

Splash out (the right way): 15 Recommendations for spending the European Maritime Fisheries and Aquaculture Fund (EMFAF)

How Member States can adopt FAIR operational
programmes for the new EMFAF

Looking to use EMFAF funds to promote a thriving fisheries sector while fulfilling your country's environmental commitments? Read on.

Top Lines

- 1. The EMFAF¹ agreed by EU decision-makers is a fund designed for outdated purposes. It does not address the challenges of the 21st century, in particular the climate and biodiversity crises.**
- 2. FAIR operational programmes are Fair, Ambitious, Innovative and Revitalising: Fair to small-scale fishers and everyone who depends on a thriving marine environment, Ambitious in delivering essential changes, Innovative in financing new types of aid and Revitalising by aiming for the restoration and protection of our ocean and coastal communities.**
- 3. Under the new EMFAF, Member States have wide discretion to decide what they want to finance for the next 7 years. We urge Member States to use this discretion to make bold choices for the future of their fisheries, of the broader marine environment along their coastlines and of the ocean, our planet's climate regulator.**
- 4. We have 15 recommendations to make EMFAF operational programmes FAIR.**

Background

Public spending is climate action

It is well known that climate change has a direct impact on ocean health – but the reverse is also true.² On the one hand, the cumulative effect of ocean warming, acidification and deoxygenation caused by climate change has a detrimental impact on fish stocks and marine ecosystems.³ On the other hand, the ocean is the largest carbon sink, absorbing more than a quarter of all carbon humans have released into the atmosphere.⁴ Its capacity to help regulate the global carbon cycle directly depends upon the health of its ecosystems. From the crucial role of phytoplankton in the biological carbon pump all the way to the great whales sequestering an average of 33 tons of CO₂ each, increased biomass means less carbon in the atmosphere and a cooler planet.⁵ A healthy, abundant ocean is a mitigation strategy in itself.⁶ By cutting subsidies which facilitate overfishing, the EU would help fish stocks, marine ecosystems and habitats to

¹ Regulation (EU) 2021/1139 of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1007, OJ L 247, 13.7.2021, p.1; (referred to as EMFAF).

² U. Rashid Sumaila, Travis C Tai 'End overfishing and increase the resilience of the ocean to climate change.' *Frontiers in Marine Science* 7 (2020): 523.

³ IPCC, "Special Report on the Ocean and Cryosphere in a Changing Climate", available at: <https://www.ipcc.ch/srocc/>

⁴ Jamie Shutler, Andy Watson, "The oceans are absorbing more carbon than previously thought" (2020). Available at: <https://www.weforum.org/agenda/2020/10/oceans-absorb-carbon-seas-climate-change-environment-water-co2/>; RA Houghton, "Balancing the global carbon budget." *Annu. Rev. Earth Planet. Sci.* 35 (2007), 313–347.

⁵ U. Rashid Sumaila, Travis C Tai, 'End overfishing and increase the resilience of the ocean to climate change.' *Frontiers in Marine Science* 7 (2020): 523.

⁶ Ibid.; Greenpeace, "How does overfishing make climate change worse?" (2020). Available at: <https://www.greenpeace.org/new-zealand/story/how-does-overfishing-make-climate-change-worse/>

recover, simultaneously enhancing carbon sequestration.⁷ Importantly, this would also help increase fish stocks' resilience to climate change and keep the fishery sector afloat.⁸

Moreover, by subsidising an otherwise unprofitable, fossil-fuel intensive industry, the EU is paying for unnecessary carbon emissions.⁹ Harmful subsidies allow for the continuous increase in fleet size and capacity, leading to increased CO₂ emissions. But more boats does not mean more fish. Quite the opposite: the number of fish that can be caught is fixed, so subsidies only produce more pollution and fruitless competition – like using 3 cars to buy a single loaf of bread. This in turn puts pressure on authorities to set unsustainable quotas and increase subsidies, a vicious cycle which ends with the collapse of our fisheries.¹⁰ Eliminating harmful subsidies for highly polluting industrial fishing fleets would cut overcapacity, reducing fossil-fuel consumption and carbon emissions.¹¹

