Council of the European Union

Brussels, 30 May 2018
(OR. en)

9317/18
ADD 3

Interinstitutional File:
2018/0193 (COD)

PECHE 177
CODEC 850
IA 157

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	30 May 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2018) 280 final
Subject:	COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL Amending Council Regulation (EC) No 1224/2009, and amending Council Regulations (EC) No 768/2005, (EC) No 1967/2006, (EC) No 1005/2008, and Regulation (EU) No 2016/1139 of the European Parliament and of the Council as regards fisheries controls

Delegations will find attached document SWD(2018) 280 final.

Encl.: SWD(2018) 280 final

EUROPEAN
COMMISSION

Brussels, 30.5.2018
SWD(2018) 280 final

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT

Accompanying the document

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Amending Council Regulation (EC) No 1224/2009, and amending Council Regulations (EC) No 768/2005, (EC) No 1967/2006, (EC) No 1005/2008, and Regulation (EU) No 2016/1139 of the European Parliament and of the Council as regards fisheries controls

{COM(2018) 368 final} - {SEC(2018) 267 final} - {SWD(2018) 279 final}

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GLOSSARY

Discards	Legal unwanted catches returned to the sea during fishing operations, either dead or alive.
Fishing activities	Searching for fish, shooting, setting, towing, hauling of fishing gear, taking catch on board, transhipping, retaining on board, processing on board, transferring, caging, fattening and landing of fish and fishery products.
Fishing capacity	A vessel's tonnage in GT (gross tonnage) and its power in kW (kilowatt) as defined in Articles 4 and 5 of Council Regulation (EEC) No 2930/86.
Fishing effort	The product of the capacity and the activity of a fishing vessel; for a group of fishing vessels, it is the sum of the fishing effort of all vessels in the group; also the amount of fishing gear of a specific type used on the fishing grounds over a given unit of time (e.g. hours trawled per day, number of hooks set per day, or number of hauls of a seine per day).
Fishing mortality	An expression of the rate at which fish are removed from a stock by fishing (including fish discarded). It is approximately the stock annual removal expressed in percentage.
Fish stock	A marine biological resource that occurs in a given management area; also the living resources in the community or population from which catches are taken in a fishery. Use of the term fish stock usually implies that the particular population is more or less isolated from other stocks of the same species and hence self-sustaining.
Landing obligation	The obligation to land all catches in the respective fishery in accordance with Article 15 of Regulation (EU) 1380/2013 on the Common Fisheries Policy.
Maximum sustainable yield (MSY)	The highest theoretical equilibrium yield that can be continuously taken on average from a stock under existing average environmental conditions without significantly affecting the reproduction process.
Overfishing	A situation where a stock is subjected to a rate or level of fishing mortality that jeopardises the stock's capacity to produce the MSY on a continuing basis.
Regionalisation	The process by which Member States with a direct management interest for fisheries in a given geographical region organise themselves with the aim of agreeing on common conservation measures within EU waters (Article 18 of the CFP).
Spawning stock biomass	The total weight of all fish (both males and females) in the population that contribute to reproduction. Often defined as the biomass of all individuals beyond 'age/size at first maturity'.
Stock assessment	Quantitative study that leads to predictions of how stocks will respond under various management actions.
Traceability	In accordance with Article 58 of Regulation (EC) 1224/2009 on Fisheries Control all lots of fisheries and aquaculture products shall be traceable by means of identification tools (e.g. barcode, electronic chips) or physical documents at all stages of production, processing and distribution, from catching or harvesting to retail stage..

