

# Policy briefing

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## Towards greater coherence and budgetary efficiency in future EU sustainable fisheries partnerships

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This concept note is part of CFFA's long-term reflection and consultation on the future of the European Union's Sustainable Fisheries Partnership Agreements (SFPAs). In this note, we develop some avenues for making SFPAs more effective and sustainable, through a holistic and concerted approach, a financial rebalancing and the implementation of rigorous budgetary tools combined with capacity building.

### 1. Introduction

In the light of the future European Union–Africa partnership, and in the context of the *European Green Deal*, a paradigm shift is needed in relation to Sustainable Fisheries Partnership Agreements (SFPAs) between the European Union (EU) and third countries. The European citizen, as financial contributor, must be assured that the EU is working coherently through its various policies towards responsible fisheries outside its waters, supervising the activities of its fleets, and through its development cooperation and trade actions.

Therefore, the budgets allocated to SFPAs must be devoted to the development of a framework for sustainable fisheries in partner countries. This must be done in concurrence with all other EU actions affecting fisheries in the partner country, combining **budgetary rigour and capacity building, and transparency of management systems, for an efficient use of funding and a fruitful partnership.**

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## 2. Postulates of our reflection

Our objective is to encourage the EU to pursue a real strengthening of public fisheries management policies through its partnership with developing third countries.

Indeed, through its commitment to Policy Coherence for Development (PCD),<sup>2</sup> the EU must ensure that the cumulative impact of its various actions contributes to reach the objectives of the European development cooperation policy, as well as the Sustainable Development Goals (SDGs) such as SDG 14 – the promotion of sustainable fisheries–, and SDG 2 – food security. In order to achieve this, the EU needs a comprehensive fisheries strategy for its external action.

In terms of budget, the EU budget must be used to finance the strengthening of public fisheries management policies in the partner country so they can meet international principles and standards (UNCLOS and others) as set out in the Common Fisheries Policy (CFP). This must involve a political dialogue, and the funds must be reallocated from the payment linked to the fishing possibilities of European operators (financial compensation) to the partnership dimension of the SFPAs (currently called sectoral support).

Secondly, the EU budget should contribute to the economic development of the fisheries sector of the third country, but this should be in line with the EU's cooperation and development policy, taking into account the fisheries development priorities expressed by the third country and its capacity to achieve them.<sup>3</sup>

Indeed, SFPAs would still retain in substance the characteristics of commercial agreements (notably because of the annual disbursement and the calculation of the amount of sectoral support based on access). Moreover, the current sectoral support (that leads to verification of invoices notably) does not empower the partner country and is too close to the model of targeted action, which was not originally in the spirit of sectoral support.

In addition, the EU needs to move from a donor to a partner approach. Thus, support for public fisheries policies and the development of fisheries sector in third countries could be effectively implemented through more efficient and responsible mechanisms, in the framework of renewed SFPAs, **using existing tools developed by Directorate-General for International Cooperation and Development (DG DEVCO), DG for Neighbourhood and Enlargement Negotiations (DG NEAR) and the European External Action Service (EEAS),<sup>4</sup> while remaining under the supervision of DG for Maritime Affairs and Fisheries (DG MARE).**

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<sup>2</sup> See CFFA's joint position with six other professional and environmental organizations on SCP (recommendation 9), available at: <https://www.cffacape.org/publications-blog/ten-priorities-for-the-future-of-sustainable-fisheries-partnership-agreements>

<sup>3</sup> Not all of them necessarily have the same needs in terms of support for the emergence of a fisheries economy.

<sup>4</sup> These are budget support and the project approach. In the project approach, technical assistance contracts can be subscribed.

### 3. Strategic proposal

#### I. A HOLISTIC AND CONCERTED STRATEGY

In the framework of Policy Coherence for Development (PCD), the EU must have a **global fisheries strategy**, agreed between all DGs and EEAS on issues related to fisheries and oceans, and at least one **regional strategy per ocean basin** (Atlantic, Indian Ocean, Pacific).

