



How Subsidy Mismanagement is Threatening EU Fisheries

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Report by Seas at Risk

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1 Summary

This report explores how allocation of funds for the young fishers scheme (Article 31) under the European Maritime and Fisheries Fund 2014-2020 (EMFF) can turn out to be a “harmful subsidy”. Under the EMFF, money provided to young fishers for the purchase of a second-hand vessel is considered a positive subsidy, aimed at supporting the renewal of the fishing sector.

However, as this report shows, fishing companies can expand their capacity following the sale of a vessel under the young fishers scheme, and thus the EMFF may indirectly contribute to an increase of capacity, in spite of the conditions attached to the funding. Furthermore, most of the public money spent on this scheme is perpetuating harmful fishing practices, instead of helping the transition to low impact fishing.

This report’s findings indicate that subsidies that cover operational costs carry the risk of increasing overcapacity and so risk becoming a harmful subsidy. What has been perceived as “harmless subsidies” may in fact be *harmful* because the safeguards attached to them are not sufficient. If this is already the case with “harmless” subsidies, then it will be nearly impossible to ensure that harmful subsidies have the right conditions attached in order to mitigate the damaging effects. In addition, previous research has shown that conditions attached to the granting of EMFF funds are not always properly applied or enforced¹. This demonstrates that attaching conditions to harmful subsidies is not enough to ensure the prevention of its damaging effects and as a consequence, widely-known harmful subsidies, such as for engine replacement, construction of new fishing vessels or temporary and permanent cessation should not be reintroduced in the future EMFF, regardless of what conditions are attached to them.

Instead of investing public money into schemes that are in danger of promoting harmful fishing practices and overcapacity – which leads to overfishing, EMFF money should be spent in line with its objective, such as fostering the implementation of the Common Fisheries Policy (CFP) and promoting environmentally sustainable fisheries. To deliver on these objectives, both Member States and the European Union must allocate enough money for control, monitoring and data collection purposes as well as to environmental protection and marine knowledge. Therefore, NGOs are calling for 50% of the total budget of the new EMFF to be ring-fenced for these purposes.

¹ Conditions referring to fishing capacity measurements can be put into question. The 2017 Special Report on fisheries controls of the European Court of Auditors concluded that checks of Member States on fishing capacity were incomplete, that national fleet registers information was not always accurate, Member States did not sufficiently verify the accuracy of their fleets' capacity and Member States did not verify the tonnage of their fishing vessels or the required verifications of engine power.

Court of Auditors, Special Report No 8/2017, "EU fisheries controls: more efforts needed" 30/05/2017
https://www.eca.europa.eu/Lists/ECADocuments/SR17_8/SR_FISHERIES_CONTROL_EN.pdf

2 The EMFF 2014-2020 and Beyond

The European Maritime and Fisheries Fund² is a financial tool which aims to support the EU's maritime and fisheries policies, such as the implementation of the Common Fisheries Policy (CFP), the Integrated Maritime Policy, as well as environmental policy that is linked to the marine environment, such as the Marine Strategy Framework Directive (MSFD), the Birds Directive and the Habitats Directive. The EMFF is one of five European Structural and Investment (ESI) Funds which together promote a growth and job based recovery in Europe.

The current 2014-2020 EMFF programme is regarded by the European Commission as its “pride and joy” and by NGOS as the cleanest so far - because it has the least harmful subsidies, and the most stringent conditions attached³. Despite that, NGOs have noted problems in the use of the funds, supporting unsustainable fishing practices and putting fisheries on a path towards unsustainability for the next decade. With regards to the young fishers scheme, the funds are being used to support a large-scale, geographically concentrated and industrial (esp. in NL) type of fishing, rather than artisanal low-impact fishing.

However, in the proposed post-2020 EMFF, European institutions are on the verge of taking a spectacularly dramatic step backwards: both the European Parliament and Council of the EU (i.e. the Member States' fisheries ministers) want to re-introduce the possibility of subsidising operations that increase the fishing capacity of fishing vessels or that support the acquisition of equipment that increases the ability of fishing vessels to find fish⁴. In addition, construction subsidies (which were phased out in 2004) and permanent cessation subsidies (phased out in December 2017) may be re-introduced. Other forms of capacity-enhancing subsidies, like temporary cessation or engine replacement, might continue with weakened conditions as part of the next European Maritime and Fisheries Fund (EMFF, 2021–2027). If these decisions were to be adopted, it would pose a serious threat to the future of European marine ecosystems and the coastal communities whose livelihoods rely on them. Furthermore, it would severely undermine the WTO process to end harmful subsidies and the SDG14 target of ending harmful subsidies by 2020, thus irretrievably damaging EU leadership and credibility at the international level.

² European Maritime and Fisheries Fund

<https://ec.europa.eu/easme/en/european-maritime-and-fisheries-fund-0>

³ 2 October 2019, 10:00 - 12:29, Committee on Fisheries Ordinary meeting

https://multimedia.europarl.europa.eu/en/committee-on-fisheries-ordinary-meeting_20191002-1000-COMMITTEE-PECH_vd

⁴ European Parliament legislative resolution of 4 April 2019 on the proposal for a regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council (COM(2018)0390 – C8-0270/2018 – 2018/0210(COD))
https://www.europarl.europa.eu/doceo/document/TA-8-2019-0343_EN.html

Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council [EMFF](#)
<https://data.consilium.europa.eu/doc/document/ST-10297-2019-INIT/en/pdf>

3 What are Harmful Subsidies?

According to the SDG 14.6 and World Trade Organization (WTO), harmful subsidies are those that increase overcapacity, overfishing or IUU (Illegal, Unreported and Unregulated) fishing ⁵. Overcapacity can be increased either by raising the nominal capacity of a fishing vessel in terms of gross tonnage or kW, or by increasing the ability of the vessel to find and catch fish, e.g. thanks to more efficient fishing gear.

