

**Statement to the Joint Committee on Agriculture,
Food and the Marine
1 December 2020**

**Sustainability Impact Assessment of EU Commission
Proposal**

*“Proposal for a Council Regulation fixing for 2021 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union vessels, in certain non-Union waters.”
– COM (2020) 668 final*

The Minister for Agriculture, Food and Marine: (Charlie McConalogue TD)

- I welcome this opportunity to present this Sustainability Impact Assessment to this Committee. As in previous years, a rigorous assessment has been undertaken to examine the implications for Ireland of the EU Commission’s proposals for the fixing of Total Allowable Catches (TACs) for the coming year.
- This year, our preparation for TAC setting takes place against a backdrop of unprecedented change and uncertainty. The disruptions caused by the COVID-19 Pandemic continue to make markets difficult. There is also considerable uncertainty surrounding the impacts of the UK’s withdrawal from the EU.
- With the UK as a Coastal State for the first time, the EU Council, with the Commission carrying out the negotiations on behalf of the Council, will need to, for the first time, negotiate with the UK as a Coastal State on TAC setting for shared stocks.

- The EU Commission proposal was issued on the 27th of October. However, the stocks which the EU share with the UK were presented in the proposal as *pro memoria* (pm), pending the timing and outcome of negotiations with the UK. This means that, for the majority of stocks of interest to Ireland, the Commission has not made a TAC proposal.
- To ensure the Sustainability Impact Assessment could go ahead this year, I decided to use the ICES scientific advice as the basis for this year's SIA. The ICES advice forms the basis of the scientific advice used by the Commission, therefore the ICES advice for the relevant stocks provides suitable guidance for the TAC figures which would normally be proposed by the Commission.
- This allowed for a meaningful public consultation and realistic engagement with our stakeholders. It also allowed the Marine Institute and BIM to produce the biological and socio-economic assessments.
- Ireland's total allocation of quotas in 2020 amounted to a total value of €275 million. There are also very valuable inshore species which are not subject to EU TAC's (e.g. crab, whelk, scallop and lobster) and are fished by the Irish fleet in our inshore waters.
- The waters surrounding Ireland contain some of the most productive fishing grounds in the EU. We have a duty of care to protect their biological richness and, as such, they must be managed responsibly and sustainably.
- The landing obligation, which aims to eliminate the wasteful and unsustainable practice of discarding, is now fully implemented. The practical application of the Landing Obligation has created difficulties for operators, requiring changes in fishing practices and behaviour. However, my Department along with BIM continue to work together with fishers in order to adapt and develop the most selective and sustainable fishing methods.

- Another key feature of the Common Fisheries Policy is the setting of TAC and quotas to deliver Maximum Sustainable Yield. Fishing at Maximum Sustainable Yield, or FMSY as it is sometimes known, is the largest average catch or yield that can continuously be taken from a stock under existing environmental conditions.
- For 2020, 62 out of 78 TACs discussed at December Council 2019 were set at or below the level of Maximum Sustainable Yield. In 2009, only 5 stocks were fished at MSY.
- This is a significant achievement and Ireland will continue to work with stakeholders, Member States and the Commission to build on this tangible progress to achieve our objectives of healthy fish stocks and sustainable fishing.

Coastal States

- Management arrangements for three migratory species in the North East Atlantic in which Ireland has an interest - Blue Whiting, Atlanto-Scandian Herring and Mackerel - are normally negotiated by means of a Coastal States Framework between parties in whose waters significant concentrations of the fish stock are to be found and who have normally had a track record in the fishery.
- The Coastal States negotiations for 2021 commenced in October and, due to the COVID-19 Pandemic, were conducted by video conference.
- Agreement was reached on setting the TACs for Blue Whiting at 929,292 tonnes; for Atlanto-Scandian Herring at 651,033 tonnes and for Mackerel at 852,284 tonnes. However, the signed agreement is not yet in place for the Mackerel stock.
- The TAC for Blue Whiting is based on the advice from ICES and is in line with the long- term management strategy for the stock. This represents a cut of 20% in the TAC.