ACRONYMS

Term or acronym	*Meaning or definition*
ACs	Advisory Councils
BFT	Bluefin Tuna
CCTV	Closed-Circuit Television
CFP	Common Fisheries Policy
CIR	Control Implementing Regulation
CMO	Common Organisation of the Market in fishery and aquaculture products
CR	Control Regulation
EFCA	European Fisheries Control Agency
EMFF	European Maritime and Fisheries Fund
ERS	Electronic Reporting System
EU	European Union
FCS	Fisheries Control System
FTE	Full-time equivalent
GVA	Gross value added
ICT	Information and communications technology
IUU	Illegal, Unregulated and Unreported (Fishing)
LD	Landing declaration
LO	Landing obligation
MCA	Multi-Criteria Analysis
MS	Member States
NGO	Non-governmental organisation
REM	Remote electronic monitoring technology
RFMOs	Regional fisheries management organisations
SN	Sales notes
TD	Transport document
VMS	Vessel Monitoring System

1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

Rules only work if they are properly enforced. This also applies to the Common Fisheries Policy (CFP). Its ambitious objectives for healthy fish and eco-systems, a profitable industry, viable coastal communities and food security can only be achieved if Member States and the EU as a whole have a proper control and enforcement system in place that ensures that reliable, accurate and complete fisheries data are supplied on time, that Member States have the full control of their fleet, that measures are in place to allow effective controls of fisheries products in the supply chain and that ultimately a widespread culture of compliance allow fishing operators to compete fairly. A first-rate control and enforcement system is also essential for the sake of the reputation of the EU fleet and of the EU as a whole globally. As a global ocean actor and the world's fifth largest producer of seafood, the European Union has a compelling responsibility to protect, conserve and sustainably use the oceans and their resources. This is only possible if appropriate control rules exist and are correctly implemented and enforced.

A recent Commission REFIT evaluation[1], a special report of the European Court of Auditors[2] and a Resolution by the European Parliament[3] have all shown that the Fisheries Control System has its deficiencies and is overall not fit for purpose.

Several discussions and exchanges of view have taken place in the Council[4], in the Parliament, in the Administrative Board of the European Fisheries Control Agency (EFCA)[5], with Member States and with stakeholders since the publication of all these documents. Those discussions confirmed that there is unanimous agreement among the European Institutions and among direct stakeholders that the Fisheries Control System is not effective and efficient and that, as such, it is not entirely fit for purpose to sustain the achievements of the CFP objectives. Furthermore, shortcomings in the current regulatory framework were also identified by the REFIT Platform in June 2017 in its opinion on the submission by the Finnish Government Stakeholder survey on the control of EU fisheries[6].

Therefore, taking into account the multiple requests from other Institutions, Member States, EFCA and stakeholders, in June 2017 the Commission launched an initiative to revise the Fisheries Control System, with a view to ensure the proper functioning and implementation of the CFP. The initiative is also intended to provide the necessary legal basis to implement commitments recently taken by the Commission, and concerning in particular the fight against illegal fishing in the Joint Communication on Ocean Governance[7], as well as to complement and support the implementation of the European Strategy for Plastics in a Circular Economy[8]

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1 COM(2017) 192 final, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2017:192:FIN.
2 https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=41459.
3 http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2016-0407+0+DOC+XML+V0//EN.
4 Council Conclusions on Special Report No 8/2017 from the European Court of Auditors entitled: "EU Fisheries Controls: more efforts needed": http://data.consilium.europa.eu/doc/document/ST-13323-2017-INIT/en/pdf.
5 https://www.efca.europa.eu/sites/default/files/EFCA%20Evaluation%20-%20Issuing%20of%20Recommendations.pdf
6 https://ec.europa.eu/info/sites/info/files/xiv3acontrol_of_eu_fisheries.pdf
7 JOIN(2016) 49 final.
8 COM(2018) 28 final 16.01.2018

the Digital Single Market strategy[9] and the stronger and renewed strategic partnership with the EU's outermost regions[10].

A brief description of the CFP and its relation with the Fisheries Control System (FCS) is presented in Section 1.1, while Section 1.2 presents the FCS in detail, with particular emphasis on the Regulations covered by this Impact Assessment and that may be subject to amendments. To clarify possible synergies of this initiative with other policies areas, those are briefly presented in Section 1.3 and Section 1.4.