In addition, harmful subsidies can also include:

- Any subsidies that reduce the operational costs of the fishing sector.
- Any subsidies that artificially maintain fishers within the sector, despite being unprofitable.
- There are subsidies that are not per se harmful but can become so depending on how they are used.

NGOs also regard subsidies as harmful if they are in the form of funds that are provided to fishing companies and vessels that engage in detrimental practices such as marine habitat degradation, high bycatch rates, or catching of endangered or threatened species ⁶.

4 Problems with the EMFF

While in the past funding for the fisheries sector has fuelled overcapacity and overfishing, in recent years efforts were made to enable financing of management of the marine environment, and to tackle challenges such as overfishing and bycatch of sensitive species. Little funding has, however, been actually spent on tackling these problems. On the contrary; while there are other European funds, such as the European Regional Development Fund (ERDF), as well as national welfare programmes that support private sectors or individuals, EMFF funding still appears focussed on trying to directly finance economic activity, without any guarantee of the delivery of public goods. Instead, the EMFF states that it should support sectors such as fishing and aquaculture farming, by helping them develop sustainable practices ⁷.

In addition, there have been cases of mismanagement of EMFF funds, as was found in 2018 by an investigation of the Danish Court of Auditors. The Court established that from funds worth €117 million

⁵ WTO, Negotiations on fisheries subsidies

https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm

SGD 14.6:

<https://indicators.report/targets/14-6/>

⁶ [Will The EU Doom Our Ocean & Fishers? https://seas-at-risk.org/images/pdf/publications/Plaidoyer_FEAMP_UK_mail_compressed.pdf](https://seas-at-risk.org/images/pdf/publications/Plaidoyer_FEAMP_UK_mail_compressed.pdf)

⁷ EMFF text and Article 1(c) says: This Regulation defines Union financial measures for the implementation of: (c) the sustainable development of fisheries and aquaculture areas [...]. the Article also refers to the CFP, which also aims to achieve sustainable fisheries and aquaculture activities (Article 2):

Further Article 5 of the EMFF states that the EMFF shall promote environmentally sustainable fisheries and aquaculture.

REGULATION (EU) No 508/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Recital 9, art 1, art 5 and art 6

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0508>

during the period 2014-2017⁸⁹, millions of euros have been paid in ways that contravened regulations; evidence of conflicts of interest & fraud; public money given to fishers who should have been excluded from funding, due to having broken EU fisheries laws.

In its 2017 Special Report on fisheries controls, the European Court of Auditors assessed whether the EU has an effective fisheries control system in place and concluded that checks of Member States on fishing capacity were incomplete, that national fleet registers information was not always accurate, and some Member States did not verify the tonnage of their fishing vessels or the required verifications of engine power¹⁰.

In February 2020, ClientEarth released a report *How to better use EU citizens' money in fisheries beyond 2020*, which found that France and Spain had failed to use the EMFF in conservation efforts to end overfishing and restore the marine environment. Instead both countries have continued to provide 'harmful subsidies' for the funding of engine replacements or modernisation of vessels, which contributes to overfishing.¹¹

5 The Young Fishers Scheme

The EMFF's 'young fishers business start-up support' is aimed at fostering 'generational renewal'¹² and in principle considered a clean subsidy. However, it appears that this strand of EMFF funding can be "gamed" by some industry players in order to maximise income and to actually increase fleet capacity, as evidence from France demonstrates.

This EMFF scheme aims to provide financial start-up support for young fishermen under the age of 40, with at least five years working experience as a fisherman or with respective training. The support is targeted and limited towards a first acquisition of a second-hand fishing vessel, which is between five and 30 years old, smaller than 24m in length and belonging to a fleet segment whose capacity is in balance with its associated fishing opportunities. The support is for up to 25% of the acquisition cost of the fishing vessel (but not higher than €75,000 per young fisherman)¹³.

⁸ Rigsrevisionens beretning afgivet til Folketinget med Statsrevisorernes bemærkninger Tilskud på fiskeriområdet <https://www.rigsrevisionen.dk/media/2104921/sr0118.pdf>

⁹ Our Fish and ClientEarth: Mismanagement of European Maritime and Fisheries Fund Sees Taxpayers' Money Vanish into the Wrong Pockets https://our.fish/wp-content/uploads/2019/06/OurFish_ClientEarth_EMFF_Briefing2019_low_rez.pdf

¹⁰ European Court of Auditors, Special Report, 08 2017, "EU fisheries controls: more efforts needed" <https://op.europa.eu/webpub/eca/special-reports/fisheries-08-2017/en/>

¹¹ How to better use EU citizens' money in fisheries beyond 2020 <https://www.documents.clientearth.org/wp-content/uploads/library/2020-03-03-how-to-better-use-eu-citizens-money-in-fisheries-beyond-2020-ce-en.pdf>

