

Government response to the informal consultation on the European Maritime and Fisheries Fund

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Introduction – a background to the consultation

1. On 2 December 2011, the European Commission published their proposals on the European Maritime and Fisheries Fund which will replace the current European Fisheries Fund from 1 January 2014 – 31 December 2020.
2. The proposals aim to achieve the objectives of the reformed Common Fisheries Policy (CFP) and the European Union's Integrated Maritime Policy (IMP) based on the following objectives:
 - a) promotion of sustainable and competitive fisheries and aquaculture;
 - b) fostering the development and implementation of IMP, in a complementary manner to cohesion policy and to CFP;
 - c) promotion of balanced and inclusive territorial development of fisheries areas (including aquaculture and inland fishing);
 - d) contribution to the implementation of the CFP.
3. The Commission vision for the EMFF is structured around four pillars:
 - **Smart, Green Fisheries** – to foster the transition to sustainable fishing which is more selective, produces no discards, does less damage to marine ecosystems and thus contributes to the sustainable management of marine ecosystems; and to provide support focused on innovation and value added, making the fisheries sector economically viable and resilient to external shocks and to competition from third countries.
 - **Smart, Green Aquaculture** – to achieve economically viable, competitive and green aquaculture, capable of facing global competition and providing EU consumers with healthy and high nutrition value products.
 - **Sustainable and Inclusive Territorial Development** – to reverse the decline of many coastal and inland communities dependent on fishing, through adding more value to fishing and fishing related activities and through diversification to other sectors of the maritime economy.
 - **Integrated Maritime Policy** – to support those cross cutting priorities which generate savings and growth but which the Member States will not take forward on their own – such as marine knowledge, maritime spatial planning, integrated coastal zone management and integrated maritime surveillance, the protection of the marine environment, in particular its biodiversity, and adaptation to the adverse effects of climate change on coastal areas.
4. In addition the EMFF will include accompanying measures relating to data collection and scientific advice, control and enforcement, fisheries markets (including outermost regions), voluntary payments to international organisations, and technical assistance. The major difference between the EMFF and the EFF– is the inclusion of the IMP (i.e. marine spatial planning and integrated coastal zone management), international

instruments, and the reformed marketing regime. The EMFF is also one of a number of social cohesion funds that the Commission are looking to align under one Common Strategic Framework (CSF), which aims to achieve high and sustainable growth alongside environmental benefits.

5. The proposed budget for the EMFF is approximately €6.6bn between shared and direct management activities. Shared Management activities include smart green fisheries and aquaculture, control and enforcement, data collection, compensation for outer most regions and storage aid. The Commission's proposed funding for these activities is around €5.4bn. Direct management activities include IMP, scientific advice and knowledge, Advisory Council, voluntary contributions to international organisations, implementing control, inspection and enforcement systems and funding for these activities is around €1.1bn
6. A number of the provisions outlined in the proposals are broadly in line with UK views, i.e. the implementation of CFP Reform must be the priority, and more support for local community led initiatives. However there are a number of provisions that the UK has some reservations over, namely any increased support for aquaculture that does not offer good market potential, and the lack of simplicity, flexibility and proportionality in delivering and managing the fund. EU Fisheries Ministers have provided initial reactions to the proposals at March, May and June 2012 Council meetings, whilst Working Party discussions since January 2012 have delivered a wide range of views, although the majority of Member States are in agreement that the priority is to support CFP reform, and that there needs to be fundamental changes from the EFF to provide greater flexibility, accessibility and proportionality.
7. The Danish Presidency produced two "bibles" outlining all Member State and Commission views on the proposals, and produced compromise texts on a number of articles shortly before the end of their presidency. Negotiations on the remaining articles are continuing under the Cypriot Presidency, who are looking to conclude them with a view to producing a Presidency Compromise text on all the articles and achieve agreement on a partial general approach at October Council. This is an ambitious timetable, and, if achieved, we will probably see the final agreement of the EMFF dossier (including Member State allocations) under the Irish Presidency.
8. As part of our approach to discussions with the Commission, other Member States, the European Parliament, the fishing industry, NGOs, processors and others with an interest in fisheries, aquaculture and the marine environment, we sought views on how to improve the package of proposals and ensure that the EMFF would work effectively in delivering its aims and objectives. A summary of the responses to the informal consultation on the proposals which was carried out from February to May 2012 are outlined below, together with the Government response. These views will help to inform the UK's negotiating position in the coming months.

