

EMFAF 2021-2027 — mid-term evaluation

Response to the call for evidence

ClientEarth welcomes the opportunity to provide feedback to the Commission's call for evidence for the European Maritime and Fisheries Fund 2014-2020 (EMFF) ex post evaluation and the European Maritime, Fisheries and Aquaculture Fund 2021-2027 (EMFAF) – mid-term evaluation.

To deliver the objectives of the Common Fisheries Policy (CFP) which aims at safeguarding our marine ecosystems and facilitate the transition to sustainable fishing practices, we recommend the following:



1 Stop granting environmentally harmful subsidies

The European Environment Agency's recent briefing¹ leaves no room for doubt: overfishing, bycatch, and habitat degradation are destroying marine biodiversity. Shockingly, 40% of fish and shellfish populations in European seas are still in poor condition or are being fished unsustainably².

The EMFF and its successor, the EMFAF, are designed to support the CFP objectives, including minimizing the harmful impacts of fishing on marine environments. Yet, alarmingly, a significant share of these funds contributes to increasing fishing capacity³ — which contradicts the principles these funds and the CFP were meant to support. Even more concerning, the Commission's own Guidance document for helping Member States to report non-energy related Environmentally Harmful Subsidies confirms that subsidies contributing to illegal, unregulated fishing, overfishing, and depleted stocks are classified as environmentally harmful. But despite this, we see funds continuing to flow into subsidies that harm biodiversity rather than protect it. At the EU level, between 5% and 12% of EMFAF funding is channelled into biodiversity-harming subsidies⁴ —more than double the amount dedicated to restoring biodiversity, which is the cornerstone of fisheries sustainability!

The situation in the Mediterranean is even more dire, with a staggering 39% of EMFF allocations going toward capacity-enhancing subsidies, while only 5% of funding clearly benefits marine ecosystems⁵. France and Spain have been exposed for using EU money to finance powerful engines for fishing vessels, exacerbating overcapacity and overfishing⁶, without investing in improving safety on board, protecting nature or developing coastal communities.

These numbers are clear: the EMFF and EMFAF have failed to meet their objectives. We are calling for the Commission and Member States to enforce the Do No Significant Harm (DNSH) principle with real commitment when spending EMFAF funds. Our 15 recommendations provide a clear roadmap for creating fair, ambitious, and revitalizing operational programs that align with the EU's goals for sustainable fisheries and healthy marine ecosystems⁷.

The Commission must ensure that all operational programs strictly adhere to these goals. The future EMFAF must categorically prohibit harmful subsidies by 2027—both at the EU and Member State levels.

¹ European Environment Agency, Briefing on 'Healthy seas, thriving fisheries: transitioning to an environmentally sustainable sector', 28 August 2024, available at: <u>Healthy seas, thriving fisheries: transitioning to an environmentally sustainable sector | European Environment Agency's home page (europa.eu)</u>.
² *Ibidem.*

 ³ See e.g., <u>Diversity, competition and collaboration in the Catalan Mediterranean coastal fisheries - ScienceDirect,</u>
 ^{1st} September 2024, available at: https://www.sciencedirect.com/science/article/pii/S0964569124002424.
 ⁴ WWF, Briefing on 'Can your money do better? Member States spend billions of EU funds on activities that harm nature', 13 May 2024, available at: https://www.sciencedirect.com/science/article/pii/S0964569124002424.

⁵ WWF, Briefing on 'Rethinking fisheries subsidies: An analysis of Mediterranean public fisheries funds', 14 May 2024, available at: wwf-mmi_rethinking-fisheries-subsidies_2024.pdf (panda.org).

⁶ Two biggest recipients of EU fisheries fund misused EU tax payer money, report finds | ClientEarth.

⁷ In 2021, ClientEarth and WWF, together with Birdlife and Low-Impact Fishers of Europe, had provided 15 recommendations to Member States to adopt "fair, ambitious, innovative and revitalising" operational programmes, necessary to deliver on the EU's fisheries and environmental objectives. Our recommandations are available here: 15 Recommandations concernant l'utilisation du Fonds Européen pour les Affaires Maritimes, la Pêche et l'Aquaculture (FEAMPA) | ClientEarth.



We need to eliminate environmentally destructive subsidies and redirect taxpayers' money toward achieving the objectives of the CFP, the Nature Restoration Law and the long term commitment of the 8th Environment Action Programme to phase out environmentally harmful subsidies⁸.

2 Allocate more funding for nature protection, restoration and Marine Protected Areas

The Convention on Biological Diversity and the UN's Sustainable Development Goals call for at least 30% of the world's terrestrial and inland water areas, and of marine and coastal areas to be conserved and managed by 2030⁹. Under the recently adopted Nature Restoration Law, Member States are required to establish and implement measures to jointly restore at least 20% of the EU's land and sea areas by 2030. This includes ensuring that at least 30% of damaged habitats, both terrestrial and marine, are covered by restoration measures by 2030¹⁰.

