

On the ECA special report on the EU aquaculture policy and general EU aquaculture policies

Background

The European Court of Auditors (ECA) released on November 19th, 2023 a special report on the EU aquaculture policy titled 'Stagnating production and unclear results despite increased EU funding'¹. Simultaneously, the European Commission published a reply² to that document.

In its report, the ECA examines whether the European Commission (EC) and the Member States (MS) have effectively promoted the sustainable development of EU aquaculture. It concludes that while the EU's strategic framework for aquaculture has improved in recent years EU aquaculture has seen little growth, and there are no reliable indicators to track the sector's sustainability and the contribution of the increased EU funding to the development of EU aquaculture. ECA recommends supporting MS in addressing the obstacles to the sustainable development of EU aquaculture, improving the targeting of EU funds, and enhancing the monitoring of both EU funding's performance and environmental sustainability

In the Commission's reply to ECA, released at the same time, the Commission details the work it carries out on aquaculture, including the 2021 Strategic Guidelines, the Open Method for Coordination, the Aquaculture Assistance Mechanism, and its partial monitoring of the European Maritime and Fisheries Fund (EMFF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF). However, the EC recognises that under shared management it cannot continuously monitor the effectiveness of the use of EU funds nor, even more broadly, the environmental sustainability of EU aquaculture altogether. The Commission believes that there is a solid basis to allow the EU aquaculture sector to grow and reach its full potential in terms of contributing to the objectives of the European Green Deal. However, it considers that it is still early to evaluate the results of the new strategy. Concerning the funding to support aquaculture, the Commission agrees on the need for sound monitoring. At the same time, it trusts that the checking system of EMFAF has been improved and simplified, based on the experience with EMFF.

The previous version of the Commission's *Strategic guidelines* (from 2013) encouraged MS to set objectives for aquaculture production growth in their plans for aquaculture, expressed in terms of both volume and value. However, in its 2021 *Strategic guidelines*, the Commission does not explicitly recommend that the member states set aquaculture production growth targets in their plans for the 2021-2030 period.

¹ https://www.eca.europa.eu/ECAPublications/SR-2023-25/SR-2023-25_EN.pdf

² https://www.eca.europa.eu/Lists/ECARepplies/COM-Replies-SR-2023-25/COM-Replies-SR-2023-25_EN.pdf

The FEAP Position

FEAP is convinced that aquaculture in the EU has great potential to provide aquatic food, economic development, and employment opportunities just like this same activity does in other parts of the world. Furthermore, the long-standing stagnation situation of aquaculture in the EU can be solved if the right actions are taken.

Aside from a few gaps identified by FEAP in ECA's special report (described below), FEAP considers that ECA has delivered in general terms a thorough report describing the situation, challenges, and administrative shortcomings of aquaculture development in the EU. However, and to our greatest concern, we consider the Commission's reply to be short-sighted. The Commission does not recognise, nor provide solutions, to the real underlying reasons that are holding back the potential of aquaculture in the EU.

The ECA has pointed out ineffective spatial planning for aquaculture and complicated licensing procedures as the reasons for such stagnation, just like the EC does in its 2021 *Strategic guidelines*. However, in reality, these are mere symptoms of deeper problems and not the actual causes behind the situation.

FEAP agrees with ECA that it is still early to evaluate the results of the EU's new strategic framework for aquaculture. However, this federation stresses that the EC's 2021 Strategy will not be enough to drive the same growth of the sector as is being seen in other countries like Norway, the UK, Turkey, or in many other parts of the world.

ECA has rightly noticed that very few new aquaculture farms have been set up in the EU during the 2014-2020 period despite the availability of public funding. FEAP can understand that ECA might not have sufficient oversight to fully explain this situation, but the Commission should be knowledgeable about it. The EC is aware that aquaculture growth is held back by excessive administrative burden caused by overzealous implementation of environmental regulations, an unlevel playing field with imports, and confusing information to consumers.

However, FEAP stresses that if the EU truly wishes to put aquaculture back on track for significant growth more fundamental issues must be addressed, both by and beyond the European Commission.

FEAP has identified two central domains of action to unlock the situation:

- (1) Food production in the EU must become an objective with a similar level of importance as environmental protection.** The European aquaculture sector is committed to restoring and protecting the natural environment. Moreover, aquaculture can only take place in waters with a good ecological status. However, aquaculture takes place in public waters, directly in the natural environment, for this reason, the implementation of environmental laws has a decisive impact on aquaculture development. Furthermore, most Member States (and their regions) are overwhelmed by the implementation of EU environmental policies, leaving very little space for aquaculture development in those ecosystems, even if the impact of fish farming in those areas can be considered negligible.

