



European Commission

No 40 November 2008



# FISHERIES AND AQUACULTURE IN EUROPE



 **The common organisation of the markets  
in fishery and aquaculture products:**  
membership, partnership and performance

 **Diesel fuel crisis:**  
emergency measures

 **Natura 2000:**  
protecting marine zones

## Shows and exhibitions

### **Offshore Mariculture, Alicante (Spain), 22-24 October 2008**

This international conference will review the latest regulatory and technical developments in offshore fish farming.

**> For more information:**

Tel: +44 17 37 55 98 92

E-mail: [enquiries@conferencebusiness.co.uk](mailto:enquiries@conferencebusiness.co.uk)

Website: [www.offshoremарiculture.com](http://www.offshoremарiculture.com)

### **NEAFC – Annual meeting of the parties, London (United Kingdom), 10-14 November 2008**

The annual meeting of the contracting parties to the regional fisheries organisation (RFO) for the Northeast Atlantic will set stock management measures that are important for European Union fleets.

**> For more information:**

Tel: +44 20 76 31 00 16

E-mail: [info@neafc.org](mailto:info@neafc.org)

Website: [www.neafc.org](http://www.neafc.org)

### **ICCAT – Special meeting of the Commission, Marrakech (Morocco), 17-24 November 2008**

This important working session of the Atlantic tuna RFO will focus on follow-up of the bluefin tuna recovery plan for the Atlantic and the Mediterranean.

**> For more information:**

Tel: +34 91 41 65 600

E-mail: [info@iccat.int](mailto:info@iccat.int)

Website: [www.iccat.int](http://www.iccat.int)

## Institutional agenda

The **next Councils** of Fisheries Ministers of the 27 European Union Member States will be held on:

- 17 and 18 November 2008 in Brussels

- 17, 18 and 19 December 2008 in Brussels.

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We welcome your comments or suggestions at the following address: European Commission – Directorate-General for Maritime Affairs and Fisheries – Information, communication, inter-institutional relations, evaluation and programming Unit – Rue de la Loi/Wetstraat 200 – B-1049 Brussels or by fax to: (+ 32) 2 299 30 40 with reference to *Fisheries and aquaculture in Europe*.

E-mail: [fisheries-magazine@ec.europa.eu](mailto:fisheries-magazine@ec.europa.eu)

For further information on maritime affairs and fisheries, please consult the following sites:

[http://ec.europa.eu/commission\\_barroso/borg/index\\_en.htm](http://ec.europa.eu/commission_barroso/borg/index_en.htm)

<http://ec.europa.eu/fisheries>

<http://ec.europa.eu/maritimeaffairs>

*Fisheries and aquaculture in Europe* is a magazine published by the Directorate-General for Maritime Affairs and Fisheries of the European Commission. It is distributed free on request (see subscription coupon on page 16). *Fisheries and aquaculture in Europe* is published five times a year and it is also available on the Maritime Affairs and Fisheries DG web site: [http://ec.europa.eu/fisheries/publications/magazine\\_en.htm](http://ec.europa.eu/fisheries/publications/magazine_en.htm)

Editor: European Commission, Directorate-General for Maritime Affairs and Fisheries, Director-General.

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## **The common organisation of the markets: adapting to change**

The common organisation of the markets (COM) dates from the 1970s. Although it has evolved considerably since then and was revitalised by the new regulation in force since 2000, it is important to identify and respond to the new challenges confronting the market in fishery and aquaculture products today.

Declining supplies of certain species, stability or in some cases a decline in auction prices and higher operating costs as a result of the energy crisis are some of these new challenges. The surge in fuel prices is a structural phenomenon, but it is important not to exacerbate the situation with low selling prices. In many cases, the seafood market is extremely fragmented (many producers sell their products individually) and demand is increasingly concentrated, making it impossible to provide responses that can guarantee the economic viability of certain fisheries firms. Fishermen can gain better control over prices by organising themselves into producers' organisations (PO). These bodies plan fishing seasons and the production rates of fish farms to provide more regular deliveries better suited to meet the expectations of retailers and distributors who now market over 80% of fish in some Member States. The POs' role should therefore be to help improve the producers' economic situation.

Another challenge is the growing importance of aquaculture: by 2010, 50% of the seafood consumed in Europe is expected to be farmed, including a large share of imported products. These are often sold at prices well below those of fishery products, a reality that will have to be addressed in the coming years.

Lastly, consumers are gradually losing interest in 'whole fresh' fish and increasingly turning to prepared products. They are also more demanding in terms of quality, origin and traceability. These demands are based on environmental criteria (sustainable fisheries, organic production, carbon footprint, etc.), ethical considerations (respect for workers' rights, buying from small producers at fair prices, etc.) and of course taste, nutrition and food safety. Here too, it is easier for professional organisations to meet consumers' expectations than individual producers working alone.

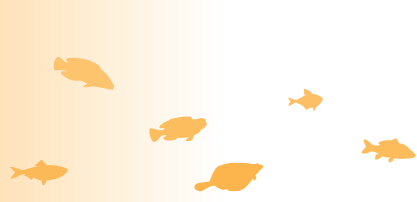
The common organisation of markets is also part and parcel of the Common Fisheries Policy and so must meet certain fundamental challenges such as combating overfishing and illegal fishing to guarantee sustainable fisheries through responsible consumption.

All these reasons justify the European Commission's recent launch of a number of external evaluations, whose results will nurture discussions with all stakeholders: producers, processors and consumers, as well as distributors, whose role is becoming more decisive. At the end of this process, the Commission will consider proposing in 2009, a revision of this essential component of the Common Fisheries Policy whose success will be decisive for the future of fisheries and aquaculture in Europe.

