Report

The use of the European Maritime and Fisheries Fund (EMFF) in France in relation to the protection of the marine environment and its resources

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Summary

By analysing the detailed list of beneficiaries of the French allocation of the European Maritime Fisheries Fund (EMFF) for 2014-2020 and of the annual implementation report for the EMFF for 2018 made it possible to learn more about the use of the EMFF in France in connection with nature protection. Out of an envelope of 588 million euros, only 254 million euros (43%) have been committed by the 3rd of December 2019. Out of these 254 million euros, 123 million are allocated to subsidies whose positive or negative impact on the environment was difficult to assess given the information available. As a result, these subsidies were not analysed in this study. Of the remaining 130 million euros of commitments, 41.6 million euros, or approximately one third, were allocated in subsidies identified as harmful to the marine environment and 88.7 million euros, or approximately two thirds, were allocated in subsidies identified as beneficial to the marine environment.

The subsidies identified as harmful consist of payments for permanent and temporary cessations of fishing activities, payments to modernise fishing vessels as well as to purchase vessels. These subsidies contribute in particular to the increase in fleet capacity and thereby contribute to the situation of overfishing in Europe. Furthermore, a large part of the French harmful subsidies is linked to reducing the operational costs of the aquaculture sector and promoting the growth of the sector without environmental considerations. These subsidies are contrary to the objectives of the Common Fisheries Policy (CFP).

The subsidies identified as beneficial to the marine environment consist of knowledge acquisition, data collection, protection and monitoring and enforcement. These expenses are positive, but it is important that they are not used to offset harmful payments.

In the context of the current EMFF negotiations for 2021-2027, we must ensure that all spending conforms to the objectives of the Green Deal, the EU Biodiversity Strategy and is socially fair.

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1. Introduction

The European Maritime and Fisheries Fund (EMFF) is a public fund of the European Union (EU) dedicated to the sustainability of the maritime sectors, in particular fisheries and aquaculture, and the protection of the marine environment. For the 2014-2020 period, the EMFF has a budget of 6.4 billion euros distributed among the Member States of the EU, and France received an allocation of 588 million euros. The EMFF intervenes in particular within the framework of the Common Fisheries Policy and the Integrated Maritime Policy, and is used to co-finance projects, in addition to national funding.

In the middle of the 20th century, the EU granted subsidies that increased the fishing capacity and enabled catches to increase, due to the idea that certain fish populations were greatly under exploited. However, fish resource is nowadays too low for all fishing businesses to make a profit, with many fish populations overexploited. As a result, capacity enhancing subsidies, far from achieving the effect they had 60 years ago, are now contributing to overfishing.¹

Through the capacity enhancing subsidies that it has granted in the past, the EMFF has harmed the marine environment through its support for overfishing and unsustainable fishing practices. Today, about 40% of the fish populations that are caught in the Atlantic and more than 80% in the Mediterranean are overfished.² However, the Common Fisheries Policy notably aims to ensure that fishing and aquaculture activities are environmentally, socially and economically sustainable in the long term by 2020 at the latest, in particular by ensuring that fishing activities do not impact the reproductive capacity of populations and that their negative impact on the marine environment is minimised. But what about nature protection in the use of the EMFF 2014-2020?

This report is based on the analysis of the detailed list of French EMFF beneficiaries 2014-2020 as of 03/12/2019³ (hereafter "French EMFF beneficiaries list") and of the annual EMFF implementation report for 2018⁴. This report focuses on legal commitments allocated to harmful and beneficial subsidies to the marine environment. Certain subsidies were not analyses due to a lack of information on their environmental impact which represented 123 million euros in legal commitments (Annexe 1).

4. Annual EMFF implementation report for 2018, in French

^{1.} Sumaila, et al., (2007). The World Trade Organization and global fisheries sustainability. Fisheries Research, 88(1-3), 1-4.