Overview of response

9. There were 53 responses from 12 stakeholders / organisations to the consultation from across a range of sectors including Non-Governmental Organisations¹ (NGOs), the fishing, processing and ports and harbours sectors, Local Authorities, Non-Departmental Public Bodies (NDPBs), and Inshore Fisheries Conservation Authorities (IFCAs). Overall respondents were positive about the Commission's proposal with the majority supporting its contribution to achieving the objectives of the Europe 2020 strategy and in particular supporting the underlying principles of reforming the CFP. There were some differences of view about the emphasis on various aspects of the proposals and how the objectives should be delivered, and also a few concerns about the flexibility and simplicity of the EMFF, and also its alignment with the EU structural funds.

Questions asked in the Consultation

General

Do you think that the Commission's proposals for the EMFF will contribute effectively to the objectives of the Europe 2020 strategy for employment, innovation, education, social inclusion and climate change and energy?

Do you agree with the specific Objectives for the Fund as set out in Article 5? Do you think the detail of the proposals meets these objectives?

Do you think the Commission's proposals go far enough in improving delivery and simplification compared to the current EFF? What more do you think could be done?

Measures under EMFF

Articles 26–42 (Sustainable development of fisheries)

The Commission has proposed a series of measures to support the sustainable development of fisheries, do you agree that the proposals will achieve this aim and will support Common Fisheries Policy Reform? If not what changes would you like to see?

Do you think the Commission proposals do enough to improve environmental sustainability of fisheries? What more do you think could be done?

Do you think that the Commission's proposals for innovation go far enough?

¹ **Non-Governmental Organisation:** used to refer to organisations that do not form part of the Government and are not conventional "for-profit" businesses. They usually pursue some wider social aim that has political aspects, but that are not overtly political organizations such as political parties. (http://en.wikipedia.org/wiki/Non-governmental_organization)

Articles 43–57 (Sustainable development of aquaculture)

The Commission has proposed a series of measures to support the sustainable development of aquaculture; do you agree that the proposals will achieve this aim? If not, what changes would you like to see?

Do you think the Commission proposals do enough to improve environmental sustainability of aquaculture? What more do you think could be done?

Do you think that the Commission's proposals for innovation go far enough?

Articles 58–67 (Sustainable development of fisheries areas)

The Commission has proposed a series of measures to support to the sustainable development of fisheries areas building on the Fisheries Local Action Group measures under the current EFF. Do you agree that the proposals will achieve this aim? If not what changes would you like to see?

Articles 68–72 (Marketing and processing related measures)

The Commission has proposed a series of measures which relate to marketing and processing. Do you agree with these measures? Are there any changes you would like to see?

Articles 76-79 (Accompanying measures for the CFP under shared management)

The Commission has proposed a series of measures to accompany the Common Fisheries Policy. Do you agree that the proposals are the right ones to support the implementation of CFP Reform? What changes if any would you like to see to these EMFF articles?

Integrated Maritime Policy

Articles 80-90

Do you think the Commission's proposals should include Integrated Maritime Policy? What changes would you like to see to improve the delivery of IMP if they are?