The Editor







## ■ The common organisation of the markets in fishery and aquaculture products: membership, partnership and performance



The role of producer organisations is to plan fishing activity to obtain the best price possible in negotiations with buyers.

**The common organisation of the markets (COM) in fishery and aquaculture products has existed since 1970 and is the oldest pillar of the Common Fisheries Policy. Originally a simple tool meant to guarantee the free movement of goods and price stability for producers, it has since steadily evolved in response to major changes taking place in both the general and institutional context. Today, it must meet further new challenges: scarce resources, the growing clout of big buyers, changes in consumers' habits, the growing share of aquaculture and imports on the market, higher energy and production costs, and more.**

### Just what is the COM?

In 1970, this organisation was set up to ensure a common market for fisheries products, which was later expanded to farmed products. The aim was to guarantee price stability and a decent income for fish producers, as well as reasonable prices for consumers. It was based on classic measures in the initial phase of European integration, essentially the dismantling of tariff barriers to allow free movement of products between Member States and the establishment of common rules for the entire fishery products market.

At the time, the European Community had only six members, there were few concerns about depleting fish resources, Europe imported less than 30% of its fish consumption,

distribution channels were still made up of numerous small sales outlets, and fish was almost exclusively eaten fresh, without industrial processing. Today, Europe has 27 Member States, several fish stocks are in serious danger due to overfishing, Europe imports over 60% of its consumption, the great majority of production is marketed by a few big distributors, and processed products form a large share of the market. So it is no surprise that this policy has evolved appreciably over the last 38 years, constantly adjusting to changes in the economy, the growing scarcity of resources, technological changes and strengthened European integration. A key moment of this ongoing evolution was the adoption of a new COM regulation in 2000<sup>(1)</sup>. It is this regulation that still governs its current operating framework.

(1) Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products.



## The challenges of today and tomorrow

The challenges taken up by the 2000 regulation still exist, but new ones have also come along and must be dealt with in the coming years.

The first consists of reconciling the interests of producers of one of the last wild food products with those of processors, distributors and consumers in a context of increasingly scarce and often endangered resources. The common fisheries policy, of which the COM is a pillar, gives absolute priority to the preservation of resources, because without resources there can be no market!

Marketing structures are changing: large supermarket chains already account for over 80% of fish sales in some Member States. These chains have become the main buyers of fishery products, demand regular deliveries and are increasingly turning to exports to cover their needs. In parallel, the international market for fishery and aquaculture products is evolving and adapting at an ever quicker pace. More than 60% of fish products consumed in the European Union are now imported, whereas 30 years ago imports accounted for only 30% of fish consumed in the EU!

More seafood, better quality and more regular deliveries are all requirements that producers find hard to meet, particularly due to the poor state of fish stocks, but also because planning is complex in this activity. The operational programmes established by the regulation have certainly helped improve the organisation of fishing activities and their financial profitability. However, external and sometimes unforeseeable factors such as climate and biological fluctuations or conservation measures can make production planning difficult.

At the same time, the market has evolved from one that used to be dominated by fresh fish to a market where there is increasing consumer demand for processed products, especially convenience foods. Consumers have become more and more demanding not only in terms of product diversity, but also in nutritional, dietetic and sanitary quality.

## How is the community market organised?

To meet these challenges, the common organisation of the markets, as laid out in the 2000 regulation, comprises four essential tools:

- common marketing standards for fresh products;
- producer organisations (PO), voluntary associations of fishermen set up to make it easier to stabilise markets and cushion sudden fluctuations in demand;
- a price support scheme setting minimum sale prices for fishery products under which products cannot be sold; the PO may receive financial aid if they have to take fishery products off the market and store them for later use or process them;
- rules on trade with third countries.

## Marketing standards

Community marketing standards set harmonised commercial characteristics particularly for the first sale of fresh fishery and aquaculture products in the Union. These include the definition of freshness and size categories, as well as presentation characteristics. The standards facilitate marketing operations by setting common prices for each category of products and defining quality levels.

These standards are matched with labelling obligations to keep consumers better informed. The regulation makes it mandatory for labelling to show the commercial designation of the species, the production method (inland, sea fishing or farming) and the catch area.

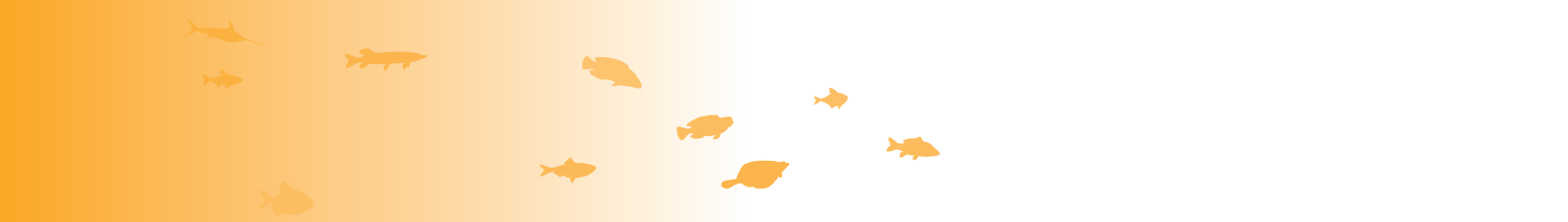
## Producer organisations

One of the key ideas of the COM is that producers themselves hold a large share of the responses to the problems facing the sector. They are the ones who can best organise themselves and coordinate to implement measures for rational management of resources, to provide added value to fishery products and to help stabilise the market. That is why the regulation in force since 2000 gives more responsibility to producer organisations (PO) and grants them financial support. The POs are officially recognised based on criteria of representativeness and the nature of their activities to implement the COM mechanisms.

