerland: WWF, 2002), 4.

<sup>82</sup> WWF, "Turning the tide on Fishing Subsidies - Can the World Trade Organization play a positive role?," 4.. Statistics vary. Tony Blair admitted in October 2000 that 'fishing fleets are still 40% larger than the oceans can sustain yet [the industry] still benefits from subsidies worldwide' in WWF, "Fishing Madness - 101 reasons why the CFP needs radical reform," 13.

The Common Fisheries Policy is still exporting excess fishing capacity to many developing countries, thus leading to the depletion of fish and marine biodiversity outside the EU waters. It is estimated that the European Union is currently paying €1.6 billion annually in subsidies. A significant proportion of this is used to pay for third country fishing agreements. One effect of this subsidised access is the disincentive for developing countries to build up a local fish processing industry that would enable them to develop their fishing industries.<sup>83</sup>

### **Subsidised EU dairy exports**

Jamaica had a well-established dairy sector but, as a result of import liberalisation, local products are now being replaced by cheaper foreign imports. In the late 1990s, unable to sell their milk, Jamaican farmers were reported to be dumping the fresh milk in the ditch while EU whole milk powder subsidised to the tune of €1 per kilo took over their market.

Meanwhile, there is evidence to suggest that efforts in several African countries to set up a dairy industry with the support of development co-operation funds were actually undermined by the abundant supply of subsidised EU milk products. In Tanzania, projects like the Tanga Dairy Development Programme supported by Dutch development cooperation for over 20 years, have only made very slow progress in marketing locally produced milk products to the urban consumer in Dar es Salaam.

There are several constraints, but clearly the availability of low-priced powdered milk products from the EU (including the Netherlands) and from Switzerland (donated as food aid) is a major factor. While the Dutch development co-operation invests some 200,000 euros per year in the Tanga scheme, Brussels provides 600,000 euros as export subsidies on European dairy products to Tanzania.<sup>84</sup>

### **The impact of subsidies on African cotton growers<sup>85</sup>**

West and Central Africa accounted for 13% of world cotton exports in 2001-2. Cotton plays a major role in the economy of West and Central African countries, and production there has been expanding over the last two decades. In Benin, Burkina Faso, Chad, Mali and Togo, cotton accounts for 5 – 10 per cent of GDP, more than one-third of total export receipts, and nearly two-thirds of the value of agricultural exports. Ten million Africans depend on cotton for their livelihoods.<sup>86</sup>

Production costs for cotton are lower in this region than in most other producer countries. However, it has to compete with exports from countries which subsidize their cotton producers. Subsidies for producers in the US, China, Greece and Spain were around US\$6 billion in 2001-2. Moreover, the share of world cotton production benefiting from government subsidies increased from 50 per cent in 1997-98 to 73 per cent in 2001-2.

These subsidies had the effect of stimulating production, leading to a reduction in world prices. The African exporters suffered a major shortfall in export earnings as a result, estimated at US\$250 million for 2001-2 and an annual average of US\$200 million for the preceding five years.<sup>87</sup> Because of the importance of cotton to the local economy, the

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<sup>83</sup> Nicholson, Sally, "Taking Responsibility: EU environment and development policies," in *Europe in the World: Essays on EU foreign, security and development policies*, ed. Howard Mollett (BOND, 2003), 105.

<sup>84</sup> Eurostep, (May 1999) *CAP reforms will hit South's poor farmers*  
<http://www.twinside.org.sg/index.htm>.

<sup>85</sup> In Grieg-Cran, Maryanne, "Ch.8 - Policy coherence and the Millenium Development Goals," in *The Millenium Development Goals and Local Processes - hitting the target or missing the point?* (IIED, 2003), 141.

<sup>86</sup> Grieg-Cran, "Ch.8 - Policy coherence and the Millenium Development Goals," 141.

<sup>87</sup> Goreux, L, "Prejudice caused by industrialized countries' subsidies to cotton sectors in Western and Central Africa," in *Report prepared to provide background informaiton for the submission presented by Benin, Burkina-Faso, Chad and Mali to the WTO* (2003), 13.

impact of these price falls has been devastating. Household incomes and agricultural wages have fallen, and it is feared that health care and education will become unaffordable.<sup>88</sup>

### **Agricultural subsidies**

High income countries spend about US\$300 billion each year on agricultural subsidies; more than six times more than they spend on development assistance.<sup>89</sup>

### **Non tariff barriers; brazil nuts, aflatoxins and the SPS agreements**

In April 2002, the EU introduced a new regulation to set maximum allowable levels of the toxic aflatoxin<sup>90</sup> in cereals, dried fruit and nuts that was stricter than international standards (Codex Alimentarius). This has dramatically affected market access for producers in low and middle-income countries.

One casualty of this regulation shift was the brazil nut industry in Brazil. Previously worth \$3 million a year, it was brought to an end by the new regulations. It has been estimated that the use of this new standard would reduce the value of African exports of the products concerned by US\$670 million compared to the level of trade if the Codex Alimentarius were used instead. Critics argue that the reduction in risk to human health from using this standard rather than the Codex is minimal – amounting to 1.4 deaths per billion people.<sup>91</sup>

### **Climate change**

Industrialised countries are home to 1/5 of the world's population but account for almost 2/3 of the carbon dioxide that has accumulated in the atmosphere since 1990. Global warming will impose heavy costs on developing countries and small island states are particularly vulnerable.

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<sup>88</sup> Oxfam (2002), 'Cultivating poverty: the impact of US cotton subsidies on Africa', Oxfam Briefing Paper 30

<sup>89</sup> World Bank (2003), *Global Development Finance: Financing the poorest countries*, World Bank, Washington DC

<sup>90</sup> A naturally occurring mycotoxin produced by two types of mould. See <http://www.usda.gov/gipsa/newsroom/backgrounders/b-aflatox.htm>

<sup>91</sup> Wilson J and T Otsuki (2003) 'Food safety in food security and food trade; balancing risk reduction and benefits from trade in setting standards', Focus 10, Brief 6 of 17, September, International Food Policy Research Institute, Washington DC

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