Monitoring and evaluation

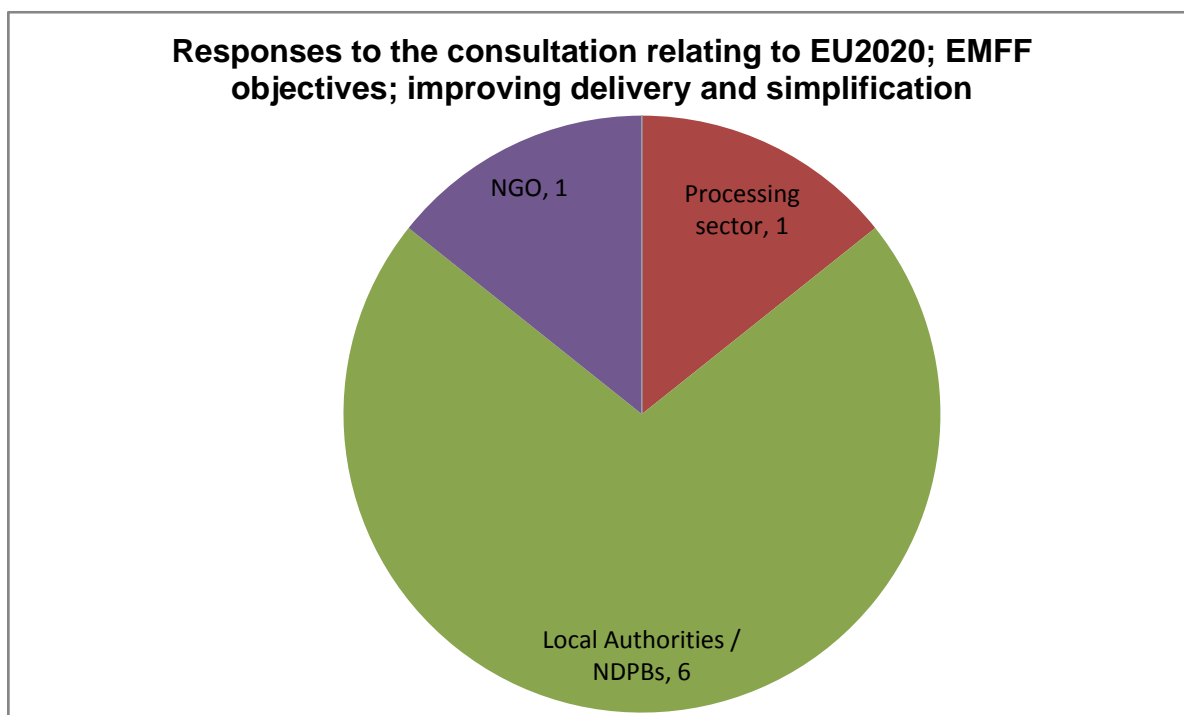
Articles 131-149

Do you think the Commission's proposals on the monitoring and evaluation framework are right? What do you think should be changed? Do you have any alternative suggestions?

Summary of responses to questions on the EMFF proposals

Consultation responses relating to EU2020; EMFF objectives; improving delivery and simplification

10. Overall, we received responses from the processing sector, local authorities or associated bodies, Non-Governmental Organisations (NGOs), independent trusts and Non-Departmental Public Bodies (NDPB). Of these responses there were eight relating to the General questions i.e. whether the EMFF proposals supported the EU2020 strategy; the detail met the objectives of the fund; and if they went far enough in improving delivery and simplification compared to the current European Fisheries Fund. Of those, six responses were from local authority bodies or NDPBs, and one each from the processing sector and the NGO.