In practical terms, the POs may take collective measures to ensure the sustainability of fish stocks, to avoid catches of fish for which demand is low or nonexistent, or to anticipate market needs in terms not only of quantity but also quality and regularity of delivery.

### A few figures on POs

- In 2005, there were 203 recognised POs in 16 Member States (BE, DK, DE, EL, ES, FI, FR, IE, IT, LV, LT, NL, PL, PT, SE, UK).
- Spain, France, Italy, Germany and the United Kingdom accounted for 74% of all the POs.
- The involvement and representativeness of POs vary from one country to the next: in 10 Member States (BE, DK, DE, ES, FR, LT, NL, PT, SE, UK), more than 50% of fishermen belong to a PO, while in three Member States (LV, PL, FI), membership ranges from 12% to 23% of fishermen.
- For aquaculture, the percentage of producers belonging to a PO is over 75% in three Member States (ES, LT, UK), compared to less than 10% in two Member States (DK, FR).



To achieve these aims, the regulation requires POs to draw up and implement operational programmes for the fishing year that contain measures to adapt catches to market needs. An operational programme must comprise a marketing strategy, a catch plan for fishing or a production plan for aquaculture, anticipatory measures for species that habitually present marketing difficulties, and an internal penalty system.

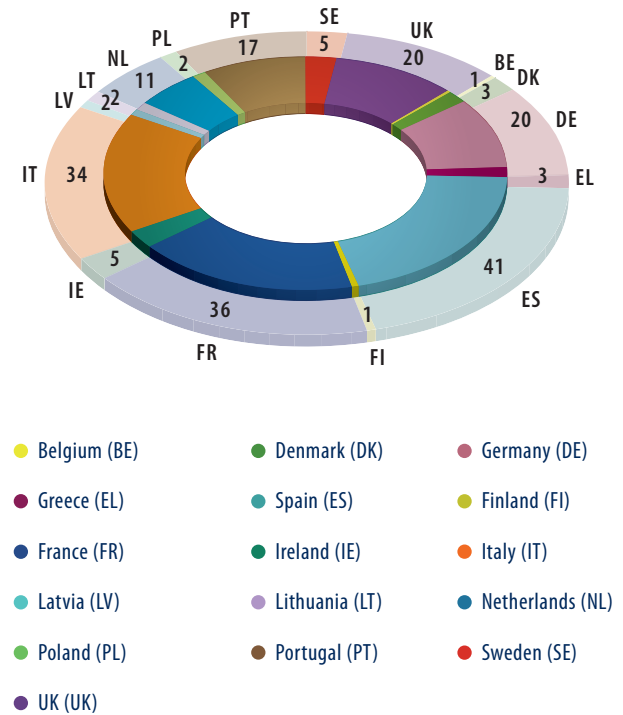
The POs, in agreement with their members, may spread their vessels' fishing activities over time. This helps avert a quota race because it allows fishermen to stagger their landings and fish farmers to deliver their production more regularly throughout the year, thus preventing abrupt drops in prices while ensuring a more stable supply. Better quality and more regular landings benefit producers in terms of prices, retailers in terms of supply, and consumers in terms of value for money.

POs are also legally eligible for financial aid to implement plans to enhance product quality. This includes for example making trips out to sea shorter, improving the on-board crating of catches, regulating the size and fattening level of farmed products in terms of demand, and providing better market preparation and reduced handling throughout the production channel.

In addition, financial incentives are provided for setting up interprofessional organisations of producers, processors and distributors in order to carry out common actions, for example, to improve knowledge and the transparency of production and marketing processes, to carry out market studies or other research, or to develop quality labels or geographical indications.

Each Member State must guarantee that the POs operating on its territory comply with regulations.

**Producer Organisations in the European Union – 2005**



The fishery products market has changed tremendously over the past 30 years. European producers today supply less than 40% of the European Union's consumption of fish, molluscs and shellfish. The remainder is imported from non-EU countries.



## A PO in Brittany participates in resource assessment

**Pêcheurs Manche-Atlantique is a producer organisation based in Brittany. Five years ago, it set up a scientific unit to participate in resource management, a successful experience that should be repeated elsewhere.**

Former fishermen Maurice Benoish, 66, was president of PROMA, the producer organisation for small-scale fishing in Morbihan and Loire-Atlantique, which represented up to 650 fishing vessels in south Brittany, from Concarneau to Saint-Nazaire. For the last few years, this PO has developed closer ties with FROM-Bretagne, the regional fund for organisation of the fish market in Brittany, a PO active on the north coast. The two have merged to form PMA, the Union of Channel and Atlantic Fishermen, based solely on the logic of concentration.

*'The more there are of us, the more flexibility we have in dividing up activities among our vessels and the easier it is to organise fishing plans,'* explains Maurice Benoish. *'Not to mention the economies of scale, for example, on administration or scientific work.'*

Like all POs, this one works simultaneously on two fronts. Upstream, on the fishing side, it organises the fishing operational plans and divides up quotas among member vessels. Maurice Benoish sees this upstream work as a 'direct line' between the sector and fisheries administrations (French and European). It could be used to a greater extent to improve application and comprehension of the Common Fisheries Policy.

Downstream, on the market side, the PO organises the sale of catches and negotiates prices with buyers. Yet communication flows between the upstream and downstream activities. For example, the intelligent drafting of fishing plans allows staggered deliveries to maintain a certain price level or the delivery of a given species at a time when demand is particularly high.

