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**Position Paper on the European Commission Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation (EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy] [COM(2011) 804 final]**

**1. General**

EAPO welcomes this proposal as the financial part of the Common Fisheries Policy reform proposals by the Commission. We note that in view of the simplification objective the Commission aims at an amalgamation of the different European financial instruments into one fund to cover all the financing needs of maritime affairs and fisheries. It is obvious that therefore this proposal cannot be viewed separately from the Commission CFP proposal and the proposal on the Common Organisation of the Market. Other points of reference to be taken into account are the Integrated Maritime Policy and the Europe 2020 Strategy.

EAPO supports the intention to create a solid base for the EMFF on the three pillars of sustainability: social, economic and ecologic aspects. The EAPO comments therefore are founded on the principle that these three pillars should be considered equivalently within the elaboration of the EMFF. EAPO is hopeful about the mentioned objectives to strengthen the social dimension and to achieve an environmental sustainability whilst emphasizing the importance of innovative, profitable and competitive fisheries and aquaculture sectors.

**2. Marketing and Processing Related Measures (Art. 68-72)**

EAPO noted that in article 15 (budgetary resources under shared management) the marketing and processing related measures are missing. During contacts with the European Commission this has been confirmed as being an oversight. Accordingly these measures should effectively be included in the EMFF allocation of EUR 4,535,000,000 during the period 2014-2020.

EAPO thinks that in article 69 the word ‘may’ should be changed to ‘shall’. In addition support for the preparation and the execution of the production and marketing plans should be 100% EU funded similar to the funding arrangements for the storage aid

under article 70. Since the funding of the production and marketing plans is a key component of a reformed CFP it should not be subject to the funding envelope each member state will receive under article 17 “financial distribution for shared management” as this will undoubtedly lead to certain members states supporting the production and marketing plans and others not doing so.

Furthermore support for the preparation and execution of the production and marketing plans as described in the CMO appears to be optional in the EMFF proposals. Such support should be mandatory. To the Member States (MS) it should not be an option to include this in the National Operational Programme. Specific reference to the production and marketing plans should be made in articles 19 and 20 covering the guiding principles for the operational programme and content of the operational programme. The EMFF regulation should specify that this is an MS obligation. An additional advantage is that such an obligation creates a firm base for an equal approach “level playing field” to production and marketing in the different MS.

As communicated in the position paper on the CMO proposal EAPO is requesting to retain the withdrawal intervention mechanism as foreseen in the current CMO regulation.

Quote:

***The intervention mechanism is a key element***

*EAPO fully agrees that the money of the taxpayers cannot be spent on the destruction of food; however EAPO would point out that the current withdrawal system does not in fact engage in the destruction of food. The withdrawn fish is transformed into good quality oil and meal which, for example, are essential elements in foodstuffs used in the aquaculture industry and are a very important source of protein and omega3 for the food industry. Therefore EAPO finds that in the CMO there should be a provision to allow for intervention for non-human consumption purposes.*

*Since the introduction of the “withdrawal” price a significant quantity of fish has been sold just above this withdrawal price and so it has in a number instances become a “minimum” price. EAPO fears that an intervention mechanism which consists solely of a “trigger price” and a single storage element will remove the safeguard of the catching sector and will lead to deterioration of the economic sustainability of small scale mixed fisheries. Whilst EU producers strive to be competitive, the import of cheap substitute species such as Pangasius into the EU continues to undermine the market, reducing prices for our fishermen*

*For decades the intervention mechanism with the system of withdrawal prices has played a crucial role in the catching sector, the auctions and the thousands of employees of the industry connected to this sector. Without this intervention system prices would have fallen below a level that could maintain an economically sustainable fishery, especially for small scale mixed fisheries and the coastal fishermen.*

*The amounts that the existing withdrawal system in EU accounts for out of the entire financial support to the sector is very small; and when compared to the support to the entire primary sector, is negligible.*

*Should the EU be of the view they cannot support a withdrawal system then it is very important that the PO's have the option to manage and fund a similar type of withdrawal system on a private basis where the financial support is funded by the Industry itself.*

Unquote

Regardless whether this request is taken into account or not, it is necessary to integrate other intervention mechanisms than storage in the EMFF regulation. At a minimum the POs should be allowed to fund the intervention mechanism from their own resources.

The only possible direct intervention support in the proposal for storage is unconditionally phased out by 2019. To EAPO this is a too restrictive principle for any intervention mechanism as it remains difficult to predict market situations over such a period of time.

The support for intervention should not only cover production costs but also marketing costs, specifically for stored products to be reintroduced on the market. Intervention support should cover all commercial species and be maximized on 2% of the annual PO production.

Also in article 71 (marketing measures) items are noted in contradiction with an earlier EAPO position paper, specifically the EAPO view on how to approach unwanted by-catch

In respect of article 71.1.(e) not only the *creation* of PO's, associations of PO's or inter-branch organisations should be supported but also their *working*.

### **3. Title V – Chapter I – Sustainable Development of Fisheries.**

Concerning this chapter EAPO wishes to emphasize that fleet modernisation is an essential part of the process to render fisheries more sustainable. Also aid to adjust fishing effort or overcapacity which is properly defined should not disappear. As EAPO does not believe that mandatory transferable fishing concessions are the correct tool, reintroducing the possibility for aid to targeted decommissioning schemes and to finance temporary cessation, is favoured.