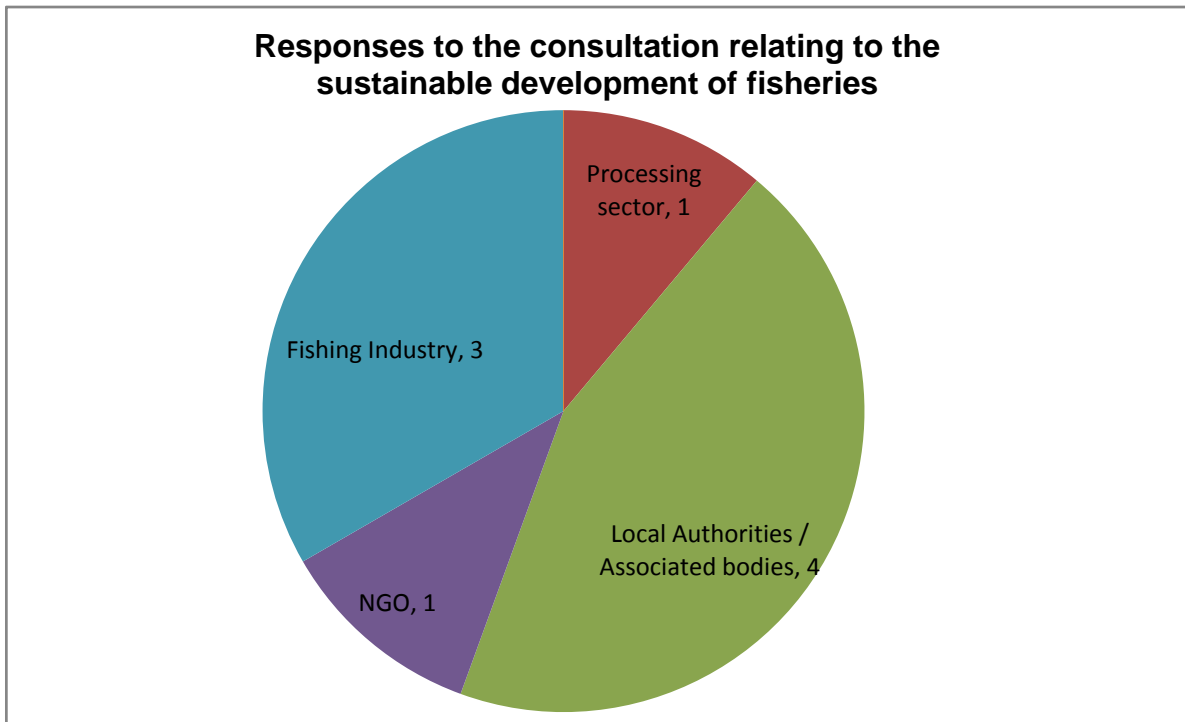


11. Most respondents considered that the EMFF proposals would contribute to the objectives of the Europe 2020 strategy for employment, innovation, education, social inclusion and climate change and energy, and supported the proposed alignment with other EU funds under the proposed Common Strategic Framework (CSF) legislation to achieve this. They also believed that the alignment with the CSF should lead to improvements in delivering and simplifying the delivery and management of the EMFF compared to the current EFF programme.

12. All the respondents were content with the EMFF objectives set out in the Commission's proposals, particularly promoting sustainable and competitive fisheries and aquaculture; and promoting development of fisheries areas. Some respondents believed that the proposed alignment with the other Common Strategic Framework funds would also be beneficial to the proposed objectives.

Consultation responses relating to the sustainable development of fisheries

13. Nine responses were received of which four were from local authorities and associated bodies, three were from the fishing industry, and one each from the NGO and processing sector.



14. Whilst many of the local authorities and associated bodies felt they did not possess sufficient knowledge or expertise to fully answer the questions, they welcomed the proposals to support sustainable fisheries, particularly diversification; innovation; greater links between scientists and fishermen; research; and limiting the impact of fishing on the marine environment. 19. The processing sector supported the provisions to encourage job creation in areas outside fishing and believed that sustaining employment in fishing should not be an aim of the reformed CFP.

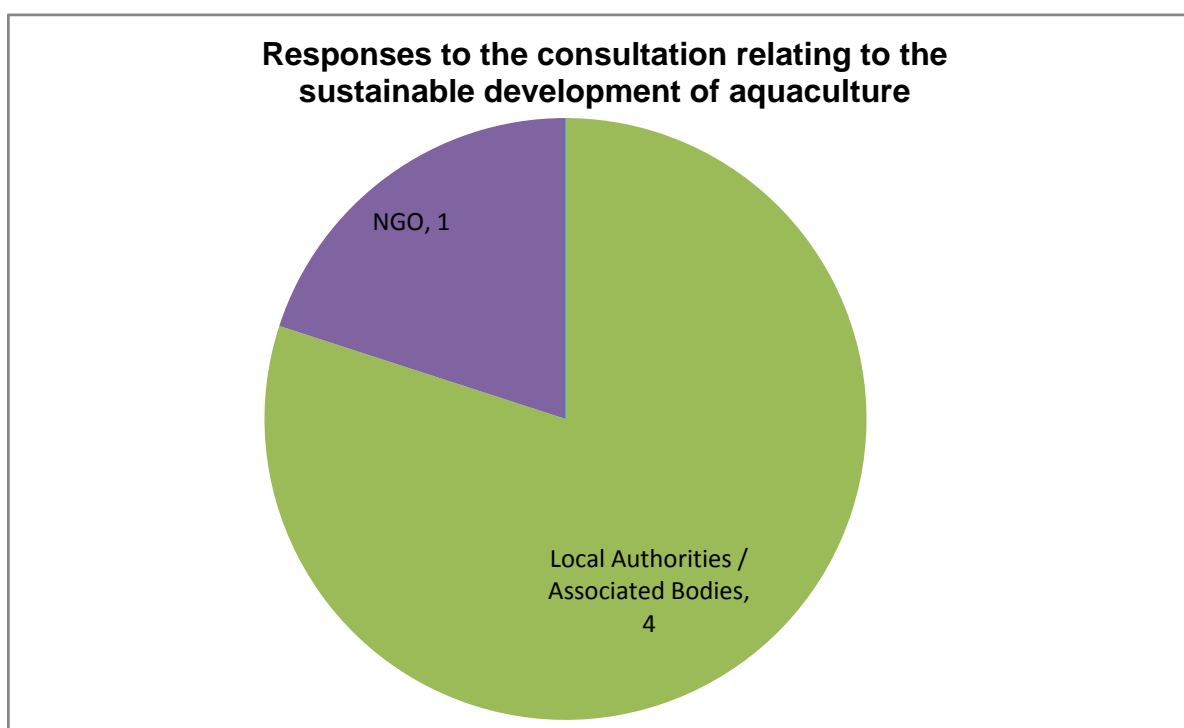
15. The fishing industry believe that the proposals are broadly in line with CFP reform, welcoming in particular the proposed support for innovation; the use of more selective gears; and by-catch (discards) reductions, partnerships with scientists, health and safety on board. The industry believes it is important that larger vessels are also supported because they also contribute to the viability of local fisheries. One of the organisations believes the absence of decommissioning from the proposals limits the ability to deliver reductions in fishing effort. They feel that any such scheme could be adjusted to allow for the vessel to be modernised or re-codified to allow other activities (i.e. offshore energy installation support); and if not modified perhaps a buy-back scheme for a vessel that could service off-shore facilities.