*'The market has changed tremendously,'* says Maurice Benoish. *'There are fewer buyers, who increasingly represent bigger interests, and on prices they are under pressure from imports. The price of fish has risen by only 1 % since 2006. European supply is now a minority compared to imports and we are merely supplementary source for fish wholesale traders, who could do without us. We have no clout in setting prices. This is an alarming phenomenon.'*

## Systematic monitoring

To curb this trend, production should be increased. But this is unimaginable in a context of declining stocks and quotas. That is why PROMA expended considerable efforts in resource management seven years ago, based on the principle that better monitoring of the evolution of resources would allow improved adaptation of fishing opportunities, both downward and upward.

The PO's scientific unit was created at a time when deep-water fishing was under challenge. Consequently, the vessels concerned participated voluntarily in a programme for the collection of catch and environmental data in collaboration with the French research institute Ifremer. Based on the programme's findings, disproportionate measures such as closures of fisheries could be avoided and the data used by the International Council for Exploration of the Sea (ICES) were improved substantially. This positive experience encouraged PROMA and its members to extend their scientific work to other resources in its region, such as Norway lobster, hake and sole, also in collaboration with Ifremer.

In practical terms, members of the PO volunteer to quantify their catches systematically and to list them according to procedures validated by Ifremer.

*'The state of resources and of the ecosystem is thus evaluated on the basis of tens of thousands of trawl tows, which obviously provides a more sophisticated approach. And it costs less than using a scientific vessel. What is more, fishermen feel concerned by resource management and are much more aware of the situation. So quotas are much more readily accepted, obviously when they increase, but also when they decline.'*

Maurice Benoish has served as President of the European Association of Producer Organisations and he admits that experiments of this kind are rare among European POs. But he sees them as a way to energise the COM and enhance its involvement in the common fisheries policy.



## Price support

In short, this is a financial intervention granted when the price for a species drops below a minimum level. Referred to as the withdrawal price, this level is set on the basis of the orientation price fixed yearly by the Council of Ministers. When prices drop and intervention mechanisms are triggered, members receive compensation from their producer organisation.

Nevertheless, awareness of the dangers resulting from overfishing for many species has led to stricter management of this aid, to keep from encouraging the waste of resources. The regulation implemented in 2000 establishes that this aid may only be used for localised excess supplies that the market cannot absorb. To give producers and their organisations incentive to take anticipatory measures to adapt their catches to market needs, interventions are only possible for a small volume of production and are calculated on a tapering basis in terms of the volume presented for withdrawal: the higher the quantities withdrawn, the lower the intervention (see box). The regulation also fixes a transitional phase with a gradual decrease in aid over time.

This aid is financed by the European Community and total interventions amount to around EUR 10 million a year. So this is indeed a safety net and not a price support system.

## How much does withdrawal aid pay?

- For a first instalment of 4% of the POs' production volume of a species, the amount of compensation is 85% at most of the withdrawal price.
- For the second instalment of 4 to 8% of the production volume (10% for pelagic species), the amount of compensation was 75% for 2001. This rate of 75% was brought down to 65% in 2002 and has been set at 55% since 2003.
- Withdrawals of more than 8% of production volume (10% for pelagic species) are not eligible for compensation.

Products withdrawn from the market may nevertheless be sold for processing for purposes other than human consumption (e.g. animal meal). The revenue from such sales is deducted from the financial compensation.

In addition, with a view to limiting waste, carry-over aid is possible. This is financial support for processing and storage to allow products to be put back on the market at a time when prices are more attractive. This aid is limited to 18% of the quantities put up for sale each year, minus the quantities for which withdrawal aid has been granted. Aid for private storage also exists for certain products frozen at sea.

In 2000, withdrawal aid made up the greater part of aid granted, but since 2005 the trend has reversed and carry-over aid has supplanted withdrawal aid.



## Independent withdrawals and carry-over expenses 1992-2004

€ 000

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Belgium	132	375	17			100			9	33	52	58	57
Denmark	1 407	3 508	-23	900	100	100			22	10	9	7	24
Germany													
Greece													
Spain									42	105	91	69	176
France			821	1 000	1 130	1 100	600	400	580	592	718	1 190	933
Ireland	334	429	511	1 100	1 130	200	400	1 000	69	70	997	4	257
Italy													
Netherlands	29	82	35	200					2	1	15		7
Austria													
Portugal	384	459	404	200	200	200	100	200	123	106	59	85	81
Finland													
Sweden				200	2 340	500	400	300	267	183			
United Kingdom	11	3	1						47	14	11	10	-1
<b>Total EU</b>	<b>2 297</b>	<b>4 856</b>	<b>1 767</b>	<b>3 600</b>	<b>4 906</b>	<b>2 194</b>	<b>1 598</b>	<b>2 055</b>	<b>1 161</b>	<b>1 115</b>	<b>1 952</b>	<b>1 422</b>	<b>1 533</b>





Some fishery products are important at regional and local level but cannot be included in the Community system. This may be because of sharp price differences from one Member State or region to another, or because the overall production level of these products on the Community market is too low. A mechanism for autonomous regionalised withdrawals and carry-overs has been put in place to address these situations. This flat-rate aid is granted under certain conditions to POs that wish to withdraw or carry over these products. In such cases, the POs themselves set their own prices, within certain limits established by the regulation. The regulation also sets maximum quantities eligible for aid: 5% of the products concerned put up for sale by the PO during the fishing year for withdrawal, and no more than 10% of the total for cumulative withdrawal and carry-over aid.