- The TAC for Mackerel is inline with the ICES advice based on the Maximum Sustainable Yield approach and represents a reduction of 7.57% compared to the 2020 TAC.
- The Mackerel negotiations are still ongoing. The current sharing arrangement between the EU, Norway and the Faroe Islands, which was agreed in 2014, is due to expire at the end of 2020. The Heads of Delegation for all of the Coastal States involved met last week to further discuss sharing arrangements as well as a new management plan for the Mackerel stock. These discussions are separate from the ongoing negotiations on the EU-UK future relationship and any change in sharing between the EU and UK that might arise.
- Iceland and Russia have excluded themselves from the international agreement and have operated a completely unacceptable unilateral fishery ignoring the quota shares set aside by the main Coastal states and taking high catches of this valuable stock. We fully support all efforts by the EU and the main shareholders efforts to take any available opportunity to control and end these unsustainable fisheries.

The Proposal

- Moving on to the proposal itself, as mentioned the stocks which the EU share with the UK are presented in the proposal as *pro memoria* (pm). For Ireland this meant that all but two stocks are listed in pm.
- In order to inform my negotiations on TAC setting for 2021, I have had an assessment of the impacts of the ICES scientific advice for the stocks undertaken. To facilitate the assessment, an **open consultation** process was initiated, whereby stakeholders were asked to submit their comments and observations on the Commission proposal for fishing opportunities for 2021 and the ICES advice.
- From the 6th November, an online web portal on www.fishingnet.ie was activated to enable the transmission of electronic submissions for consideration. Six submissions to the public consultation were received.

The full content of all the submissions received by the deadline will be published on the fishingnet.ie website.

- In addition to the written submissions, I convened a meeting of stakeholders including fishing industry representatives and environmental NGO's on the 26th of November. The purpose of this meeting was to give a further opportunity to the main stakeholders to outline their positions on the many aspects of this proposal and the scientific advice. I would like to thank all of the stakeholders for their contributions to this impact assessment.
- Stakeholders set out a range of positions. However, there were also commonalities and I agree with many of the sentiments expressed through the consultation process which all, I consider, have the same objective of sustainable fishing and the protection of our fishing resource and our marine ecosystem for future generations.
- There is a clear call for adherence to the advice on setting TACs in accordance with fishing at Maximum Sustainable Yield. We must also make use of the provisions of the North West Waters Multi annual plan to deal with stocks where scientific advice indicates the stock is in poor shape. Last year, in order to reduce catches of depleted stocks in mixed fisheries, TACs were set as by-catches only at levels that help the biomass of these vulnerable stocks to recover to sustainable levels and these were complimented by remedial technical measures in the Celtic sea. The Commission has advised that it plans to follow a similar approach for 2021 and this is welcome.
- The Commission has not set out how the practical arrangements and negotiations with the UK will be managed. Therefore, we do not know when the Commission will set down its proposed TACs for stocks shared with the UK and how these will be negotiated with the UK. The timing of when the Commission would bring forward such a paper with specific TAC proposals will be determined by the developments in relation to the EU/UK negotiations. Given the complexity and scale of the fisheries relationship with the UK, the future bilateral consultations

between the EU and UK cannot simply be an expansion of the current EU-Norway model, which deals with a much smaller number of stocks.

- It will be important that the new negotiations structure gives Member States and stakeholders a meaningful role in the process. I want the EU Council to be involved so that it has real input into the negotiations. Ministers must be satisfied that the TACs set respect the principles of the CFP and support the future of coastal communities that are dependent on fishing.
- The Marine Institute and BIM have made an invaluable contribution to the assessment of the Commission's proposal, which is contained in the Sea Fisheries Sustainability Impact Assessment before you today. I would like to briefly set out the findings contained in that assessment.