The EMFAF is the principal source of EU funding to support sustainable fisheries and marine biodiversity protection and restoration objectives, ensuring healthy seas on which we all depend. However, the EMFAF represents only a small share of the total EU budget and does not allocate a specific percentage to nature protection and restoration measures.

According to a 2020 report by the European Court of Auditors on marine environment protection¹¹, spending in this area should be increased. The European Commission has responded that it is up to Member States to ensure funding for these projects in their operational programs.

However, under the EMFF, some of the largest recipients failed to utilize funds for conservation efforts, including ending overfishing and restoring the marine environment¹².

Well-managed Marine Protected Areas (MPAs) and fish stock recovery areas (as provided for the CFP) are essential tools for rebuilding fish stocks and protecting marine biodiversity. Research also shows that well-managed protected areas is not only benefit vital for marine health, it also has a range of socioeconomic impacts in the medium to long term¹³.

⁸ See Article 3, paragraph h, Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022D0591&qid=1694685100384.

⁹ See target 3 of the Kunming-Montreal Global Biodiversity Framework (cbd.int).

¹⁰ Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869.

¹¹ See European Court of Auditors, Special report on 'Marine environment: EU protection is wide but not deep', available at: Special report 26/2020: Marine environment: EU protection is wide but not deep (europa.eu).

¹² See <u>15 Recommandations concernant l'utilisation du Fonds Européen pour les Affaires Maritimes, la Pêche et l'Aquaculture (FEAMPA) | ClientEarth.</u>

¹³ See Costello MJ. Evidence of economic benefits from marine protected areas. Sci. mar. [Internet]. 2024Mar.27 [cited 2024Sep.6];88(1):e080. Available from:

https://scientiamarina.revistas.csic.es/index.php/scientiamarina/article/view/5526. See also:

<u>Marine protected areas safeguard more than ecology – they bring economic benefits to fisheries and tourism (theconversation.com)</u>.



However, they have been poorly used and managed so far¹⁴. Fishers' acceptance and involvement in the design, preparation and sustainable management of MPAs are crucial for their success. Fishers could be better involved in the management, monitoring and conservation of these areas, supported by vesselmonitoring systems and more frequent spot checks.

Resources from the EMFAF should be prioritized for establishing highly protected areas, training stakeholders (especially fishers), and managing and monitoring these areas. Additionally, EMFAF funding should support the restoration of overexploited stocks, with restored areas acting as nurseries for fish species and providing spillover benefits to surrounding areas not protected from fishing.

Ultimately, given the significant work required to restore our seas and transition to sustainable, low-impact fisheries, the EMFAF budget should be expanded. The upcoming revision of the EU Multiannual Financial Framework (MFF) in 2027 will be a key opportunity to increase funding dedicated to ocean conservation and restoration.

3 Targeted Funding for Small-Scale and Low Impact Fishers and Transition to Low-Impact Fishing Practices

The EMFAF does not currently prioritize funding for small-scale and low-impact fishers (SSF), nor does it provide preferential treatment for vessels under 12 meters in length. Despite representing 75% of the total EU fleet, the small-scale coastal fishing sector received only about 20% of funding from the EMFF, according to our analysis¹⁵.

Although 80% of funds from EMFF have been directed towards industrial fleets¹⁶, much of this expenditure has not been allocated to critical investments, such as implementing compulsory landings or adopting more selective fishing methods.

Recent reports also highlight the lack of rationale and coherence in the allocation of subsidies across the sector. A recent report from Bloom confirms that larger fleets, particularly bottom trawls and seines over 12 meters, benefit most from public subsidies and depend on them for profitability. Specifically, for every

¹⁴ See European Court of Auditors, Special report on 'Marine environment: EU protection is wide but not deep', see e.g., page 47, available at: <u>Special report 26/2020: Marine environment: EU protection is wide but not deep (europa.eu)</u>. See also: Rapporteur Caroline Roose, Report on 'More fish in the seas? Measures to promote stock recovery above the maximum sustainable yield (MSY), including fish recovery areas and marine protected areas', 15 Decembre 2020, available at: <u>Report on More fish in the seas? Measures to promote stock recovery above the maximum sustainable yield (MSY), including fish recovery areas and marine protected areas | A9-0264/2020 | European Parliament (europa.eu).</u>

¹⁵ ClientEarth, Report on 'Small-scale fishers revealed as least supported recipients of EU funds', 3 April 2023, available at: https://www.clientearth.org/latest/documents/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/.

¹⁶ Ibidem.



kilogram of resources fished, bottom trawl and seine fleets receive subsidies of between 50 and 75 euro cents, whereas other fleets receive less than 30 euro cents per kilogram landed¹⁷. Another recent scientific report on coastal fisheries in the Catalan Mediterranean confirms that bottom trawler fleets are the ones that benefit most from subsidies and tax exemptions, even though their performance is mediocre compared to that of other fleets, for example in terms of CO2 emissions, overcapacity and contribution to the overexploitation of stocks¹⁸.