### Trade with non-EU countries

The Regulation also establishes measures to enable the EU processing industry to be supplied on a stable and reliable basis at competitive prices. It introduces a scheme for trade with non-EU countries based on the suspension of customs duties for certain products earmarked for the processing industry. In parallel, reference prices are set and suspensions or reductions of customs tariffs are not granted if prices drop below these reference levels. The reference prices are meant to provide protection against imports at abnormally low prices and serve as indicators of the evolution of import prices and an early warning system. In addition, safeguard and anti-dumping measures in conformity with World Trade Organisation (WTO) rules may be implemented if imports of fishery products lead to serious market disruptions. This happened with Norwegian salmon, for which a minimum import price was imposed.

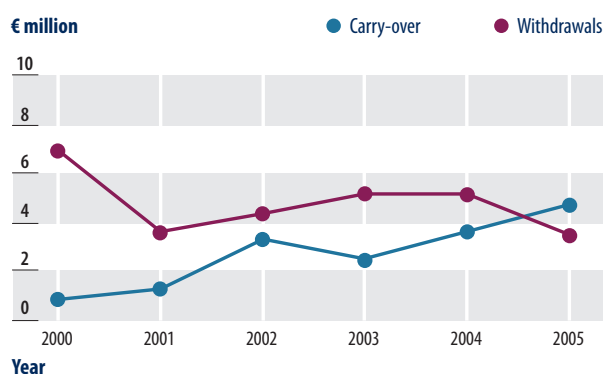
### An ongoing process of adaptation

While the regulation in force since 2000 responds to the main developments on the fisheries and aquaculture sector at the start of the 21<sup>st</sup> century, it is obvious that the sector needs to adapt to recent changes to ensure sustainable fisheries and consequently a stable and effective market in the years to come.

It is with this perspective that the Commission launched in 2008 a number of external evaluations of the common organisation of markets and of related elements such as the supply and marketing of fishery and aquaculture products. These evaluations will assess the effectiveness, coherence and relevance of existing tools and means, and consider any adaptations needed to better reflect the new constraints.

The energy crisis, the expansion of aquaculture production, increasing consumer demand for quality, information and traceability, and sustainable management of a vulnerable resource, are reasons why all stakeholders, producers as well as processors, distributors and consumers will be consulted in the coming months. The Commission shall be taking their views into account, before the end of 2009, so that it can propose a new regulatory, financial and administrative framework for a common organisation of the markets that can respond to these new challenges and will ensure a better matched trade policy to be defended by the Community in the years to come.

### Community withdrawals and carry-over expenses (2000-2005)



### Tuna: a special case

The compensatory allowance for tuna is the only intervention mechanism constituting direct aid to producers. It was introduced to compensate for the lack of tariff protection on imports for the tuna processing industry. The compensatory allowance is granted where both the average quarterly price of tuna on the Community market and the import price are lower than 87% of the Community production price. This combination represents the threshold for triggering the aid mechanism. The allowance is meant to protect Community producers from global market fluctuations, since the Community market itself has only limited protection. It is only granted if it has been demonstrated that the unfavourable market conditions result from price levels on the global market and not from an abnormal increase in quantities caught within the Union. Since the adoption of Regulation No 104/2000, this mechanism has been triggered several times, in 2001 (1<sup>st</sup> quarter), 2003 (4<sup>th</sup> quarter), 2004 (1<sup>st</sup> and 2<sup>nd</sup> quarters) and 2007 (1<sup>st</sup> quarter).

## □ Diesel fuel crisis: emergency measures

**The measures that were proposed by the Commission, urged by the heads of state and government and approved by the Council of Ministers in order to deal with the diesel fuel crisis, consist mainly of a temporary adaptation to the European Fisheries Fund rules. Member States will have more opportunities to provide support for fishermen hit hard by the crisis for a period of two years.**

Since 2002, the price of marine fuel has risen by 240%. Today, its cost represents nearly 30% of the first-sale value of landings. This situation is all the more critical because European fishermen do not have enough bargaining power when negotiating fish market prices to be able to pass on this increase. As a result, their slim profit margin suffers, and brings with it a serious crisis for certain energy-intensive fisheries such as trawling.

The surge in diesel fuel prices comes in an economic climate that is already difficult for the European fisheries sector, owing to the lack of balance between available fish resources and fleet overcapacity.

The Commission is convinced that a long-term solution can only be found through continuing efforts to manage resources. Indeed, exploiting a more abundant resource requires less fishing effort and thus less fuel consumption by vessels. In the medium term, fleet restructuring should continue to reduce overcapacity: if there are fewer enterprises to share resources, they can increase their profits and absorb an increase in fuel prices more easily. This is the main objective of the aid measures proposed by the European Commission and adopted by the Council, after receiving a favourable opinion from the European Parliament (Council Regulation (EC) No 744/2008 of 24 July 2008 establishing a specific temporary action aimed to promote the restructuring of the European Community fishing fleets affected by the economic crisis – Official Journal of the European Union L 202 of 31.7.2008). In addition, for the short term, the aid measures aim to provide temporary relief for the fishermen and vessel owners hit by the crisis.

Under the short-term measures, the key is that conditions for the grant of temporary cessation aid under the European Fisheries Fund (EFF) are made more flexible. All ship-owners may receive aid for a period of up to three months starting before the end of 2008, provided they agree to apply, within six months of the entry into force of Regulation 744/2008, restructuring measures such as fleet adaptation programmes, fishing effort adjustment plans, national fleet withdrawal plans, catch plans or other restructuring/modernisation measures. This aid is not intended to finance fuel purchases but rather crew wage costs and fixed costs for ship-owners wishing to reduce consumption by reducing their activities.