^{2.} Scientific, Technical and Economic Committee for Fisheries (STECF): The 2019 Annual Economic Report on the EU Fishing Fleet (STECF 19-06), Dentes De Carvalho Gaspar, N., Keatinge, M. and Guillen Garcia, J. editor(s), EUR 28359 EN, Publications Office of the European Union, Luxembourg, 2019, ISBN 978-92-76-09517-0

^{3.} Detailed list of French EMFF beneficiaries 2014-2020 as of 03/12/2019, in French

2. Subsidies harmful to the marine environment

According to the theoretical and empirical studies, subsidies which "artificially increase profits by reducing the cost of fishing and/or by increasing the income received by fishers lead to overcapacity and to overfishing"⁵, and are considered harmful to the environment. Among others, this is the case of subsidies which support fleet renewal, for example through the purchase of new fishing vessels and the modernisation of old vessels, which increase the fishing capacity which, in certain fisheries, is already two to three times too high for what a sustainable fishery can support⁶. This study therefore considers "harmful subsidies" as those which demonstrate an effect of increasing fishing capacity, as well as the direct subsidies that have artificially increased profits by reducing the cost of the aquaculture sector and therefore artificially grown the aquaculture sector without environmental considerations. According to the French EMFF beneficiaries list, more than 41.6 million euros were allocated in harmful subsidies in France from 2014 to 2019 (Table 1).

5. Sumaila et al., (2019). Updated estimates and analysis of global fisheries subsidies. Marine Policy, 109, 103695.





Fishing vessel ©Guy Shorrock

| Measure | Number of projects | EMFF legal commitments (€) |
|--|-----------------------|-------------------------------|
| Permanent cessation of fishing activity | 23 | 827 540.35 |
| Temporary cessation of fishing activity | 1 | 5 436.74 |
| Modernisation of vessels et replacement of engines | 101 | 1 204 445.72 |
| Purchase of vessels | 123 | 4 033 977.85 |
| Expansion of the aquaculture sector | 691 | 35 554 882.21 |

Table 1: Subsidies harmful to the marine environment in France from 2014 to 2019

2.1. Permanent cessation of fishing activity

827 540.35 euros were allocated to 23 permanent cessations of fishing activity that resulted in the scrapping of vessels. Although permanent cessations intend in theory to support the exit of vessels from the sector and reduce fishing capacity, the European Court of Auditors has demonstrated the ineffectiveness of this subsidy and questioned the use of taxpayer money to tackle overcapacity issues. Indeed, from 1994 to 2013, the EU allocated 2.73 billion euros for the destruction of fishing vessels, but despite this expenditure, the EU's fishing capacity increased by 3% per year⁷. This is explained by the difficulty of controlling the way in which these direct subsidies are used. They are often reinvested in the sector. It is also difficult to control the actual destruction of vessels. For example, a Greek fishing vessel was found fishing in Somalia in illegal, unreported and unregulated fishing after it was reported to be scrapped⁸.

The EMFF measure relating to permanent cessations (scrapping) includes limits such as the prohibition to take up a new vessel within five years of the payment of the subsidy. However, the money obtained from the scrapping of a vessel can be reinvested in the modernisation of another already owned vessel. The continued presence of this subsidy can therefore further contribute to overcapacity problems by reducing investment risks and injecting funds into businesses. Given the limitations of this approach and the difficulty of ensuring control of the grant conditions, the EMFF 2014-2020 began to eliminate these subsidies from 31 December 2017. This decision is positive, and we recommend that it is continued and extended to temporary cessations (see 2.2.).

^{7.} European Commission, "CFP Reform – Transferable Fishing Concessions".

^{8.} Stop Illegal Fishing (2017) Illegal Fishing? Evidence and Analysis. Gaborone, Botswana.

2.2. Temporary cessation of fishing activity

5 436.74 euros were allocated to one instance of temporary cessation of fishing activity. Payments to fishers and fishing vessel owners handed to them because of a temporary halt in fishing activities are often described as benefiting conservation objectives. However, even though in the case of France, only one "instance" has been subsidised, it is important to keep in mind that these direct subsidies artificially maintain fishing overcapacity, often itself responsible for the temporary cessation of the fishing activity. Indeed, a fishery may find itself in temporary cessation due to the overexploitation of a "stock", but when the temporary halt in fishing is lifted, the same fishing effort that had led to the overexploitation is back again. In addition, in 1994, the European Court of Auditors demonstrated that these "temporary cessation" subsidies had been allocated for periods when fishers would not have fished anyway⁹. As a result, temporary cessation subsidies do not solve the cause of overfishing but help maintain the status quo, and therefore have negative consequences on the environment and the economy demonstrated by the European Court of Auditors¹⁰. Therefore, we recommend the elimination of these subsidies to ensure that the EMFF does not harm the marine environment. The EMFF could however be used as a financial instrument (e.g. loans) to support fishers diversify their activity and their source of income for example while reducing fishing capacity (see 3.4.).



