



June 2021

Open letter to EU decision makers on the European Maritime, Fisheries and Aquaculture Fund

In the coming weeks, you (Members of the European Parliament and the Council) will vote on the European Maritime, Fisheries and Aquaculture Fund 2021-2027 (EMFAF) agreement which was reached behind closed doors in trilogues last December.

The EMFAF is the main financial instrument for addressing the sustainability of our ocean and its marine ecosystems and for strengthening the viability of small-scale fishers and coastal communities.

Not all fisheries subsidies are beneficial to the fishing sector or the marine environment. In the last 30 years, economists, researchers and other fisheries experts have identified certain types of subsidies that are extremely harmful: subsidies that artificially increase profits by reducing the cost of fishing or increasing fishing industry's revenue. These harmful subsidies result in overcapacity and lead to overfishing¹.

The EU is a global player and the adoption of the new EMFAF will have global consequences: the United Nations Sustainable Development Goal on the Ocean and Seas (SDG 14)² calls explicitly for the elimination of subsidies that contribute to overfishing **by 2020 (SDG target 14.6)**. Multilateral negotiations are taking place right now at the World Trade Organisation to prohibit fisheries subsidies that contribute to over-capacity and overfishing, as well as to IUU fishing. The re-introduction of certain types of harmful subsidies at EU level risks undermining efforts to deliver on SDG target 14.6 and threatening the ambitions and conclusion of a multilateral agreement. This is the "Brussels Effect" in action: EU rules are copied worldwide. For better or for worse.

Here are some examples of subsidies that are widely recognised as harmful: funding engine replacement; modernising fishing vessels; building or acquiring fishing vessels; and, in addition, there are a number of subsidies categorized as being ambiguous in nature, risking doing more harm than good in the long-run by artificially keeping the sector afloat when it is not environmentally, socially or economically sustainable (e.g. certain forms of temporary and permanent cessation or "tie-ups").

¹ Milazzo M., *Subsidies in world fisheries: A re-examination*, Washington D.C., The World Bank, World Bank technical paper no.406. Fisheries series, 1998; Schrank W. E., *Introducing fisheries subsidies*, Rome, Food and Agriculture Organization of the United Nations, 2003; Sumaila U.R., Khan A.S., Dyck A.J., Watson R., Munro G., Tydemers P., Pauly D., "A bottom-up reestimation of global fisheries subsidies", *J. Bioecon*, 12, 2010, pp. 201–225; Sumaila U. R., Ebrahim N., Schuhbauer A., Skerritt D., Li Y., Kim H. S., Mallory T. G., et al., « Updated estimates and analysis of global fisheries subsidies », *Marine Policy*, 109, 2019, 103695.

² <https://www.un.org/sustainabledevelopment/oceans/>

During negotiations on the new EMFAF, it has been decided to ignore experts' advice, the facts and figures on harmful subsidies and the EU's international commitments. As a result, we can expect other countries to say: "If the EU does it, so can/should/must we".

The EMFAF, as it currently stands, keeps in place all the harmful subsidies listed above except for the explicit construction of fishing vessels. If that were all, it would mean no progress from the current fund (the EMFF). But the EMFAF agreement is actually succeeded in making things worse compared to the current EMFF: this agreement weakens the conditions for granting harmful fisheries subsidies.

By allowing large-scale, industrial fleets equal access to all types of subsidies, the EMFAF agreement contradicts the EU's goal of fostering a more sustainable, low-impact sector and leveling the playing field for the small-scale fishing fleet. Instead, this threatens exactly the kind of fishing that European citizens want to support, and supports the kind of fishing that makes Europeans recoil.

Finally, despite the calls for greater protection and restoration of the marine environment at the EU and international level and the need for at least 25% of the fund to be invested in protecting and restoring our oceans, the EMFAF does not ring fence any spending for protecting nature.

This agreement flies in the face of the European Green Deal, which includes a commitment to lead by example at the international level. The EMFAF will lead to more overcapacity in the EU fleet and more overfishing in EU waters and beyond, putting the sustainability and resilience of our ocean and the viability of the EU's most vulnerable fishing fleets at even greater risk.

For these reasons, we reject the EMFAF agreement and urge the European Parliament and the Council do the same in the upcoming votes.