This impact assessment outlines the problems of the current framework, including their drivers and consequences, and sets the objectives. It also presents the main policy options and examines the potential impacts of these options from an environmental, social, economic and administrative viewpoint. The ultimate goal is to ensure that the policy decision is prepared in an open, transparent manner and with the best available knowledge. This impact assessment fulfils the requirements of the Better Regulation Guidelines of May 2015[11].

1.1. The Common Fisheries Policy

Fishing resources and fishing activities are regulated in the EU through the CFP. Designed to manage a common resource, the CFP gives all European fishing fleets equal access to EU waters and fishing grounds and allows fishermen to compete fairly. At the same time, it aims to ensure that fishing and aquaculture are environmentally, economically and socially sustainable, that they provide a source of healthy food for EU citizens and that fishing practices do not harm the ability of fish populations to reproduce.

While the CFP sets the principles and objectives for conserving marine biological resources and for managing European fishing fleets, its implementation is achieved through other legislative acts emanating from the CFP, which lay down conservation measures for specific stocks, fisheries or sea-basins (*e.g.* Multiannual Managements Plans for certain stocks or regions, gear restrictions, definition of maximum allowable catches or fishing efforts). The CFP and its conservation measures are supported by the FCS, to ensure that rules are properly followed and enforced and to promote a culture of compliance across the EU.

A schematic of the FCS and the relations between conservation and control measures is provided in Figure 1.

The CFP was first introduced in the 1970s and went through successive updates, the most recent of which led to the adoption of Regulation of the European Parliament and of the Council (EU) No 1380/2013[12], also referred to as "reformed CFP".

To this end, the reformed CFP stipulates that fish stocks should be managed in a way that allows them to reproduce at healthy levels in the long term[13]. It seeks to make fishing fleets more selective in what they catch, and to phase out the wasteful practice of discarding unwanted fish. This was achieved through the introduction of a so-called "landing obligation" (LO) or "discard ban", which entered into force in 2015 with gradual phasing in of stocks and

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9 SWD(2017) 155 final: Communication from the Commission to the European Parliament, the Council, the European Economic and Social committee and the Committee of the Regions: A Digital Single Market Strategy for Europe.

10 COM(2017) 623 final - http://ec.europa.eu/regional_policy/sources/policy/themes/outermost-regions/pdf/rup_2017/com_rup_partner_en.pdf.

11 COM(2015)111. Better Regulation Guidelines. Strasbourg, 19.05.2015.

12 Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy (OJ L 354, 28.12.2013).

13 To this end the CFP uses the concept to exploitation rate at the maximum sustainable yield (MSY), which shall be achieved by 2020 for all stocks.

full coverage in place by 1 January 2019. The landing obligation introduced by the reformed CFP represents a fundamental shift in the management approach to EU fisheries, which also requires a behavioural shift from the industry and a novel control perspective from the competent authorities to be successful. The 2013 reform also introduced for the first time objectives and provisions for the promotion of the CFP principles at international level (so-called external dimension of the CFP).