Fishing net © David Clode, Unsplash

^{9.} Court of Auditors, Special Report No 3/93 concerning the implementation of the measures for the restructuring, modernization and adaptation of the capacities of fishing fleets in the Community, OJ C 2, 04.1.1994

^{10.} Court of Auditors, Special Report No 3/93 concerning the implementation of the measures for the restructuring, modernization and adaptation of the capacities of fishing fleets in the Community, OJ C 2, 04.1.1994, p. 48; Special Report No 12/2011 "Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?" 12/12/2011, point 76.



Fishing Vessel © Alan Smillie

2.3. Modernisation of vessels and replacement of engines

1.2 million euros have been allocated to 101 projects dedicated to improving the energy efficiency of vessels, with the supposed goal of reducing emissions of greenhouse gases and other pollutants while contributing to improve profitability and competitiveness of fishing companies. Of these 101 projects, 92 consisted in the replacement or modernisation of engines for more than 666 000 euros. However, it has been shown that such investments in modernising fishing vessels contribute significantly to making vessels more efficient in terms of fishing effort. In the case of an engine replacement, it is practically impossible to check that the engine is operated without an increase in power. As a result, modernisation actions, notably through the installation of new engines, are helping to significantly increase fishing effort, by increasing the performance and power of vessels¹¹. With regard to the situation of overcapacity and the overexploitation of marine resources in Europe, we recommend the elimination of subsidies for modernisation and replacement of engines. Modernisation subsidies should rather be limited to increasing crew safety and protecting fish and wider ecosystems.

^{11.} In French, <u>Rapport spécial n° 3/93 relatif à la mise en œuvre des mesures visant la restructuration, la</u> modernisation et l'adaptation des capacités des flottes de pêche de la Communauté accompagné des réponses de la Commission

2.4. Purchase of vessels

More than 4 million euros have been allocated to 123 projects for the acquisition of a first second-hand fishing vessel by a young fisher, representing almost 32 800 euros per vessel on average. However, subsidies for the purchase of a vessel, similarly to subsidies for the construction and modernisation of vessels, increase the profitability of a fishing activity by reducing costs and therefore lead to overcapacity¹². In order to support young fishers and the creation of businesses in the long term, we recommend that the EMFF is used as a financial instrument, via a credit or a loan with an advantageous interest rate compared to banks, rather than as a direct subsidy.

12. Arthur, R. Heyworth, S. Pearce, J and Sharkey, W (2019) The cost of harmful fishing subsidies. IIED Working Paper. IIED, London.



Young fisherman ©Andreas G. Karelias/ Shutterstock

2.5. Expansion of the aquaculture sector

Over 35.5 million euros have been allocated to 691 projects increasing aquaculture capacity in France through productive investments and increasing the potential of aquaculture sites. Productive investments mainly correspond to the modernisation of equipment and installation projects. Among the 15 projects increasing the potential of aquaculture sites, two projects for the regulation of animal species (starfish and great cormorant, protected in France) were subsidised for a value of 14 365 and 10 365 euros respectively.

These direct subsidies are problematic because they are not linked to environmental sustainability criteria and create a dependence of the sector on public subsidies, whereas production should not depend on subsidies. As a result, the allocation of direct subsidies results in "artificial" growth of this sector. In addition, in the absence of environmental criteria, these subsidies can support and increase environmentally damaging aquaculture practices. Indeed, aquaculture can have dramatic consequences on water quality and on wild fish populations, for example when aquaculture fish escape and breed with wild populations. Aquaculture can also impact seabirds. For example, farms can cause the displacement of bird colonies and/or their feeding area, either by direct occupation of the space or by changing environmental conditions, making them less attractive to seabirds (e.g. noise, light)¹³¹⁴.

