No EU aid for fleet renewal or the modernisation of fishing vessels
PECH vote on 7 March 2019 on the post-2020 European Maritime and Fisheries Fund

Rapporteur: Gabriel Mato (EPP) C8-0270/2018 – 2018/0210(COD)

Dear Member of the Fisheries Committee of the European Parliament,

The PECH Committee vote on the post-2020 European Maritime and Fisheries Fund (EMFF) on 7 March 2019 can open important opportunities to support the transition to sustainable fishing, provided that public spending is allocated to achieve the goals of the Common Fisheries Policy (CFP). **We, the undersigned organisations, would like to highlight our serious concerns regarding some amendments tabled to the Commission's proposal on the post-2020 EMFF to reintroduce subsidies for fleet renewal and the modernisation of fishing vessels. We ask you to maintain the current EU ban on such harmful subsidies, which has existed in the EU since 2004.**

1. No aid for fleet renewal

Funding the renewal of the fleet, whether through the construction of fishing vessels or the acquisition of fishing vessels for new fishers, is a capacity-enhancing subsidy that is clearly against the international commitments of the EU. The United Nations Sustainable Development Goal on the oceans, seas and marine resources (SDG 14) explicitly calls for the elimination of harmful fisheries subsidies that contribute to overcapacity and overfishing by 2020. The EU phased out aid for the construction of new vessels over a decade ago and is actively advocating for the prohibition of fisheries subsidies that contribute to overcapacity and overfishing during negotiations in the World Trade Organization (WTO).[1] Proposing amendments to re-introduce these types of subsidies undermines the objectives of the CFP to end overfishing, jeopardises the EU position in the ongoing negotiations over fisheries subsidies at the WTO, and sends the wrong political signal from the EU to political leaders around the world.

There is broad agreement that EU subsidies have traditionally led to a build-up of excessive fishing capacity, so much so that its fleet was, in some fisheries, around two to three times larger than sustainable fishing would allow.[2] The EU fleet still needs to overcome its problems regarding overcapacity[3] and financing new capacity will only exacerbate these problems. This is why fleet renewal subsidies were phased out in 2004. Reintroducing vessel renewal in the EU would be a major step back from the current efforts to reduce overcapacity in the EU fishing fleet.

The amendments that propose to only allow fleet renewal when Member States respect capacity ceilings will not work: fishing capacity ceilings measured in terms of tonnage (GT) and power (kW) do not capture the effective ability of a fleet to catch fish. As already highlighted by the 2011 Court of Auditors' report, the capacity of the European fishing fleet in terms of GT/kW has been decreasing for years, while real

[1] World Trade Organization, TN/RL/GEN/181/Rev.1.
[2] EU Commission (2008) Reflections on further reform of the Common Fisheries Policy, non-paper. See also FishSec's report: *"Too many vessels chase too few fish",* 2018, available online here.
[3] See Article 22 of the CFP Basic Regulation.

ability to catch fish has increased due to technological progress.[4] Therefore, capacity ceilings have become an inadequate measure of restriction in terms of adapting fishing fleet capacity to available fishing opportunities.[5] In practice, allowing subsidies for new vessels will only increase the pressure to allow fishing above sustainable levels.

We therefore ask you to **reject AMs 30, 68, 142, 213, 242, 247, 248, 531535, 537-538, 643646 and 914.**

2. No aid for the modernisation of fishing vessels, including engine replacement

The post-2020 EMFF proposal allows for the replacement or modernisation of engines for small-scale coastal fishing vessels.[6] The Commission has itself recognised the risk of increasing fishing capacity through the replacement or modernisation of engines and has included three conditions under which support for small-scale vessels may be granted. However, these conditions are unsatisfactory and difficult to control. In its 2017 Special Report on fisheries controls, the European Court of Auditors assessed whether the EU has an effective fisheries control system in place and concluded that checks of Member States on fishing capacity were incomplete, that national fleet registers information was not always accurate and that there were significant gaps in control requirements for small-scale coastal fishing vessels.[7] Importantly, under-declaration of engine power is a common and general problem. Engines can be legally certified with a power much lower than their maximum continuous power. This is possible through adjustments to the fuel injection settings, which can easily be reversed once the engine has been certified. As a result, the Commission has assessed that the real power installed on board is almost impossible to control.[8]