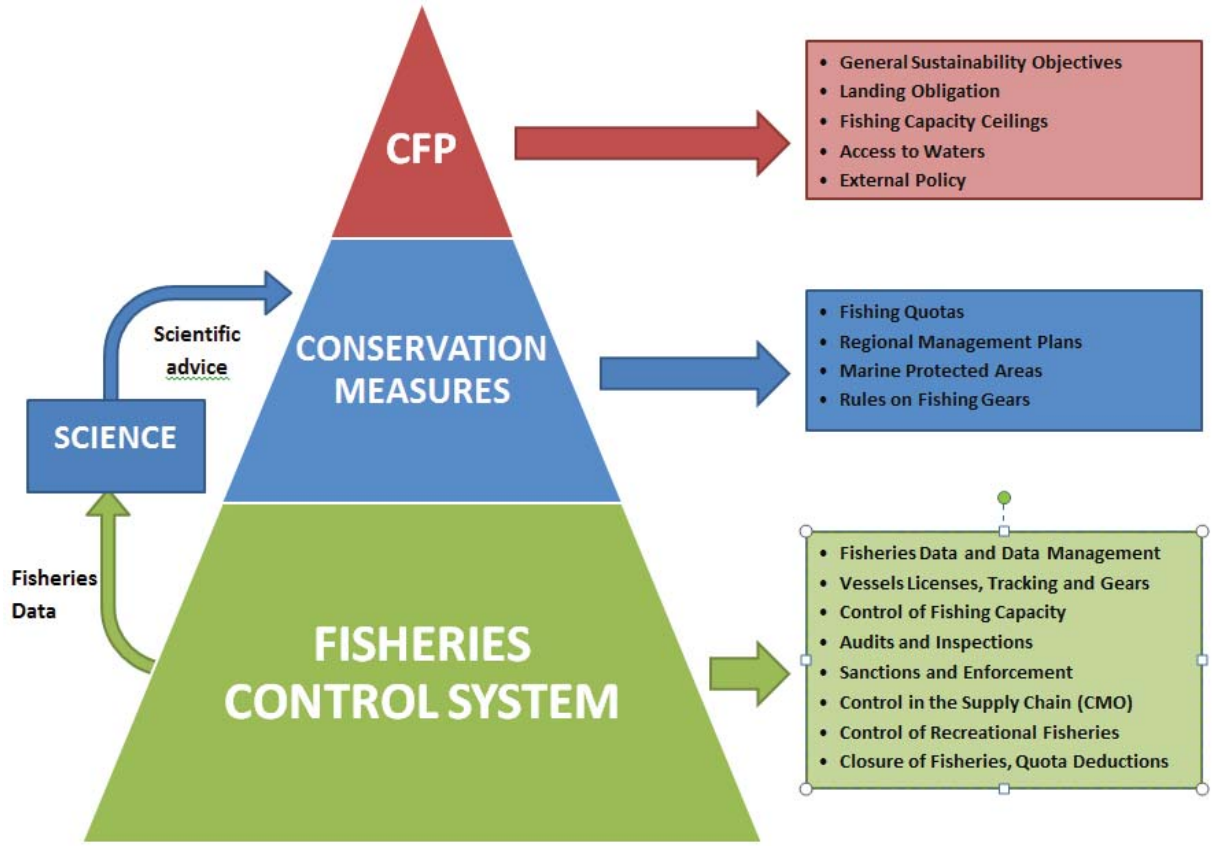

Figure 1: relations between the CFP, conservation measures and control measures

1.2. The Fisheries Control System

The FCS in place today is the result of a thorough reform prompted by a special report issued by the Court of Auditors in 2007, leading to the adoption or review of the following Regulations:

- Regulation establishing a Union control system for ensuring compliance with the rules of the CFP (Council Regulation (EC) No 1224/2009)[14] – hereafter "the Control Regulation";
- Regulation on Illegal, Unregulated and Unreported (IUU) Fishing (Council Regulation (EC) No 1005/2009)[15]- hereafter "the IUU Regulation";
- Regulation for on the sustainable management of external fleet (Regulation (EU) No 2017/2403)[16]; hereafter "the SMEF Regulation"

[14] Regulation (EC) No 1224/2009, OJ 343, 22.12.2009, p. 1.
[15] Regulation (EC) No 1005/2008, OJ L286 29.10.2008, p. 1.
[16] Regulation (EU) No 2017/2403 (OJ 347, 28.12.2017).

- Regulation establishing the European Fisheries Agency (Council Regulation (EC) No 768/2005)[17].

It should be noted that while these Regulations represent the four pillars of the Fisheries Control System, other control provisions are still nowadays present in a number of other legislative acts. A brief description of the Control Regulation, of the IUU and EFCA Regulation[18] as well as other legislative acts containing control provisions and which will be affected by this initiative is provided below.