Furthermore, eliminating wild animals because they fish on farmed species is not a long-term solution to the conflict. In particular, eliminating individuals is ineffective unless you remove the whole species – which is not an option, and eliminating individuals also constitute a degradation of marine ecosystems. Subsidising this practice is all the more problematic since the EMFF can subsidise the installation of systems for protecting aquaculture sites against wildlife.

In order to solve these problems, we recommend that the EMFF is used as a financial instrument (e.g. via loans or credits) to sustainably support aquaculture practices with clearly established environmental criteria, such as aquaponics or Integrated Multi-Trophic Aquaculture (IMTA) for example. It is important that companies are not subsidised to produce, but to contribute to the sustainable management of a site for example. We recommend the application of a precautionary approach, to ensure that public spending is made conscientiously and supports aquaculture practices that contribute to the protection and restoration of the environment.

^{13.} Sagar, P., (2013) Seabird interactions. Literature Review of Ecological Effects of Aquaculture, pp. 6-1–6-18. Ministry for Private Industries, Port Nelson.

^{14.} Callier, M. D., et al., (2018). Attraction and repulsion of mobile wild organisms to finfish and shellfish aquaculture: a review. Reviews in Aquaculture, 10(4), 924-949.

3. Subsidies beneficial to the marine environment

The public fund which is the EMFF aims in particular to support the protection of the marine environment and its resources by supporting the protection, restoration and knowledge of the marine environment, as well as improving management, control and data collection of fishing and aquaculture activities. According to the list of EMFF beneficiaries, more than 88.7 million have been allocated to actions likely to directly or indirectly benefit the marine environment in France from 2014 to 2019 (Table 2).

Table 2: Subsidies beneficial to the marine environment in France from 2014 to 2019

| Measure | Number of projects | EMFF legal commitments (€) |
|--|-----------------------|-------------------------------|
| Knowledge and protection of the marine environment | 55 | 14 139 078.97 |
| Data collection | 34 | 53 670 710.50 |
| Control and execution | 58 | 20 926 081.44 |



Balearic Shearwater, Puffinus mauretanicus ©Andre Labetaa

3.1. Knowledge and protection of the marine environment

Numerous projects to improve knowledge and protect the marine environment have been subsidised for more than 14 million euros, including:

• 3.4 million euros have been allocated to 13 partnership projects between scientists and fishers, aiming to improve knowledge of fishing resources and professional fishing activities. These partnerships mainly study species of fishing interest and monitor fish populations not included in the data collection plans.

• 4.6 million euros have been allocated to 11 innovation projects that promote the development of fishing equipment, mainly to improve the selectivity of fishing gear and, to a lesser extent, reduce the impact of fishing activities on marine ecosystems and depredation.

• 3.8 million have been allocated to 20 biodiversity conservation and restoration projects, most of which study fishing functional areas and the risk of fishing activities in Natura 2000 areas.

• 2 million were allocated to eight projects related to the Integrated Maritime Policy, contributing to integrated maritime surveillance and to the protection and improvement of knowledge of the marine environment.

• 58 000 euros have been allocated to two projects aiming to limit the impact of fishing on the marine environment by supporting investments on board or in equipment that improve the selectivity of the fishing gear regarding commercial species and their survival or by reducing the impact of fishing on ecosystems.

• Nearly 157 000 euros have been allocated to a project to help design and implement conservation and regional cooperation measures. This project is focusing on developing an application software.



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14 million euros would therefore represent considerable support for knowledge and protection of the marine environment. However, it is difficult to estimate whether these efforts are sufficient to support the restoration and protection of the environment, in particular because France has not produced a Prioritised Action Framework (PAF). In accordance with the objectives of the EU Habitats Directive¹⁵ on which the Natura 2000 network is partly based, this PAF must allow the government to plan EU funds financially to achieve the conservation objectives of Natura 2000 sites. In the absence of this document, it is therefore not possible to know whether the expenses incurred are sufficient or not. In addition, the annual EMFF implementation report for 2018 mentions that environmental projects have not been used to assess the impact of fishing in Natura 2000 areas or have been used only to a lesser extent to restore or protect these areas.