¹² EMFF - EU508/2014 - Article 31 - Start-up support for young fishermen <https://webgate.ec.europa.eu/esiflegislation/pages/viewpage.action?pagelId=34441046>

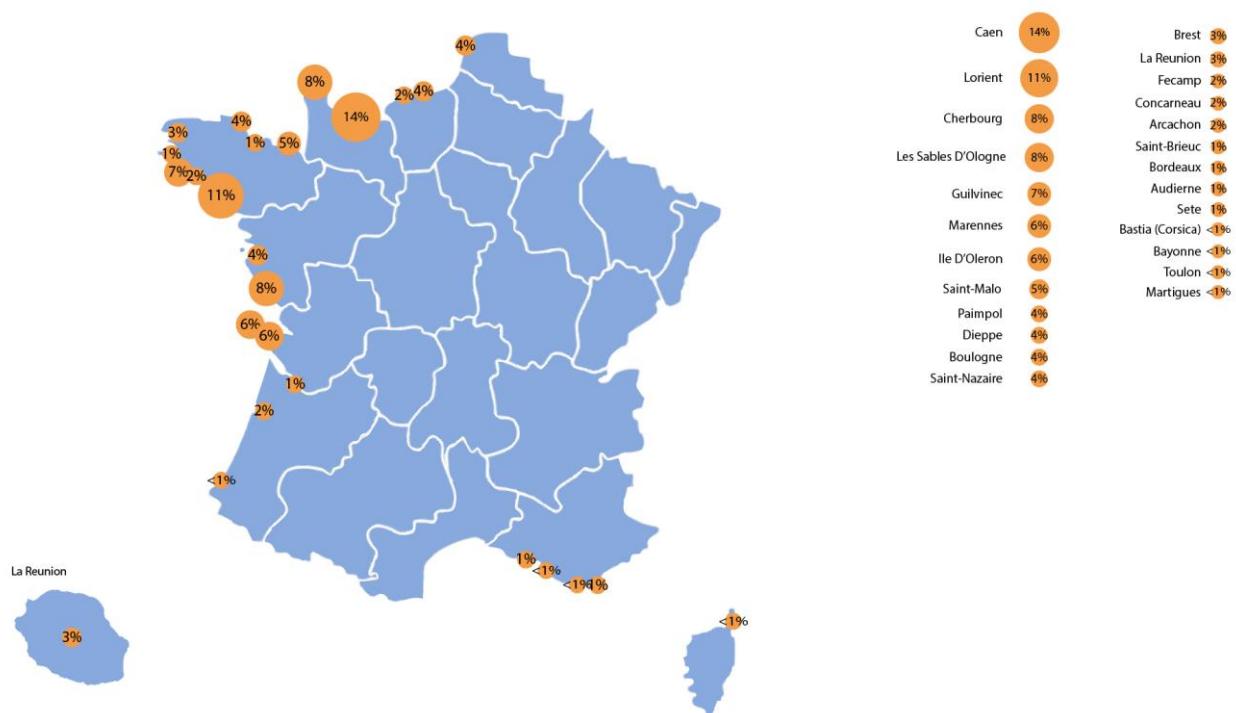
¹³ EMFF - EU508/2014 - Article 31 - Start-up support for young fishermen <https://webgate.ec.europa.eu/esiflegislation/pages/viewpage.action?pagelId=34441046>

Our study demonstrates that the young fishers scheme is used in a manner which allows the maintenance of an environmentally damaging segment of the fishing sector, rather than supporting the younger generation in transitioning towards lower impact fishing. This sets young fishers on a path of unsustainable, destructive fishing for the next decades, instead of training them and allowing them to acquire fishing gear that has minimal impacts on the marine environment. In addition, as the case study from France detailed below demonstrates, it is possible to increase fishing capacity of the fleet by benefiting from this subsidy, despite the legal safeguards intended to prevent it.

6 Analysis: France and the Netherlands

Looking at the geographical distribution of the EMFF payments funding new vessels through the young fishers scheme in France, the general tendency is quite evident: 51% of the money is provided to vessels fishing in the Bay of Biscay, while 41% goes to vessels operating in the English Channel. Both areas are already heavily overfished (as are all French coastal waters) and have a highly competitive industrial fleet in operation.

As the following tables show, this funding tends to be concentrated on large, industrialised fishing harbours where large companies are more likely to be located, such as the ports of Caen, Cherbourg, Lorient, Sables d'Olonne, Marennes, etc. Many small harbours do not benefit from this money; organisations such Plateforme de la Petite Pêche Artisanale have issued statements outlining the difficulty of gaining access to these funds ¹⁴.



