

# EFF Sustainability Criteria



Member States' use of social and environmental criteria in allocating European Fisheries Funds

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## Glossary

<b>CFP</b>	Common Fisheries Policy
<b>DG</b>	Directorate General
<b>DG ENV</b>	Directorate General for Environment
<b>DG MARE</b>	Directorate General for Maritime Affairs and Fisheries
<b>EFF</b>	European Fisheries Fund
<b>FIFG</b>	Financial Instrument for Fisheries Guidance
<b>ILO</b>	International Labour Organization
<b>IUU</b>	Illegal, unreported and unregulated (fishing)
<b>TFEU</b>	Treaty on the Functioning of the European Union
<b>WTO</b>	World Trade Organization

## Executive summary

The European Union's fisheries are in crisis: overfishing is rampant and the Common Fisheries Policy is failing in its objective of managing fish stocks sustainably. The European Commission has outlined how more than 72 percent of assessed European Union (EU) fish stocks are overfished and 22 percent are outside safe biological limits<sup>1</sup>.

The European Fisheries Fund (EFF, 2007–2013) provides financial support to activities that are supposed to further the Common Fisheries Policy's objectives of creating an environmentally, economically and socially sustainable fisheries sector in the EU. However, European fisheries subsidies are maintaining, and possibly even increasing, fishing overcapacity, which is a driver of overfishing.

This is exacerbated by many EU Member States' failure to implement their legal requirement to assess the balance between fishing capacity and available resources. Fisheries subsidies are therefore support existing fishing overcapacity, thereby contributing to the crisis within the EU fishing sector, rather than helping to set it on a more sustainable path.

This study investigates the extent to which environmental and social considerations are made in the allocation of EFF funding. It looks at the EFF funding application forms in Denmark, France, Germany, Italy, Poland, Spain and the United Kingdom. Together, these Member States represent more than one-half of the EU fishing sector in terms of number of vessels fleet and catches. They receive 65 percent (€2,933,748,000) of the total EFF funding and 76 percent (€920,764,000) of the EFF funding for Axis 1, which is dedicated to fleet measures<sup>2</sup>.

The study finds that in most cases the information requested does not enable managing authorities to make informed decisions on the likely environmental and social impacts of any given project. This seems to be illogical as these authorities are supposedly allocating funding in order ensure the sustainability of the fishing sector. However, it might well be that they consider other information not covered by the application and therefore beyond the scope of this study.

While many of the application forms hint at social and environmental and social aspects, no single application form does it through consistent and direct questions. The majority of application forms do not request information on the stocks targeted. This is highly problematic as the majority of EU fish stocks are overfished. Several forms do not contain specific questions on bycatch or discards or about the geographical area where the fishing activity is carried out. Most application forms allow the managing authorities to assess whether the applicant operates a small, medium or large scale enterprise. Most forms do request evidence of compliance with the rules of the CFP, or whether the funding will benefit minority groups<sup>3</sup>.

In the instances the application requested social and environmental information it was often not of a substantive nature. In contrast, a number of application forms included detailed requests that could serve as best practices; e.g. specific questions on landings in the year prior to the modernisation and forecast of landings and sales for the year after the project's

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<sup>1</sup> Communication from the Commission – Consultation on Fishing Opportunities for 2011. COM/2010/0241 final.

<sup>2</sup> See Annex 1. Table 4: Overview of EFF contributions and core fisheries data per Member State.

<sup>3</sup> This can include any or all of the following: disability, race, religion, sexual orientation and age.

completion; impacts of the project on ecosystems; minority groups; and questions about compliance with environmental legislation. These can be found in the results section.

The study concludes that a best practice guide would be a useful tool for Member States to allow for more informed funding decisions. Such a guide could be assembled by the European Commission. Ultimately decision makers should phase out funding measures that are counter to the objectives of the CFP.

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## 1 Introduction

The European Fisheries Fund (EFF, 2007–2013) provides financial support for activities that further the Common Fisheries Policy's (CFP) objectives of creating an environmentally, economically and socially sustainable fisheries sector in the European Union (EU)<sup>4</sup>.

At the same time, fisheries subsidies remain highly controversial because of their potentially harmful impacts, particularly with respect to overcapacity and overfishing. A disregard for environmental considerations, including the state of targeted fish stocks, can have potentially devastating impacts on the fisheries sector because healthy marine ecosystems and fish stocks are prerequisites for an economically and socially sustainable fishing sector.

In 2002, the Plan of Implementation of the World Summit on Sustainable Development called for an elimination of subsidies that contribute to overcapacity and illegal, unreported and unregulated (IUU) fishing<sup>5</sup>, while negotiations within the World Trade Organization aim to address harmful fisheries subsidies by formulating new subsidies rules<sup>6</sup>. In the same way, the European Commission acknowledges in the 2009 Green Paper on the reform of the CFP that fisheries subsidies have often contradicted the aims laid out in the CFP<sup>7</sup>. Indeed, this key failing had already been identified by the European Commission before the CFP 2002 reform.

A recent evaluation of the EFF's predecessor, the Financial Instrument for Fisheries Guidance (FIFG 2000–2006) demonstrated that, in practice, Member States by and large failed to use environmental or social criteria to guide their decisions on where to allocate subsidies<sup>8</sup>. Consequently, a key problem identified by the evaluation was that during FIFG's period of operation, (2000–2006), EU fisheries subsidies continued to maintain, and even increased, fishing overcapacity in a number of fisheries<sup>9</sup>.

This study investigates the funding application forms that Member States provide to those in the fishing sector wanting to apply for EFF subsidies, and analyses to what extent environmental and social implications are requested and/or taken into consideration when making funding decisions. It also investigates whether the compliance record of applicants is taken into consideration. It is hoped that the results of this study will serve to highlight areas for improvement, and that Member States will begin to allocate fisheries subsidies based to a greater degree on environmental and social criteria.

The study focuses on Denmark, France, Germany, Italy, Poland, Spain and the United Kingdom (UK). These countries carry out a variety of fishing activities and account for more than one-half of the EU fishing fleet and catch of marine resources. Together they receive 65

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<sup>4</sup> Council Regulation (EC) No. 1198/2006 of 27 July 2006 on the European Fisheries Fund.

<sup>5</sup> Report of the World Summit on Sustainable Development (2002) A/CONF.199/20, p21.

<sup>6</sup> WT/MIN(05)/DEC, 22 December 2005, The Hong Kong Ministerial Declaration, Annex D, paras 9–11. [http://www.wto.org/english/thewto\\_e/minist\\_e/min05\\_e/final\\_annex\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min05_e/final_annex_e.htm). Moltke, A. ed. (2011) Fisheries subsidies, sustainable development and the WTO. UNEP.

<sup>7</sup> Green Paper: Reform of the Common Fisheries Policy, COM/2009/0163 final, p.21.

<sup>8</sup> Cappell, Huntington and Macfadyen (2010). FIFG 2000–2006 Shadow Evaluation. Report to Pew Environment Group. [http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Protecting\\_ocean\\_life/FIFG-evaluation.pdf](http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Protecting_ocean_life/FIFG-evaluation.pdf)

<sup>9</sup> *Ibid.*

percent (€2,933,748,000) of the total EFF contributions and 76 percent (€920,764,000) of the EFF contribution for Axis 1, which is dedicated to fleet measures<sup>10</sup>.

The next chapter describes the rationale and focus of the study, and outlines the methodological approach, including the selection of the analytical criteria. Chapter 3 provides a brief overview of the EFF administrative procedures in the Member States under examination. Chapter 4 brings together the results of the analysis and Chapter 5 summarises the conclusions and policy recommendations.

## 2 Methodology and focus of the study

The Green Paper on the reform of the CFP<sup>11</sup> identified the chronic and deep-rooted overcapacity of the EU fishing fleet as one of the CFP's key structural failings. The purpose of this study is to establish whether questions asked on application forms for EFF finance provide sufficient information for the Member States' managing authorities to judge whether the measures funded are likely to increase both fishing capacity and pressure on dwindling fish stocks. The study also assesses how far managing authorities consider other factors in their funding decisions by examining the extent to which additional environmental and social criteria are applied in the application forms analysed.