1.2.1. The Control Regulation

The Control Regulation is the result of an in-depth reform that was completed in 2009, and which led to amending twelve Regulations and repealing another three. This Regulation lays down in its 134 Articles a very extensive set of rules, the objective of which is to ensure overall compliance with the CFP and its conservation measures. The Regulation provides obligations addressed to private operators (vessel owners, vessel masters, buyers, transporters), to Member States and to the Commission. The ultimate goals are to: 1) allow Member States to keep the fishing activities of their fleets and of third country fleets fishing in their waters under control; 2) ensure appropriate controls of fishery products in the supply chain, from the first sale to the retail sale; 3) make sure that each Member State puts in place a risk-based system for inspections and takes appropriate enforcement measures, such as sanctions and the assignment of points for serious infringements, to ensure compliance with the CFP ; 4) allow the Commission to keep the use by Member States of their fishing quotas under control and to take appropriate measures in case of non-compliance by Member States; 5) ensure that appropriate fisheries data are collected, recorded, validated and analysed, that they are available to the relevant users, not only for mere control purposes, but also to provide scientists with the necessary data sets for better and more reliable stock assessments.

The Regulation also empowers the Commission to conduct inspections, verifications and audits in the Member States to control and evaluate their application of the CFP and of the control rules.

The Control Regulation does not address the control of the landing obligation required by the reformed CFP.

The Commission Implementing Regulation (EU) No 404/2011[19] lays down further detailed rules for the implementation of the Control Regulation.

1.2.2. EFCA Founding Regulation

EFCA was created in 2005 with the primary objective of organising coordination and cooperation between national control and inspection activities and authorities so that the rules of the CFP and its control system are respected and applied effectively. To this end, the Agency organises the deployment of national human and material means of control and inspection pooled by Member States in Union and international waters as well as on land. EFCA can also carry out inspections, limited to international waters. EFCA also supports the European Union in the international dimension of the Common Fisheries Policy (CFP) through a series of activities encompassing training and support to the Commission in the fight against IUU activities and in international multilateral fora. The Agency, in cooperation

[17] Council Regulation (EC) No 768/2005 (OJ 128, 21.5.2005).

[18] The SMEF Regulation has just being revised and entered into force in 2018. The revision of the FCS as described in this impact assessment does therefore not cover this Regulation.

[19] Commission Implementing Regulation (EU) No 404/2011 (OJ L 112, 30.4.2011, p.1).

with the European Border and Coast Guard Agency and the European Maritime Safety Agency, each within its mandate, supports the national authorities carrying out coast guard functions[20].

1.2.3. The IUU Regulation

This Regulation establishes an EU system to prevent, deter and eliminate IUU fishing in EU and international waters. In order to achieve this goal, the Regulation introduced a "Catch Certification Scheme" to prohibit trade with the EU of fishery products stemming from IUU fishing, as well as a number of tools to facilitate communication and cooperation between the EU, Member States and third countries and to inspect third country fishing vessels in EU ports. The Regulation also works alongside the Control Regulation for the prosecution of serious infringements committed by EU and by third country fishing vessels.

1.2.4. Other fisheries legislative acts with control provisions

Despite the consolidation that took place with the 2009 reform, specific control provisions remain to date outside the legislative acts referred to above as "EU fisheries control system". This is particularly the case for Regulation (EC) No 1967/2006 concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea[21] (Mediterranean Regulation) and for Regulation (EU) No 2016/1139 establishing a multiannual plan for certain stocks in the Baltic Sea (Baltic Regulation[22]). While the Mediterranean Regulation contains provisions that are obsolete or are already partially covered by the Control Regulation, thus leading to difficult reading/interpretation, the Baltic Regulation introduced a number of derogations to the Control Regulation that would become obsolete in the context of the revision exercise as presented in this impact assessment. Targeted amendments to these Regulations are therefore presented in this initiative.

1.3. Other relevant fisheries policy elements: EMFF and CMO

The European Maritime and Fisheries Fund (EMFF) [23] and the Common Organisation of the Market commonly referred to as "CMO"[24] are the main fisheries legislative acts with direct links with the FCS. As they will be mentioned throughout this document they are for completeness also briefly presented.

