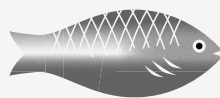


WILL THE EU DOOM OUR OCEAN & FISHERS?

#StopHarmfulSubsidies

#EMFF





CAPACITY-ENHANCING subsidies are not compatible with the objectives of environmental, social and economic sustainability of the Common Fisheries Policy (CFP) of the European Union (EU). **In 2004, European institutions made a bold and historical move when they banned one of the most harmful fisheries subsidies (see page 7), those financing the construction of new vessels.** With this decision, the EU became one of the leading voices on fisheries sustainability in international forums, and particularly within the World Trade Organization (WTO), which, since 2001, has been engaged in negotiations to secure a multilateral agreement banning harmful subsidies by 31 December 2019, as mandated by the Sustainable Development Goal (SDG) 14.6.



Fifteen years after the ban on construction subsidies, the status of some European fish stocks has improved. However, with fish biomass still low and overfishing still widespread, **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-authorise construction subsidies and continue other forms of capacity-enhancing subsidies, as part of the next European Maritime and Fisheries Fund (EMFF, 2021–2027).** If this decision were to go through, not only would the credibility of the EU at the international level be irremediably damaged, it would also pose a serious threat to the future of European marine ecosystems and the coastal communities whose livelihoods rely on them.

OUR RECOMMENDATIONS TO AVOID DOOMING OUR OCEAN'S AND FISHERS' FUTURE

In line with the EU's pledges to **tackle the issues of overcapacity and overfishing** when reforming the CFP both in 2003 and 2013, to bring an end to harmful fisheries subsidies when adopting SDG 14.6 in 2015, and in continuity with a policy the EU pioneered almost 15 years ago, **we urge the European Parliament and the Council of the EU** to:

- ✓ **Reject harmful subsidies to build new fishing vessels;**
- ✓ **Reject harmful subsidies for the modernisation of vessels and replacement of engines;**
- ✓ **Ensure that >25% of the budget are allocated to environmental protection and marine knowledge;**
- ✓ **Increase to >25% the budget for control, monitoring and data collection;**
- ✓ **Increase transparency on how the EMFF is used by beneficiaries so as to avoid any detrimental misuse.**



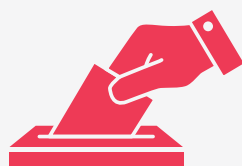
INVOLVING EUROPEAN CITIZENS IN THE DEMOCRATIC PROCESS

At every stage of the decision-making process on the EMFF, EU citizens will have the opportunity to call on key European decision-makers with the iPolitics platform.

<https://ipoliticseu.bloomassociation.org>

A CHANCE TO TURN THE TIDE

In May 2019, a new European Parliament was elected and now finds itself defending a harmful position that it did not vote for. However, **newly elected MEPs can use their rights to put the text through another vote and adopt a more sustainable position in alignment with the Sustainable Development Goals (SDGs) and the EU's commitments to them.**



ON 12 NOVEMBER 2019

The Fisheries Committee of the European Parliament will vote on whether to initiate Trilogue negotiations with Council and the European Commission, using the former European Parliament's position as a basis.

NO

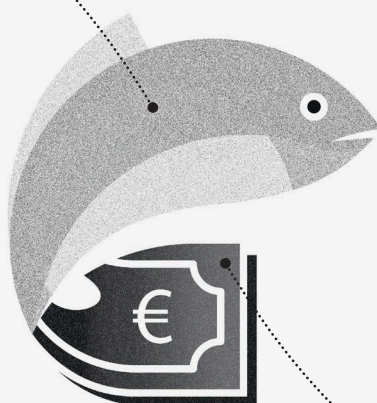
If MEPs of the Fisheries Committee vote NO

The European Parliament will start its second reading of the text and have an opportunity to ensure the Parliament's position aligns with the SDGs ambitions and commitments.

YES

If MEPs of the Fisheries Committee vote YES

Trilogue negotiations will begin, opening the possibility for a final regulation to include harmful subsidies.



ONGOING NEGOTIATIONS ON THE NEXT EMFF: A BIG STEP BACKWARDS THE EU CANNOT AFFORD

Every seven years, European institutions revise their 'Multiannual Financial Framework' (MFF), the overall budget allocated to the different EU policies. As part of the revision, the European Commission published its proposal for the **next EMFF (2021–2027)** in June 2018. **This structural fund will have a budget of more than EUR 6 billion and will determine the future of how our ocean is managed and protected.** Since the proposal's publication, both the European Parliament and the Council of the EU have established their respective positions for the next EMFF, with all three institutions due to find common ground and adopt the next EMFF by the end of 2020.