Biological Assessment

- From a purely biological perspective, the Marine Institutes' view, which coincides with the ICES view, is that there has been an improvement in the status of some fish stocks. However, others remain a concern.
- In the Impact Assessment, the Marine Institute summaries the pressure on the 74 stocks dealt with in the 2020 Stock Book and compares this assessment with the same evaluation presented in previous years Stock Books. The number of sustainably fished stocks has decreased from 35 in 2019 to 33 this year. In terms of percentages, this is a decrease from 47% to 45%. However, the percentage and number of stocks overfished remains unchanged at 13 stocks or 18%. The number of stocks with unknown status has increased slightly from 26 to 28.
- It is disappointing to see even a slight decrease in the number of sustainably fished stocks, especially as this number had been increasing year on year since 2013. This was due to benchmark assessments being downgraded for two stocks – sole in area 7hjk (in the southern and western Celtic Sea) and whiting in the Irish Sea. These stocks were changed to unknown status this year.

- There are multiple reasons why stocks have unknown status including short time series of biological data, conflicting input data, low catches or insufficient sampling data, or missing catch information. Over time the percentage of stocks with unknown pressure and state indicators has declined.
- The specific details for all stocks are available in the Sustainability Impact Assessment which will be laid before the Dáil and in the Stock Book, which was prepared by the Marine Institute and is available on their website.

Economic and Social Impact

- As I indicated earlier, BIM has based the socio-economic assessment on the ICES advice.
- If the TACs are agreed as the advice recommends, we would see a net reduction in fishing opportunity of 10% by volume in tonnes and 6% by value. This amounts to a direct income reduction of minus €15.8 million.
- For this demersal (whitefish) sector, this would mean an 11% decrease in volume of fishing activity and a reduction of 4% by value, with a direct income loss of €6.2 million.
- For the pelagic sector, this would result in a reduction of 10% by volume and 7% by value with a direct income reduction of €0.4 million. This is primarily due to the decrease in mackerel.

Regional Analysis

- In a regional analysis of Irish Sea, Celtic Sea and West coast stocks, it is estimated that there will be a minus 5% decrease in fishing opportunities for the whitefish fleet. This reduction is valued at €1 million. This will impact the ports of Clogherhead, Howth, Dunmore

East, Kilmore Quay, Dingle, Castletownbere and Ros an Mhíl as well as other smaller ports.

- However, increased Norway lobster (prawn) quota will have a positive impact for Castletownbere, Howth, Dunmore East, Clogherhead and Ros an Mhíl.
- A regional analysis of the northwest area estimates a 32% decrease in fishing opportunity, valued at €3.7 million, which would impact the ports of Greencastle and Killybegs.

Processing and ancillary sectors

- In addition to the direct losses to the fleet, income is also lost from the processing sector as a direct result of reduced catches and in a number of ancillary industries (net making, chandlery, engineering, refrigeration etc).

Employment

- This will obviously have a knock-on effect for employment and BIM further estimates, on the basis of the most recent employment surveys of the catching sector, that these reductions could impact 383 full and part time jobs. This could occur either through reduced incomes, partial layoffs or redundancies in the seafood sector.

Hague Preferences

- The Commission's proposal does not include the "Hague Preferences" which are a safety net for the Irish fleet on specific stocks where Total Allowable Catches are in decline. Essentially, these are additional amounts of quota that Ireland, and previously the UK, claim for important whitefish stocks. Many Member States object strenuously to their application as the additional quota comes off their allocations.

- While we have been able to secure the Hague Preferences in the past, we will have to fight harder for them at Council this year, and are likely to face strenuous opposition for the Member States who are negatively impacted. As the UK also benefited from the Hague Preferences, the UK's withdrawal from the EU may further complicate matters and will isolate Ireland at the internal EU fisheries negotiations at the Fisheries Council.
- Ensuring that the Preferences are applied will be a key political objective for me in the negotiations. The loss of these allocations in 2021 would amount to at least 2,206 tonnes of fish with a direct value of €3.8 million.

