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Small-scale fishers revealed as least supported recipients of EU funds

Reports show past EU funding did not support the most vulnerable parts of the fisheries sector

Background

The EU fisheries sector is often described as a unique and homogenous entity. However, profitability, types of fishing gears, fuel consumption, fishing areas, access to quotas or access to funding are completely different for small-scale coastal vessels, large scale fishing vessels and fishing vessels operating in the high seas or in third countries.

Small-scale coastal fishing, defined in EU law as "fishing carried out by fishing vessels of an overall length of less than 12 metres and not using towed fishing gear"¹ is viewed as being generally more sustainable when it comes to its impact on marine biodiversity than industrial fishing. It also provides socio-economic benefits to society as a whole, as it contributes to the social fabric of coastal communities, employs on average more persons on board per ton of fish produced and has been found to be more productive than large-scale industrial fishing.

¹ Article 3 (2) (14) of the European Maritime and Fisheries Fund (EMFF) Regulation n° 508/2014 and Article 2 (2) (14) of the European, Maritime, Aquaculture and Fisheries Fund (EMFAF) Regulation n°2017/1004, which also includes fishing on foot in its scope.

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The small-scale coastal fleet represents 75% of the total EU fleet and around 50% of the engaged crew.² It is therefore a very significant part of the EU fisheries sector.

Given its size as well as its contribution to coastal communities, it should therefore be intuitive to say that this part of the EU fleet should get an important share of the public funding channelled to the sector through the EU. The EU itself is committed to the implementation of the Sustainable Development Goals (SDGs), with one of the targets of SDG 14 related to "life below water" being to "*provide access to small-scale artisanal fishers to marine resources and markets*". But it seems that EU funding is not contributing enough to make sure that these commitments are implemented in practice.

In 2021, ClientEarth introduced an access to information request to the European Commission in order to better understand how EU funding is distributed in the fisheries sector and in particular, with the aim of having clear data concerning what segment of the EU fishing fleet benefits the most from public support.

The EU has indeed established a special fund to provide support to fisheries. This fund, previously named the European Maritime and Fisheries Fund (EMFF)³ from 2014-2021, now goes by the name of "European Maritime, Fisheries and Aquaculture Fund" (EMFAF)⁴ following the adoption of a new regulation in 2022. Its pre-2014 predecessor was the European Fisheries Fund (EFF).⁵

It is clearly too soon to tell how EMFAF funds are being spent, and if they do prioritise support for smallscale coastal fleets or instead, large scale industrial fleets. ClientEarth requested information regarding the allocation of funds under the EFF and the EMFF in order to determine to what extent small-scale coastal fleets had benefitted from EU funding in the previous years.

ClientEarth received and analysed the following documents:

- <u>FAME Implementation report on the EMFF for 2019 drafted by the Executive Agency for Small and</u> <u>Medium Enterprises (EASME) which has now become the European Innovation Council and SMEs</u> <u>Executive Agency (EISMEA)</u>.
- European Fisheries Fund (EFF) ex-post evaluation covering funds allocated between 2007 and 2013.
- EMFF 2019 implementation reports for <u>France</u>, <u>Ireland</u>, <u>Spain</u>, <u>Italy</u> and <u>Netherlands</u>. The selection of Member States was driven by ClientEarth's current and previous fisheries work concerning these States.
- <u>Power Point Presentation PECH/9/01347 of the European Commission to the PECH committee of the European Parliament</u>.

² See: <u>https://publications.jrc.ec.europa.eu/repository/handle/JRC123089</u>, p. 12.

³ Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council, OJ L 149, 20.5.2014, p. 1–66.

⁴ Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004, OJ L 247, 13.7.2021, p. 1–49

⁵ Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund, OJ L 223, 15.8.2006, p. 1–44



