

No EU aid for modernisation and construction of fishing vessels
Plenary vote October 23rd 2013 on the EU Maritime and Fisheries Fund
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We have identified two priority areas for amendments to the EU Maritime and Fisheries Fund, or EMFF:

- Increasing financial aid for data collection, control, and enforcement.
- Ending subsidies that incentivise overfishing.

This briefing focuses on ending subsidies that incentivise overfishing and on alternative ways to support the transition to sustainable fishing.

Earlier this year, with the overwhelming support of the European Parliament, the EU agreed on a new Common Fisheries Policy, or CFP, which seeks to reverse the serious depletion of fish populations, minimise the harmful effects of fishing on marine ecosystems, and re-build a sustainable fishing sector.¹ Upcoming decisions on the new EMFF will open important opportunities to support this transition to sustainable fishing, provided the allocation of public spending supports the CFP aims and does not undermine its objective to restore European fish stocks.

There is broad agreement² that the EU has been subsidising a build-up of excessive fishing capacity,³ so much so that its fleet is, in some fisheries, around two to three times larger than sustainable fishing would allow.⁴

We therefore ask Members of the European Parliament to:

- **Vote against aid for fleet renewal (Art. 32 b new), (PECH Committee completely divided 12:11).**
- **Vote against amendments that introduce measures to support maintaining and increasing overcapacity, including aid for engine replacement (Art. 39), temporary cessation (Art. 33 a new) and mutual funds (Art. 33 b new).**
- **Vote for public spending on measures to support CFP objectives, including data collection and monitoring and enforcement.**

In fact, subsidising of vessel construction has been prohibited since 2004 precisely because it proved impossible to control the impact of construction aid on the overall fishing power of the fleet. Moreover, the EU has submitted a proposal to the Negotiation Group on Rules in the World Trade Organisation to prohibit subsidies for the construction of new fishing vessels and the renovation of existing ones.⁵ Consequently, the European Commission has proposed to discontinue such subsidies in the new EMFF, including aid for engine replacement and aid for temporary cessation of fishing activities. Therefore it would be contradictory to reintroduce such measures.

¹ Although the status of stocks is beginning to show some improvements, 33 per cent of assessed Atlantic stocks and 88 per cent in the Mediterranean remain overfished. Communication from the commission to the council concerning a consultation on fishing opportunities for 2014, <http://bit.ly/16vOxRi>.

² In 2011, the European Court of Auditors warned that “subsidised investment on board fishing vessels could increase their ability to catch fish” and that “Member States did not adequately check whether [such] investments increase the ability ... to catch fish”. It also highlighted the “potential contradiction in providing funding for investments on board fishing vessels and at the same time requiring these investments not to increase the ability to catch fish”.

³ http://cfp-reformwatch.eu/wp-content/uploads/2013/07/Call-on-the-Members-of-the-European-Parliament-to-stop-funding-overfishing_July2013.pdf.

⁴ Commission Working Document (2008). Reflection on further reform of the Common Fisheries Policy.

⁵ See TN/RL/GEN/134 submitted in May 2006.

Four reasons to invest in a transition to sustainability and not in fleet construction and modernisation

1. Fleet investments increase fishing capacity, which leads to overfishing

The modernisation and replacement of fishing vessels and engines are commonly associated with higher efficiency and a greater capacity to catch fish—a phenomenon called ‘technological creep’.⁶ A recent European Court of Auditors report found that vessels equipped with so-called fuel-efficient engines increased their fishing effort, for instance by spending more hours at sea.⁷ In addition, it is widely understood that it is relatively simple to increase the real power output of vessel engines, e.g., by adjustments to the fuel injection settings or by improving propulsion, and to under-declare engine power in official declarations. In fact, the European Commission and European Court of Auditors consider this to be a widespread problem.⁸ Therefore, any claimed safeguards to the subsidised replacement of engines or replacement of entire vessels are somewhat spurious. Furthermore, investments in fleet modernisation are likely to contribute to maintaining excess fleet capacity, e.g., member States do not base decisions on the allocation of fisheries subsidies on relevant information such as which species are being targeted.⁹

Public aid should instead be used to assist fishermen, scientists, and coastal communities to adapt to the management objective of new CFP, for example by funding:

- **Research and testing of more selective gears and fishing methods to prevent by-catch (e.g., AM 291 on Art. 36.1 a and AM 292 on Art. 36.1 aa new).**
- **Promotion of human capital and social dialogue, including lifelong learning, dissemination of knowledge (AM 257 – 260 on Art. 30 and AM 261 – 263 on Art. 31).**
- **Training schemes, including, e.g., support for the revision of business plans or handling of more selective gear, where fishermen are required to change practice as a result of a fleet adjustment plan (AM 261-263 on Art. 31 or AM 302 on Art. 37.1).**