The report focuses on EFF Priority Axis 1, which concerns the adaptation of the EU fishing fleet. Measures funded under Axis 1 are:

- public aid for permanent cessation of fishing activities;
- public aid for temporary cessation of fishing activities;
- investments onboard fishing vessels and selectivity;
- small-scale coastal fishing; and
- socioeconomic compensation for the management of the Community fishing fleet.

Individual Member States are responsible for the management of national fleet capacity and have to maintain tight control over the allocation of subsidies to ensure that funds do not support increases in fishing capacity, as proscribed by the Council Regulation on the EFF (Art 6.5)<sup>12</sup>. This is especially important as serious shortcomings persist regarding the management of fleet capacity, such as widespread under-declarations of engine power. In addition, funding to improve fuel efficiency of fishing vessels will enable vessels to travel further or spend more time at sea, which may increase fishing effort.<sup>13</sup>

A further area of concern is the wider problem of the lack of information on current levels of overcapacity. The most recent estimate of European fishing overcapacity put the figure at 40 percent in 1995 and is therefore severely outdated<sup>14</sup>. Member States are required to report annually on their efforts to achieve a balance between fishing capacity and available

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<sup>10</sup> See Annex 1. Table 4: Overview of EFF contributions and core fisheries data per Member State.

<sup>11</sup> Green Paper: Reform of the Common Fisheries Policy. COM/2009/0163 final.

<sup>12</sup> In the past, the mismanagement of subsidies led to the funding of activities that resulted in an effective increase in EU fishing capacity (Green Paper: Reform of the Common Fisheries Policy. COM/2009/16).

<sup>13</sup> *Ibid.*

<sup>14</sup> European Commission, 1995. Report of the Group of Independent Experts to Advise the European Commission on the Fourth Generation of Multi-annual Guidance Programmes (the 'Lassen report').

resources, but most fail to comply adequately<sup>15</sup>. As a result, it is likely that administrations have insufficient information to assess easily the effect of proposed measures on fish stocks. This study examines whether application forms request at least basic information, so that the managing authority might have sufficient information to judge the impact of proposed measures.

## **2.1 Methodological approach**

This section describes the methodological approach to the study and provides an overview of the different stages of the investigation.

The study was conducted in three phases: 1) background research; 2) preliminary screening and development of a matrix; 3) analysis of EFF application forms and the final report. In the first phase, desk-based research was carried out to provide background information for the study, which involved examining the EFF Regulation and implementation guidelines<sup>16</sup> and evaluating the previous FIG regime<sup>17</sup>. During the second phase of the study, national operational plans<sup>18</sup> were gathered from the seven case study countries: Denmark, France, Germany, Italy, Poland, Spain and the UK. The appointed managing authorities from each Member State were then approached over a period of three months (July to September 2010) to obtain the documents relating to EFF funding applications under Axis 1. Using the application forms and evaluation study of the previous FIG regime as guidance, a checklist of potential questions regarding social and environmental aspects was drawn-up and developed into a set of criteria. A test analysis was carried out and the criteria and analysis matrix were fine-tuned accordingly. The third and final stage of the process involved an in-depth analysis of the application forms (see Chapter 4) to provide conclusions and recommendations for best practice (see Chapter 5).

A total of 31 application forms applying to Axis 1 were analysed from across the selected Member States (see Table 1). The documents varied not only according to the level of devolution of management (e.g. regional or national level) but also according to type of measures selected (e.g. modernisation, scrapping, pilot projects) and target groups (e.g. small-scale, medium-scale or industrial fishing operation). In addition, there were some general application forms that applied to all measures. For this reason the number of application forms examined differed considerably among Member States, presenting a considerable challenge for systematic analysis and evaluation.

The following table presents an overview of the Axis 1 application forms in the selected Member States.

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<sup>15</sup> See for instance the Annual Report from the Commission to the European Parliament and the Council on Member States' efforts during 2006 to achieve a sustainable balance between fishing capacity and fishing opportunities. COM/2007/828 final.

<sup>16</sup> Commission Regulation (EC) No. 498/2007 of 26 March 2007 laid down detailed rules for the implementation of Council Regulation (EC) No. 1198/2006.

<sup>17</sup> E.g. European Commission, 2010. Ex-post evaluation of the Financial Instrument for Fisheries Guidance (FIG) 2000–2006. Luxembourg: Publications Office of the European Union. London Economics, 2004, A Synthesis of the Mid-Term Evaluations of the FIG 2000-2006 Report To European Commission – Directorate General For Fisheries; Cappell, Huntington and Macfadyen, 2010 'FIG 2000-2006 Shadow Evaluation'. Report to the Pew Environment Group.

<sup>18</sup> [http://ec.europa.eu/fisheries/cfp/eff/op/index\\_en.htm](http://ec.europa.eu/fisheries/cfp/eff/op/index_en.htm)

**Table 1: Overview of analysed documents**

Member States	Potential coverage of application forms	Regions covered by the analysed application forms	Application forms (AFs) analysed for Axis 1
Denmark	National	National	6 AFs, depending on type of measure
France	National	National	1 general AF for all axis 4 AFs for Axis 1, depending on type of measure
Germany	16 federal states (4 coastal states)	Schleswig-Holstein	1 AF for Axis 1
		Mecklenburg-Vorpommern	1 AF for Axis 1
Italy	20 regions (15 coastal regions)	Sicilia	1 AF for Axis 1
		Veneto	1 AF for Axis 1
Poland	National	National	4 AFs for Axis 1, depending on type of measure
Spain	17 autonomous communities (10 coastal communities)	Andalucia	5 AFs for Axis 1, depending on type of measure
		Galicia	4 AFs for Axis 1, depending on type of measure
		Islas Canarias	1 AF for Axis 1
United Kingdom	4 constituent parts	England	1 AF for Axis 1
		Scotland	1 AF for Axis 1
		Wales	1 general AF for all axis
<i>Notes:</i>	<i>No forms supplied for Puglia, Italy.</i>		

### 2.1.1 Challenges and limitations to the analysis

As the EFF is implemented at a Member State level, EU Member States are responsible for developing their own application forms. Managing authorities of each Member State were therefore contacted during the second phase of this analysis to ensure that all relevant application forms were identified. Many national authorities proved to be cooperative and provided forms and contact persons. However, some authorities, in particular those at the regional level, often did not show the same level of responsiveness. In other cases, bureaucratic issues, such as unclear allocation of responsibility, hindered progress, as was the case with some French and Italian authorities, which were not always well informed as to the persons responsible for the administration of the EFF funds. In the case of the regional authority of Puglia, Italy, no application forms were made available to the research team, despite repeated requests to the competent authorities.

Where an application form includes questions on the environmental and social aspects of a project that are open for free-text responses, there may be considerable differences in the level of detail and type of information provided. This may vary further, depending on the level and type of guidance that is provided to the applicant. It is essential for the sustainable development of the fisheries sector that the environmental and social impacts of a project can be determined from the application forms, regardless of the level of guidance to applicants or format of the form. For this reason, this study focused on the answers to specific and unambiguous questions rather than on free-text answers, where the inclusion of information concerning the social and environmental aspects of a project may or may not be included.

In terms of limitations, the study has focused exclusively on Axis 1 and does not examine the provisions or requirements of other EFF axes. In addition, it assesses whether managing authorities request information relating to the criteria set out in the analysis matrix (see Table 2) through an analysis of the content of application forms for funding, using guidance notes as a reference where available. Whether or to what extent this information is employed in the appraisal of individual projects is beyond the scope of this study.

For this same reason, information requested or advice provided in documentation other than application forms was not assessed. For example, during the research it was noted that some regions, such as the UK, carry out advisory interviews with applicants to guide them through the process, and it is possible that environmental, social and cross-compliance issues are discussed at this time. Such discussions are unstructured and may vary from region to region and from advisor to advisor. In order to clarify how this information influences funding decisions, additional in-depth interviews with competent authorities would be needed, which was beyond the scope of this study. It is therefore extremely difficult to summarise what effect such interviews may have on the environmental and social sustainability of proposed projects. In addition, authorities might have other sources of information about different operators, such as the fishing licence, which they may be able to take into consideration.