¹⁴ Les pêcheurs réunis autour de la Plateforme de la Petite Pêche Artisanale réclament un accompagnement financier européen pour que les acteurs de la petite pêche artisanale puissent être représentés http://www.plateforme-petite-peche.fr/?page_id=68

Distribution of funding of vessels receiving EMFF payments for young fishers by fishing area (calculated from official list of beneficiaries of EMFF in France as of 3.12.2019)						
<i>Location</i>	<i>abbrev.</i>	<i>area</i>	<i>no of vessels</i>	<i>EMFF sum [€]</i>	<i>% EMFF</i>	<i>% per Area</i>
CAEN	CN	British Channel	12	521484	14	41
CHERBOURG	CH	British Channel	8	293344	8	
SAINT-MALO	SM	British Channel	5	196125	5	
PAIMPOL	PL	British Channel	5	158250	4	
DIEPPE	DP	British Channel	4	133125	4	
BOULOGNE	BL	British Channel	3	131250	4	
FECAMP	FC	British Channel	2	64688	2	
SAINT-BRIEUC	SB	British Channel	2	46313	1	
BASTIA	BI	Corsica	1	5625	0	0
LORIENT	LO	Bay of Biscay	9	425625	11	51
LES SABLES D'OLOGNE	LS	Bay of Biscay	8	296325	8	
MARENNES	MN	Bay of Biscay	8	219750	6	
GUILVINEC	GV	Bay of Biscay	6	262425	7	
ÎLE D'OLERON	IO	Bay of Biscay	6	219750	6	
SAINT-NAZAIRE	SN	Bay of Biscay	4	147188	4	
BREST	BR	Bay of Biscay	3	94687	3	
CONCARNEAU	CC	Bay of Biscay	3	66563	2	
ARCACHON	AC	Bay of Biscay	2	66563	2	
BORDEAUX	BX	Bay of Biscay	1	46875	1	
AUDIERNE	AD	Bay of Biscay	1	37500	1	
BAYONNE	BA	Bay of Biscay	1	11250	0	
LA RÉUNION	RU	Indian Ocean	11	127931	3	3
SÉTE	ST	Mediterranean Coast	4	31500	1	1
TOULON	TL	Mediterranean Coast	1	11250	0	
MARTIGUES	MT	Mediterranean Coast	1	7500	0	
	NO		2	54375	1	

Note: “%EMFF” refers to the percentage of the young fishers subsidy that went to that particular port. “% per area” is the sum percentage per region of that subsidy allocation.

Source: Liste des opérations du programme national FEAMP 2014-2020¹⁵

¹⁵ Liste des opérations du programme national FEAMP 2014-2020

https://www.europe-en-france.gouv.fr/sites/default/files/20122019_liste_des_beneficiaires_feamp_au_03122019.xls

For the Netherlands a geographical concentration is very clear, with the home ports of all vessels funded by EMFF payments clustered in close proximity around the Wadden Sea and IJsselmeer. Data from Globalfishingwatch.org shows that all the vessels receiving funding operate in the IJsselmeer and the coastal waters close to it such as the Wadden Sea. 95% of the funding provided to young fishers in the Netherlands went to large vessels ranging from 19.81m to 23.95m in length. Large-scale vessels are those regarded as using towed gear, and with a length above 12m, which make up 59% of the Dutch fleet. The EU's intention is for the EMFF to give priority support to sustainable small-scale fisheries, yet almost all Dutch support for young fishers went to large-scale vessels well above 12m ¹⁶.



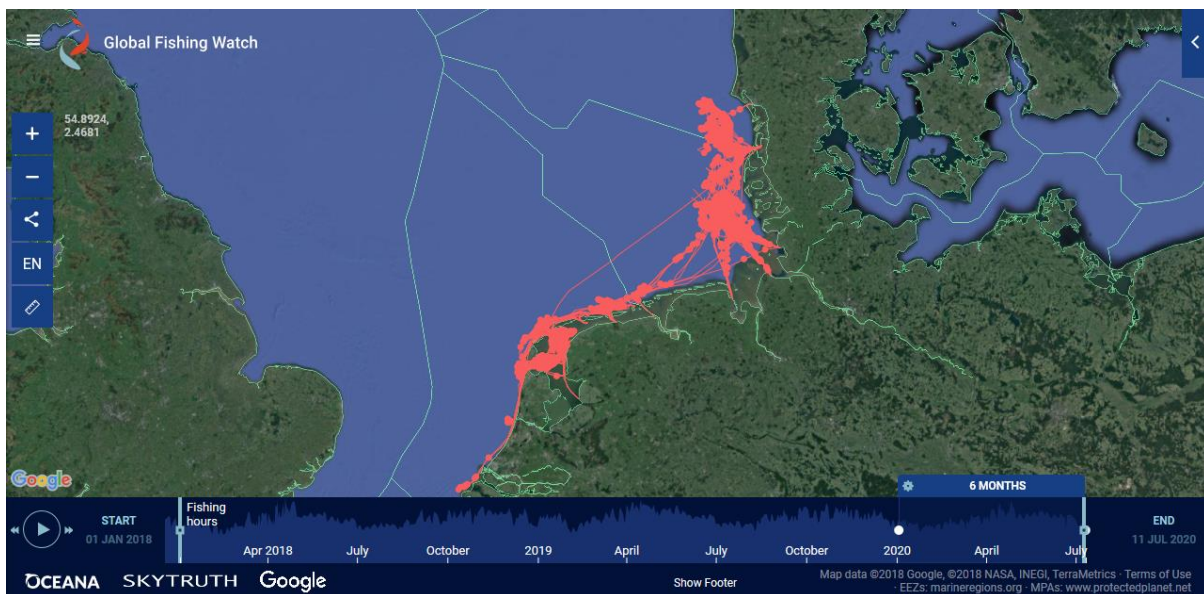
<i>Distribution of funding of vessels receiving EMFF payments for young fishers by fishing area (calculated from official list of beneficiaries of EMFF the Netherlands as of 3.12.2019)</i>						
<i>Port of registration</i>	<i>abbrev.</i>	<i>area of registration</i>	<i>no of vessels</i>	<i>EMFF sum [€]</i>	<i>% EMFF</i>	<i>% per Area</i>
STAVEREN (NL)	ST	IJsselmeer	2	134193	36	100
TEXEL (NL)	TX	IJsselmeer	1	56250	15	
WESTDONGERADEEL (NL)	WL	IJsselmeer	2	112500	30	
WIERINGEN (NL)	WR	IJsselmeer	2	75000	20	

Note: “%EMFF” refers to the percentage of the young fishers subsidy that went to that particular port. “% per area” is the sum percentage per region of that subsidy allocation.