Supporting SSF and promoting locally caught sustainable seafood products can lead to greater food sovereignty, reduced reliance on imported seafood, and a stronger economy. SSF, given the nature of their activities and their generally lower impacts contribute to a more sustainable fishing industry. They also enhance regional and coastal development by fostering social cohesion and increasing local employment opportunities¹⁹.

Conversely, large-scale and highly intensive fishing practices can contribute to fish stock depletion, marine ecosystem degradation, higher reliance on fossil fuels, to the emission of more CO2 and the creation of fewer jobs than passive fishing and inshore fishing²⁰.

Without dedicated funding, the transition to low-impact fisheries and the development of a more sustainable and local fishing economy will be challenging. Given the economic, social, and environmental contributions of SSF, they should receive specific and increased funding under the EMFAF. It is therefore recommended that preference be given to SSF in the distribution of funds, while limiting the access of industrial fleets to projects related to implementing the landing obligation, enhancing fishing control measures, improving safety, increasing gear selectivity, and adopting low-impact fishing practices.

¹⁷ See Bloom, Report on 'Time for a U-Turn for a social-ecological transition of fisheries', 23 January 2024, page 7, available at: <a href="mailto:bloomassociation.org/wp-content/uploads/2024/05/Time-for-a-U-Turn.pdf?_gl=1*1p1x5gh*_gcl_au*MjA2NTg5NDQwLjE3MjQ5NTc3MTM.* ga*MTU2NzY0MDk2Ny4xNzE2Mzc5MDE2* ga 1M79DPKJQ7*MTcyNDk1NzcxMi43LjEuMTcyNDk1ODMwOS42MC4wLjA.

¹⁸ See Miquel Ortega, Elena Lloret-Lloret, Marta Coll, '<u>Diversity, competition and collaboration in the Catalan Mediterranean coastal fisheries'</u>, <u>ScienceDirect</u>, 1st September 2024, available at: https://www.sciencedirect.com/science/article/pii/S0964569124002424.

¹⁹ See Bloom, Report on <u>TIME FOR A U-TURN: FOR A SOCIAL-ECOLOGICAL TRANSITION OF FISHERIES</u>, January 2024, page 4: 'For the same level of catches in a wild environment (the ocean), deep-sea and industrial bottom trawlers create 2 to 3 times fewer jobs and almost half the added value than fleets using passive gear'. ²⁰ See Bloom, Report on 'Time for a U-Turn for a social-ecological transition of fisheries', 23 January 2024, pages 24-25.



4 Improve access to EMFAF for Small-Scale and Low-Impact Fishers (SSF)

While large-scale, high-intensity fishing fleets benefit from technical expertise and strong representation in national and EU forums, small-scale and low-impact fishers (SSF) often struggle to access national funding. This is due to lengthy and complex application processes, unclear funding options, and a lack of adequate representation.

Creating national contact points and local administrative support would help SSF navigate the funding process. This could involve raising awareness on funding opportunities, providing technical support, assessing their needs and simplifying funding applications for them, as well as connecting them with credit institutions, and assisting with funding applications. Additionally, local strategic plans should be developed to enhance the resilience, sustainability, and adaptability of small-scale fishing businesses.

Increase tailored funding should aim at preventing SSF from risking their limited capital without the guarantee of full repayment. Direct support is essential for establishing SSF Fish Producer Organizations (POs), which can secure access to both fishing and marketing opportunities. Funding is also needed for preparing and engaging communities in the creation of these POs until they are formally recognized at national and EU levels. Additionally, investments should be encouraged in low-impact fishing gears that minimize bycatch and ecosystem damage, digital tools for resource and data management, such as reporting bycatches (like turtle excluder devices or acoustic deterrent devices for nets), stock monitoring, and mapping marine protected areas. Support for renewable energy use on fishing vessels is also crucial to reduce carbon emissions in the sector.

Conclusion

Challenging environmentally harmful subsidies is key to ensure the transition to a decarbonised, economically and socially sustainable use of fisheries resources. We need to redirect taxpayers' money towards positive actions for this transition and, as a matter of priority towards protecting and restoring the marine environment and small scale and low-impact fishing practices.

Supporting small-scale and low impact fishers can enhance the resiliency and the competitiveness of the EU by promoting sustainable fisheries management, preserving marine biodiversity and ensuring food security in the long term. These fishers often employ environmentally friendly practices that minimize overfishing and have less impact on ecosystems, aligning with the EU's sustainability goals under the Green Deal. By strengthening small-scale and low impact fisheries, the EU can also reduce dependence on imports, support local economies, and create jobs in coastal communities. This would not only enhance economic resilience but also foster social cohesion in coastal communities and cultural heritage preservation, making the EU's fisheries sector more adaptable and competitive in the global market.



About ClientEarth

ClientEarth is a non-profit organisation that uses the law to create systemic change that protects the Earth for – and with – its inhabitants. We are tackling climate change, protecting nature and stopping pollution, with partners and citizens around the globe. We hold industry and governments to account, and defend everyone's right to a healthy world. From our offices in Europe, Asia and the USA we shape, implement and enforce the law, to build a future for our planet in which people and nature can thrive together.

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