16. The NGO welcomes the end of support for engine replacements, which they feel is a step forward in disentangling fisheries subsidies from overcapacity measures. They

also believe that the proposals do not address funding contributing to maintaining existing overcapacity; and feel that the support for processing, marketing, port improvements and modernisation should be time bound, carefully targeted and subject to environmental limits to avoid enhancing fishing capacity. And they oppose mandatory requirements for transferable fishing concessions, and question whether providing aid for on-board investments or in ports for unwanted catches would undermine the desired aim of fishing in a more targeted or selective way.

Consultation responses relating to the sustainable development of aquaculture

17. Five responses were received of which four were from local authorities or associated bodies, and one from the NGO.

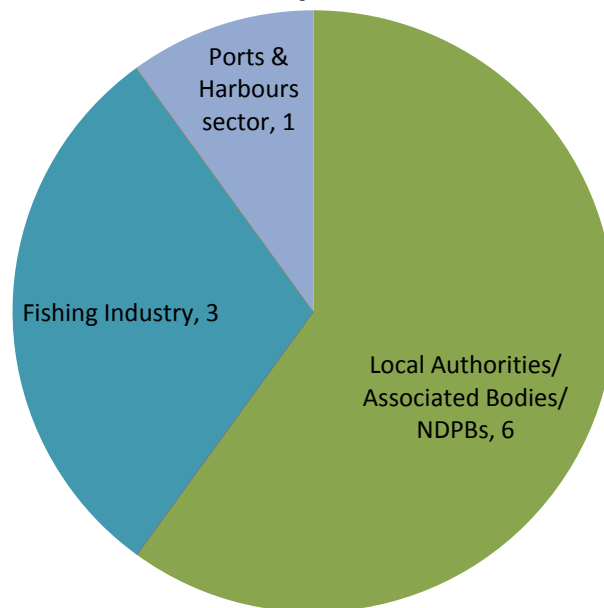


18. The local authorities and associated bodies were broadly supportive of the provisions in the proposals. The NGO supported the inclusion of measures to support biodiversity. However they felt the proposals included a number of measures which would indiscriminately promote and develop aquaculture without addressing environmental and social considerations, i.e. aid for offshore, non-food, setting-up enterprises and stock insurance. This could lead to the same problems of over-establishment, poor environmental impacts and profitability as currently faced by the catching sector.

Consultation responses relating to the sustainable development of fisheries areas

19. Ten responses were received of which six were from local authorities, associated bodies and NDPB, three from the fishing industry and one from the ports and harbours sector.

Responses to the consultation relating to the sustainable development of fisheries areas

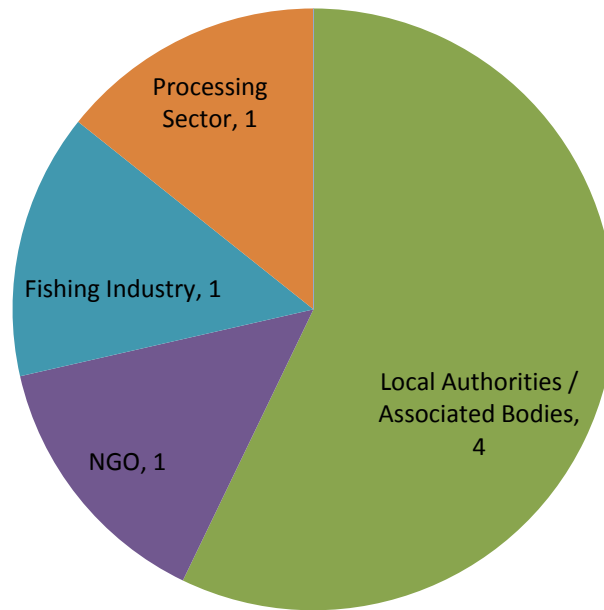


20. Generally, all welcomed the Commission’s proposals in particular the inclusion of the community-led local development towards sustainable regeneration of coastal communities. Two of the local authorities recommended flexibility to accommodate alternative sources of income and jobs; whilst another questioned strengthening the role of fisheries communities in the governance of local fisheries resources, believing it may undermine existing structures. The ports and harbours sector believe it is essential that sufficient funding is available to support fishing communities, and support should be targeted where there is both demand and a need. The fishing industry believe that the inclusion of the text “dependent on fishing” could potentially divert funds away from England and inshore vessels therefore undermining efforts to support the sustainable development of inshore fleets.