Source: Openbaarmaking EFMZV-subsidies | - beneficiaries list of 31.12.2019¹⁷

¹⁶ European Commission: Small-scale fisheries
https://ec.europa.eu/fisheries/cfp/small-scale-fisheries_en

¹⁷ Openbaarmaking EFMZV-subsidies | - beneficiaries list of 31.12.2019



Graph showing the movement of all 6 Dutch trawlers during the first half of 2020.

Source: <https://globalfishingwatch.org/map/>, accessed on 14.07.2020

In the case of France, the distribution of the funding does not indicate a tendency towards industrial vessels receiving the lion's share of the funding. However, it is clear that the distribution of the funding does not take into account whether the sector that is being subsidized is operating in a harmful manner, rather than with low impact. Eco-conditionality - the granting of funds in exchange for respect of good environmental practices - must be central to schemes such as the young fishers scheme to ensure the funds contribute to sustainable fisheries. The EMFF currently lacks eco-conditionality.

The data analysed for the purpose of this report demonstrates that 50% of the EMFF money distributed through the young fishers scheme in France and the Netherlands was for the purchase of vessels that are operating with active bottom contacting gear (dragged over the bottom of the sea), and 24% to buy vessels with gear connected with specially high cetacean bycatch. It should be pointed out that in the Bay of Biscay there is a serious problem with common dolphin bycatch, where 11,300 common dolphins died over a three month period during the winter 2018-2019 as a result of fishing activities ¹⁸.

<https://www.rvo.nl/onderwerpen/agrarisch-ondernemen/visserij-en-aquacultuur/eu-fonds-maritieme-zaken-en-visserij/openbaarmaking-efmzv-subsidies>

¹⁸ Peltier H., Authier M., Caurant F., Dabin W., Dars C., Demaret F., Meheust E., Ridoux V., Van Canneyt, O., Spitz J., 2019. Etat des connaissances sur les captures accidentelles de dauphins communs dans le golfe de Gascogne – Synthèse 2019. Rapport scientifique dans le cadre de la convention avec le MTES. Observatoire PELAGIS – UMS 3462, La Rochelle Université / CNRS, 23 pages.

https://www.observatoire-pelagis.cnrs.fr/IMG/pdf/Rapports/ByCatch_Rapport_CAPECET_DEB_2019.pdf

Distribution of funding and number of vessels by geartype of vessels receiving EMFF payments for young fishers in France and the Netherlands 2014-2019 (only geartypes that are main gear on vessels receiving funding are included)				
<i>Gear categories</i>	<i>abbrev</i>	<i>no of vessels</i>	<i>EMFF sum [€]</i>	<i>% of EMFF</i>
TRAWLS	TRW	49	2243765	54
Beam trawls	TBB	7	396693	10
Bottom otter trawls	OTB	33	1450922	35
Midwater otter trawls	OTM	1	53438	1
Pelagic pair trawls	PTM	4	122888	3
Otter twin trawls	OTT	4	219825	5
DREDGES	DRE	7	232781	6
Boat dredges	DRB	7	232781	6
GILLNETS AND ENTANGLING NETS	GEN	23	648188	16
Set (anchored) gillnets	GNS	10	230625	6
Trammel nets	GTR	12	406313	10
Combined trammel and gillnets	GTN	1	11250	0
POTS	FPO	18	466350	11
HOOKS AND LINES	HOL	25	528806	13
Handlines and pole lines (hand-operated)	LHP	6	69806	2
Handlines and pole lines (mechanised)	LHM	1	24375	1
Set longlines	LLS	9	337500	8
Drifting longlines	LLD	5	32813	1
Trolling lines	LTL	4	64312	2
total	all	122	4119890	100
EMFF funding to bottom contacting gear		47	2080396	50
EMFF funding to gear connected especially high cetacean bycatch		30	979650	24

Source: *Liste des opérations du programme national FEAMP 2014-2020*¹⁹ and cross-referencing and analysis with data from the EU Fleet Register²⁰

¹⁹ *Liste des opérations du programme national FEAMP 2014-2020*

https://www.europe-en-france.gouv.fr/sites/default/files/20122019_liste_des_beneficiaires_feamp_au_03122019.xls

²⁰ EU Fishing Fleet Register

6.1 Bottom Trawling and Seabed Disturbance

This above table illustrates how 46% of the young fishers money allocated in France between 2014 and the end of 2019 was used to finance the purchase of active bottom-contacting gears that have a recognised high level of impact on the seafloor and on the species living in and above the seafloor - using vessels such as beam trawlers, bottom otter trawlers and boat dredges²¹. For the Netherlands this number is at 95%, with beam trawlers, or more concretely, shrimp cutters making up six out of seven vessels receiving funding. Some of the highest rates of incidental catch of non-target species are associated with shrimp trawling²².