The EMFAF sticks to old patterns

The EMFAF Regulation has failed to integrate the radical changes needed. It is the equivalent of subsidising monastic scriptoria just as the printing press is taking hold; the EMFAF is designed for irrelevance. Innovation in 2021-2027 means aiming to restore and protect the resources that underpin economic activity at sea, including fisheries, while supporting the fisheries sector to transition towards more sustainable and low impact fisheries and become economically viable without constant public support. The world is changing. Seafood that cannot be traced back to a sustainable source is becoming unsellable. Europe should be giving its fishing fleet a first-mover advantage globally by subsidising the innovations – in fishing and ocean protection and restoration – needed to produce seafood that can be placed on the market. But the new EMFAF is not designed this way. It fails to prioritise investments in small-scale fishers (mostly representing the micro-enterprises of the industry¹²), who will need the most support to adapt to the environmental and social constraints they face. It will be the responsibility of each individual Member State in their operational programme to make the bold choices that EU decision-makers failed to make in the EMFAF.

The main shortcomings of the recently adopted EMFAF are:

The lack of ring-fencing for nature protection and restoration: Member States have the responsibility as public authorities to finance, with EU citizens' money, projects of public interest that would support the restoration and protection of the marine environment. According to the Court of Auditors report on marine protection, spending for this purpose should be increased.¹³ The Commission replied to the Court by saying that it is for the Member States to increase this kind of spending in their EMFAF operational programmes. Upcoming operational programmes provide the opportunity for Member States to fulfil their environmental commitments.

⁷ Sumaila, supra note 2

⁸ Sumaila, supra note 2

⁹ Report: Climate impacts and Fishing industry profits from Eu fuel tax subsidies, Our Fish, <https://our.fish/publications/report-climate-impacts-fishing-industry-profits-from-eu-fuel-tax-subsidies/>

¹⁰ PEW Charitable Trusts, "Fleet Overcapacity is Driving Overfishing" (2011). Available at: <https://www.pewtrusts.org/en/research-and-analysis/fact-sheets/2011/11/14/fleet-overcapacity-is-driving-overfishing>

¹¹ Sumaila, supra note 2

¹² According to the definition of micro enterprises of Article 2 of Commission Recommendation 2003/361/ EC, OJ L 124, p. 36 of 20 May 2003.

¹³ Special report of the Court of Auditors 2020/26, Marine protection is wide but not deep, in particular pp. 76 to 81 and third recommendation; https://www.eca.europa.eu/Lists/ECADocuments/SR20_26/SR_Marine_environment_EN.pdf

Allowing spending to increase fishing capacity and overfishing. The EMFAF includes the condition that any investment on board or other fleet measures can only take place if fishing capacity is not increased. However, fishing capacity is measured in relation to the engine power of each fishing vessel. The Commission's 2019 report on the verification of engine power shows that engine power is not and cannot be properly monitored by Member States.¹⁴ Having a condition that cannot be verified in practice is obviously insufficient. In addition to that, in the last decades, fisheries economists and specialists have repeatedly demonstrated that fleet measures will not support the development of an economically viable and solid fisheries sector.

The EMFAF does not prioritise funds for small-scale fishers. The only measure in place for the small-scale fleet is the 100% co-financing rate, which allows fishers to access funds without having to contribute their own capital. Until now, 80% of the funds distributed under the predecessors of the EMFAF went to large-scale fleets.¹⁵ Worryingly, in the EMFAF, spending for large-scale fleets is not limited to certain types of investments such as the implementation of the landing obligation or more selective fishing. The EMFAF does not include preferential treatment for fishing vessels under 12 metres. Without appropriate funds, the transition towards low-impact fisheries, and towards a thriving local economy of fisheries that offers the right tools to fishers, will not happen. This is regrettable; supporting local fishers and local seafood products ensures greater food sovereignty, less dependency on imported seafood (currently the majority of what is on the EU's market), and a robust economy of small-scale fishers – all of which are elements of strategic seafood autonomy. It will fall on individual Member States to integrate innovative ways of distributing investments in such a way that social justice is promoted.

Many reports highlight these shortcomings as well as other failures to move past outdated funding patterns.¹⁶ In this briefing, we set out our recommendations for Member States to live up to their environmental commitments through their EMFAF operational programmes.