It occurs that the current single objective for MS environmental authorities is nature protection and fulfilling their legal obligations on this matter. The result is that food production in the natural environment is unimportant for those authorities that at the same time hold the key for approving the planning and licensing of new aquaculture farms. For this reason, the future of aquaculture in the EU is bleak.

The potential of aquaculture in the EU will only be unlocked when food production in the EU becomes an objective with a similar level of importance as environmental protection, including the setting of quantitative production targets for the Union, Member State by Member State. FEAP is convinced that both objectives are compatible and stresses that the EC should look at FAO's Blue Transformation³ to fully address the issues pointed out by ECA in its special report. Improving the current legal framework and the efficient and effective use of the EMFF/EMFAF are second-level elements for solving the stagnation of aquaculture production in the EU. The main lesson to be learned from FAO is that environmental policies can be balanced with food production targets.

- (2) As for agriculture, aquaculture needs a Common Policy.** The Treaties of the European Union do not consider aquaculture as a shared competence on an equal footing with other primary food production sectors such as agriculture and fisheries. For this reason, the Union does not define nor implement a specific and effective Common Policy for aquaculture. The main EU instruments today to facilitate aquaculture development are the non-binding Strategic guidelines, Member States' multiannual national strategic plans, the exchange of information and best practices among Member States, and the European Maritime, Fisheries and Aquaculture Fund. In this sense, FEAP flags that, in its view, the lack of growth in the EU aquaculture sector is a direct consequence of missing a Common Aquaculture Policy.

FEAP boldly proposes changing the political and legal position of aquaculture within the EU and the creation of a Common Aquaculture Policy. A Common Aquaculture Policy could exercise the required pressure to align public administrations and solve the technical bottlenecks of spatial planning and licensing procedures, amongst others.

Other shortcomings of the ECA report

- One of the limitations of the ECA special report is that it focuses on potential negatives of aquaculture but fails to underline its positives: efficiency in the use of natural resources, low carbon footprint, little use of space and fresh water, and the provision of highly nutritious food. FEAP agrees with the EC that aquaculture's (including fish farming) potential negative impacts do not occur and for this reason do not risk the good environmental status.
- Regarding indicators, FEAP agrees with ECA and the EC that currently there are no official indicators to check if the sector is developing sustainably. In this regard, FEAP, alongside the Aquaculture Stewardship Council (ASC), has provided the EC with a list of environmental sustainability indicators⁴.

³ <https://www.fao.org/3/cc0459en/cc0459en.pdf>

⁴ <https://www.dropbox.com/scl/fi/owvvh3t1ulb52toefmto/221208-FEAP-Fishfarming-Technical-screening-criteria.pdf?rlkey=xpg6vcmoh9srhpoy5sqjm2p82&dl=0>

Position Paper

These indicators could complement those proposed by the Joint Research Centre in its 'Indicators for Sustainable Aquaculture in the European Union'⁵. However, when considering socioeconomic indicators on the development of the aquaculture sector, ECA and the EC should consider that due to the usual delays in the approval of aquaculture farms and the fact that for biological reasons fish production cycles are years long, there are always a substantial delay of years between having a project approved and when its products are placed on the market. 'Leading indicators' on aquaculture growth should be defined and used to foresee in the short term the effectiveness of aquaculture policies and funding.

- ECA is concerned with the justification of the need for the amounts of EU funds allocated to aquaculture over the 2014-2020 period while at the same time growth of aquaculture production volumes was negligible. Not having clear indicators on the effective use of the EMFF (on environmental and social matters, or competitiveness) certainly limits making conclusions on this point. However, FEAP points out that EMFF measures like "productive investments in aquaculture", "aquaculture providing environmental services", or "innovation", have allowed the EU fish farming sector to remain competitive over those years, albeit with no growth, in a very tough business environment where imports on an unlevelled playing field represent more than 65% of EU aquatic food consumption. Moreover, the degree of detail of the analysis of the effective use of EMFF is relevant, as averages can conceal explanations. In most situations, a case-by-case (project-by-project) analysis should be performed. The mid/long-term economic viability of projects selected for funding should probably need better assessment as bankrupt companies certainly do not contribute to production growth.
- Finally, FEAP shares with ECA and the Commission the same concerns on the relevance of transparency and accountability in the use of EU funds for aquaculture. However, this federation does not understand why ECA is surprised that almost all eligible projects are selected for EMFF funding. For FEAP it would be surprising that projects that pursue the targets of the Common Fisheries Policy were left out from receiving public aid.

FEAP, 18 December 2023

The Federation of European Aquaculture Producers is an organisation that represents the European fish farming profession and is based in Brussels. FEAP is composed of 24 national fish farming associations from 23 countries, both EU and non-EU. The combined yearly production of FEAP members surpasses 2,5 million tonnes of nutritious, safe, delicious and environmentally sustainable fish.

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⁵ <https://publications.jrc.ec.europa.eu/repository/handle/JRC75891>