A European Commission report on the implementation of the Marine Strategy Framework Directive, published in June 2020, showed that 79% of the EU's coastal seabed – which is the most vulnerable and biodiversity-rich part of the sea – is disturbed by bottom trawling, highlighting the large-scale impact this fishing method has on marine ecosystems^{23 24}. Other active bottom-contact fishing techniques, including dredging and seining, also have large impacts on the seabed and the ecosystem that depends on it.

https://webgate.ec.europa.eu/fleet-europa/search_en

²¹ ICES: EU request on indicators of the pressure and impact of bottom-contacting fishing gear on the seabed, and of trade-offs in the catch and the value of landings

http://ices.dk/sites/pub/Publication%20Reports/Advice/2017/Special_requests/eu.2017.13.pdf

²² A Study Of The Options For Utilization Of Bycatch and Discards From Marine Capture Fisheries by Ivor Clucas, FAO Fisheries Department. Rome, October 1997. <http://www.fao.org/3/w6602e/w6602E00.htm>

²³ Marine messages: Our seas, our future — moving towards a new understanding (Eigaard et al. 2016, EIA 2014, 2019)

<https://www.eea.europa.eu/publications/marine-messages>

EEA Report No 17/2019: Marine messages II

Navigating the course towards clean, healthy and productive seas

through implementation of an ecosystem-based approach <https://www.eea.europa.eu/publications/marine-messages-2/>

Eigaard et al 2016: Estimating seabed pressure from demersal trawls, seines, and dredges based on gear design and dimensions https://academic.oup.com/icesjms/article/73/suppl_1/i27/2573989

²⁴ The Marine Strategy Framework Directive

https://ec.europa.eu/environment/marine/eu-coast-and-marine-policy/marine-strategy-framework-directive/index_en.htm

6.2 Pelagic Pair Trawlers and Cetacean Deaths

An additional 27% of the young fishers money allocated in France during this period was used to finance the purchasing of second-hand vessels with gears such as pelagic pair trawlers, otter twin trawls, set gillnets and trammel nets, which are known to be responsible for high levels of cetacean bycatch ²⁵. According to the data analysed for this report, four pelagic pair trawlers bought with EMFF money were purchased in the Bay of Biscay (Lorient and Sables d'Olonne) in 2016-2017. Since 1997, the PELAGIS centre (France's national scientific centre on cetaceans) stated that the primary responsible fishery for bycatch of dolphins in the Bay of Biscay is pelagic trawling²⁶. Since 2016, there have been record numbers of dolphin deaths because of bycatch in the winter months in the Bay of Biscay ²⁷. Protection of cetaceans is a legal obligation of France since the adoption of the Habitats Directive in 1992, and this year the European Commission finally initiated [an infringement procedure](#) against France for its lack of action in protecting its cetaceans, especially its dolphins in the Bay of Biscay ²⁸. Allowing the use of public EMFF subsidies to support the purchasing of gears that are directly responsible for the deaths of thousands of dolphins demonstrates irresponsibility on the part of France.

6.3 Observations

- When a significant proportion of a country's allocation for an EMFF scheme goes into the same region or finances a specific fleet segment, this maintains pressure on the same fish stocks and associated marine environment. In addition, it upsets the opportunity to attain level playing fields between industrial and small-scale fishers and creates a lack of equity among both regions and fishers.
- Vessels fishing in the Bay of Biscay using harmful fishing gear that is known to have a large cetacean bycatch rate are being kept operational thanks to the EMFF, despite the seriousness of the bycatch issue in southern France with several thousands of animals stranding each winter. Likewise, in the Netherlands, EMFF is mostly funding shrimp cutter vessels associated with some of the highest levels of unwanted catches.

²⁵ Peltier, H., Authier, M., Deville, R., Dabin, W., Jepson, P.D., Van Canneyt, O., Daniel, P and Ridoux, V. (2016). Small cetacean bycatch as estimated from stranding schemes: The common dolphin case in the northeast Atlantic. *Environmental Science & Policy*, Volume 63, September 2016, Pages 7-18. Online. <http://www.sciencedirect.com/science/article/pii/S1462901116301514>

²⁶ 1997, summary p3: Les pêcheries au chalut pélagique opérant dans le Golfe de Gascogne en hiver sont très probablement responsable de cette mortalité massive <https://www.observatoire-pelagis.cnrs.fr/IMG/pdf/RapportEchouages1997.pdf>

²⁷ Pelagis, CNRS, Etat des connaissances sur les captures accidentelles de dauphins communs dans le golfe de Gascogne – Synthèse 2019, Rapport Scientifique, p8. https://www.observatoire-pelagis.cnrs.fr/IMG/pdf/Rapports/ByCatch_Rapport_CAPECET_DEB_2019.pdf
Le Monde: Dauphins échoués : la pêche industrielle en ligne de mire, 25 March 2016 https://www.lemonde.fr/biodiversite/article/2016/03/25/dauphins-echoues-la-peche-industrielle-en-ligne-de-mire_4890262_1652692.html

²⁸ European Commission, July 2, 2020 July infringements package: key decisions https://ec.europa.eu/commission/presscorner/detail/en/inf_20_1212

- Supporting young fishers to purchase a second-hand vessel that uses destructive fishing gear puts the fisher on a pathway of destructive fishing for the future, by maintaining unsustainable practices and hindering a transition towards more sustainable methods and a future-oriented fishing sector. This goes against the objective of the EMFF to promote the transition towards environmentally sustainable fisheries and to foster the implementation of the CFP, which is to ensure that fishing activities contribute to the creation of environmental conditions capable of being sustained long-term which are necessary for economic and social development ²⁹. As mentioned above, a ClientEarth report found that France and Spain had failed to use the EMFF in conservation efforts to end overfishing or to restore the marine environment ³⁰.
- It should be noted that from the data analysed any possible shift to more environmentally sustainable gear done after the purchase of the vessel cannot be taken into account.