According to the non-governmental organisation (NGO) ClientEarth¹⁶, the 11 innovation projects that promoted the development of fishing equipment to improve the selectivity of gear are developed by fishers before being scientifically validated, which means that scientists are unfortunately not involved at the start of projects. In addition, only two projects, for an important amount of 58 000 euros, were funded to effectively improve selectivity on board two vessels. These projects consisted in replacing the fishing gear of these vessels with a more selective gear.

In order to increase its support for the acquisition of knowledge and the protection of the marine environment, we recommend that efforts in this direction be continued and the dedication of 25% of the EMFF 2021-2027 to the protection of nature (see 6.).

3.2. Data collection

Nearly 53.7 million euros have been allocated to 34 projects for the annual data collection of fleets and their fishing activities. These projects are fundamental and such subsidies must be maintained. Nevertheless, the EMFF measure relating to data collection has several objectives, including the collection of biological data relating to catches as well as discards and the collection of data on the state of populations of species caught in order to characterise the impact of fishing on the environment. These different components of the same objective are not listed as sub-measures in the list of EMFF beneficiaries and it is therefore difficult to know whether a project contributed to, for example, the collection of data relating to the environmental impact of fishing or to discards.

^{15. &}lt;u>Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora</u>

^{16.} ClientEarth, report : How to better use EU citizens' money in fisheries beyond 2020

In addition, the collection of fishery data required by the legislation related to fishing is ensured by the OBSMER program. However, this program is not mentioned in the list of EMFF beneficiaries, and although probably implied by a description such as "collection of fishery data", the absence of more details makes it difficult to analyse expenditure linked to this program.

Data collection is crucial for understanding the functioning of marine ecosystems and their interactions with human activities (fishing, aquaculture, etc.) and the implementation of appropriate management measures. Therefore, we recommend the allocation of 25% of the EMFF 2021-2027 to data collection as well as control and execution (see 3.3.).

3.3. Control and execution

20.9 million euros have been allocated to 58 control and execution projects supporting, among others, information systems, equipment renewal and equipment innovation. The organisation of controls and execution is based on a network of competent authorities and on numerous legislative and administrative texts. The EMFF 2014-2020 Operational Program identifies four needs for EMFF intervention in terms of control: "1) Guaranteeing the reliability and efficiency of the system for recording and collecting catch and effort data [...]; 2) Ensuring the control of the landing obligation; 3) Maintaining the French system to combat illegal, unreported and unregulated fishing; 4) Maintaining a sufficient and proportionate level of control over all French waters and territory". These objectives are taken up by the EMFF measure relating to controls. However, given the information available in the French EMFF beneficiaries list, it is difficult to determine the contribution of projects to the different objectives, such as the landing obligation and the maintenance of a sufficient level of control.

The obligation to land all catches was introduced in 2013 in order to limit discards of unwanted catches at sea as much as possible and encourage operators to introduce more selective fishing techniques. Unfortunately, neither the French EMFF beneficiaries list nor the annual EMFF implementation report for 2018 provide sufficient information to determine the projects' contribution to the implementation of the landing obligation. In addition, according to ClientEarth¹⁷, the reporting obligations linked to the landing obligation were not fully implemented in France until 2019, with a delay of more than 4 years. The sanctions for breaches of this obligation were also not applied in 2017 and 2018. It will be all the more interesting to look at what happened in 2019.

Control and execution are essential to ensure, in particular, the implementation of management and protection measures for the marine environment and we recommend the allocation of 25% of the EMFF 2021-2027 to controls and execution, along with data collection (see 3.2.).