## **2.2 Criteria selected**

The following section provides a narrative account of the criteria used to evaluate the environmental, social and cross-compliance questions asked by managing authorities in EFF application forms. It should be noted that some of the EFF measures can contribute to one objective of the CFP but have adverse effects on other CFP objectives. For example, improved safety standards contribute to the social objective of the CFP but also allow vessels to fish longer or in worse weather conditions, which impairs the realisation of the objective of reducing existing overcapacities and overfishing.

### **2.2.1 Environmental criteria**

The ecological health of the marine environment and the state of fish stocks are the backbone of EU fisheries; without these, the industry cannot survive. Accordingly, the EFF states that “the Community fishing fleet should be adjusted in order to adapt it to the available and accessible resources.”<sup>19</sup> The environmental impact of activities subsidised

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<sup>19</sup> Article 24 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

under the EFF is a key aspect of this study and the presence of questions regarding fishing capacity and impacts on fish stocks form a crucial part of the analysis. The ability to compare current and predicted fishing activity is a key way to avoid overfishing and exhaustion of stocks. For this reason, particular emphasis was placed on finding questions regarding the predicted changes to targeted stocks and quantity of fish landed.

The analysis also included questions regarding additional environmental impacts, such as the type of gear in use and the predicted effects that measures may have on levels of discards and bycatch, information on which may assist managing authorities in assessing any wider impacts on the marine environment. Other desirable information included whether applicants were asked if they had considered or sought advice on the potential environmental impact of their project on marine habitats or whether an environmental impact assessment had been carried out<sup>20</sup>.

## 2.2.2 Social criteria

Although subsidies under Axis 1 are most commonly associated with the adaptation of fishing vessels, there are a number of social impacts that managing authorities could consider in order to secure the sustainability of the EU fishing industry as a whole. These include, for example, ensuring that, where applicable, funded measures take account of factors such as employment, equality of opportunity and support of small-scale fisheries<sup>21</sup>.

The analysis looked for questions relating to the size and type of business as well as the home port location, with reference to the distance of fishing activities from the home port. This information could assist managing authorities in understanding whether the applicant is involved in small-scale coastal fishing, as prioritised by the EFF<sup>22</sup>. To ensure greater levels of equality, the study looked at whether questions were asked to establish if previous funding had been received. Depending on how this information is requested, the managing authority may be able to determine if the vessel, despite not having received funding, has an owner who has already modernised a number of other vessels in their fleet through the EFF<sup>23</sup>.

Eliminating inequalities and promoting equality between men and women are among the core aims of the EU as a whole.<sup>24</sup> The EFF Regulation similarly requires that “equality between men and women and the integration of the gender perspective are promoted during the various stages of implementation of the EFF [...] (and) that operations to enhance the role of women in the fisheries sector are promoted.”<sup>25</sup> The study sought to find if there were questions asked that would enable these targets to be met i.e. number and types of people

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<sup>20</sup> In many cases, this advice may come from the managing authorities themselves while assisting applicants with their application.

<sup>21</sup> Articles 4, 15, 19 and 26 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

<sup>22</sup> Article 26 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

<sup>23</sup> Where this question was asked, particular attention was paid to whether it was asked with reference to the vessel, company or individual. Asking if a company has received funding does not necessarily establish whether a particular vessel has already received funding. Equally, questions that relate only to the vessel do not establish whether the individual in question has already benefitted from large sums of money from the EFF.

<sup>24</sup> Articles 2 and 3 of the Treaty on the Functioning of the European Union (TFEU) cited in Recital 13 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

<sup>25</sup> Article 11 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006. There is no explicit mention of minority groups as a priority for funding under the EFF.

involved in the business and anticipated beneficiaries of the project (gender, minority groups and fishers/non-fishers).

Final consideration was given to questions regarding the foreseen benefits or positive contribution to beneficiaries of the project, such as skills development and training.

### 2.2.3 Cross-compliance

The EFF is required to support sustainable practices in the EU fisheries sector.<sup>26</sup> Criteria were therefore developed to ascertain whether questions asked by managing authorities were sufficient to ensure that funds awarded were not supporting unsustainable practices in the fishing industry.

The term cross-compliance refers to the notion that parties who infringe upon rules and regulations governing the sector, such as engaging in IUU fishing, should not be the recipients of EFF funding. According to Article 40 of the recently adopted Regulation to combat IUU fishing<sup>27</sup>, Member States are not permitted to grant public or Community aid to operators involved in the “operation, management or ownership of fishing vessels included in the Community IUU vessel list”. Furthermore, the same Regulation states that Member States have the option, but are not obliged, to temporarily or permanently ban access to public assistance or subsidies to those operators involved in serious infringements<sup>28</sup>. This section of the analysis focused on whether applicants are required to declare previous convictions for IUU fishing and serious infringements and whether EFF funding is made conditional upon such infringements. Similarly, it analysed whether funding is made conditional on compliance with other relevant legislation, such as the national legislation implementing the EU Habitats<sup>29</sup> and Birds<sup>30</sup> Directives, or relevant labour legislation such as the International Labour Organization (ILO) standards on working conditions in the fisheries sector<sup>31</sup>.

## 3 EFF administrative requirements and procedures

The EFF Regulation sets up ‘detailed rules’ for the implementation of the European Fisheries Fund and the presentation of the Member States’ operational programmes. At the same time, Member States and their competent authorities maintain flexibility in how to administer the funds in practice. Therefore, a variety of different application forms exist both among and within the Member States.

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<sup>26</sup> Article 24 of the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

<sup>27</sup> Article 40.3 Council Regulation (EC) No. 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing.

<sup>28</sup> Article 45 Council Regulation (EC) No. 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing.

<sup>29</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, OJ L 206.

<sup>30</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, OJ L 20/7.

<sup>31</sup> <http://www.ilo.org/public/english/dialogue/sector/sectors/mariti/standards.htm#heading1b>

To understand the nature and scope of the various application forms it is helpful to provide some background information on the EFF administrative requirements and to outline how these are implemented in the Member States chosen for case study analysis in this report.

### **3.1 EFF administrative requirements**

All Member States wishing to receive funding from the EFF must draw up a National Strategic Plan outlining why and how the national strategy that covers the fisheries sector is consistent with the CFP<sup>32</sup>. This is complemented by the submission of a national operational programme to the Commission that must detail the structures and procedures through which the State will allocate money received from the fund. According to EFF Article 58, this should include the appointment of the main bodies to administer the EFF: a national managing authority to supervise the implementation of the operational programme; a certifying authority to control financial activities; an audit authority responsible for verifying the effective functioning of the management and control system; and a monitoring committee, on which a representative of the Commission participates for advisory purposes and which assesses progress in reaching the objectives of the operational programme<sup>33</sup>.

The national managing authority is also responsible for deciding which axes the Member State will request funds for and how much funding will be allocated to each axis. Allocations vary greatly according to the diverse conditions of each Member State and their distinct strategies for managing their fishing industry<sup>34</sup>. The managing authority is also required to publicise clear and detailed information regarding the conditions, procedures and criteria for the selection of applications<sup>35</sup> from the fisheries sector. This means that general environmental and social criteria may be laid out in guidance documents and operational plans. However, there is no requirement for Member States to request this information and, as a consequence, application forms do not always make a direct request for specific information regarding environmental and social criteria.

### **3.2 Administrative procedures of Member States**

The implementation of the operational programme is a national responsibility but may be administered at the regional level. In some of the Member States analysed, management takes place at a national level and uses a centralised application procedure (France, Denmark and Poland). In others, management is devolved to take place on a sub-national level (Germany, Italy, Spain and UK). The administrative requirements for making a funding application vary between Member States, and from region to region, but involve completing at least one application form. In the Member States analysed, guidance on applying is provided in the form of documentation and/or a personal consultation to assist with the completion of application forms.

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<sup>32</sup> Recital 17 and Article 15.2 of Commission Regulation (EC) No. 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund, OJ L 120, 10.5.2007.

<sup>33</sup> Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

<sup>34</sup> Report from the Commission – Second Annual Report on implementation of the European Fisheries Fund (2008) SEC(2009)1714, 21 December 2009.

<sup>35</sup> Article 29 of Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund, 27 July 2006.