Consultation responses relating to marketing and processing

21. Seven responses were received of which four were from local authorities or associated bodies, and one each from the fishing industry, processing sector and NGO.

Responses to the consultation relating to marketing and processing

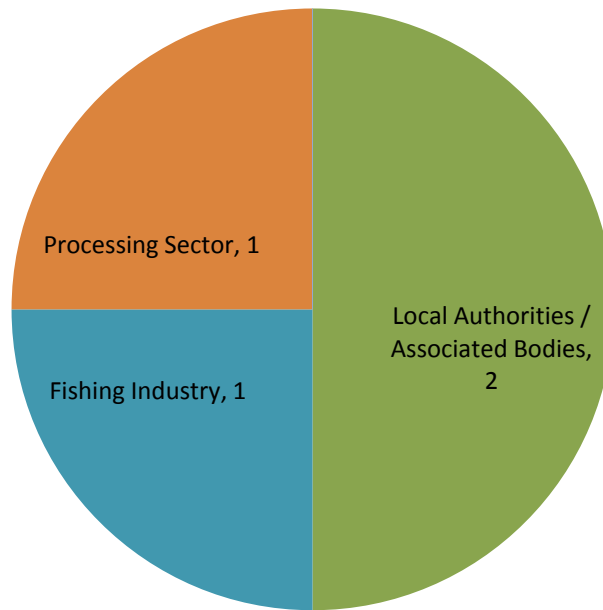


22. The proposed measures were generally welcomed. The processing sector felt there should be no discrimination in the availability of funding for processing and marketing. The local authorities and associated bodies noted it would be interesting to see potential links with the European Agriculture Fund for Rural Development to add value to both agricultural, fisheries and aquaculture sectors. They also felt that a reliance on storage aid must not be encouraged, nor a reliance on compensation or intervention. Instead focus on improving catch quality and more sustainable fishing practices. One local authority also called for further support for small-scale coastal fishing by offering aid to processing small catch quantities.
23. The fishing industry oppose specific funding for the small-scale sector, stating that all sectors and species require the same attention and investment to achieve a sustainable future for all. They also support the measures providing support to Producer Organisations for production and marketing plans; and improving markets for under-exploited, bycatch (discards) and low impact fisheries.

Consultation responses relating to measures accompanying the CFP

24. Four responses were received of which two were from local authorities and associated bodies, and one each from the processing sector and fishing industry.

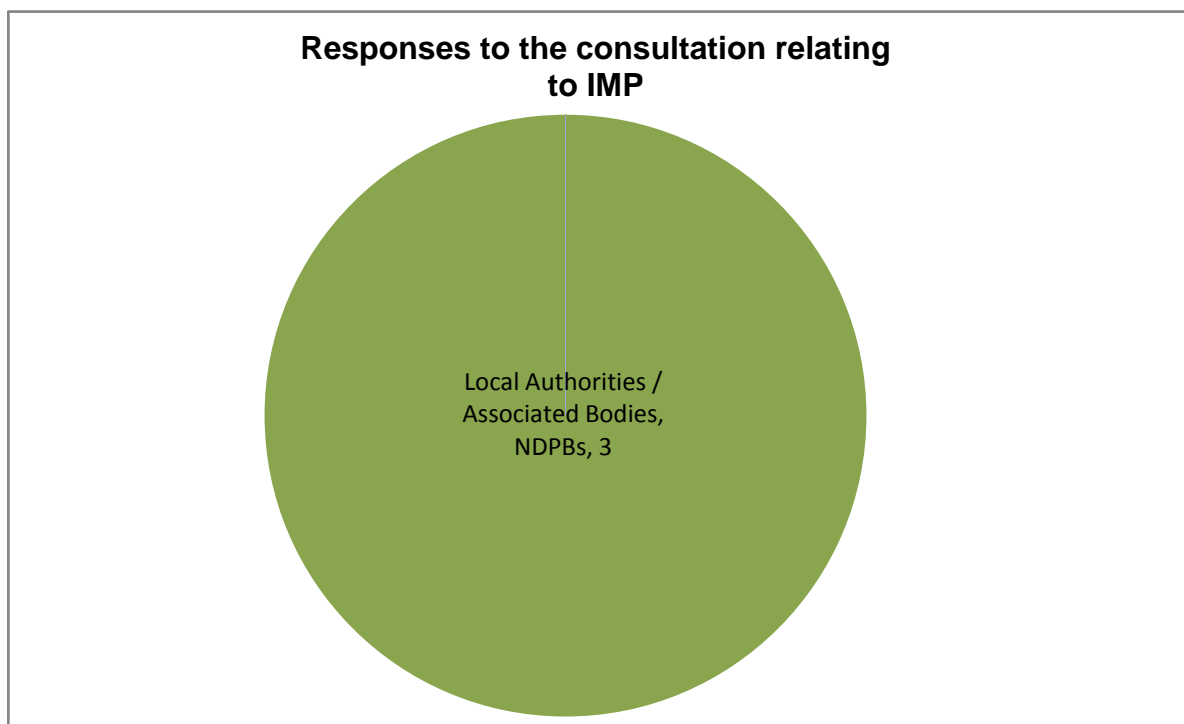
Responses to the consultation relating to measures accompanying the CFP