^{17.} ClientEarth, report: The control of the Landing Obligation in France



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3.4. Diversification

The EMFF has the possibility to support the maintenance and creation of direct or indirect jobs outside the fishing and aquaculture sectors by contributing to the diversification of the sources of income of fishers and seafood and fish farmers by the development of complementary activities. This action is part of the EMFF measure dedicated to local development strategies led by local actors. More than 4 million euros have been allocated to 180 projects under this measure. Since the information available on these projects is very limited, it is difficult to establish the contribution of each project to the objective of diversification of the sources of income of fishers and seafood and fish farmers. However, it seems that very few of these 180 projects have contributed to it. The diversification of fishers' sources of income has the potential to contribute to the reduction of fishing capacity, while ensuring their economic stability. To this end, we recommend that France adopt a national action plan for the diversification of the sources of income of fishers and seafood and fish farmers.

4. Transparency and access to information

European citizens have the right to know how their money is used. One of the main objectives of the European transparency initiative is to make information about recipients of EU funding public.

4.1. Access to information

The French EMFF beneficiaries list and the annual EMFF implementation report for 2018 are available on the EMFF national program page of the "L'Europe en France" website¹⁸. France's approach to making this information available is positive, particularly since this is not the case of all Member States. However, other documents should also be available, such as a PAF (see 3.1.).

4.2. Clarity of the information

The French EMFF beneficiaries list is easy to use, although more than 2 000 projects are listed in it. Projects are classified according to the EMFF measure for which they have been submitted. However, as described in the Guide to the EMFF project leaders¹⁹, each measure may contain different objectives. For example, the implementation of the landing obligation is one of the five objectives of the "control and execution" measure. Although having the potential to be very informative on the nature of each projects, the objectives are only very rarely used for their classification. In order to add clarity as to the objective to which they respond, in addition to the EMFF measure for which they have been submitted.

Among the 254 million euros of legal commitments as of 3 December 2019, 123 million were allocated to subsidies of which the analysis of the environmental impact was not possible given the information available, and which were not analysed in this report (Annexe 1). This is because the impact of these "ambiguous" subsidies depends on their implementation. For example, a subsidised project to support local development can be beneficial for the environment with appropriate and sustainable management, or harmful if the project increases the fishing effort for this fleet; the impact depends on the implementation²⁰.

^{18.} In French, <u>www.europe-en-france.gouv.fr/fr/programmes-europeens-2014-2020/le-programme-na-</u> <u>tional-feamp</u>

^{19.} In French, Guide des porteurs de projet FEAMP

^{20.} Sumaila et al., (2019). Updated estimates and analysis of global fisheries subsidies. Marine Policy, 109, 103695.

5. Opinion: Experience with the EMFF

5.1. Application experience

The application process is often difficult and complicated, with a long project preparation, requiring many back and forth between the actors and the administrative authorities, iterative validation phases which allow to improve the project and a rigorous administrative and financial monitoring requiring a support structure with strong experience and/or management capacity.

Since 2017, LPO has carried out an action on the issue of marine litter, funded by the EMFF (regional measure 62.1 b (6212), Local development led by local actors (DLAL) - implementation). This approach, deployed through two consecutive projects, is carried out in consultation and collaboration with representative structures of fishing and shellfish farming at local level.



Fishing net washed up on the beach \circledcirc Joshua J. Cotten/ Unsplash

Although the legitimacy of LPO to carry these projects has sometimes been questioned by certain actors of the FLAGs (fisheries local action groups), the support of fishing and shellfish farming at local level has enabled these plans to see the light of day; however, there are still many obstacles to integrating the environment into the projects carried out by FLAG actors. Although receptive to LPO's proposals, they prefer to develop economic development projects, remaining very cautious about the evolution of their practices, despite the strong societal pressure on this subject (materials lost and found in the marine environment). One of the advantages of the functioning of the EMFF at local level (selection committees) via the FLAGs is to associate actors who did not communicate with each other all, or very little, before, thus creating a link and making it possible to debate on these environmental subjects and their benefits for long-term economic development.

On more technical aspects, the impossibility of integrating a public body into the requested co-financing remains very restrictive for associations which can hardly carry out substantial projects with 20% of self-financing. On the other hand, certain projects whose objectives/results are linked to public policies, can be carried out by various organisations which must seek their own cofinancing when these projects should be funded at 100%.