## 4 Results of the analysis

The following chapter details the results of the analysis of the EFF forms. It is divided into two main sections. The first section provides a quantitative overview of the results in the form of an analysis matrix, which indicates how many EFF application forms from a particular Member State asked certain key questions related to environmental, social and cross compliance criteria. The second section compliments the quantitative analysis with a qualitative summary of the results found for each criterion.

### 4.1 Analysis matrix of EFF application forms

The following matrix, Table 2, gives a quantitative overview of the results of the analysis conducted on the EFF application forms. The leftmost column displays the set of key question areas considered in this analysis, which were chosen to reflect the environmental, social and cross-compliance criteria mentioned in Section 2.2.

Each application form was examined to determine whether it asked for information relating to these key questions. The results of the analysis are displayed in the matrix by Member State. The results are represented as the number of forms that contained a specific question on that particular issue, compared to the total number of relevant EFF application forms examined for that Member State, i.e. '2/6' shows that two out of a possible six forms contained the question.

As there are insights and observations not conveyed in these quantitative results, descriptive results are given in Section 4.2. Comprehensive accounts for each question examined are also located in a separate Annex,<sup>36</sup> giving further details on the information compiled in this table.

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<sup>36</sup> The document "Annexes – EFF Sustainability Criteria report: Member States' use of social and environmental criteria in allocating European Fisheries Funds" can be downloaded at: <http://ecologic.eu/3860>

**Table 2: Matrix of the analysis of the EFF application forms**

	Is there a question and/or document about:	Member State						
		Denmark	France	Germany	Italy	Poland	Spain	UK
<b>1</b>	<b>Environment</b>							
1.1	<b>Targeted stocks</b>							
1.1.1	target stocks or changes to type of catch	2/6	0/4	0/2	0/2	0/4	0/10	2/3
1.2	<b>Bycatch and discards</b>							
1.2.1	bycatch/selectivity	1/6	0/4	0/2	0/2	1/4	1/10	1/3
1.2.2	discards	1/6	0/4	0/2	0/2	0/4	0/10	1/3
1.2.3	type of gear	2/6	1/4	0/2	1/2	0/4	1/10	2/3
1.3	<b>Fishing capacity</b>							
1.3.1	increase in fishing capacity	4/6	2/4	1/2	0/2	0/4	1/10	2/3
1.4	<b>Marine habitat</b>							
1.4.1	area where fishing is carried out	0/6	0/4	0/2	0/2	0/4	2/10	2/3
1.4.2	advice sought on environmental impact/environmental impact assessment carried out/consideration of effects on marine reserves/protected areas	0/6	4/4	0/2	0/2	0/4	0/10	2/3
1.5	<b>Additional questions on environment</b>	1/6	4/4	2/2	2/2	0/4	3/10	3/3
<b>2</b>	<b>Social</b>							
2.1	<b>Type of business and employees (status quo)</b>							
2.1.1	size/type of business	4/6	4/4	2/2	1/2	0/4	0/10	2/3
2.1.2	home port location	5/6	0/4	0/2	1/2	4/4	7/10	3/3
2.1.3	gender balance in business	1/6	4/4	0/2	1/2	4/4	1/10	0/3
2.1.4	minority groups in business	0/6	0/4	0/2	1/2	0/4	0/10	2/3
2.2	<b>Social groups benefiting from project (foreseen effects)</b>							
2.2.1	number of people expected to benefit from funding (fishers)	1/6	3/4	0/2	0/2	2/4	2/10	2/3
2.2.2	additional number of people expected to positively benefit from funding (non-fishers)	0/6	0/4	0/2	0/2	0/4	0/10	0/3
2.2.3	type of people expected to benefit (e. g. fishers or minority/gender related information)	2/6	4/4	0/2	0/2	1/4	1/10	2/3
2.2.4	has the business/vessel received money previously?	2/6	4/4	1/2	2/2	1/4	6/10	1/3
2.3	<b>Additional social benefits of project</b>							
2.3.1	positive contribution to further personal/skills development	0/6	4/4	0/2	0/2	0/4	0/10	1/3
2.3.2	does the project contribute to increased security onboard? (is there any mention of security at all?)	2/6	2/4	0/2	1/2	1/4	1/10	0/3
2.4	<b>Additional questions on social aspects</b>	0/6	1/4	2/2	1/2	2/4	1/10	2/3
<b>3</b>	<b>Cross-compliance</b>							
3.1	<b>Past activity</b>							
3.1.1	history of compliance and record of infringement	0/6	4/4	0/2	0/2	0/4	0/10	0/3
3.2	<b>Future activity</b>							
3.2.1	are applicants asked to give money back if infringement occurs (only with regards to IUU fishing)	0/6	4/4	2/2	0/2	0/4	0/10	0/3
3.3	<b>Additional open questions on cross-compliance</b>	0/6	0/4	0/2	1/2	0/4	0/10	0/3

## 4.2 Overview of the results

This section gives a descriptive overview of the findings. The results are divided according to the type of criteria analysed and include information at the level of Member State, giving regional details where necessary. Each area contains a final paragraph that summarises the general findings for the respective criteria, identifies trends and highlights deficiencies in the forms analysed. More detailed information on individual application forms is presented in a separate annex (available online) containing respective overview tables<sup>37</sup>.

### 4.2.1 Environmental criteria

#### Targeted stocks

The questionnaires include only a few questions relating to targeted stocks and only the Scotland (UK) application form explicitly solicits information on this subject. On the England (UK) form, the guidance notes ask for the inclusion of information on targeted stocks. Denmark does not ask about targeted stocks specifically but provides the option of including information on planned changes in the fishery, which would include information about stocks targeted.

The Scottish form includes a question about the details of landings for crustaceans/molluscs, and pelagic, benthic/demersal, and other, species; the relevant information is to be presented for the year prior to the modernisation and accompanied by an estimate for the year after the project's completion. On the English form, applicants who apply for a grant for "more selective fishing gear or an alternative fishing method which will enable diversification away from pressurised stocks" are supposed to outline the targeted stocks in their business case. The guidance note for the application form stipulates that the business case should include information on species of fish caught, as well as the months when the applicant fishes.

The Danish application forms for 'Modernisation and selectivity' and 'Modernisation as part of restructuring' make reference to funding being conditional upon whether "the vessel shall be part of a recovery plan and change its catch methods moving from a previous fishery to another fishery, where the conditions of the resources make it possible to conduct fishery". However, it does not specifically ask for a list of targeted stocks.

In the context of the provision of support for new fishing gear, these two Danish application forms give the option of including information on changes from one fishery to another. One of three ways of obtaining support for new gear is by stating that "the vessel shall be part of a recovery plan and change its catch methods moving from a previous fishery to another fishery, where the conditions of the resources make it possible to conduct fishery". Support for new gear can alternatively be obtained by providing information on the catch reduction of non-commercial species or on compliance with technical selectivity requirements. However, the Danish application forms do not specifically ask for targeted stocks.

In France the application form for 'First fishing vessels for young fishermen' requests that administrative authorisations be carried out for certain specific fisheries, which may or may

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<sup>37</sup> <http://ecologic.eu/3860>

not contain information on targeted stocks. Beyond that, the application form does not request information on targeted stocks.

The application forms of Germany, Italy, Spain and Poland do not contain specific reference to targeted stocks.

*General findings:* Surprisingly, limited information is solicited on the stocks targeted. The Scottish application form was the only form explicitly addressing targeted stocks. In Denmark the applicant may indicate if changes in the catch composition are planned. In other Member States or regions, the applicant might make reference to targeted stocks when responding to open questions or in accompanying documents such as business plans. To enable them to assess the potential environmental impacts of a project, it could have been expected that all Member States would systematically collect information on the stocks targeted.

### Bycatch and discards

Questions to assess the level of information supplied for bycatch and discards include specific questions on the expected impact of the project on those issues, as well as questions on the type of fishing gear used.

Most Member States include questions on their application forms about a project's impact on bycatch and discards, but to varying degrees. The Danish application form on 'Modernisation and selectivity' is the only application form that explicitly addresses both issues. The applicant must supply information on how much fishing gear is going to be exchanged; in order to receive support for the new gear, the vessel must be subject to a recovery plan and change to another fishery, or use the new gear to secure compliance with EU legislation regarding selectivity, or reduce the fishery's impact on non-commercial species. In addition, information must be supplied if and how the investment contributes to a decrease in discards, including the amount of discards for the previous year as well as the expected discard after the project's implementation (as percentage of total catch).