#### In practice

- As a first step, strategic ocean and fisheries priorities should be defined as a **strategic framework for EU external fisheries**, which would ensure the coherence of all policies towards third countries (fisheries, aid, trade, etc.) with development objectives, through a **global and regional approach**. It therefore should draw up a single regional fisheries strategy, by ocean basin - Atlantic, Indian Ocean, Pacific - bringing together all the EU's external actions in this area.
- In practice, this will require **collaboration between DGs and the Heads of Delegation**, in particular to ensure good coordination and visibility.<sup>5</sup>
- For their part, the **partner countries** could use the African Union's strategy for the reform of fisheries and aquaculture policy, which identifies their priorities in terms of fisheries,<sup>6</sup> and they could agree on **minimum conditions of access**, as is the case in the Sub regional Fisheries Commission (SRFC),<sup>7</sup> to strengthen their negotiating power, in a way which is inclusive of civil society. This priority-setting process should be transparent, inclusive and participatory.

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<sup>5</sup> The DUE will receive from DEVCO/NEAR Ocean guidelines for the next programming.

<sup>6</sup> See AUC-NEPAD, "Political and strategic framework for fisheries and aquaculture reform", 2014. Available at: <http://www.au-ibar.org/component/jdownloads/finish/5-gi/2113-cadre-politique-et-strategie-de-reforme-de-la-peche-et-de-l-aquaculture-en-afrique>

<sup>7</sup> See CSRP-SRFC, « Convention relative à la détermination des conditions minimales d'accès et d'exploitation des ressources halieutiques à l'intérieur des zones maritimes sous juridiction des états membres de la Commission sous-régionale des pêches », June 2012. Available at : [http://spscrp.org/spscrp/sites/default/files/csrp/documents/csrp2012/csrp-CMA\\_version\\_originale\\_juin\\_2012\\_fr.pdf](http://spscrp.org/spscrp/sites/default/files/csrp/documents/csrp2012/csrp-CMA_version_originale_juin_2012_fr.pdf)

## II. FINANCIAL COMPENSATION FOR ACCESS RE-ALLOCATED IN FULL TO SUPPORT SUSTAINABLE FISHERIES

It is a question of **continuing to reduce the public financing of the access rights of the European fleets through SFPAs**, ultimately leading to shipowners financing 100% of the access costs, in order to reallocate this budget to support sustainable fishing, while maintaining the protective legal framework of SFPAs with rights and obligations for the fleets.

### In practice

- The result will therefore be to delink the budget for support to sustainable fisheries from the public funding for access rights, which still conditions the amounts allocated rather than taking as basis of the real needs of the partner country.
- The public money recovered would go to the **budget dedicated to strengthening the framework for sustainability and governance of the partner country's fisheries sector**, the priorities of which should be defined by the partner country in a transparent and inclusive/participatory political dialogue with the EU.
- **Gradual** (but rapid) *phasing-out* with a predefined economic exit strategy (it could be easier for tuna fleets – potentially more complicated for trawler fleets but we need to keep in mind that if a fleet is not profitable it has no reason to endure).<sup>8</sup>
- Provision should be made for an economic observatory<sup>9</sup>

## III. BUDGETARY EFFICIENCY AND CAPACITY BUILDING

The objective is to make provision for sustainable fisheries in the partner country more efficient and empowering by using the current sectoral support as a **budget support** for budgetary rigor and setting up real capacity building through **technical assistance** (through projects), along the lines of the instruments used by DG DEVCO and DG NEAR, yet remaining in DG MARE's hands.

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<sup>8</sup> Currently the access prices paid by the EU are inflated. An alignment will then have to be carried out for all foreign fleets. See Annex 2 for calculations.

<sup>9</sup> Or otherwise, use should be made of the European Monitoring Centre for the Markets in Fishery and Aquaculture Products (EUMOFA) <https://www.eumofa.eu/fr/home> and/or DG MARE studies on fleet profitability/annual STECF studies.