Conclusion on the SIA

- To conclude, I can fully concur with the findings of the Sea Fisheries Sustainability Impact Assessment. I would like to thank and acknowledge all those who contributed to the production of this Impact Assessment.
- While the SIA is based on the ICES advice, rather than TACs proposed by the Commission, it does highlight the potential for significant impacts on the Irish fishing industry.
- There are some stocks where ICES has issued advice for zero catches. However, with the implementation of the landing obligation and the requirement to land all catches, including by-catches, from such stocks this would lead to “choke” situations in mixed fisheries.
- In its proposal, the Commission refers to the establishment of specific TACs for by-catches of these stocks as was done for 2020. The proposal highlights the difficulty of fishing all stocks in a mixed fishery at MSY at the same time. The Commission also points out the need to strike a balance between the potential for severe socio-economic impacts and the need to achieve good environmental status for stocks. I will be supportive of a similar approach as was taken last year for these depleted stocks.

- The COVID-19 Pandemic caused unprecedented disruption across all sectors of our economy. Ireland's fishing industry was not unscathed as exports to our traditional markets in Europe and Asia were disrupted by the severe impacts of the pandemic on Ireland's top five export partners – France, the UK, Spain, Italy and China. However, throughout 2020, our fishers worked hard to ensure that Irish shops and consumers continued to be supplied with fish. This underscores the important role that the fishing industry plays in the food supply chain and the need to support a sustainable fishing industry.

EU/ UK Fisheries Agreement negotiations

- I would also wish to use this opportunity to update this Committee on the Ministerial meeting last Friday with EU Chief Negotiator Michel Barnier and the Fisheries Commissioner Sinkevicius. Significant challenges lie ahead over the coming week as the EU/ UK Future Relationship negotiations are likely to conclude.
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- The meeting involved Fisheries Ministers from EU Member States most impacted by the UK withdrawal from the EU, including Ministers from France, Germany, Spain, Denmark, Sweden, the Netherlands and Belgium. The purpose of the meeting was to hear directly from Mr Barnier the progress being made on the negotiations.
 - It is clear that on fisheries progress has been very slow and the UK side are maintaining a maximum position in terms of quota shares and access. Mr Barnier has indicated that he has made some concessions on quota shares to the UK but he did not give details of the stocks involved.
 - I explained that our fishing industry is in a particularly vulnerable position as Ireland shares its main fish stocks and its waters on three sides with the UK and needs to retain access to UK waters and to shared resources. I urged Mr Barnier to stay firm on making full use of the link between the overall economic partnership and the conclusion of a fishing agreement. Mr Barnier advised that the UK have not to date compromised on their position and are still seeking to have their quota shares increased to reflect 80% of the fish caught by EU vessels in the UK zone and continue to seek

an annual negotiation on access to UK waters. The latter would mean that each year the EU would have to “buy” access by giving up quota.

- I explained that any outcome in the future relationship negotiations that results in a loss of quota share for the EU would be damaging to Ireland’s fishing industry. I also made clear that in the event of No Deal and EU vessels being denied access to UK waters Ireland could face serious difficulties arising from loss of access to important fishing grounds and displacement of EU fishing activity into our zone.
- The meeting with Mr Barnier was welcome and gave me the opportunity to set out again Ireland's serious concerns in relation to the potential impacts for Ireland’s fishing industry if a fair and balanced Fisheries Agreement with the UK is not reached. We all agree I believe that Ireland needs a Future Relationship Agreement and our fishing industry needs a strong and stable EU/UK Fisheries agreement. I have continued confidence that Irish and EU fishing interests will be robustly defended by Mr Barnier and his team in this critical late phase of negotiations.
- I now look forward to hearing your views and answering any questions you may have.
- Thank you Chair.