On the English form, the guidance notes request that information be supplied on environmental benefits, such as effects on pressurised stocks or discards, if the applicant applies for more selective fishing gear. In Spain the application form for 'Investments in the fishing fleet of Galicia' asks for a short description of the measure, as well as whether selectivity will be improved; in addition, a box can be checked if the impact of fishing on non-commercial species is reduced. In Poland the application form '1.3 Vessel and selectivity' requests the applicant to assess the quality of the selectivity of the measure proposed.

The application forms of France, Germany and Italy do not contain specific questions on bycatch or discards.

Several additional application forms (France: '1.4 Small-scale coastal fisheries'; Denmark: 'Modernisation as part of restructuring' and 'Modernisation and selectivity'; Italy: Sicilia; UK: Scotland and England) contain specific questions on fishing gear without further reference to its effects on bycatch and selectivity. The French application form for 'Small-scale coastal fisheries' requests information on the type of fishing gear used (listed are encircling nets, raised nets, gillnets, traps and seine nets)<sup>38</sup>. In Spain (Galicia, see above) a short description of the planned project is required and a tick box has to be ticked to confirm that the project complies with new technical requirements for selectivity under EU law. In Italy (Sicilia), the

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<sup>38</sup> The French terms are: filets tournants, filets soulevés, filets maillants et filets emmelants, pièges = nasses (casiers), lignes et hameçons dont ligne de traine.

application form contains a tick box asking whether fishermen use fishing gear as laid out in Table 3 of the Commission Regulation (EC) No. 26/2004 of 30 December 2003 on the Community fishing fleet register. Scotland asks for vessel details before and after the project, including type and number of gear and nets, but does not ask the applicant to assess potential impact on bycatch and discards.

*General findings:* The majority of application forms do not contain explicit questions on bycatch and discards. Member States request general information on selectivity, but not necessarily in all relevant application forms. In the case of France, even the dedicated application form on selectivity does not ask for information on bycatch or discards. Sometimes the usefulness of the requested information is questionable, like in the case of Sicilia (Italy), where the applicant merely has to confirm that s/he uses fishing gear as laid out in the EU Regulation on the Community fishing fleet register<sup>39</sup>. To assess potential effects on selectivity, the applicant should at least be required to indicate which fishing gear is applied before and after the project. The Danish form on ‘Modernisation and selectivity’ represents a positive exception by asking about and differentiating between bycatch and discard.

### Fishing capacity

Under its terms and conditions, the EFF will only fund projects that will not increase the fishing capacity of vessels<sup>40</sup>, so the application forms were analysed for questions relating to modernisation and fishing capacity.

The Danish application form on ‘Modernisation and selectivity’ explicitly asks whether the proposed project will lead to an increased vessel capacity, and includes questions on the increase in vessel storage room and changes to engine power. The Danish form on ‘Modernisation as part of restructuring’ contains a question on whether the investment leads to increased capacity of the vessel, indicated in brutto tonnage (BT). The Danish form on ‘Energy efficiency’ asks about the development of catch amount in kg (past, present, future). The Danish application form on ‘Support for young fishermen’ request information on the catch amount and value, for the year of application and the two upcoming years.

Application forms for England (UK) and Scotland (UK) require that technical details of the vessels, such as gross tonnage, length and engine, are listed before and after the modernisation of the vessel. The French application form on ‘1.4 Small-scale coastal fisheries’ asks the applicant to confirm that the investment does not increase capacity. The French application form on ‘1.3 Selective gear’ asks for information on type, power, length before and after the project, as does the Spanish form for Islas Canarias.

The German application form for Schleswig-Holstein states that projects contributing to increased fishing capacity and storage onboard are not eligible

Regarding engine power, some application forms (Germany, Italy and Poland) request the vessel’s current technical specifications, but no questions are asked regarding expected changes to this.

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<sup>39</sup> Commission Regulation (EC) No. 26/2004 of 30 December 2003 on the Community fishing fleet register.

<sup>40</sup> As laid out in the Council Regulation on the EFF (Art 6.5), financial support shall be granted only for equipment and modernisation works for the protection of catch and gear from wild predator species protected under Council Directives 79/409/EEC and 92/43/EEC.

Various documents (e. g. in Germany) contain a reference to the general EFF provision that no measures will be financed that stand in conflict with an aim set out by European and national legislation, such as the prohibition to increase fishing capacity.

*General findings:* National managing authorities solicit limited information on the effects that the proposed EFF-funded projects will have on fishing capacity. Most of the Member States collect general data on the current status of the vessel and four Member States (Denmark, France, Spain and the UK) explicitly addressed the questions of expected changes to fishing capacity in their application forms. The majority of the analysed application forms ask for technical details of the vessel but not for specific information on fishing capacity (Germany, Italy, Poland and Spain). Some application forms include a note which states that projects leading to an increased fishing capacity are not eligible and are inhibited by EFF regulation.

### Marine habitat

Indicators for the environmental impacts of fishing activities include information on the area where fishing is carried out, information on environmental impact assessments, or effects on marine reserves or protected areas.

There is little information sought via these application forms on fishing area. Notable exceptions are the Spanish application forms for Galicia and Islas Canarias and the UK application forms for Wales and Scotland, which ask for information on the zone in which fishing is carried out.

Questions on environmental impact or on impact assessments are asked in France and the UK, where the form for Wales asks for the most extensive information on potential impacts on the marine habitat. Welsh applicants must describe the positive and negative environmental impacts and are explicitly asked to justify their opinion and to include environmental impact assessments (whenever they are required). In addition, they are asked if the project might have any impact on protected areas such as NATURA 2000, national nature reserves, national parks or any other designated areas.

On the Scottish form, information is requested on whether the project is expected to have negative environmental impacts and which steps the applicant will take to minimise, monitor or manage these effects. To inform their application, they must supply copies of any advice received from relevant Scottish agencies, such as Scottish National Heritage, the Scottish Environmental Protection Agency, local authorities and/or other relevant agencies.

All of the French application forms require the applicant to attach a provisional confirmation that there will be no impact on the environment. The application forms of Denmark, Germany, Italy and Poland do not contain specific questions on environmental impacts or the fishing area.

Additional information related to environmental effects includes documents signed by the applicant themselves confirming that the modifications are in favour of methods that consume less carbon (Italy: Veneto) or tick boxes to confirm that the emission of greenhouse gases will be reduced (Spain: Islas Canarias).

*General findings:* Wales can be highlighted as best practice as its form asks for very specific information on the possible impacts of the activity on the marine habitat and protected areas, such as national parks or Natura 2000 sites. Applicants must justify their view regardless of whether they do or do not expect adverse effects on the environment. General questions

related to the marine habitat are asked in Denmark, France and Scotland (UK), while no such information is requested in Germany, Poland, Italy and Spain and England (UK).

There is also little general information sought about the fishing area. The Spanish application forms for Galicia and Islas Canarias and UK forms for Wales and Scotland ask for information on the zone in which fishing is carried out.

#### 4.2.2 Social criteria

Possible indicators that could help the managing authority assess socioeconomic aspects of the project include information on commercial parameters; information on previous funding; potential benefits for minority groups; and information about how a gender perspective will be considered. Questions on the distance of the fishing activity to the home port might also be instructive, as activities carried out close to the home ports are more likely to be small in scale and contribute to regional development; they are also often assumed to have a great sense of responsibility for the protection of the resource.

##### Business size and ownership of the company

There are few direct questions about the size of the company owned by the beneficiary (i.e. a small and medium enterprise – SME). However, related information about the size of the business is collected in various ways. The Danish application forms on ‘Energy efficiency’, ‘Modernisation as part of restructuring’, ‘Modernisation and selectivity’, and ‘Scrapping as part of restructuring’ contain a tick box where the applicant indicates whether the business is a micro, small, medium or half-sized business (determined on the basis of employees and maximum yearly turnover). In France or Germany, general financial information such as balance sheets must be produced that indicate the size of the business. Nevertheless, there is no clear means of establishing how many people are involved in the business using only financial figures as a basis. No questions on the size of the business appear in the Danish application forms on ‘Collective methods for energy efficiency’ and ‘Support for young fishermen’, nor do they appear on the forms for Italy, Poland, Spain or England (UK).

