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Delegations will find attached document SWD(2016) 267 final.

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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on establishing a multi-annual plan for demersal stocks in the North Sea and the fisheries exploiting those stocks and repealing Council Regulation (EC)676/2007 and Council Regulation (EC)1342/2008

{ COM(2016) 493 final }
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This document comprises a report of an impact assessment for a proposal for a multi-annual management plan covering demersal stocks in the North Sea. Multi-annual management plans have shown to be very valuable for the sustainable management of fishery resources. By establishing rules for the exploitation of the stocks and associated measures as needed for the management of a fishery with regard to a specified target, they provide stability and predictability while ensuring that fish stocks are exploited within the agreed limits.

Currently, North Sea demersal fisheries are regulated with two management plans that are not compatible with the new CFP established the new Basic Regulation (Regulation (EU) No 1380/2013) in 2011. It has inflicted burdensome rules on demersal fishermen in the North Sea (predominantly SMEs and micro-businesses). Affected Member States and stakeholders have been asking for a new management framework since 2011. The plans have undergone ex-post evaluation with negative results, also since the new set of rules established in the Basic Regulation, i.e. an obligation to land all catches and to manage all stocks sustainably in accordance with the principle of MSY, promises to be more successful in preventing overfishing and discarding. However, without adopting additional measures that alleviate the negative effects of the landing obligation in a mixed fishery, the Basic Regulation would lead to under-exploitation of fish stocks as soon as the landing obligation enters into force in the North Sea demersal fisheries and thus threaten the economic viability of the concerned fishing enterprises.

In order to address the problems identified above, this initiative shall: (i) reduce the risk of underfishing, (ii) establish target fishing mortality ranges as F_{MSY} , (iii) establish biomass safeguards in order to build on the precautionary approach prescribed by the Basic Regulation, (iv) facilitate the application of the landing obligation, (v) establish the framework necessary for the implementation of regionalisation within the North Sea area and (vi) remove the days at sea regime.

By adopting one single plan applicable to all demersal fisheries in the North Sea, this initiative shall provide a more concrete, transparent framework for achieving the sustainable fisheries management prescribed in the Basic Regulation and simplify the very complex legislation currently in place.

Four legislative options have been considered. Two of these options ("No policy change at EU level" and "Amendment of the existing management plans") were discarded at an early stage.

Two other options (Option 1 - to manage using the Basic Regulation and Option 2 - to establish a single mixed fishery multi-annual plan) have been analysed in more depth. Several sub-options for Option 2 have been considered, concerning: (i) the delineation of the areas, (ii) the choice of method for facilitating the introduction of the landing obligation, (iii) the choice of the F_{MSY} ranges, (iv) the choice of the species covered by the plan, (v) the date by which F_{MSY} shall be achieved, and (vi) the timeframe for rebuilding stocks to precautionary levels. The preferred choice for the first 4 variables could be made based on a qualitative analysis. The latter two variables were examined through a quantitative impact analysis and compared to Option 1.

The preferred choice is Option 2 (a single mixed fishery multi-annual plan), wherein F_{MSY} is achieved by 2020 at the latest and stocks are rebuilt to within precautionary levels quickly (within 5 years). Once F_{MSY} has been reached for any particular stock, exploitation should not exceed F_{MSY} for that stock.

The stakeholders who actively participated in the Public Consultation are representatives from fisheries organisations, scientists, environmental NGOs and administrations of Member States concerned by the plan. The vast majority of stakeholders and Member States concerned support Option 2 - a single mixed fishery plan for North Sea demersal fisheries. There is strong stakeholder support for this option because the new multi-annual plan will provide the framework for a flexible, regional, results-based management approach. There is broad consensus that the existing plans are not fit for purpose.

The preferred option (a single mixed fishery multi-annual plan for North Sea demersal fisheries) is much more effective in reaching any of the objectives of this initiative than Option 1 (Basic Regulation). The preferred option has positive environmental impacts compared to Option 1. On average, the economic and social impacts are also positive compared to Option 1. The positive environmental effects are further enhanced by the preferred sub-options "reaching F_{MSY} by 2020 at the latest" and "5 year recovery period". In concrete terms, the risk of stock collapse will be reduced and the average biomasses will be higher. Economically, on average, profitability will be increased, mostly due to reduced variable costs and due to availability of fishing resources. Socially, the administrative burden on SMEs will decrease and jobs will be preserved.

The preferred sub-options "reaching F_{MSY} by 2020" and "5 year recovery period" have no new economic and social costs.

The vast majority of the businesses in the North Sea demersal catching and processing sector are SMEs or micro-enterprises (98%). The current system imposes heavy economic cost on businesses and especially SMEs; those losses are being caused by overly-complex regulation and will be avoided in future (direct benefits of simplification). Sustainable exploitation will give higher profitability leading to improved economic performance. Fishermen will have more liberty to decide where and when to fish. All costs for implementation of the new CFP are eligible for financing under the European Maritime and Fisheries Fund.

Legislation will be simplified due to the withdrawal of the current management plans and replacement by one single plan. Stakeholder and Member States' involvement will be increased as the new plan makes the innovative, results-based instrument of regionalisation operational.

It is important that the policy be subject to a revision after 5 years and only after the full implementation of the landing obligation to take account of the impact that it may have on the coherence between the policy provisions and the CFP objectives.