5.2. Experience with data collection

Thanks to EMFF funding and to stakeholders' participation, data on marine litter was collected through the application of the OSPAR protocol on five sites, and though monitoring of "fished" waste by fishers during their activity. Within the framework of the objectives of the FLAGs, it was necessary to argue to integrate within the projects the collection of data and the scientific aspect as essential prerequisites to go further in the actions of reduction of marine and shellfish farming litter. By associating the actors concerned as much as possible, seafood and fish farmers and fishers, and by demonstrating the importance of objective data about the pollution generated by lost materials of shellfish farming and professional fishing, LPO has enabled all these actors to become more aware of the importance of these scientific monitoring. Allocating funds to projects that would strictly address environmental issues related to marine litter seems difficult. Thus the "environmental" measures of the EMFF (40.1 for example) exclude the mere collection of data which could document the impact of waste on the environment, such as on seabirds for example.

6. Conclusions and recommendations for the 2021-2027 EMFF

From 2014 to 2019, more than 41.6 million euros were allocated in harmful subsidies against more than 88.7 million euros in subsidies beneficial to the environment. Although the EMFF expenses analysed mostly go in the right direction, there are still many ambiguities and a general lack of clarity on the individual objectives of the projects. However, 41.6 million euros in harmful subsidies remain a considerable amount and actions must be taken to eliminate them, especially since these subsidies are contrary to the objectives of the Common Fisheries Policy, which aims to remove any capacity enhancing subsidy. In addition, eliminating these direct subsidies for modernisation, purchase of vessels, etc. would help reduce the sector's dependence on public subsidies. Using the EMFF as a financial instrument via loans or credits, for example to help young fishers to start their activity, would also allow funds to be reused, which is not possible in the case of the direct subsidies currently in place.

In the future, we need to ensure that environmentally friendly spending is not used to justify continued negative spending. This urgent need is underlined by the recent COVID-19 pandemic, which has shown that investment in the protection and restoration of nature will be essential for Europe's economic recovery from this health crisis²¹.



Port-Cros National Park © Phileole/ Flickr

^{21.} EU Biodiversity Strategy for 2030 Bringing nature back into our lives



Cape D'agde, Languedoc coast © Pierre de Sable

Out of an EMFF envelope of 588 million euros for 2014-2020, only 254 million euros (43%) are the subject of a legal commitment as of 3 December 2019. These figures highlight the lack of use of the EMFF by its potential beneficiaries, probably due to the difficulty of assembling and monitoring files and the lack of ambition for the use of this fund for the protection of the marine environment and its resources, at their expense.

The EMFF is voted every seven years and the current negotiations and upcoming votes are expected to result in maintaining or even increasing harmful subsidies, which will increase the fleet capacity and overfishing described in this report. In April 2019, following the examination of the European Commission proposal, the European Parliament voted many amendments with the aim, in particular, of reintroducing subsidies for the construction of new vessels (which were prohibited in 2004 due to their negative impacts on marine ecosystems clearly established) and to maintain modernisation subsidies. In October 2019, the European Council took an even more problematic position. Among other things, this position aims to considerably reduce the criteria for the construction and modernisation of vessels and does not provide for any specific budget for the protection and restoration of the marine environment²². Although the European Commission has expressed its concerns, it seems likely that the environment will suffer in the next EMFF programming. Since the end of 2019, the EMFF 2021-2027 has been under negotiation within the framework of the trialogue meetings between the European institutions (the Commission, the Council and the Parliament) and a final position should be adopted in the coming months. 22. Bloom (in French), "L'Union européenne va-t-elle condamner notre océan et les pêcheurs"

However, there is an international political consensus on the need to ban capacity enhancing subsidies, which has resulted in the United Nations Sustainable Development Goal 14.6, which sets the elimination of such subsidies to 2020. The members of the World Trade Organization (WTO) are currently also negotiating a multilateral agreement to implementing this goal. Maintaining and re-introducing harmful subsidies in the EU would place the marine environment and its resources at greater risk, would seriously affect the credibility of the European Union and would jeopardize the current WTO negotiations, as well as the achievement of the 2030 Agenda for sustainable development set by the United Nations.