While the original European Commission's proposal is far from perfect, it does represent a step in the right direction with incentivising a transition to fishing with lower environmental impact and high socio-economic value. It is also leaning towards **the commitment made by the EU to respect the United Nations' Sustainable Development Goals (SDGs)**, especially SDG 10 'Reduced Inequalities', SDG 12 'Responsible Consumption and Production', and SDG 14 'Life below water'. However, the faint progress offered in the European Commission's proposal is severely jeopardised by the disastrous **amendments made by both the European Parliament and Council of the EU** to reintroduce harmful subsidies to build new vessels and modernise existing ones. **These amendments not only represent a serious threat to the future of EU communities and marine ecosystems, they also undermine the credibility and negotiation position of the EU at the international level** by going against the United Nations' SDGs.

20 YEARS OF GLOBAL EFFORT TO BAN HARMFUL SUBSIDIES, THREATENED BY THE EU

The elimination of harmful fisheries subsidies has been a central topic of negotiations at the World Trade Organization (WTO) framework since 1998. There is growing evidence of detrimental impacts caused by harmful subsidies on the state of marine resources that ripples into negative social and economic consequences for fishing communities, food security, and political stability. This has allowed the international community to recognize and accept that cutting harmful subsidies is crucial if we are to give a chance to sustainable and equitable fisheries.

In 2001, WTO Member States agreed to address the issue of fisheries subsidies.¹ However, no agreement has yet been reached despite the recognition of its importance in many political declarations including the Johannesburg Plan of Implementation (2002),² the Rio+20 Declaration of 2012,³ and, more recently, **the SDGs for 2030 adopted by the United Nations in September 2015.**⁴

After twenty years of negotiations, the WTO is about to conclude a multilateral, global agreement to eliminate harmful fisheries subsidies. **The EU cannot choose this historical moment to betray its ambitions and international commitments to secure more sustainable practices for the world's fisheries.**

If the EU were to adopt the current amendments proposed by both the European Parliament and Council of the EU for the next EMFF, it risks jeopardising a WTO agreement to eliminate harmful subsidies globally. Such a decision would signify to the world that the EU is not standing by its commitments to the SDGs.

¹ WTO (2001) Ministerial Declaration — Adopted on 14 November 2001.

² UN (2002) Report of the World Summit on Sustainable Development.

³ UN (2012) Report of the United Nations Conference on Sustainable Development.

⁴ UN (2015) Sustainable Development Goal 14 — Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

DETAILS ON THE POSITIONS OF THE COMMISSION, COUNCIL AND PARLIAMENT

In June 2018, the European Commission submitted its Regulatory proposal for the next EMFF to both the Parliament and Council of the EU. **In its original proposal, the European Commission sought to dedicate financial support to small-scale fishers**, who have historically been disadvantaged and whose fishing methods have the potential to be more aligned with sustainable practices.



Following review of the European Commission's proposal, in April 2019, **the European Parliament voted numerous amendments** to eliminate restrictive criteria and thus facilitate an increased number of beneficiaries accessing financial resources from the EMFF.

In particular, MEPs **decided to reintroduce public subsidies for the construction of new vessels** — forbidden in the EU since 2004 due to their clear role in overcapacity and overfishing — and the modernisation of existing ones.



The Council of the EU went further in its General Approach, which was adopted on 15 October 2019. Its position is alarming in several respects:

- ❶ **Reduction — and sometimes complete removal — of requirements** beneficiaries would have to meet in order to subsidise the construction of new fishing vessels as well as new engines;
- ❷ **No dedicated portion of the EMFF foreseen to finance the protection, restoration, and knowledge of marine ecosystems** in European waters;
- ❸ **Authorisation of transferring or re-flagging of vessels to non-EU countries** after only five years of receiving aids, which is problematic as it would simply export the EU's overcapacity in the waters of other countries **without addressing the issue of global overcapacity**.



The European Commission has expressed serious concerns both in the European Parliament and Council about the major change of direction its proposal has taken, i.e. **to reopen the floodgates of harmful subsidies** and further boost detrimental fishing activities.

WHAT IS A 'HARMFUL' SUBSIDY?

Certain types of subsidies contribute to **fishing overcapacity** (that is, too much technology and effort deployed to catch finite fish stocks), and thus **directly lead to overfishing**. These subsidies are known as 'harmful subsidies'. They account for over 60% of global fisheries subsidies (USD 22 billion — around EUR 20 billion — annually).^{*} They include **any subsidy that reduces the operational costs of the fishing sector such as building new vessels** or increasing the efficiency of fishing gear. They can also be **subsidies provided to fishing companies and vessels that engage in detrimental practices** such as marine habitat degradation, slavery, or that catch large proportion of species not

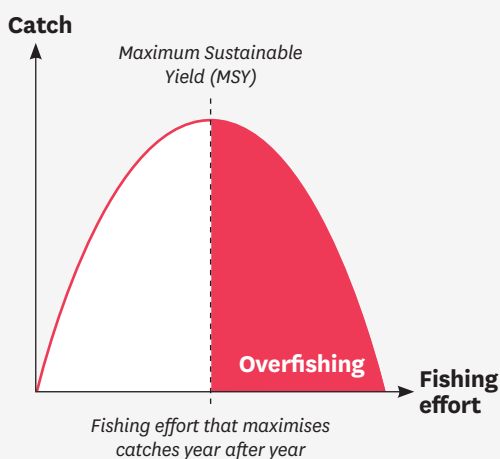
intended for sale (i.e. bycatch) or threatened/endangered species.

