



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels,
MARE/D3/AS

Dear Mr Pavón,

I wish to thank the Outermost Regions' Advisory Council for the recommendation sent to us on 12 January 2024.

The European Commission attaches great importance to the support of the EU's Outermost Regions (OR). Our objective is to guarantee a fair sustainable development with equal opportunities for the coastal communities. The Commission is fully aware of the urgent need to modernize and replace the ageing vessels used by fishers in the OR and we are willing to find solutions. While I appreciate your perspective, the available information shows that overcapacity and overfishing cannot be ruled out in fisheries and on stocks also in the OR.

Concerning the guidelines for the analysis of the balance between the fishing capacity and fishing opportunities for the European fishing fleet, the objective of the Union's fishing fleet management policy is to ensure a structural balance over time between the capacity of the fleets and the resources available to them. A balance enables both the sustainability and profitability of the sector, regardless the type and size of fishery, as well as of the region in which it takes place.

For this reason, the Commission developed guidelines to provide a **common methodology** for the estimation of the balance *over time* between fishing capacity and fishing opportunities, at fleet segment level. The guidelines aim to use **standard methods** to **ensure a level playing field** when different fleet segments are being compared and to **follow the best possible scientific, economic and technical practice**, as well as to ensure compatibility with standard biological, economic and social assessments. Moreover, the guidelines are based on the use of **data collected via the Data Collection Framework**, in order to facilitate comparisons and to avoid duplication of work.

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Taking into account the concerns of OR Member States (MS) regarding the absence of scientific data and the difficulties in calculating one of the biological indicators, namely the SHI ⁽¹⁾, the Commission has deployed the expertise of the Scientific, Technical and Economic Committee for Fisheries. To this effect, the STECF recently validated an alternative method for the calculation of the SHI. Further work by the STECF on this matter is currently ongoing and an expert working group dedicated to the OR will meet in 2024.

The Commission is aware of the calls to modernise and replace the ageing vessels used by fishers in the OR. It is actually in view of the particular situation of the OR that the Commission provided a derogation from the long-standing EU discipline on harmful subsidies of prohibiting aid for the purchase or construction of fishing vessels. Following the 2017 Communication from the Commission on a stronger and renewed strategic partnership with the EU's outermost regions, the Guidelines for the examination of State aid to the fishery sector (Fisheries State aid Guidelines) were modified to include the possibility for MS to grant aid for the renewal of the fleet in the outermost regions. This derogation applies only to the OR and includes strict requirements to avoid negative impacts on the resources. Concretely, fleet renewal in OR can only proceed in a way that does not compromise the core principles of the Common Fisheries Policy. The rules in place require the regions and MS concerned to demonstrate, with scientific evidence, that fleet renewal will not create an unbalance between fishing capacity and fish stocks, in order to avoid overfishing. As acknowledged in the CCRUP recommendation 37, while data collection in the Outermost Regions is improving, it still does not yet satisfy the needed criteria and here we need to step up the efforts. For many fleet segments, it is currently not possible to calculate the fleet balance indicators because crucial data, biological or economical, are still missing. The Commission will continue supporting and helping Member States in their data collection efforts in the OR. Member States can already avail of additional financial resources under EMFAF to improve data collection if they wish to do so.

In addition to the exceptional possibility to grant aid for fleet renewal under the Fisheries State aid Guidelines, another derogation was provided for the OR with the amendment of the Fisheries 'de minimis' regulation (FDR), which exempts small aid amounts from State aid control. It entered into force in October 2023. Since then, certain aid, otherwise ineligible under the FDR, is available to the Outermost Regions, in particular: aid for the purchase of fishing vessels, for the modernisation or replacement of engines, for operations to enhance the ability to find fish and for vessel construction/importation. Other than for aid under the Fisheries State aid Guidelines, under the FDR there is no requirement of demonstration of the balance between fleet capacity and fishing opportunities. However, the scope of this derogation is limited to small scale vessels (i.e. vessels below 12 metres). In addition, the general ceiling for the de minimis aid applies. On the condition that the Member State has a de minimis aid register in place, a single undertaking may not receive more than €40,000 aid in total under the FDR over any period of three fiscal years. If the Member State does not have such register, the maximum amount that can be granted in total is €30,000.

Moreover, the Commission recognises the additional costs, difficulties and specificities in operating in the fisheries sector in the OR. This is why the EMFAF, and its predecessor, the EMFF, specifically set aside ring-fenced amounts for compensation for

⁽¹⁾ Sustainable Harvest Indicator

the additional operating costs related with activities in the OR. The Commission also ensures the representation of stakeholders in the OR, through your organisation, the Outermost Regions Advisory Council, as a dedicated representative stakeholders' body.

Please allow me to reiterate that your role as an AC is essential. The Commission looks forward to all opinions and recommendations at any stage, based on the expertise and interests of the ACs.

I am looking forward to our continued fruitful cooperation. Should you have any further questions on this reply, please contact Ms Julia Rubeck, our Advisory Councils' coordinator, via the functional mailbox MARE-AC@ec.europa.eu.

Yours sincerely,

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