The EMFF is the main supporting financial instrument to the CFP. It seeks to improve the social, economic and environmental sustainability of Europe’s seas and coasts by supporting local projects, businesses and communities on the ground. The EMFF allocated 580 M€ for control and enforcement in the period 2014-2020. Projects eligible for funding include data validation systems, purchase of control means (*e.g.* devices for the measurement of engine power), purchase, installation and development of technology, including computer hardware and software (e.g. CCTVs, ICT networks), catch certification schemes, tracking of vessels and electronic reporting systems, traceability and implementation of specific control and inspection programmes coordinated by the EFCA. The post-2020 EMFF is currently under development.

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20 EFCA Founding regulation was amended in 2016 for the establishment of a European Cooperation Function on Coast Guard [Regulation *(EU) 2016/1626 of the European Parliament and of the Council amending Council Regulation (EC) No 768/2005 establishing a Community Fisheries Control Agency* OJ L 251 16.9.2016 p. 80].

21 OJ L 409, 30.12.2006, p. 1.

22 OJ L 191, 15.7.2016, p/ 1.

23 Regulation (EU) No 508/2014, OJ 149, 20.5.2014, p.1.

24 Regulation (EU) No 1379/2013, OJ L 354, 28.12.2013, p.1.

The CMO is the basis for managing the market in fishery and aquaculture products. It regulates the organisation of the sector (producer organisations), marketing standards, consumer information rules, competition rules and market intelligence. The Control Regulation is relevant for the correct application of the CMO, insofar as it lays down a series of provisions for controls in the supply chain, including traceability provisions that are essential for fulfilling consumer information requirements.

1.4. Other relevant EU policies

As already mentioned in Section 1, the FCS is directly or indirectly related to other EU policies, such as environment and food and feed law, as well as recently adopted strategies such as the European Strategy for Plastics in a Circular Economy, the Digital Single Market strategy, the International Ocean Governance and the stronger and renewed strategic partnership with the EU's outermost regions. For clarity reasons a brief summary of those policies and their links with fisheries is given below. A detailed analysis on links and issues between these policies and the FCS is presented in Section 2.2.

1.4.1. EU environmental legislation

The Marine Strategy Framework Directive[25] aims to achieve or maintain a good environmental status in the marine environment by 2020. One of the measures to be implemented is the use of "spatial protection measures" contributing to the creation of coherent and representative networks of "marine protected areas". Those areas cover among others the so-called Natura 2000 network of protected marine territories established under the Habitats[26] and Birds[27] Directives. Marine Natura 2000 areas address pressures from fisheries and other activities, including by establishing the necessary fishery management measures, such as fishing restrictions, in order to meet the conservation objectives of the areas.

The European Strategy for Plastics in a Circular Economy aims at limiting plastic litter and better recycling it. Fishing gears lost or abandoned at sea are one of the sources of marine litter and through the Strategy the European Commission committed to develop measures for reducing the loss or abandonment of fishing gear at sea. The Control Regulation sets rules on gear retrieval and as such its revision can contribute to better reaching the objectives of the Strategy.

1.4.2. Food and feed safety

The general principles of food and feed law are outlined in the General Food Law Regulation[28]. They form a horizontal framework underpinning all Union and national measures relating to food and feed. They cover all stages of the production, processing and distribution of food and feed. The Food Law establishes that only safe food and feed can be placed on the Union market or fed to food-producing animals. It also establishes basic criteria for establishing whether a food or feed is safe. To this end, the Regulation defines traceability[29] provisions throughout the food chain and operators' responsibilities.

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25 Directive 2008/56/EC, OJ L 164, 25.6.2008, p. 19.
26 Directive 92/43/EEC, OJ L 206, 22.7.1992, p. 7.
27 Directive 2009/147/EC, OJ L 20, 26.1.2010, p. 7.
28 Regulation (EC) No 178/2002, OJ L 31, 1.2.2002, p. 1.
29 The Food Law defines traceability as the ability to trace and follow food, feed, and ingredients through all stages of production, processing and distribution.