But not all subsidies are 'harmful'. On the contrary, certain subsidies lead to investment in natural capital assets. In stark contrast with 'harmful' subsidies, these 'positive' subsidies ensure the optimum use of the finite resources of our ocean's diverse species. They include, for instance, subsidies aimed at improving monitoring, control and surveillance programs of fishing vessels, fisheries research and development, and fishery habitat enhancement programmes.

^{*} Sumaila *et al.* (2019) Updated estimates and analysis of global fisheries subsidies, *Marine Policy* 109: 103695.

STATE OF EU FISH STOCKS

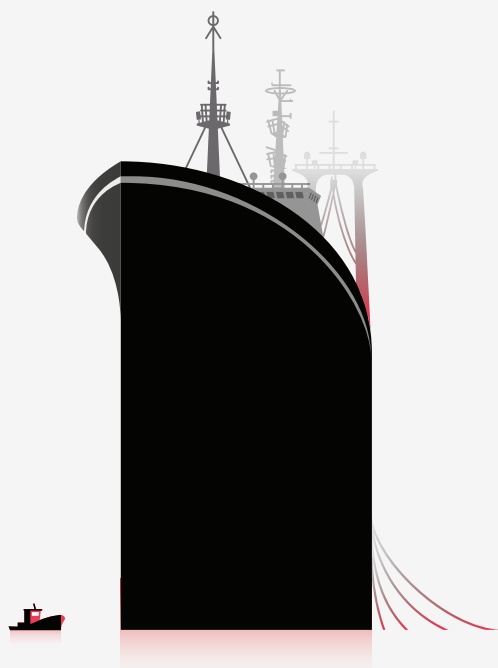
According to the latest data available, **69% of EU stocks remain under too much pressure to maximise catches year after year (Maximum Sustainable Yield, or MSY, which forms the central pillar of the current CFP).**^{*} The Mediterranean Sea is the most overexploited EU area, with almost 90% of stocks currently overfished.^{**} When looking at additional fisheries indicators, only 12% of EU fish stocks are fished in such a manner that the sustainable objectives of the CFP are respected.^{*}



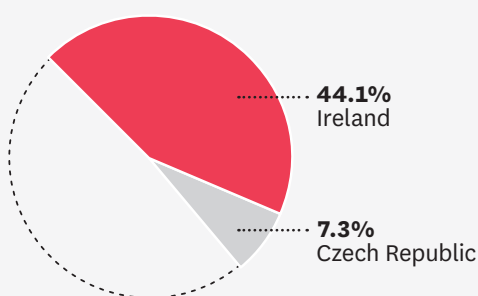
^{*} Froese *et al.* (2018) Status and rebuilding of European fisheries, *Marine Policy* 93159-170.

^{**} STECF (2019) Scientific, Technical and Economic Committee for Fisheries — 60th plenary meeting report (PLEN-19-01), in: Ulrich and Doerner (Eds.) *Scientific, Technical and Economic Committee for Fisheries (STECF)*, Ispra (Italy), p. 161.

KEY FACTS ON THE CURRENT EMFF



Small-scale fishers received only 19.6% of the funds so far, although they account for 85.5% of the EU fleet**



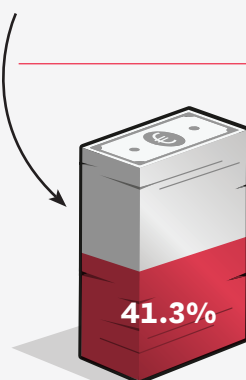
ACTUAL SPENDINGS GREATLY VARY BY MEMBER STATE, FROM 7.3% FOR CZECH REPUBLIC TO 44.1% FOR IRELAND*

Harmful subsidies account for 33.8% of the planned funds, and beneficial ones for 45.1%

(the rest being ambiguous, i.e. can be either one depending on the use)*

**€4.6
BILLION
PLANNED
(2.2 ALLOCATED)
FOR THE 2014-2020 PERIOD***

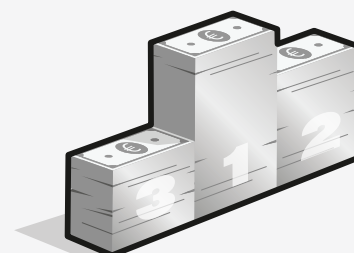
Latvia, Hungary, and Slovakia have allocated the highest proportion of harmful subsidies (incl. national counterpart), with 62.3%, 64.4%, and 65.1% respectively*



41.3%

Spain, France, and Italy account for 41.3% of the planned funds, with 21.7%, 10.9%, and 10.9% respectively*

Spain, France, and Italy have allocated the most harmful subsidies (incl. national counterpart), with 457.4, 267.6, and 248.8 million euros respectively*



* Data from the European Commission, EMFF (2014-2020) as of 31/12/2018.

** EU fleet register, as of July 2019.