

## NGOs urge change of funding priorities in the proposed EMFF

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BirdLife Europe, Greenpeace, Oceana, OCEAN2012 and WWF work together for an ambitious reform of the Common Fisheries Policy (CFP) which should:

- restore fish stocks to healthy levels;
- end overfishing by shifting to environmentally sustainable fishing practices; and
- reduce damage to marine ecosystems.

To achieve these objectives, shifting funds away from subsidies that incentivise and support overfishing to funds that support sustainable fisheries and healthy marine ecosystems plays a crucial role. Currently, the EU annually supports the fishing sector with roughly €836 million for structural measures and about €156 million for fisheries partnership agreements. At the same time, funding for research and data collection as well as for control and enforcement measures is relatively low with less than €50 million allocated for each funding area per year.<sup>1</sup> The proposal for the EU Maritime and Fisheries Fund (EMFF)<sup>2</sup> suggests only limited change to that spending pattern under shared management (Article 15). These proposed funding priorities do not reflect the needed change in fisheries management and will not ensure that public aid is used to provide public goods and services.

**We ask Member States and the Members of the European Parliament (MEPs) to at least double the amount of resources allocated to data collection and control and enforcement compared to the 2007 – 2013 financing period. Moreover, we urge Member States and MEPs to change the EMFF proposal to provide Member States with the flexibility to spend more but not less funding on data collection and control and enforcement measures.** The Council, in its progress report on the EMFF from June 2012, already suggested providing Member States with the opportunity to shift additional funding from storage aid to control and enforcement and data collection. However, these funds are relatively small and there is no reason why Member States should not also be able to shift aid from structural measures (Article 15(2)) into control and enforcement (Article 15(3)) and data collection activities (Article 15(3)).

### **Benefits and needs of funding for the collection and provision of data and research (Article 15(3)) as well as control and enforcement (Article 15(3)):**

- Scientific advice on overfishing is missing for about two-thirds of the total allowable catches.<sup>3</sup> In most cases this is because of missing information on catches, incomplete surveys or poor sampling. Providing scientific data on fisheries is a responsibility of Member States which is currently not fully met in a number of cases. Public aid should

<sup>1</sup> See for instance European Court of Auditors (2007) Special Report No 7/2007 on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources, p. 11.

<sup>2</sup> COM(2011) 804 final: Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund.

<sup>3</sup> COM(2012) 278 final: Communication from the Commission to the Council concerning a consultation on Fishing Opportunities for 2013.

support Member States to better implement the data collection framework regulation<sup>4</sup> and help to enhance the knowledge base of fisheries management.

- Illegal, unreported and unregulated (IUU) fishing depletes fish stocks, destroys marine habitats, distorts competition, puts honest fishers at an unfair disadvantage, and weakens coastal communities within and outside the EU.<sup>5</sup> In the last two years, the Council has adopted two new regulations to strengthen control and enforcement and to fight IUU practices.<sup>6</sup> Member States should have the flexibility to shift aid from structural measures (Article 15(2)) into control and enforcement activities (Article 15(3)).

### **Concerns about structural measures aimed at supporting individuals or groups of operators, rather than the entire fisheries sector (Article 15(2)):**

- **Unclear benefit to the public:** Aid for individual operators, for instance to make their operation more energy efficient (Proposed EMFF Article 39), to enhance product quality (Article 40) or to set up new enterprises in Aquaculture (Article 46), helps in the first place to make selected individual operations more profitable. It is not clear how and how much public gain will result from these investments. In addition, one can expect that public aid provided through the EMFF will crowd out private investments, e.g. for energy efficiency, and lead to market distortions and overcapitalisation, e.g. in aquaculture.
- **Negative distributional effects:** Aid to individual operators is often not allocated in a fair and just way. For the FIFG, most vessels did not benefit at all from any aid and most aid went to large scale operators.<sup>7</sup> Only last year, it was reported that 20 of Denmark's highest-earning fishermen received 57 per cent of state's aid to fisheries.<sup>8</sup>
- **Maintaining overcapacities or increasing fishing capacity:** The EMFF proposal fails to address the problem of existing overcapacities. A number of structural measures under the EMFF, such as on board investments or gear replacement, are often associated with maintaining overcapacities. For instance, Member States have paid out millions in EU subsidies to bluefin tuna fishing fleets, in spite of the endangered situation of the species. Also, analysis has shown that some measures, such as investments on board aimed at increasing energy efficiency, can actually increase fishing capacity.<sup>9</sup>

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<sup>4</sup> Regulation (EC) No 199/2008.

<sup>5</sup> See for instance: Eftec (2008) Costs of Illegal, Unreported and Unregulated (IUU) Fishing in EU Fisheries.

<sup>6</sup> Council Regulation (EC) No 1005/2008 and Council Regulation (EC) No 1224/2009.

<sup>7</sup> Poseidon (2010) FIFG 2000–2006 Shadow Evaluation. Available at <http://www.pewenvironment.org/news-room/reports/fifg-2000-2006-shadow-evaluation-8589942307>.

<sup>8</sup> <http://www.cphpost.dk/news/national/richest-fishermen-get-biggest-subsidies>.

<sup>9</sup> European Court of Auditors (2011) Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?, paragraphs 43 – 47.