The opportunity: adopt FAIR operational programmes

Operational programmes should be:

Fair to small-scale fishers and everyone who depends on a thriving marine environment;

Ambitious in delivering the changes needed now to reverse climate change, biodiversity loss and the economic crisis generated by the pandemic;

Innovative in financing new types of measures that will put Europe's economy at the forefront of a global sustainability movement;

Revitalising by aiming for the restoration and protection of our ocean and coastal communities.

¹⁴ Commission Study on engine power verification, DG MARE, 2019-06-14, p.20; <https://op.europa.eu/en/publication-detail/-/publication/a867cbac-8e90-11e9-9369-01aa75ed71a1>

¹⁵ Presentation of the European Commission, DG MARE, Elisa Roller on the European Maritime and Fisheries Fund, From 2014-2020 to 2021-2027 at the European Parliament, PECH Committee, 2nd of October 2019, item 6 of the agenda.

¹⁶ [How to better use EU's citizens money in fisheries \(ClientEarth\)](#) ;

[Mismanagement of European Maritime and Fisheries Fund Sees Taxpayers' Money Vanish into the Wrong Pockets \(Our Fish and ClientEarth\);](#)
[How subsidy mismanagement is threatening EU fisheries \(Seas At Risk\);](#)

[The use of the European Maritime and Fisheries Fund \(EMFF\) in France in relation to the protection of the marine environment and its resources \(Birdlife September 2020\);](#)

[Ending "Temporary Cessation" for Good – How an EU Subsidy is Driving Overfishing \(Birdlife September 2020\) ;](#)

15 recommendations to be FAIR

1. Benchmark operational programmes against the European Green Deal – specifically the EU Biodiversity Strategy and the Farm to Fork Strategy – and against the targets to protect and restore marine biodiversity under the Birds and Habitats Directives, the Marine Strategy Framework Directive and the Common Fisheries Policy.
2. Propose investments based on an integrated strategic analysis and a vision for the future of national fisheries. Finance projects that are beneficial for coastal communities, fishers and the EU marine environment with long-term effects instead of simply promoting those measures that make it easy to spend the money.
3. Include and promote more measures linked to the restoration and conservation of the marine environment. In particular, dedicate at least 25% of the national budget to such measures.
4. Give preference to Small scale fishers when distributing EU money and limit large-scale fishers' access to EU funds for projects such as implementing the landing obligation, implementing certain fisheries control measures, training fishers for safety purposes, increasing the selectivity of their fishing gear or moving towards low-impact fishing.
5. Promote generational renewal through means such as business start-up support and trainings, rather than the acquisition of a first fishing vessel. This measure ends up increasing fishing capacity because there are no conditions linked to what the seller can do with the money received from the sale. All too often the money gets wastefully reinvested in the same saturated sector. Because of the discrepancy between nominal and actual capacity in the different fleet segments, fishing capacity increases despite conditions meant to prevent the young fisher or company in which the young fisher is active from increasing capacity.¹⁷
6. Condition support for fixed business costs on improved environmental performance (e.g. the adoption of low or lower-impact fishing gear, remote electronic monitoring, and/or stunning equipment to improve fish welfare);
7. Promote cooperation between fishers and scientists to create a culture of co-ownership of environmentally innovative projects.
8. Promote the transition towards low-impact fishing, for example by financing changes to gear type or simple technical adjustments.¹⁸
9. Promote diversification so fishers can develop new business activities using their knowledge and experience in sectors such as sustainable tourism.¹⁹
10. Propose large number of trainings to improve safety and security of fishers. Many studies show that most accidents at sea are linked to human error and lack of training.²⁰ Limiting investments for safety purposes to mainly investments on board does not solve this problem; building human capital through training does.

¹⁷ Article 17 of the EMFAF Regulation.

¹⁸ Turning the tide on EU seas, p. 9-10, https://www.birdlife.org/sites/default/files/turning_the_tide_june2020_1.pdf

¹⁹ Turning the tide on EU seas, p. 10, https://www.birdlife.org/sites/default/files/turning_the_tide_june2020_1.pdf

²⁰ FAO Technical Guidelines for responsible fisheries, Nr1 Supl. 3, Fishing Operations, Best practices to improve safety at sea; <http://www.fao.org/3/a-i4740e.pdf>, p.1; [https://www.europarl.europa.eu/RegData/etudes/STUD/2018/617484/IPOL_STU\(2018\)617484_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2018/617484/IPOL_STU(2018)617484_EN.pdf) p.14, 16, 22, 25.