²⁹REGULATION (EU) No 508/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
Recital 9

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32014R0508>

³⁰ Two biggest recipients of EU fisheries fund misused EU tax payer money, report finds

<https://www.clientearth.org/two-biggest-recipients-of-eu-fisheries-fund-misused-eu-tax-payer-money-report-finds/>

7 Case Study: France

APAK - Armement de la Pêche Artisanale de Keroman, Lorient, France

Annytia, a 17.5m vessel fishing with bottom otter trawls operating in the Bay of Biscay was purchased with help of the EMFF funding for young fishers. The beneficiaries list states the funding period as “31.01.2017 – 12.10.2017”, and a total vessel cost of €400,000, of which the EMFF provided €56,250 in subsidies, while a further €18,750 was given in subsidies from the French government ³¹.

The fishing vessel was bought by Clement Arrial in 2016, who was a long-time crew member working for the previous owner, Éric Guygniec³².

Mr Guygniec is the co-head of APAK - Armement de la Pêche Artisanale de Keroman, a company which operates seven fishing trawlers out of Lorient, in Brittany. The *Annytia* is still listed as part of the active fleet of APAK, even though the list has been clearly updated to include new acquisitions from 2019 ³³.

APAK recently acquired new vessels, according to reports on its website that in 2019 it had two new ships built, the *Marie-Lou* and *Le Dolmen*. *Le Dolmen* is co-owned as joint-venture with another Lorient-based operator, Scapêche.

Mr Guygniec also heads Scapak, a joint-stock company set up and co-owned by APAK and Scapêche ³⁴. Scapêche is the fishing subdivision of le Mousquetaires, owned by supermarket chain Intermarché, and the largest French ship-owner for “fresh fishing”, with a fleet of 23 vessels ^{35 36}.

The collaboration with Scapêche has enabled the purchase of new vessels for APAK’s fleet ³⁷. At least two vessels of the fleet listed in APAK website as part of its fleet, the *Naoned* (newly acquired) and *Le Dolmen*

³¹ Liste des opérations du programme national FEAMP 2014-2020

https://www.europe-en-france.gouv.fr/sites/default/files/20122019_liste_des_beneficiaires_feamp_au_03122019.xls

³² Pêche à Lorient. Mousse à 13 ans, aujourd’hui tout jeune armateur <https://lorient.maville.com/actu/actudet-peche-a-lorient.-mousse-a-13-ans-aujourd-hui-tout-jeune-armateur-52713-2926662-actu.Htm>

³³ “NOTRE FLOTTE – armement_apak,” n.d., accessed July 9, 2020, <https://www.armement-apak.fr/notre-flotte/>

³⁴ Le Marine 22/3/2017: Lorient : un partenariat entre la Scapêche et l’Apak <http://lemarin.ouest-france.fr/secteurs-activites/peche/28086-lorient-un-partenariat-entre-la-scapeche-et-lapak>

³⁵ Scapêche has a fleet of 22 fully-equipped ships and 250 seamen and officers, operating in 5 different fishing zones and specialising in catching various species of fish <http://www.scapeche.fr/qui-sommes-nous/notre-flotte/&lang=en>

³⁶ “Seafood business line of Agromousquetaires”, Les Mousquetaires, accessed July 9, 2020, <https://web-v2.mousquetaires.dev.blk.re/en/our-subsidiaries/agromousquetaires/our-business-lines/seafood-division/>

³⁷ Quote translated from “Apak et Scapêche créent l’armement Scapak - Le Journal des Entreprises - Finistère,” Le Journal des Entreprises, last modified March 22, 2017, accessed July 9, 2020, <https://www.lejournaldesentreprises.com/finistere/article/apak-et-scapeche-creent-larmement-scapak-94542>

“Scapak’s first founding act was the purchase of a trawler from Boulonnais, the *Gloire à Marie III*, which became the *Naoned*. This seiner will enable fishing for hake and albacore tuna in the Bay of Biscay. 1.2 million euros is invested to transform this boat. The *Naoned* will be entrusted to Yohann Yohann Madiot, current owner of the *Dolmen*, the APAK

(also newly acquired) are operated by Scapak³⁸. Both “*patrons*”, Frédérique Lizeul (Le *Dolmen*) and Yohann Madiot (*Naoned*) also signed the paper creating Scapak, as did Clement Arrial, the new owner of the *Annytia*, purchased with EMFF money³⁹.

To sum up, the buyer of the *Annytia* is clearly still embedded in the APAK/Scapak family as a co-founder of Scapak, which is in turn a collaboration of APAK and Scapêche⁴⁰. Scapak is co-headed by Éric Guygniec, who is also the head of APAK and the original seller of the *Annytia*. It is questionable if the fund’s payments, even if indirect - such as selling an old boat to a young fisher - should be used to support fishing companies, as it may result in the modernisation and even construction of new, more efficient fishing vessels, equipped with destructive fishing gear.