1.4.3. Digital Single Market Strategy

One of the Commission's ten priorities put forward by President Juncker is to remove barriers to a digital single market in Europe. A Digital Single Market Strategy was therefore published by the European Commission in 2015 to reduce existing barriers which presently limit businesses and governments from fully benefit from digital tools. The Commission also undertook steps to promote interoperable electronic technologies, by adopting an Implementation Strategy for a European Interoperability Framework[30]. The good functioning of the FCS is based on the collection, recording, transmission, processing and exchange of large volumes of data. However the current system is still largely paper-based, thus not taking advantage of new and more efficient digital solutions. The exchange of data among the various actors is thus sub-optimal, calling for better integration and new interoperable solutions.

1.4.4. International Ocean Governance Agenda

The Joint Communication on international ocean governance builds on a widely shared understanding that the ocean governance framework needs to be strengthened, that pressures on the oceans need to be reduced and that the world's oceans must be used sustainably. It also stresses that a better understanding about the oceans is necessary to achieve these objectives. The Communication lays down a series of actions, among which action 7 'Fighting illegal fishing and strengthening the sustainable management of ocean food resources globally', through which the Commission committed to strengthen action on IUU fishing by improving current systems and supporting Member States in ensuring efficient controls through the development of electronic tools.

1.4.5. Strategic partnership with the EU's outermost regions

Despite the progress that they have made over the years, the outermost regions continue to face serious challenges, which are further amplified by globalisation and by climate change. Their development is fragile. In 2017 the Commission committed to pursue its efforts and further maximise the potential of the outermost regions, including on the so-called blue economy, and called the Member States to step up the collection of scientific data concerning fisheries and adopt possible conservation measures and restrictions. Given the fisheries data stemming from the Control Regulation are a critical source of input for scientists and that control underpins the effective implementation of conservation measures, the revision of the FCS is also relevant in the context of this strategic partnership.

Figure 2 below summarises the links between the policies described above and the Fisheries Control System, relevant issues are further presented in Section 2.

[30] COM(2017) 134 Final.