Information about the ownership of the vessel and whether the applicant is licensed to fish is collected in Denmark, France, Italy and the UK. In England (UK) applicants must state if they partly or fully own the company. In France applicants must indicate if the applying company is part of a larger group. The majority of application forms do not request specific information on ownership of the vessel.

Although questions regarding the home port are asked in the application forms of Denmark, Italy, Poland, Spain and the UK, no information is requested regarding the distance of the fishing grounds from the home ports, making it difficult to tell if vessels are involved in fishing in extra-territorial waters or the high seas.

*General findings:* Overall, Member State application forms appear to collect sufficient information on the business to assess if the applicants own a small-scale fisheries operation or are employed by a medium-size or industrial company. However, this information is rarely solicited explicitly, but rather must be inferred by answers to related questions such as the number of employees or the maximum turnover. Therefore, if funding is to be targeted at small-scale fisheries, it would be beneficial to include explicit questions on the ownership and size of the company.

## Gender and minority aspects and potential beneficiaries

It is of social interest which type of people will benefit from a project. Questions may be asked about what kind of positive social outcomes can be expected from the project (e.g. skill development) and if the project will lead to increased security for the crew onboard.

Gender is touched on in the application forms of most Member States, but the information is mainly restricted to the number of males and females benefiting from funding. Only the UK also requests qualitative information about potential positive effects. The application form for Sicilia (Italy) contains a question on whether there are females younger than age 32 that have been part of the company for at least one year. In Spain, it is only the Islas Canarias form that asks applicants to describe any positive impacts the project will have on equal opportunities for men and women. The application forms of Denmark, France and Poland also contain questions on aspects of gender. In Germany, however, no questions are asked about gender-related issues.

In the UK, only the English and Welsh forms directly request information on minority aspects. In England applicants are asked to outline if the project offers employment opportunities based on any of the following issues: disability, gender; race, religion, sexual orientation and age.<sup>41</sup> In Wales applicants are asked to outline how equal opportunities have been integrated into the project design and implementation, mentioning any specific components that illustrate this. Although it does not directly ask for such information, the form from Sicilia (Italy) mentions that the project must comply with existing national legislation for disabled individuals.

No Member States ask for any information on whether non-fishers (such as employees in the port, processing sector, etc.) will also benefit from funding.

Additional questions about potential social benefits of the project, such as skill development, are asked in France and the UK. However, the respective information is solicited at quite a general level, ranging from open questions such as ‘How will the EFF grant help?’ in the case of Scotland, to tick-box questions on whether favourable impacts will be attained for employment and education in the French application forms. As this information is solicited at a very general level, it remains unclear how far the answers might affect funding decisions.

Specific questions on safety improvements and/or increased security onboard are asked in the application forms for Denmark, France, Italy (Veneto) and Poland. In Spain, reference is made to improved safety provisions. Two Danish forms ask for improvements in health and safety onboard. Other application forms, however, do not solicit this kind of information. The UK application forms of England and Scotland contain open information requests such as “You should set out any other benefits which the project will provide” and “How will the EFF grant help?”. Application forms in Germany and the UK do not specifically request information on security improvements.

Among the Member States examined, all include questions on at least one form inquiring as to whether the benefiting business has received previous funding; this is included in all of France and Italy’s forms. The extent and nature of these questions varies significantly between and within Member States. Some, such as Scotland’s (UK), only ask whether previous funding has been applied for or received. Others, such as Spain’s Andalucia and Islas Canarias require affirmations that no additional funding sources were sought or used for

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<sup>41</sup> The application form of UK/England addressed gender and minority issues in combination. This should be avoided as gender issues are not related to minority groups.

the same purposes. Galicia (Spain), England (UK) and Wales (UK) do not ask about previous funding for the business in question, but do ask such information about the individual applicant.

*General findings:* Even though questions on gender-related issues are included in most of the application forms, the information requested does not seem to ask for the level of detail needed to make funding decisions based on the required social criteria. Questions related to gender aspects were mostly restricted to the number of males or females benefiting from a project, without requesting detailed qualitative information about how gender-related issues are addressed.

While a number of Member States solicit information about types of beneficiaries, hardly any questions are asked on minority issues, with the UK being the only positive exception. The form for Sicilia (Italy) states that the project has to comply with labour legislation, including rights of disabled persons.

### 4.2.3 Cross-compliance

Only a couple of managing authorities ask questions about possible past infringements of applicants and their compliance history with international, European or national legislation. In France, applicants must confirm that they have not been charged with anti-environmental practices and are informed that the funds will be reclaimed if false details are provided on the application forms. The application form for Sicilia (Italy) asks for confirmation that applicants have not been prosecuted for professional ethics or financial aspects of their work. In no other Member States is information solicited on former infringements or with regard to possible IUU fishing practices.

Regarding future compliance with the EFF Regulation, in Germany applicants have to sign an inventory of European and national legislation that may not be infringed. This includes the provision that the applicant is aware that non-compliance with these regulations might be treated as economic subsidy fraud and will result in criminal prosecution according to the respective legal provisions in the German criminal code.

*General findings:* Even though many of the forms examined ask for information on previous funding, the nature and criteria of these questions varies significantly, making comparisons across Member States for determining equitable distribution difficult. Some forms ask for information on a per-project or per-applicant basis (e.g. the UK's England and Wales, respectively), while other forms do not ask for any information on the beneficiary (e.g. France). The forms examined for Andalucia (Spain) are more comprehensive, requiring applicants to state whether the business had applied for or received funds for the same project, and requiring information on dates, funding amounts and funding sources.

In France applicants have to confirm that they have never been subject to prosecution for any infraction of good environmental practices, however, there is no evidence that funding is conditional on this statement. Beyond that, none of the application forms request detailed information on cross-compliance i.e. whether the applicant has previously been found to be in contravention of EU regulations. Other Member States in the study seem to rely on references to existing legislation, as well as instructions that relevant provisions should be obeyed, such as in Germany's application forms.

## 5 Conclusions and policy recommendations

Most environmental and social aspects are touched on by at least one of the application forms analysed. However, the information is not requested in a consistent manner, which would allow for a systematic Member State cross-comparison. Overall, environmental and social criteria barely feature in the allocation of funding under EFF priority Axis 1. This is despite the fact that the fishing industry is dependent upon healthy marine ecosystems and fish stocks and that social considerations, such as support to remote coastal regions or small-scale fishers, are supposed to play a key role in the CFP.

The majority of the application forms analysed could be improved by including additional questions on environmental, social and cross-compliance criteria. In particular, the failure to explicitly solicit essential core data, such as information on targeted stocks, is apparent. There is also a surprising lack of other criteria, such as the area of fishing, whether minority groups benefit from the funding, or the extent to which the beneficiary has complied with the rules of the CFP. Generally, it can be said that the application forms tend not to provide sufficient detail to make informed decisions about the environmental and social impact that any given project may have.

None of the application forms entirely fulfill the analysis criteria and so it would be difficult to champion any one Member State or regional application form as a model of good practice. However, the following table summarises good practice contained in the application forms that request information at a level of detail sufficient to allow for an assessment of possible environmental or social impacts of a project. Usually, these questions not only ask the applicants to confirm that a certain standard is met (e.g. by a tick box) but also require them to explain how the standard is met.