Other adaptations to the EFF regulation are meant to allow Member States to increase public aid for investments in energy-saving or less polluting equipment. Changes have also been introduced to enable the EFF to help finance energy audits, restructuring expertise and pilot projects for experimentation with technical equipment designed to reduce energy consumption by fishing fleets and emissions that contribute to climate change.

The possibility of granting aid for pre- and early retirement is also extended to workers in fisheries-related sectors, with the exception of those in aquaculture and processing.

### Tackling the problem of overcapacity

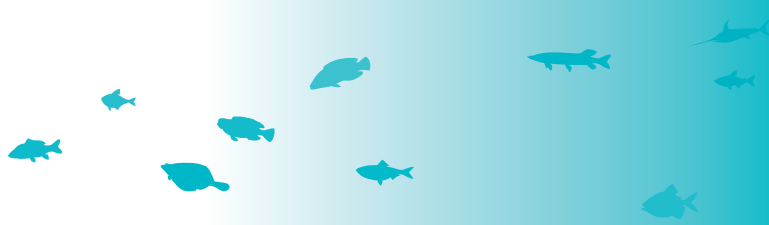
But the Commission's primary aim is to help the sector escape from its financial vulnerability by pursuing its restructuring and by strengthening its resourcefulness. Other changes therefore have been applied to the EFF rules to facilitate and speed up reduction in fishing capacity.

The main tool introduced by Regulation 744/2008 for this purpose is the Fleet Adaptation Scheme (FAS). A fleet adaptation scheme is a restructuring framework for fleets or fleet segments whose energy costs account on average at least 30% of total production costs. The Member States may set up one or more such schemes for their fleets or fleet segments and each scheme must by 31 December 2012, result in a permanent reduction of at least 30% of the fishing capacity of the fleet or fleet segment, expressed in GT and kW (at least 20% for a Member State whose fleet is less than 100 active vessels or 12 000 GT, or where a fleet adaptation scheme concerns only vessels of less than 12 metres).

Ship-owners participating in a FAS scheme are entitled to additional aid measures. First and foremost, they may be given extra time for temporary cessation before or during the restructuring interventions. Those who decide to cease their fishing activity are eligible for EFF permanent cessation premiums without conditions. Those who decide to continue their activity are entitled to higher public aid for investments to replace equipment, gear and engines so as to significantly improve the vessel's energy efficiency and reduce polluting emissions.

The regulation also provides public aid for ship-owners who permanently withdraw one or more vessels included in a FAS to build a new vessel with lower capacity and lower energy consumption (this possibility is referred to as 'partial decommissioning'). There are two eligibility requirements: both the decommissioned vessel and its replacement must use one and the same fishing gear, and the FAS must include vessels representing at least 70% of the capacity of the fleet using that gear in the Member State.

In such circumstances, ship-owners may be granted aid for permanent cessation for the difference between the capacity withdrawn and the capacity reallocated to a new vessel, provided the fishing capacity of the new vessel does not exceed 40% of the capacity withdrawn by the vessel owners.



To help the Member States finance these measures, the European Commission decided to raise to 95 % the EFF's maximum contribution in the total public expenditure concerned, whereas ordinarily its contribution is capped at between 15 and 85 % depending on the measure. The Commission also doubles the amount of prefinancing paid by the EFF to help Member States raise funds quickly.

Tackling the problem at its source also means improving the first-sale value of fish. The European Commission proposes to launch projects in the field of market analysis, price monitoring, supply, etc. Similarly, Member States are urged to use the EFF and the mechanisms of the common organisation of the markets more ambitiously to finance initiatives in this area.

### Financing

The Commission estimates the total for these measures to be around EUR 2 billion.

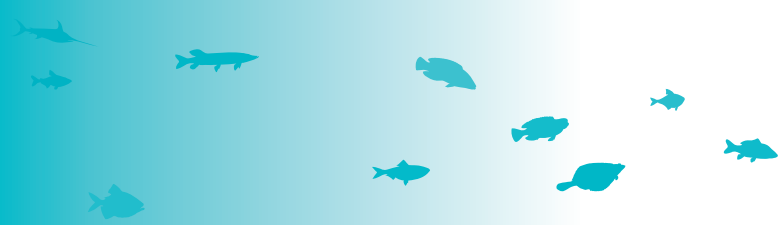
To finance these measures, in addition to an amount of EUR 850 million which has already been allocated for actions under Axis 1 of the EFF, of which EUR 600 million are in European funds and EUR 250 million in national funds, the Commission also considers that Member States could raise a further EUR 550 million with the reprogramming of EFF operational programmes.



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The Commission proposes emergency aid to provide relief for fishermen and vessel owners who want to reduce their energy consumption.





To cope with the diesel fuel crisis, the Commission wants to help the sector escape from its financial vulnerability by continuing its restructuring and boosting its resourcefulness.

The remainder of around EUR 600 million could be partially financed from amounts not allocated under heading two of the financial framework in 2009 and 2010. In any case, before any additional funds are raised, the Commission will ensure that Member States have made available the resources mentioned above by reprogramming operational programmes and putting up national funds. The Commission will review the possibility of creating a *ad hoc* financial instrument that would allocate resources to Member States on the basis of specific criteria to be defined, but that would include the fishing capacity reduction efforts already made.

### Other measures in the pipeline

The Commission has also announced that it will begin an exhaustive economic analysis to determine whether the ceiling for *de minimis* aid (presently EUR 30 000 per enterprise), which can be granted by a Member State without being notified to

the Commission, can be raised to EUR 30 000 per vessel, and capped at EUR 100 000 per enterprise.