25. The processing sector believes that there is a long-term strategic importance of fisheries in relation to food security so there should be for improved data collection and research. The local authorities and associated bodies support the proposed use of the EMFF to tackle illegal fishing. They also recognise the need to monitor fish stocks and support the measures using scientific research to improve the implementation of the CFP. The fishing industry are not supportive of voluntary payments to third country fisheries; all the details of the fishery and funding should be outlined in the fisheries partnership agreements, therefore funded accordingly with no need for 'optional' payments.

Consultation responses relating to IMP

26. Three responses were received from local authorities / associated bodies and NDPBs.



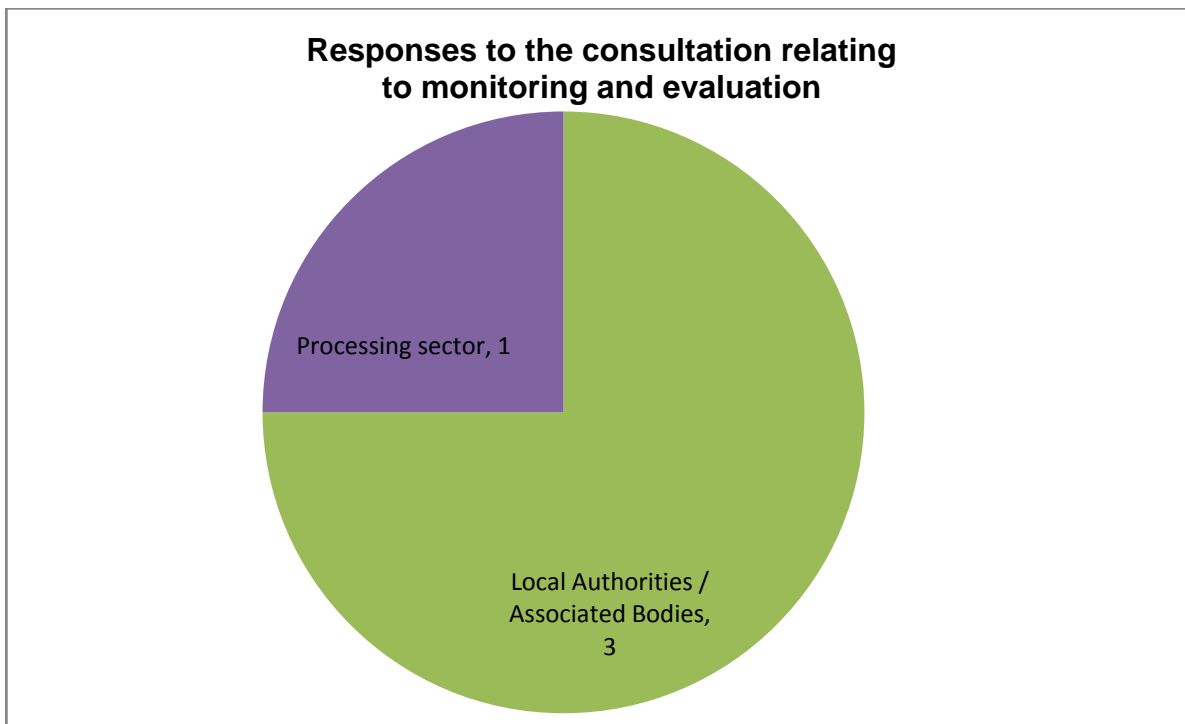
27. Whilst the local authorities / associated bodies and NDPBs did not object to the inclusion of IMP, they highlighted the following concerns:

- Other publically supported scientific and access programmes directed towards the protection of the marine environment should not be disadvantaged within Natura 2000 sites;
- The potential diversion of funds away from supporting the fishing industry;
- Confusion on the correct funding mechanism where cross-border or trans-national co-operation programmes exist.