**Table 3: Overview of examples of possible good practice in the application forms examined**

Topic	Possible good practice example
Targeted fish stocks	<ul style="list-style-type: none"> <li>• UK: Scotland <i>Please give details of landings and sales in the year prior to the modernisation project, and forecast landings and sales for the year after the project's completion for species catch (tonnes)/ value for: crustacean &amp; molluscs, pelagic, benthic/demersal, other.</i></li> </ul>
Bycatch and selectivity	<ul style="list-style-type: none"> <li>• Denmark: Modernisation and selectivity <i>The change of gear is only supported if one or more of the three conditions below are given. Indicate which one of the three conditions the application is based on and describe how the conditions are met:</i> <ol style="list-style-type: none"> <li>1. <i>The vessel shall be part of a recovery plan (see article 5 Regulation 2371/2002) and change its catch methods, moving from a previous fishery to another fishery, where the conditions of the resources make it possible to conduct fishery.</i></li> <li>2. <i>The gear is exchanged in order to secure compliance with new technical requirements regarding selectivity in EU legislation (support can be granted up to the date when the requirements become obligatory) or in a period after the applicable date, if this is specified in the relevant EU legislation.</i></li> <li>3. <i>The gear is exchanged to reduce the fishery's impact on non-commercial species.</i></li> </ol> </li> <li>• UK: England <i>If you are applying for a grant for more selective fishing gear or an alternative</i></li> </ul>

	<p><i>fishing method which will enable diversification away from pressurised stocks, you should include in your business case details for your current position and your proposed position in relation to:</i></p> <ul style="list-style-type: none"> <li>- <i>type of vessel</i></li> <li>- <i>type of fishing gear or method</i></li> <li>- <i>species of fish caught</i></li> <li>- <i>the months in the year when you fish</i></li> <li>- <i>how long this change in fishing pattern will last and whether this will be a permanent conversion</i></li> <li>- <i>whether it is a seasonal change in fishing pattern</i></li> <li>- <i>whether the change in fishing pattern is in response to restrictions on fishing by the EU, the Government or others</i></li> <li>- <i>how this change will affect overall fishing effort</i></li> <li>- <i>how this change will reduce discards</i></li> <li>- <i>how this change will increase your profitability</i></li> <li>- <i>the lifespan of the new fishing gear.</i></li> </ul> <p>Note: This section is not part of the actual application form, but of the accompanying guidance note</p>
Discards	<ul style="list-style-type: none"> <li>• Denmark: Modernisation and selectivity <i>Does the investment contribute to a decrease in discards? If yes, describe how.</i></li> </ul>
Fishing capacity	<ul style="list-style-type: none"> <li>• Denmark: Modernisation and selectivity <i>Does the project lead to an increase in the vessel's storage room or catch capacity (yes/no) (Capacity permission by the Fishery Directorate must be attached).</i> <ul style="list-style-type: none"> <li>- <i>New effectivity after exchange of engine.</i></li> <li>- <i>Current engine effect in KW.</i></li> <li>- <i>New engine effect in KW.</i></li> <li>- <i>Reduction in KW.</i></li> <li>- <i>Reduction in %.</i></li> </ul> </li> <li>• Denmark: Support for young fishermen <i>Information about the vessel's expected catch results and results of operation</i> <ul style="list-style-type: none"> <li>- <i>Catch value – consumption in 1,000 Danish Crowns</i></li> <li>- <i>Catch amount – consumption in tons</i></li> <li>- <i>Catch value – industry in 1,000 Danish Crowns</i></li> <li>- <i>Catch value – industry in tons</i></li> </ul> <i>Each for the year of the application and the two upcoming years.</i> </li> </ul>
Marine habitat	<ul style="list-style-type: none"> <li>• UK: Scotland <i>Fishing zones (give ICES divisions or NAFO sub-areas).</i></li> <li>• UK: Wales <i>Describe the positive and negative environmental impacts of the project, or refer to the relevant section of the project plan. Remember that if there will be no adverse effects, or the effects will be positive, you must justify your view. Indicate any authorisations (e.g. Environment Agency consents for discharges or emissions) that will be required and whether these have been obtained. If your project requires an environmental impact assessment please supply a copy.</i></li> <li>• Denmark: Modernisation and selectivity <i>Improvement of ecosystems.</i> <i>Does the investment reduce impact on non-commercial species, ecosystems and the seabed?</i> <i>YES/NO. If yes, describe how.</i></li> </ul>

Size/type of business	<ul style="list-style-type: none"> <li>Denmark: Modernisation as part of restructuring <i>Is the applicant registered as a commercial fisherman and the owner of the vessel that is applying?</i> YES/NO <i>Size of the business (tick boxes)</i> - Microbusiness (maximum of 10 employees and maximum yearly turnover/balance of 15.1 million Danish Crowns) - Small business (maximum of 50 employees and maximum yearly turnover/balance of 74.5 million Danish Crowns)</li> </ul>
Minority aspects	<ul style="list-style-type: none"> <li>UK/England <i>Minority groups</i> <i>Does participation in the course help to improve employment opportunities for people representing minority groups in England? This can include any or all of the following: disability, gender; race, religion, sexual orientation and age. Please tick either Yes or No.</i> <i>If YES, please tell us how the project will do this and then go to the next question</i></li> </ul> <p>Remark: However, gender and minority issues should not be addressed in combination as gender issues are not related to minority groups.</p>
Cross-compliance	<ul style="list-style-type: none"> <li>Past infringements: France <i>Obligations of the project recipient:</i> <i>“I swear on my honour that I have not been subject to prosecution for any infraction of good environmental practices.”</i></li> <li>Future infringements: Germany <i>Possible future infringements:</i> The applicant has to confirm his/her awareness of the criminal prosecution that will be induced by infringement of EFF and other relevant provisions.</li> </ul>

*Note: Quotes from the application forms are represented using italic fonts. The questions have been translated into English, as necessary.*

In the immediate term, we recommend that on the basis of the results of this study the European Commission issues a model application form, compiled from ‘good practice’. This model form could help the competent authorities in the Member States improve the basis for their funding decisions by directly asking for relevant information or ensuring that this information is readily available through other sources, such as the fisheries licence or a central database containing information about the history of compliance.

In the medium term, the European Commission should not limit itself to ensuring that the necessary information is sought via the application process, but should also take additional action to identify and possibly phase-out funding measures that are likely to impair the sustainable management of fish stocks. At a minimum this could include the following actions.

- Member States should be obliged to exclude operators with a record of serious infringements of the CFP and other prescribed legislation from benefiting from public aid. This would be in line with the analysis that sanctions and penalties in the EU are not a sufficient deterrent and do not contribute to a level playing field among different

Member States.<sup>42</sup> Similarly, Member States should be obliged to reclaim public funds if the beneficiary is involved in serious infringements after s/he received the public aid.

- Member States failing to comply with the reporting requirement or failing to demonstrate progress on their efforts to establish a balance between fishing capacity and available resources should not have access to aid for fleet measures.
- Any spending under a future financial instrument for the EU fisheries sector should set out in a transparent and substantive way the extent to which public spending helps to achieve the objectives of the CFP. This should include but not be limited to information on the name of the beneficiary, the measure, vessel registration number, home port, amount of funding, and the history of compliance.

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<sup>42</sup> Report from the Commission to the Council and the European Parliament on the Monitoring of the Member States' Implementation of the Common Fisheries Policy 2003 – 2005, COM(2007) 167 final, p. 9. / European Court of Auditors - Special Report No 7/2007 on the control, inspection and sanction systems relating to the rules on conservation of Community fisheries resources.