Main findings

- 1. Of the EMFF funds spent on EU fishing fleets, between 2014 and 2021, only 20% of EU funds are spent on small-scale coastal fishing (SSCF)⁶ while 80% of EU funding was spent on large-scale fishing fleets.
- 2. The EMFF required Member States with more than 1000 small-scale fishing vessels to adopt an action plan for the development, competitiveness and sustainability of small-scale coastal fishing.⁷ In the Member States' implementation reports analysed there is no dedicated reporting on what is granted to SSCFs, including when a dedicated action plan should have been adopted. In the French,⁸ Italian⁹ and Spanish¹⁰ reports, the information available on their small-scale action plans is lacking. Reporting is limited to statements that small-scale are supported, but not necessarily on which precise investments, or the process for facilitating the access to the funds. The French report also adds that there is currently no tool in the national selection criteria to prioritise the applications submitted for SSCF vessels.¹¹
- 3. The Member States' implementation reports show that having an increased (public) aid intensity, meaning lower or no private contributions from small scale coastal fishers to finance their project, is not enough to generate more spending on those projects. For example, France adopted in its operational programme a higher public contribution for some projects financed for SSCFs (energy efficiency or marketing of fish) but they did not report that this higher public contribution has led to increased investments in SSFCs. Only the Britany region created a special call for the replacement of engines of SSCFs and made it more attractive by eliminating the requirement to reduce the power of the engine which is a condition under the EMFF for the SSCF vessels up to 12 meters.¹² As a result in 2019, 58% of vessels that received aid for engine replacement were small-scale coastal fishing vessels. But the legal condition of the EMFF, which was there to avoid an increase of fishing capacity, was violated. This percentage is also mentioned with no reference to the past, so it is not possible to assess whether the special call worked in attracting more SSCFs vessels. It is also regrettable that this special call was only dedicated to promoting the replacement of engines rather than to develop a set of investments aimed at making this subset of the sector more resilient, more sustainable, more self-sufficient and less impactful for the marine environment.
- 4. The FAME report shows that 12-24 meter fishing vessels are the biggest beneficiaries¹³ of the EMFF. This is reflected in the choice of spending made for the Mediterranean. For example, Spain, which has fisheries both in the Atlantic and the Mediterranean, has planned to allocate 45% of the part of the fund available for fisheries to fishing vessels operating in the Atlantic region and only 31% to those active in the Mediterranean. This choice was made despite the fact that 80% of the

⁶.Table 12 of the FAME EMFF implementation report and slide 15 of the power point presentation PECH/9/01347 of the European Commission to the European Parliament.

⁷ Article 18 (1) i) of the European Maritime and Fisheries Fund.

⁸ French implementation report 2019 p.67

⁹ Italian Implementation Report 2019 p.70-71;

¹⁰ Spanish Implementation Report 2019 p.6-7.

¹¹ French Implementation Report 2019 p. 67.

¹² Article 41(2) a) of the EMFF Regulation.

¹³ Table 12 of the 2019 Fame report



Mediterranean Fishers are SSCFs.¹⁴ The FAME report¹⁵ also confirms that only 31% of the EMFF funds available for fisheries investments in the EU are dedicated to the Mediterranean despite the fact that 80% of the vessels are SSFCs. In terms of numbers for example, Spain declared in 2019 almost €20,000,000 for operations linked to fishing vessels but only €3,090,996 for operations linked to SSCFs vessels. Also Italy, which operates almost exclusively in the Mediterranean, declared that 2425 vessels received support in 2019 but only 124 of those vessels were SSCFs, which represents the vast majority of the Italian fleet.

Recommendations

- The European Commission should request Member States to collect more data on how funds are spent, specifying more precisely what type of investments are financed, for which type of fishing vessels and include these data in the Member State reports so that reports at EU level both on the implementation of the funds and on the ex-post evaluation can be more accurate.
- The European Commission should prepare an assessment based on the available information for the implementation of the EMFF and EFF on how SSCF fishers have benefitted from EU funds, specifying amounts and type of investments to be able to identify what could be done to have more funds.
- The European Commission should ask Member States to include in their annual reports on the implementation of EU funds more dedicated information about spending on SSCF vessels or fishers. This more specific information should not only relate to the amounts spent, but also indicate on what kind of investments and possibly with a comparison to previous years or funding periods. This would provide relevant information to the Commission and to the Member States about what type of investments are privileged by SSCF fishers for their vessels, themselves or their crew. Having more precise information could be used at EU and national level to redirect funds during a given programming period or to develop better targeted help for SSFs vessels or fishers in future EU funds.
- Member States should develop dedicated administrative support for SSCF fishers at the local level that would help them access EU funds.¹⁶ This support could be financed through the technical assistance available to Member States. Local administrations in charge of managing EU funds should publicise and advertise locally the investment opportunities but should also help fishers, or their family members involved in the running of the business, with the assessment of their needs in line with fisheries legislation, facilitating the liaison with credit institutes and help them with the preparation of the paperwork and final submission of funding requests.
- Whether required by EU funds regulation or not, all Member States should develop strategic plans at the local level to facilitate access to funding for SSCF businesses. These plans should truly aim at achieving their resilience, sustainability and adaptability to external factors. This would imply not only redirecting serious funding towards SSCF businesses but also promoting certain types of investments in gear selectivity, energy transition, less impactful fisheries, direct marketing opportunities, training

¹⁴ Annual economic report (2022) p.136, <u>STECF 22-06 - AER 2022.pdf - Economic and Social Analyses -</u> <u>European Commission (europa.eu)</u>

¹⁵ Table 12 of the FAME report 2019.

¹⁶ FAME EMFF Implementation report pp. 26-30 ; All Member States reports analysed.



and knowledge sharing. In addition a fair and equitable access to quotas should be guaranteed for SSFC fishers.¹⁷

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¹⁷ Low-Impact-Fishing-Transition Full-Report Oct2021.pdf (our.fish)