In order to avoid exacerbating the problem of overcapacity, any investment that increases the ability of the vessel to catch fish should not be eligible for funding. Even if replacing old engines is conditional upon making them equally or less powerful, it will not necessarily translate into a reduction of the vessel's ability to catch fish. The European Court of Auditors report states that vessels equipped with so-called 'fuel efficient' engines still have an incentive to increase their fishing effort, for instance, by spending more hours at sea.[9]

The post-2020 EMFF must not include measures that maintain or even increase existing overcapacity. As the Organisation for Economic Co-operation and Development (OECD) has recently stated, it is possible to support the fishing sector and deliver benefits to fishers without provoking overfishing or overcapacity if support is not linked to vessels and moved away towards helping fishers to better operate their business and deal with disasters.[10] Public aid should therefore be used to assist fishers, scientists, and coastal communities to adapt to the management objectives of the CFP by, for example, funding research and testing of more selective fishing gears and methods to prevent by-catch, promotion of human capital and social dialogue or training schemes.

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[4] European Court of Auditors, Special Report No 12 "Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?", 2011.
[5] European Commission reply to the European Court of Auditors Special Report No 12 "Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?", 2011.
[6] Article 16(1) of the Commission's proposal.
[7] Court of Auditors, Special Report No 8/2017, "EU fisheries controls: more efforts needed" 30/05/2017, paragraphs 14-27.
[8] European Commission (2006) The under-declaration of engine power. Non Paper, March 31, 2006.
[9] See footnote 4, paragraphs 43 – 47.
[10] Martini, R. and J. Innes (2018), "Relative Effects of Fisheries Support Policies", OECD Food, Agriculture and Fisheries Papers, No. 115, OECD Publishing, Paris.

We therefore ask you to **reject AMs 17, 35, 39, 525-529, 566-577, 599, 631-633, 635-642, 648-655, 659661, 664-666**, and instead to **support AMs 230, 236, 400, 530, 536, 630 and 658.**

3. Safety on board can be improved by other means than fleet renewal or vessel modernisation

Investments for safety reasons are not exclusively linked to the modernisation of vessels or engines, as suggested by some amendments tabled by the Fisheries Committee. Fishing accidents have traditionally been identified due to human error rather than to the age of the vessels. In addition, the age of a vessel can be deceptive: in certain cases, the only original part of the vessel is the hull, with all other parts having been completely modernized. 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, rescue services and lifelong learning and acquisition of new professional skills linked to safety.

4. Investments in vessels are expensive with limited benefits to the fishing sector

EU public aid for vessel construction or 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 with the average amount being €204.528 per vessel. On average, 14% of EU vessels received funding for the modernisation or construction of fishing vessels under the previous funding regime which allowed for the financing of vessel construction (2000-2006) and most EU aid was targeted at vessels over 12m in length.[11] In fact, the vast majority of fishers in Europe that operate small-scale coastal fishing vessels will benefit more from stock recovery and a fair allocation of fishing opportunities than from extra funding to modernise vessels. If stocks will have the opportunity 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.[12]

In conclusion

Public spending on fleet renewal and the modernisation of fishing vessels is likely to result in continued overfishing. At the same time, less money would be available to implement the 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 a big percentage of limited EMFF funding away from measures that could promote sustainability and support fishing communities and the wider sector collectively. **So please maintain the ban on fleet renewal and the modernisation of fishing vessels and support amendments that facilitate the transition to sustainable fishing.**

[11] Poseidon (2010) FIFG 2000–2006 Shadow Evaluation, available online here, p. 36.
[12] New Economics Foundation (2012), *"Jobs Lost at Sea",* available online here.