This case study shows that the relationship between vessel buyers and sellers must come under much greater scrutiny before the granting of EMFF Young Fisher funds.

While there is no indication of APAK making illegal use of the young fishers fund, the allocation of the EMFF in this instance seems counterproductive, as it indirectly subsidises and propagates overcapacity. This runs counter to the EMFF’s role of promoting the transition towards environmentally sustainable fisheries and to foster the implementation of the CFP’s aims to adjust the capacity of the fleet and end overfishing⁴¹.

boat. Currently under construction in the Netherlands, this purse seiner will be more fuel-efficient and will enable APAK to expand its business activities. It is expected to enter service in June 2017. With this new project, APAK intends to rejuvenate its fleet.”

³⁸ Multi-purpose Le Dolmen delivered to Lorient, Fiskerforum, 21 May 2019 <https://fiskerforum.com/multi-purpose-le-dolmen-delivered-to-lorient/>

Societe Centrale De L'armement De La Peche Artisanale De Keroman - SCAPAC - Statuts Constitutifs (Depot no 1123), 11.10.2017
<https://www.infogreffe.fr/entreprise-societe/827926197-societe-centrale-de-l-armement-de-la-peche-artisanale-de-keroman-scapak-560117B002050000/actes-deposes.html#docsOfficiels>

³⁹ Liste des actes Societe Centrale De L'armement De La Peche Artisanale De Keroman - Scapak
<https://www.infogreffe.fr/entreprise-societe/827926197-societe-centrale-de-l-armement-de-la-peche-artisanale-de-keroman-scapak-560117B002050000/actes-deposes.html#docsOfficiels>

⁴⁰ Societe Centrale De L'armement De La Peche Artisanale De Keroman - SCAPAC - Statuts Constitutifs (Depot no 1123), 11.10.2017
<https://www.infogreffe.fr/entreprise-societe/827926197-societe-centrale-de-l-armement-de-la-peche-artisanale-de-keroman-scapak-560117B002050000/actes-deposes.html#docsOfficiels>
Multi-purpose Le Dolmen delivered to Lorient, Fiskerforum, 21 May 2019 <https://fiskerforum.com/multi-purpose-le-dolmen-delivered-to-lorient/>

⁴¹ GREEN PAPER: Reform of the Common Fisheries Policy <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0163:FIN:EN:PDF>

8 Conclusions

- In terms of subsidies, the 2014-2020 EMFF has been the best so far. It was agreed at a period of higher political ambition to achieve sustainable fisheries - the same time as the reformed CFP. However, this current EMFF still contributes to the financing of harmful fishing practices and increases overcapacity. The forthcoming EMFF must do neither, but instead help achieve concrete CFP objectives, such as increasing the selectivity of fishing gears and practices, identifying challenges and solutions to tackle fishing impacts on the marine environment, supporting the implementation of the landing obligation, restoring impacted natural habitats, improving data collection and having a better fisheries control system.
- This report's findings indicate that subsidies that cover operational costs carry the risk of increasing overcapacity and thus becoming a harmful subsidy, despite having strict conditions attached to them. The young fishers' scheme, a subsidy aimed at attracting young fishers to the sector and in principle 'harmless' as it should not increase fishing capacity, can still be *harmful* because the safeguards attached to it are not sufficient, which creates loopholes. If this is already the case with "harmless" subsidies, then it will be nearly impossible to ensure that directly harmful subsidies have the right conditions attached to mitigate the damaging effects, even if the conditions are correctly applied and effectively enforced, which is not always the case. Therefore, it would be catastrophic for marine ecosystems if directly harmful subsidies⁴², including for engine replacement, construction of new fishing vessels or permanent and temporary cessations, are reintroduced or their current conditions weakened. At the time of writing, these harmful subsidies are being proposed for inclusion in the post-2020 EMFF ⁴³.
- The analysis showed that there are large differences in the detail of available data and transparency between Member States, making it, in some countries, nearly impossible to retrace how the EMFF money was used by the beneficiaries. This hinders the ability to monitor and control the use of funds, which is important for avoiding any detrimental misuse of the funds promoting overcapacity, overfishing and the degradation of the marine ecosystem. This further creates issues with the level playing field between Member States. All relevant documents relating to the EMFF implementation (e.g. annual performance reports of Member States on EMFF implementation, audit reports etc.) should be published on the website of the Commission so citizens are able to access information about spending of EU funds.
- Although this analysis focussed on France and the Netherlands, this does not mean that similar issues are not occurring in other EU Member States. More research is needed on allocations of funds throughout EU waters.

⁴² A bottom-up re-estimation of global fisheries subsidies

U. Rashid Sumaila, Ahmed S. Khan, Andrew J. Dyck, Reg Watson, Gordon Munro, Peter Tydemers, Daniel Pauly
https://www.researchgate.net/publication/225101275_A_bottom-up_re-estimation_of_global_fisheries_subsidies

⁴³ Intervention by DG MARE Director Veronika Veits at PECH meeting 25 June 2020.

https://multimedia.europarl.europa.eu/en/pech-committee-meeting_20200625-1400-COMMITTEE-PECH_vd



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