2. New technology will likely replace manpower

Subsidised modernisation and renewal of vessels may not increase employment, as new vessels and vessel equipment are likely to replace groups of older vessels and require fewer hands on deck. In fact, vessels using selective gear generally employ more people per tonne of fish caught than larger, more mechanised and fuel-intensive vessels. A fleet adjustment plan is therefore likely to bring more benefits in terms of employment than the subsidised modernisation of the fleet. In fact, the new CFP will require member States to allocate quotas more fairly and transparently, on the basis of environmental, social, and economic criteria. If implemented correctly, this should redistribute resources to a much greater number of people and substantially benefit coastal fishermen. Public aid should be used to help add value to fisheries products, to diversify employment opportunities in coastal regions, and to support the setting up of systems that allocate preferential fishing opportunities to more socially and environmentally operators. Measures to be supported include:

- **Facilitation of employment diversification and job creation.**
- **Adding value to fisheries products, such as AM 448 on Art. 71.1 a iii a new, AM 451 on Art. 71.1 b ii, AM 452 on Art. 71.1. b ii a new.**
- **Sustainable development of fisheries areas (Chapter III).**

3. Safety on board can be improved by other means than investments in fleets or new vessels

Investments for safety training or equipment on board that go beyond the required standards are provided in the proposed EMFF (Article 33). These investments are not exclusively linked to construction of new vessels, as suggested by the Fisheries Committee. Aid to vessel construction would not significantly improve safety, as

⁶ J. Fitzpatrick, ‘Technology and Fisheries Legislation’, in FAO (1996). Precautionary approach to fisheries Part 2, FAO Fisheries Technical Paper 350/2, pp. 191-199.

⁷ EU Court of Auditors (2011). Have EU measures contributed to adapting the capacity of the fishing fleet to available fishing opportunities?, paragraphs 43-47.

⁸ EU Commission (2006). Methods for measuring fishing power of vessels, available at <http://cfp-reformwatch.eu/wp-content/uploads/2012/09/Methods-for-measuring-fishing-power-of-vessels.pdf>.

⁹ Ecologic (2011). EFF Sustainability Criteria available at <http://www.ecologic.eu/4328>.

fishing accidents are largely due to human error rather than to the age of the vessels, and the 'race to fish', forcing crew to engage in unsafe practices. A more effective way to secure jobs and safety at sea is to invest in crew and community schemes rather than in vessels and machinery, e.g.:

- **Crew safety training, life-saving equipment and rescue services (AM 279 on Art. 33.1, AM 280 on Art. 33.1 a new); and**
- **Lifelong learning and acquisition of new professional skills linked to safety (AM 261 – 263 on Art. 31).**

4. Investments in vessels are expensive with benefits limited to individual owners or businesses

EU aid for vessel modernisation has typically only supported a very specific segment of the fleet, not the whole sector. The highest amount of EU subsidies given for construction of a new vessel was over €6.2 million; the average amount was €204,528 per vessel. On average only 14 percent of EU vessels received funding for modernisation or construction under the previous funding regime (2000-2006) and most EU aid was targeted at vessels over 12m in length.¹⁰ In fact, the vast majority of fishermen in Europe that operate small-scale vessels will benefit more from stock recovery and a fair allocation of fishing opportunities than from extra funding to build new vessels. If stocks are allowed to recover, additional landings could generate more than €3 billion in extra annual income in fisheries of the North-East Atlantic alone, which in turn could support more than 100,000 jobs.¹¹

In comparison to individual fleet subsidies, direct investments in schemes that benefit the entire fishing sector and communities are often more cost-effective and in the common and private interest. Good examples are investments in:

- **Data collection, stock assessments and stock recovery (AM 488 on Art. 79.1, AM 490 on Art. 79.2 b, AM 492 on Art. 79.2 c);**
- **Traceability and labeling schemes that improve the marketability of products (AM 447 on Art. 71.1 a ii, AM 451 on Art. 71.1 b ii, AM 452 on Art. 71.1 b point ii a new);**
- **Partnerships between fishermen and scientists (AM 257 – 260 on Art. 30);**
- **Development of selective gear technology (AM 291 on Art. 36.1 a, AM 292 on Art. 36.1 aa new); and**
- **Effective control and enforcement to facilitate a level playing field and reduce illegal practices (AM 477 on Art. 78.1, AM 482 on Art. 78.2 point g).**

In conclusion

Public spending on vessel modernisation and construction is likely to result in continued overfishing. At the same time, less money would be available to implement the reformed CFP and for measures to achieve sustainability, such as promoting selectivity, data collection and training. In fact, the proposed amendments for vessel construction could divert as much as €1.6 billion of limited EMFF funding away from measures that could promote sustainability and support fishing communities and the wider sector collectively. So please oppose aid for vessel modernisation and construction and support amendments that facilitate the transition to sustainable fishing.

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¹⁰ Poseidon (2010) FIGF 2000–2006 Shadow Evaluation, available at http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Protecting_ocean_life/FIGF-evaluation.pdf, p. 36.

¹¹ nef (new economics foundation) (2012), Jobs Lost at Sea—London <http://www.neweconomics.org/node/1968>.