28. One of the local authorities also believes the inclusion of IMP should also encourage consistency and a coherent approach amongst Member States actively engaged in the CFP.

Consultation responses relating to monitoring and evaluation

29. Four responses were received of which three were from local authorities and associated bodies, and one from the processing sector.



30. The local authorities and associated bodies believe that monitoring and evaluation is a critical component of measuring a programme's success, and therefore feels that the EMFF monitoring and evaluation framework should track progress on a more local level. They also believe that the framework should not be burdensome at an operational level, resulting in less administration and ensure effective utilisation of the fund.
31. The processing sector also supports more effective monitoring and evaluation to ensure that funds are spent effectively in a way that achieve the intended policy objectives. They feel that the effectiveness of the system will depend on how the Commission envisage the system will operate.

Government view on EMFF proposals and consultation responses

32. The Government welcomes the responses received to the informal consultation and has noted the views (a number of which are very similar to our own) which will be taken into account in developing the UK lines and approach not only to the EMFF but also wider discussions on the Common Strategic Framework.
33. The Government considers that the priority for the EMFF must be to fully support implementation of the reformed CFP, and be in line with EU2020 strategy objectives for fisheries and the wider marine environment by promoting sustainable and competitive fishing and aquaculture. As such it is important that the EMFF proposals align with the final agreed CFP Reform measures.

34. We also believe in supporting diversification measures, as well as innovative or collective projects, that help improve the sustainability of the industry, as part of the UK's vision for clean, healthy, safe, productive and biologically diverse oceans and seas, including support for adding value to products in both fisheries and aquaculture, and enhancing competitiveness.
35. It is also important to remember the EMFF budget is subject to the wider Multi Annual Financial Framework negotiations, and the UK Government's position is that EU budgets must be frozen at 2011 expenditure levels. After taking account of the incorporation of new policies in the EMFF, it appears that a real increase in spending is being proposed. The Commission therefore needs to demonstrate fiscal discipline that it is demanding from Member States.
36. Regarding aquaculture, the Government has concerns over the Commission imposing requirements for this sector; any provisions must provide real benefits. We would therefore oppose any obligation or requirement of a national plan or indeed any other form of regulation which is placed on the aquaculture industry through EMFF or CFP. The Government also believes that any support through this chapter should be limited to aquaculture production where the Member State in question has clear evidence that good sustainable market prospects exist for the products.
37. The Government believes that the provisions for local community action initiatives are generally positive, and continue to build on those outlined under Axis 4 of the current EFF scheme. There is also potential to support regional bodies or groups of Member States to develop draft management plans or measures for the future.
38. We fully support fundamental reform of the Common Organisation of the Market (CMO) in fishery and aquaculture products. We are in favour of support for the preparation and implementation of production and marketing plans; however we do not support intervention / storage measures as they provide an unnecessary safety net.
39. The Government has also noted with interest the provisions outlined for control and enforcement, and data collection. The UK is generally content with the provisions but funding must be used in the most cost effective way. Data collection is important but must also be proportionate and cost effective.
40. The Government supports further integration between fisheries and wider marine initiatives if it helps to secure wider benefits for the marine environment and the maritime sector. However, given the overall constraints on funding, we are keen that any actions supporting IMP should represent real added value at a Union level. We are also concerned about the potential diversions of funds from actions designed to support the reform of the CFP towards the Commission's wider IMP objectives.
41. We strongly support further simplification and flexibility to take actions that would deliver real benefits to respective industries - as currently drafted, the proposals are

too complex, inflexible and create additional burdens. We therefore believe it is essential that a proportionate approach is taken in terms of monitoring and evaluation.

Next Steps

42. The negotiations on the EMFF proposals will resume under the Cypriot Presidency in September and will continue throughout the autumn. The Presidency are expected to produce compromise texts for the complete package of EMFF measures, which will be discussed during September with a view to achieving a partial general approach at October Council. These discussions will take place in parallel with those in the European Parliament. The final agreed proposals are expected to enter into force from 1 January 2014, as part of the wider package including the CFP and the CMO. We will continue to engage with stakeholders during this process, whilst driving for changes to the proposals in line with the stated UK position.

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