11. Promote investments to implement the landing obligation effectively. The landing obligation is binding under EU law. It incentivises the reduction of by-catch and promotes fully documented fisheries.
12. Improve traceability through digitisation.²¹ This will ensure that efforts to develop new, localised supply chains support EU businesses while preventing Illegal Unreported and Unregulated (IUU) seafood from entering the supply chain, in turn boosting the EU's strategic autonomy and giving consumers added confidence.
13. Fund and promote more measures linked to the restoration and conservation of the marine environment, such as monitoring and assessing the impacts of fishing on species and habitats, and developing and testing mitigation measures, particularly to address the problem of bycatch of sensitive species.²²
14. Support administrative capacity for the effective control and implementation of CFP rules. Increased spending to support the implementation of conservation measures can only be effective if compliance and effective implementation of those measures are also ensured. In addition to increased transparency on control efforts, greater financial support is necessary and will boost legitimate businesses. Investment opportunities include increasing the number of inspectors as well as improving the tools, equipment and technology available to carry out inspections on board and at landing sites.²³
15. Promote and finance more systematic collection of scientific data, going beyond national data collection programmes. This includes standardised bycatch data collection focusing on seabird, marine mammal and other bycatch, with data representative of all fleet segments and geographical areas.

In short: Adopt FAIR EMFAF operational programmes and make Ocean and Coastal communities thrive

Climate, fisheries and financial experts agree:²⁴ Member States must take bold decisions for investments under the EMFAF for the next 7 years (2021-2027). If FAIR operational programmes steer investments in the right direction, the ocean and our coastal communities will thrive. These FAIR choices come at a price. But thanks to the 6 billion euros available under the EMFAF, we can afford it.²⁵ Member States can support both a transition towards low-impact fishing and the restoration and protection of our ocean. If operational programmes are not FAIR, the health of our ocean will be seriously compromised with damaging consequences for coastal communities and EU fishers. But it does not stop there: the health of the ocean

²¹ClientEarth's report The Spanish system for digitalisation of fish imports: SIGCPI, <https://www.clientearth.org/media/100f5hzs/public-version-the-spanish-system-for-digitalisation-of-fish-imports-sigcpi.pdf>.

²²The recovery of the European Seas: 12 ideas for marine restoration actions, Birdlife April 2021; https://www.birdlife.org/sites/default/files/the_recovery_of_the_european_seas_12_ideas_for_marine_restoration_actions_1.pdf

²³Turning the tide on EU seas, p. 11, https://www.birdlife.org/sites/default/files/turning_the_tide_june2020_1.pdf

²⁴Special report of the Court of Auditors 2020/26, Marine protection is wide but not deep, in particular pp. 76 to 81 and third recommendation; Sumaila, R. et al. Updated estimates and analysis of global fisheries subsidies. Marine Policy 109 (2019) 103695 ; The sunken billion revisited, OECD publication, 2017, pp. 58;

<https://openknowledge.worldbank.org/bitstream/handle/10986/24056/9781464809194.pdf?sequence=8&isAllowed=y>. Ending overfishing can mitigate impacts of climate change, The University of British Columbia, U. Rashid Sumaila & Travis C. Tai , Working Paper #2019 – 05, https://our.fish/wp-content/uploads/2019/09/2019-05-Sumaila_Ending_overfishing_can_mitigate_Impacts_of_climate_change.pdf; U. Rashid Sumaila, Travis C Tai 'End overfishing and increase the resilience of the ocean to climate change.' *Frontiers in Marine Science* 7 (2020): 523.

²⁵ Article 4 of the EMFAF Regulation.

and its ability to play its role as climate regulator are in jeopardy. Investments that increase fishing capacity tilt the playing field against the very fishing communities Europeans want to see thrive: small-scale fishers, the sector's micro-enterprises, cannot compete with large-scale fleets, which get most of the quotas and most of the subsidies, and whose industrial practices are of little long-term benefit to the economy and are totally alien to most citizens' idea of what fishing looks like. What we have set out above is a guide for those Member States determined to ensure a thriving future for their fishers, their coastal communities and the ocean. The EMFAF makes their job possible, and our recommendations make it simple.

Flaminia Tacconi

Senior Fisheries Lawyer

www.clientearth.org