The references to Fisheries Science Partnerships, the promotion of human capital and the social dialogue within the sector (articles 30 & 31) are considered by EAPO to be much more important than job creation outside the sector (article 32).

Health and safety on board are indeed vital in the process to render fisheries more sustainable. Allowing aid to substitute older vessels will often contribute much more to these objectives than reserving aid to finance small adjustments to the same older vessels. EAPO therefore recommends to foresee both options in the EMFF.

In the Commission proposal there are several references to the elimination of discards. Taking into account that many views – including EAPO’s – stipulate that a discard ban will have a higher impact on the environment than a discard minimisation, we recommend to substitute the word ‘elimination’ in the text by ‘reduction’. EAPO thinks that besides addressing discards, there are many other initiatives possibly contributing to a limitation of the impact of fishing on the marine environment. These other initiatives should not be excluded from EMFF support.

EAPO requests not to retain the restriction in article 36.2. During the programming period – as well for the same Union fishing vessel as for the same type of equipment – as a consequence of constant evolution there could be several complementary initiatives that can contribute to the process towards more sustainability. Therefore a restriction based on vessel or on type of equipment is not fully relevant. An acceptable alternative to restrict the level of aid could be to introduce a percentage of the available MS budget cap per vessel or per beneficiary.

In respect of the mitigation of climate change EAPO is surprised to note in the draft that support should not contribute to the replacement or modernisation of main or ancillary engines. If the precondition not to increase fishing overcapacity is pursued, such initiatives contribute wholly to the process of increased sustainability, including the mitigation of climate change, and therefore should not be excluded.

Furthermore EAPO disagrees with the rejection of the possibility to support the construction of new ports, new landing sites or new auction halls. Also in this case modernisation means more sustainability and such initiatives can mean a lot for the creation of an optimal market situation at first sale.

#### **4. Data Collection (Art. 79)**

EAPO thinks that collection and user management of socio-economic data generally, and business results specifically, should be clearly mentioned in this article. Fisheries Science Partnerships for data collection purposes should be referred to in this article as initiatives deserving support, certainly when new and innovative data collection methods are being addressed.

#### **5. Scientific Advice & Knowledge (Art. 85)**

Also in this reference to scientific advice and scientific knowledge, it is necessary to include the socio-economic aspects of fisheries and the use of the expertise from the PO’s and the social partners in fisheries. EAPO would wish to add references to support for the STECF, for the industry/science partnerships and specifically for research on items contributing to the reduction of discards.

#### **6. Advisory Councils (Art. 88)**

To EAPO it is very important to include a Markets Advisory Council in the CFP and the CMO when elaborating the AC part of the EMFF. Generally for AC’s it is important that additional funding is foreseen for own research on scientific, economic, social and environmental issues.

## **7. Market Intelligence (Art. 89)**

EAPO considers that for market intelligence there is no need to foresee a specific funding for the Commission. The fisheries sector representation itself is a far better source for such an intelligence and should receive the financing to accomplish this potentially useful tool.

## **8. Fisheries Local Action Groups (Art. 58-67)**

In this chapter the principle of axis 4 of the current EFF is introduced into the EMFF. In several Member States there is a concern about the current practices of the local groups. EAPO is therefore in favour of an evaluation by the Commission of the application of the EFF axis 4 principle in the Member States. The defined objectives of this initiative should remain within a fisheries scope and the available funding should be reserved for objectives to be defined in the new national operational plans. In view of the required involvement of the sector it should therefore also be possible for producer organisations to act as the driving force of the FLAGs.

## **9. Determination of Co-Financing Rates & Intensity of Public Aid (Art. 94-95 and Annex I)**

EAPO proposes to add the support for production and marketing plans (article 69) to the list of items for which the EMFF contribution can go up to 100%. Also the public aid for the article 69 content should be at a 100% intensity. In respect of the support for data collection, it is EAPO's view that the maximum EMFF contribution should be higher than 65% and set at level of at least 75% .

Referring to Annex I EAPO thinks that based on the proposed expansion of tasks the specific aid intensity for producer organisations should be at the higher rate of 35%.

## **10. Financial Framework (Art. 14-17)**

EAPO has noted that in the budgetary resources under shared management the production and marketing plans (article 69) are not mentioned. When questioning the Commission about this omission, it was confirmed that this was an oversight and that such measures will be included in the allocation of the 4.535 billion euro of the EMFF for the period 2014-2020.

In many presentations the European Commission has repeatedly pointed out that the funds for fisheries for the period 2014-2020 have remained at an equal level in comparison with before. EAPO questions the accuracy of this statement considering that no reference is made to all the funding for fisheries currently not provided by the EFF, whilst now this will be part of the EMFF.

In the financial framework the criteria for financial distribution are described. It is EAPO's view that all the financing must be proportional to the weight of the specific objectives of a project to be described in implementing acts.

As a final comment EAPO wishes to point out the omission of an important criterion in the financial framework: the increase of the self-supply percentage of fishery products in the EU.

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