## 6 Annexes

### Annex 1: EFF core financial data

**Table 4: Overview of EFF contributions and core fisheries data per Member State (MS)**

MS	Total catches <sup>43</sup>	Share of total catch (%) <sup>44</sup>	Contribution for Axis 1 per MS (€)	Share of total contribution (%)	Contribution for Axis 2–5 per MS (€)	Total EFF contribution for all MS (€)	Number of vessels	Tonnage in GT
DE	248,763	4.8	8,145,000	0.7	147,720,000	155,865,000	1,785	68,780
DK	653,013	12.7	40,365,000	3.3	93,310,000	133,675,000	2,878	72,930
ES	735,926	14.3	442,907,000	36.6	688,984,000	1,131,891,000	11,215	446,671
FR	557,862	10.9	59,621,000	4.9	156,432,000	216,053,000	7,398	189,496
IT	286,643	5.6	161,250,000	13.3	263,093,000	424,343,000	13,638	195,403
PL	144,404	2.8	168,841,000	13.9	565,252,000	734,093,000	848	40,947
UK	616,487	12.0	39,635,000	3.3	98,193,000	137,828,000	6,519	207,100
<b>Sub-total</b>	<b>3,243,098</b>	<b>63.1</b>	<b>920,764,000</b>	<b>76.0</b>	<b>2,012,984,000</b>	<b>2,933,748,000</b>	<b>44,281</b>	<b>1,221,327</b>
AT	350	0.0	-	-	5,259,000	5,259,000	-	-
BE	24,539	0.5	7,562,000	0.6	18,700,000	26,262,000	93	16,971
BG	8,876	0.2	8,001,000	0.7	72,009,000	80,010,000	2,199	7,407
CY	2,225	0.0	2,200,000	0.2	17,524,000	19,724,000	1,180	5,327
CZ	4,276	0.1	-	-	27,107,000	27,107,000	-	-
EE	99,447	1.9	15,265,000	1.3	69,303,000	84,568,000	946	14,486
EL	95,078	1.9	77,272,000	6.4	130,560,000	207,832,000	17,258	87,902
FI	164,373	3.2	3,445,000	0.3	36,004,000	39,449,000	3,239	16,238
HU	7,024	0.1	-	-	34,851,000	34,851,000	-	-
IE	227,146	4.4	34,766,000	2.9	7,501,000	42,267,000	2,089	69,986
LT	187,496	3.7	13,668,000	1.1	41,045,000	54,713,000	201	46,032
LV	155,272	3.0	20,861,000	1.7	104,155,000	125,016,000	800	41,692
MT	1,245	0.0	2,175,000	0.2	6,197,000	8,372,000	1,147	12,083
NL	413,640	8.1	16,913,000	1.4	31,665,000	48,578,000	833	156,672
PT	253,033	4.9	62,865,000	5.2	183,620,000	246,485,000	8,579	105,646
RO	6,184	0.1	9,975,000	0.8	220,739,000	230,714,000	441	1,809
SE	238,254	4.6	13,666,000	1.1	40,999,000	54,665,000	1,439	39,720
SI	1,111	0.0	2,164,000	0.2	19,476,000	21,640,000	184	994
SK	2,872	0.1	-	-	13,689,000	13,689,000	-	-
<b>Total</b>	<b>5,135,539</b>	<b>100</b>	<b>1,211,562,000</b>	<b>100</b>	<b>3,093,387,000</b>	<b>4,304,949,000</b>	<b>84,909</b>	<b>1,844,292</b>

Source: European Commission 2010: Facts and figures on the Common Fisheries Policy – Basic statistical data – 2010 Edition.  
Luxembourg: Publications Office of the European Union.

<sup>43</sup> Volume in tonnes live weight and percentage of total catch (2007).

<sup>44</sup> Share of MS of total catch all EU Member States.

## **Annex 2: List of the EFF funding application forms analysed for this report**

Digital copies of these application forms can be downloaded from <http://ecologic.eu/3860>

### **1. Denmark**

- 1.1. Denmark – Support young fishermen: ANSØGNINGSSKEMA - TILSKUD TIL YNGRE FISKERES FØRSTEGANGSETBLERING.
- 1.2. Denmark – Modernisation and selectivity: 'Ansøgningsskema – Tilskud Modernisering Af Fiskerfartøjer Og Selektivitet'.
- 1.3. Denmark – Energy efficiency: 'Ansøgningsskema – om tilskud til investeringer i udstyr på fiskerfartøjer til fremme af energieffektiviteten'.
- 1.4. Denmark – Collective methods for energy efficiency: 'Ansøgningsskema – om tilskud til pilotprojekter og kollektive foranstaltninger til fremme af energieffektiviteten'.
- 1.5. Denmark – Modernisation as part of restructuring: 'Ansøgningsskema -om tilskud til modernisering af fiskerfartøj som en del af en omstruktureringsplan'.
- 1.6. Denmark – Scrapping as part of restructuring: 'Ansøgningsskema -om tilskud til ophugning af fiskefartøj som en del af en omstruktureringsplan'.

### **2. France**

- 2.1. France – 1.3 Selective gear: 'MESURE 1.3 (art.25): Investissements à bord des navires de pêche et sélectivité.
- 2.2. France – 1.4 Small-scale coastal fisheries: 'MESURE 1.4 (art.26): Petite Pêche Côtière'.
- 2.3. France – 1.5 Installation: 'MESURE 1.5.1 (art.27.1.a): Appui la Diversification'.
- 2.4. France – 1.5 First fishing vessels for young fishermen: 'MESURE 1.5.4 (art.27.2): Aide à l'installation'.
- 2.5. France – General EFF application form: 'DEMANDE DE SUBVENTIONS PUBLIQUES: Fonds Européen pour la Pêche (FEP)'

### **3. Germany**

- 3.1. Germany – Mecklenburg-Vorpommern: 'Antrag auf Gewährung einer Zuwendung im Rahmen des Europäischen Fischereifonds 2007 – 2013'.
- 3.2. Germany – Schleswig-Holstein: 'Antrag auf Gewährung oder Übertragung von Fischerei – förderungsmitteln – im Rahmen des Operationellen Programms EFF 2007–2013'.

### **4. Italy**

- 4.1. Italy – Veneto: 'Reg. CE 1198/2006 – art. 25 – Investimenti a bordo dei pescherecci e selettività MISURA 1.3'.
- 4.2. Italy – Sicilia: 'Misura 1.3 – Denominazione della Misura: Investimenti a bordo dei pescherecci e Selettività'.

## 5. Poland

- 5.1. Poland – 1.1 Permanent cessation: ‘WNIOSEK O DOFINANSOWANIE w ramach środka 1.1. Pomoc publiczna z tytułu trwałego zaprzestania działalności połowowej’.
- 5.2. Poland – 1.2 Temporary cessation: ‘WNIOSEK O DOFINANSOWANIE w ramach środka 1.2. Pomoc publiczna z tytułu tymczasowego zaprzestania działalności połowowej’.
- 5.3. Poland – 1.3 Vessel and selectivity: ‘WNIOSEK O DOFINANSOWANIE w ramach środka 1.3. Inwestycje na statkach rybackich i selektywność’.
- 5.4. Poland – 1.5 Socioeconomic: ‘WNIOSEK O DOFINANSOWANIE w ramach środka 1.5. Rekompensaty społeczno-gospodarcze w celu zarządzania krajową flotą rybacką’.

## 6. Spain

- 6.1. Spain – Islas Canarias 1.3: ‘Solicitud de subvención directa para inversiones a bordo de buques pesqueros y selectividad’.
- 6.2. Spain – Andalucía: ‘Guía de Procedimientos de Gestión y Control de Ayudas del Fondo Europeo de la Pesca’.
  - NOTE: This document contains five EFF Forms:
    - Spain – Andalucía 1.1 permanent cessation
    - Spain – Andalucía 1.2 temporary cessation
    - Spain – Andalucía 1.3 small scale
    - Spain – Andalucía 1.4 vessel and selectivity
    - Spain – Andalucía 1.5 socioeconomic
- 6.3. Spain – Galicia 1.1 Permanent cessation 2010: ‘AYUDAS AUTONÓMICAS PARA LA PARALIZACIÓN DEFINITIVA DE BUQUES PESQUEROS’.
- 6.4. Spain – Galicia 1.2 Temporary cessation 2008: ‘AYUDAS AUTONÓMICAS A LOS ARMADORES O PROPIETARIOS DE BUQUES CON PUERTO BASE EN GALICIA QUE FAENAN EN LA COSTERA DE LA ANCHOA POR LA PARALIZACIÓN DE SU ACTIVIDAD’.
- 6.5. Spain – Galicia 1.2 Temporary cessation 2009: ‘AYUDAS AUTONÓMICAS A LOS ARMADORES O PROPIETARIOS DE BUQUES CON PUERTO BASE EN GALICIA QUE FAENAN EN LA COSTERA DE LA ANCHOA POR LA PARALIZACIÓN DE SU ACTIVIDAD’.
- 6.6. Spain – Galicia 1.3 Investments: ‘AYUDAS AUTONÓMICAS PARA INVERSIONES EN LA FLOTA PESQUERA DE GALICIA’.
- 6.7. Spain – Galicia 1.4. Socioeconomic: ‘AYUDAS DE CARÁCTER SOCIOECONÓMICO’.

## 7. United Kingdom

- 7.1. UK – England: ‘Application for a grant for investments on board your fishing vessel’.
- 7.2. UK – Scotland: ‘European Fisheries Fund (EFF) Fishing Vessel Modernisation Scheme (Including Vessel Re-Engining) Application Form’.
- 7.3. UK – Wales: ‘Welsh Assembly Government – European Fisheries Fund – EFF Application’.