In addition, given the importance of safeguarding jobs, the Commission will modify wherever necessary the *Guidelines for the examination of state aid to fisheries and aquaculture* to give Member States the possibility to cover part of the social security contributions for fishermen for a period of two years at most. This aid will be limited to the contributions paid by fishermen – including small-scale fishermen working on their own vessels – and may only be granted if the employer concerned does not reduce employees' normal remuneration.

In conclusion, the measures developed by the European Commission do not facilitate purchases of diesel fuel, but aim instead to equip enterprises to deal with high fuel prices, a situation that is likely here to stay.



## ■ Natura 2000: protecting marine zones

**Natura 2000, the European network of protected areas that covers 20% of Europe's territory, is expanding into the seas. In EU marine sites, measures to limit fishing activities – among other management measures – will have to be taken in consensus with all stakeholders – fishermen, regional organisations, Member States, scientists, non-governmental organisations, etc.**

The European network of nature protection areas, which now covers 800 000 km<sup>2</sup>, is a real success story, but is still mainly limited to the terrestrial and coastal environment. Of the 25 000 Natura 2000 sites, only around 1 800 are at sea: they are located in territorial waters (generally within the limit of 12 nautical miles from shore) and are often the coastal prolongation of a terrestrial site. In a bid to halt biodiversity loss in Europe by 2010, the European Union is asking the Member States to identify marine protection areas located throughout the territory of the Member States covered by the Treaty. This territory includes the waters and seabeds over which the Member States exercise a form of sovereignty or legal rights, such as territorial waters, exclusive economic zones (EEZs), fisheries protection zones, ecological protection zones and the continental platform. This is a huge area that can extend up to 200 nautical miles from shore, or even 350 miles if the continental shelf is included. The future Natura 2000 marine sites will therefore be located in waters off the Atlantic shoreline and in the North, Baltic and Black Seas.

(1) 92/43/EEC.

(2) 79/409/EEC.

(3) <http://www.ospar.org>

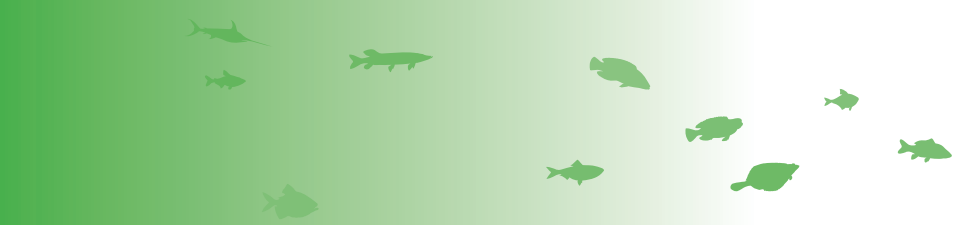
(4) <http://www.helcom.fi>

For the Mediterranean, exclusive economic zones or other maritime demarcations such as declared ecological protection areas are limited to a few Member States since most of the marine zones lie in international waters. Consequently, most of the Natura 2000 sites will be in the 12-mile zone. However, there are legal provisions that make it possible to designate protection zones going beyond territorial waters.

This Natura 2000 network is meant to protect the marine species and habitats listed in the Habitats<sup>(1)</sup> and Birds<sup>(2)</sup> Directives. Included in this list will be additional species and types of marine habitats of European importance identified in various international agreements, in particular the OSPAR Convention<sup>(3)</sup> (protection of the marine environment of the North-East Atlantic) and the Helsinki Convention<sup>(4)</sup> (protection of the Baltic marine environment). This concerns habitats whose vulnerability had not been identified in the past, such as sandbanks which are slightly covered by sea water at all times and reefs, or deep-water ecosystems whose existence was not known 15 years ago, such as deep-water coral reefs.



The Natura 2000 marine sites will not necessarily be closed to fishing but certain practices and fishing techniques may be limited and regulated to contribute to the general aim of protecting biodiversity in these areas.



In these protection zones, fishing restriction measures will be set out in a management plan for each marine site. For example, the plan may ban certain fishing gears or place certain fisheries off limits. In any case, it is hard to define a general framework because each Member State designates zones on the basis of its own specific characteristics and the European Commission reviews their applications case by case. It would be preferable for the European Commission to have a management plan for a region as a whole, but this would require that all the Member States in the region designate their sites at the same time. This meticulous review, combined with the difficulty of designating protection zones in such a vast area, explains the delay in the process, which was set to be completed in 2008. The Member States are working actively to designate the sites and the conservation measures required to protect habitats and species.

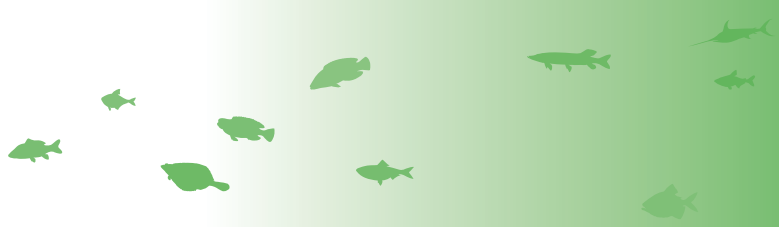
### A difficult choice

The designation of marine sites in the 200 nautical miles is a real challenge since scientists still have only patchy knowledge of the location of different types of habitats and species in the high seas. This is why the Member States are asked to adopt an approach dictated by the precautionary principle. Even though scientific findings may seem scarce, it is vital to protect zones that could otherwise be harmed beyond repair by human activity, and particularly by certain destructive fishing practices. This approach was used as the basis for decisions taken by the General Fisheries Commission for the Mediterranean banning the use of towed nets and dredges at depths of more than 1 000 metres.