In order to eliminate capacity enhancing subsidies, it is necessary that a global approach is put in place. Indeed, actions led by a country acting individually are unattractive since the fisheries in that country would suffer from commercial disadvantages. In addition, many species, such as tuna, migrate without respecting the exclusive economic zones, which further highlights the need for a global approach. It is therefore essential that the European Union contributes to the elimination of these subsidies and does not jeopardize the efforts of the WTO in this direction²³.

The EMFF has the possibility to contribute to the protection and restoration of the marine environment and its resources if it is properly allocated. We must not backtrack but ensure that every euro is spent sustainably, for the green recovery following the COVID-19 crisis and to help resolve the climate and biodiversity loss crises that we are facing. To do so, as mentioned in 1) the letter addressed to the European Parliament by the Low Impact Fishers of Europe (LIFE) and NGOs²⁴, and 2) the report "Turning the Tide on EU Seas with a Green Recovery²⁵", both signed by many European NGOs including BirdLife, it is essential that the EMFF is dedicated to areas that benefit both the environment and fishers and aquaculture producers, and we recommend that:

• 25% of the EMFF is dedicated to data collection, controls and monitoring of the fishing and aquaculture sectors, for example by increasing the use of electronic remote monitoring to allow more transparent and accountable fishing activities;

• 25% of the EMFF is dedicated to the protection and restoration of nature, for example through the reconstruction of oyster reefs and through the construction of fish passes at coastal dams. In order to achieve this objective, it is necessary that France establish a PAF for Natura 2000 areas;

• Subsidies which increase fishing capacity are prohibited, in particular permanent and temporary cessation of activity, modernisation, purchases and construction of vessels;

^{23.} Sumaila, et al., (2007). The World Trade Organization and global fisheries sustainability. Fisheries Research, 88(1-3), 1-4.

^{24.} Joint letter to the European Parliament, Low Impact Fishers of Europe and NGOs

^{25.} Turning the Tide on EU Seas with a Green Recovery

• The EMFF supports young fishers at the start of their activity by being used as a financial instrument (e.g. loan or credit) for the purchase of their first second-hand vessel;

• Safety on board is supported without increasing fishing capacity, for example through equipment and training in safety procedures;

• The establishment of a National Action Plan for the training of fishers and the diversification of the sector towards more viable economic activities, including other services that can be provided by fishers and fishing vessels such as ecotourism and the acquisition of knowledge via participatory sciences;

• The EMFF supports aquaculture as a financial instrument (e.g. loan or credit) and with strict environmental criteria and more research on low impact aquaculture is supported, such as multi-trophic systems, recirculation systems/closed aquaculture systems and those that are beneficial for the restoration of nature;

• The EMFF provides additional support for improving the selectivity of fishing gear in order to prevent accidental catches of protected species such as seabirds and dolphins for example;

• Plastic pollution is reduced by working in particular with fishers and seafood and fish farmers to prevent the loss of equipment;

• The objectives of each EMFF measure are listed as sub-measures in the EMFF beneficiaries list.



Northern gannet, *Morus bassanus*, caught on hook ©David Grémillet

7. Annexes

Annexe 1: EMFF measures not analysed in this document

| Measure | Number of projects | EMFF legal commitments (€) |
|---|-----------------------|-------------------------------|
| Innovation (maritime fisheries) | 7 | 921 592.49 |
| Health and safety | 48 | 885 043.03 |
| Added value, products quality and use of unwanted catches | 21 | 513 494.84 |
| Fishing ports, landing sites, auction halls and shelters | 38 | 9 996 864.86 |
| Innovation (aquaculture) | 52 | 14 936 246.70 |
| Promotion of human capital and networking | 18 | 1 774 868.46 |
| Animal health and welfare measures | 78 | 3 917 086.38 |
| Local development led by local actors | 180 | 4 384 319.41 |
| Production and marketing plan | 66 | 12 895 021.25 |
| Storage aid | 18 | 629 815.79 |
| Marketing measure | 49 | 2 969 410.20 |
| Processing of fishing and aquaculture products | 110 | 16 221 754.70 |
| Compensation scheme for additional costs in outermost regions | 518 | 41 243 594.13 |
| Technical assistance | 14 | 12 084 475.93 |