### In practice

- Establishment of **sectoral budget support with monitoring indicators** (sectoral).
- **Results based payments**. This makes the partner country accountable and encourages sustainable results.
- The implementation of support to the fisheries requires a **technical assistance** that SFPAs are currently not providing for in order to build capacity and not only transfer money.<sup>10</sup>
- Partner countries do not always have the technical capacity to execute their budgets and to set up often weighty systems, particularly in terms of Monitoring, Control and Surveillance (MCS). DG DEVCO has a partnership with the European Fisheries Control Agency (EFCA), which works very well in terms of capacity building for MCS.
- The preparation of budget support also requires technical assistance (DG MARE should make funds available for this purpose).
- The **eligibility criteria** may seem restrictive but they are ultimately compatible with EU's Illegal, Unreported and Unregulated fishing (IUU) policy. It has been argued that sectoral support is a more flexible tool to implement, which is true, however, the use of EU public money must be able to meet demanding criteria such as those of budget support.
- DG MARE already has the expertise in this area (fishing attachés in particular)
- Regarding the **mandate**: DG MARE would use development tools, while keeping its budget (with no increase) and **leadership**. And why should not the EU provide for support through the regional and national indicative programs (RIPs, and NIPs), the various forms of budget support which could be integrated into the Neighbourhood, Development and International Cooperation Instrument (NDICI) framework and the post-Cotonou negotiation.<sup>11</sup>

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<sup>10</sup> Via contractualization - technical cooperation facility in Delegations.

<sup>11</sup> DG DEVCO/NEAR have no mandate for SFPAs. Secondly, consideration must be given to whether the contribution to the fisheries sector should remain conditional on the signing of a fisheries agreement, as this limits the countries receiving this support.

## 4. A step-by-step implementation

These changes can be implemented now, and gradually, until legal consolidation takes place.

### The steps

1. Maintain the current framework by **transforming sectoral support for eligible countries into budget support** (would require a Commission communication):
  - a. Convert sectoral support into budget support for which third countries that are signatories to an SFPA would de facto be eligible, provided that they meet the eligibility and governance criteria for the sector and present an action plan, bearing in mind that for at least three countries (Morocco, Mauritania and Seychelles) these amounts should already be the subject of rigorous budget support, and without changing the legal basis.
  - b. The others could benefit from sector support and technical assistance to benefit from budget support;
2. **Use sectoral support for non-eligible countries to make them eligible**, with technical support;<sup>12</sup>
3. **Provide a budget and a collaboration for technical assistance for MCS** (via EFCA);
4. Plan with the sector the **phasing out for the financing of access rights**;
5. **Transparent alignment of access costs for all foreign fleets**;
6. The **budget remains in DG MARE**. One can also imagine a delegation of funds for the implementation of fisheries projects (see *Aid for Trade*);
7. **Revision of the legal base/basic regulation** to update the system;
8. **Develop a solid argument for the partner country**: the EU taxpayer wants to support responsible fishing rather than pay for access by private operators and budgetary rigor serves this purpose. Losses of fixed income will be compensated by better synergies of EU actions which will be beneficial;
9. **Ensure visibility, communication and transparency** at EU and partner country level.

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<sup>12</sup> NB: one could also imagine eligibility criteria for sectoral fisheries budget support.

## 5. *Nota bene*

Applying development tools mentioned above now requires **real will** from DG MARE and the Commission in general as well as the **means** to do so. This would also involve a **genuine convergence** between the international aspects of the CFP and the Cooperation and Development Policy, ensuring effective coherence between EU public policies and complementarity of programming between the various financial instruments.

A real opportunity for a possible change of paradigm is the fact that the European Parliament's fisheries (PECH) Committee wishes to push for greater integration between the Commission's Directorates-General (e.g. MARE, DEVCO, SANTE, etc.) so that there is effective cooperation between these departments in the implementation of the sectoral support provided for by the SFPAs.

Given the EU's decisive position as Africa's partner for sustainable development (see SDGs), the SFPAs must clearly be part of this dynamic. Let us not forget, however, that even if they are basically commercial agreements, the partnership and sectoral support dimension has given them a new dimension without which they could no longer exist. It will be a matter of **good communication** and ensuring optimum cooperation and **transparency** between DGs. There should also be a high degree of **visibility** to avoid DG MARE being accused, as in the past, of only negotiating “pay, fish, go” type of agreements.

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