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In a bid to halt European biodiversity loss by 2010, the European Union is asking its Member States to designate marine protection zones.



When designating its sites, the Member State is required to provide precise and science-based data on the types of marine habitats, the different species identified and all human activities carried out in the area, including existing fisheries and possible threats related to these activities. The Member State must also define the management and conservation measures it recommends to guarantee proper protection of the areas.

Certain management measures could apply to human activities, such as mining, petrol prospecting/exploitation, seismic research, maritime transport, tourism, undersea noise pollution and other forms of pollution, coastal urbanisation and industrial activities. The aim is to avoid deterioration of habitats and the resulting adverse effects on species, since these could have consequences on the objectives to protect biodiversity and conserve nature.

In terms of the conservation objectives of the marine sites, the Member State may also consider the use of certain fishing restriction measures. These come strictly within the sphere of the Common Fisheries Policy, which is why the Member State must submit a formal request to the European Commission, which will review it carefully.

First, this review will be consultative. The European Commission must seek the opinion of the International Council for Exploration of the Sea (ICES) if the Member State has not already done so. Further input may be requested from the Scientific, Technical and Economic Committee for Fisheries (STECF). The Regional Advisory Council(s) (RAC) concerned geographically may also provide valuable assistance and their opinion will be sought automatically.

The second principle guiding the review is that of proportionality. The Commission must check whether the Member State's proposal shows balance between sustainable exploitation of resources and the need to protect habitats.

A third principle is also essential: the choice of the future Natura 2000 area must not be discriminatory. A Member State may not infringe on the rights of another. That is why the European Commission recommends the identification of marine zones on supranational criteria. It is preferable for several States to work together to establish marine zones that could overlap different EEZs. The aim is to apply the same protection measures for similar species and habitats.

Finally, one last principle to be observed is that future Natura 2000 sites should be large enough to be easy to control. In some cases, the creation of a buffer zone could be an important element for making inspections easier.

## The Irish example

To date only a few Member States have already submitted proposals to the European Commission for marine sites in the open sea. Ireland submitted a formal application in 2006. This was the first-ever request received by the Commission relative to fisheries management measures in Natura 2000 marine sites. The Irish government asked the Commission to classify four sites as Natura 2000 marine areas in order to protect deep-water coral reefs. The Irish presented a proposal for a ban on all types of fishing in these four areas. After studying the request, the Commission asked to meet representatives of the North-Western Waters and the Pelagic Stocks RACs and sought the scientific opinion of the ICES and the STECF.

Consultations lasting over a year then followed before the decision was adopted by the European Union's Fisheries Council, on the basis of the European Commission's opinion. The European institutions granted the Irish request, proposing a ban on the use of bottom trawls and other gears. On the other hand, fishing for surface species is still authorised.

The Irish example is a good illustration of the European Commission's position. Throughout the process of validating Natura 2000 marine sites, it gives priority to dialogue between the different stakeholders. With the creation of Natura 2000 sites in EEZs, the Commission aims to put in place a network of zones where ecological balance must be preserved. The idea is not to create sanctuaries but to set up adapted fishing management plans in order to provide the best protection for the marine species and habitats in these zones.

# In brief

## □ European Commission closes bluefin tuna fishery early

The Commission closed the Mediterranean and Eastern Atlantic bluefin tuna fishery on 16 June for Greek, French, Italian, Cypriot and Maltese tuna purse seiners and on 23 June for Spanish tuna purse seiners. Other types of fishing, in particular small-scale longline fishing, were not concerned by the early closure. The Commission's decision for purse seiners was based on its own catch estimates. In keeping with the bluefin tuna recovery plan set up by the International Commission for the Conservation of Atlantic Tunas, it had decided to do whatever was necessary to avoid chronic overfishing for this species (1). It therefore did not limit its role to centralising the catch, transfer and landing declarations submitted by the Member States. Instead, a team of five auditors analysed the declarations, cross-checking them against one another and comparing them to fleet movements. They were thus able to monitor quota use much more closely and accurately than through the use of catch declarations alone and the Commission was able to halt fishing before the quota allocated to the European Union had been overrun.

(1) See *Fisheries and aquaculture in Europe*, No 39, August 2008, pp. 10-11.

## Annual policy statement: Commission renews its approach

The Commission released last May its annual policy statement on fisheries, which outlines the approach it will take when setting total allowable catches (TACs) and restrictions on fishing effort for 2009. The statement regrets the lack of real progress since the 2002 reform and makes an alarming observation: 88 % of EU stocks are overexploited, compared to an average of 25 % globally. The reason is that TACs are systematically set much higher than scientific recommendations, and with the complex derogations that compensate for reductions in days at sea, targets for fishing effort reduction are not being met. For fishing possibilities, the Commission now intends to work in terms of the fishing mortality rate, which will deliver the highest yield in the long term. Annual variations in TACs will no longer be limited to 15 % in either direction. Based on the opinions of the Scientific, Technical and Economic Committee for Fisheries, TACs may be reduced by up to 20 % for stocks with low biomass and may be increased by up to 25 % for stocks that can deliver their highest yield. This method will make it possible to apply real conservation measures where these are most needed, while helping the sector to benefit from the recovery of stocks once this recovery has been secured. On fishing effort, the Commission plans to introduce a kilowatt-days system to enable Member States to better determine a balance between fleet capacity and fishing opportunities. It is on that basis that effort limitation proposals will be developed for 2009.

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