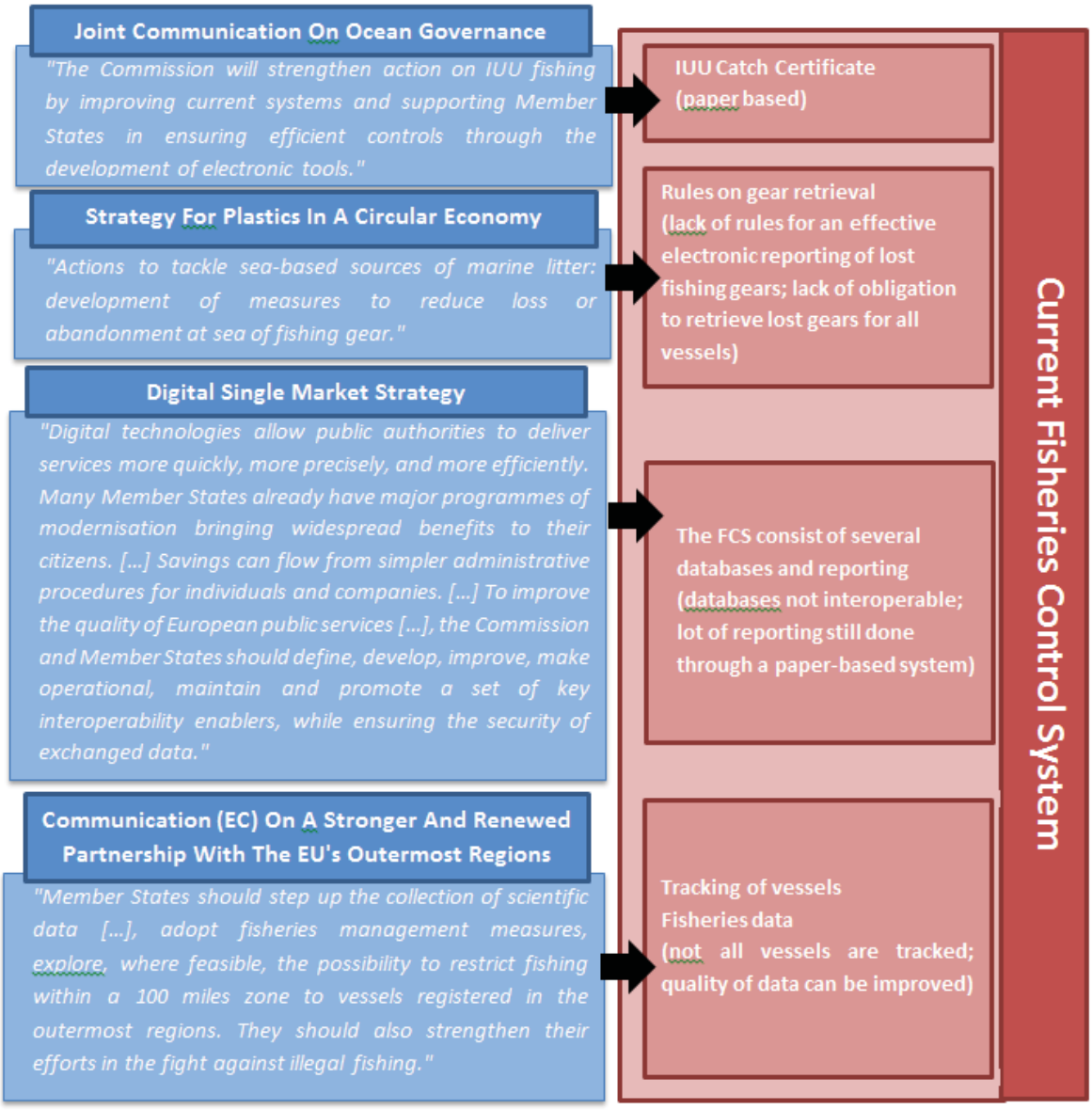

Figure 2: Links between recently adopted EU policies *versus* the FCS and relevant issues.

2. PROBLEM DEFINITION

2.1. What is/are the problems?

An effective and efficient fisheries control system, which is able to address and prevent instances of IUU fishing and to enhance a culture of compliance across the EU, its Member States and fleets, is essential for the fulfilment of the CFP principles and its objectives. It is also essential for the credibility of the EU and of its fisheries policy at international level.

Two main problems have been identified:

1. The current EU FCS was designed prior to the reformed CFP and as such it is **not coherent** with it. Notably, the "landing obligation" introduced by the reformed CFP, requiring fishermen to phase out the wasteful practice of discards at sea, has not yet been complemented by corresponding EU measures to ensure its control and enforcement. The

lack of effective control provisions on this essential pillar of the CFP is putting at risk the effective implementation of the whole EU Fisheries Policy;

2. The current FCS reflects control strategies, methodologies and challenges **of more than 10 years ago**, and it is not equipped to effectively address current and future needs in terms of fisheries data and fleet control, to match the constant evolution of fishing practices and techniques and to take advantage of modern and more cost-effective control technologies and data exchange systems. The current system also does not reflect new and modern EU policies recently adopted, such as the plastic strategy, the digital single market strategy, and the international ocean governance. The existing numerous derogations and exemptions at national level are not only an obstacle to effective controls but also constitute a burden for fishermen and supply chain businesses operating in different Member States. Last but not least, the current system does not effectively promote a culture of compliance and significant loopholes have emerged in the implementation of current enforcement rules, which warrant their revision.

As a result of the above, the current system lacks effectiveness and efficiency. As already stated in Section 1, this was broadly highlighted by the four European Institutions (the European Commission, the Council, the European Parliament, and the Court of Auditors), which recently published a series of reports, evaluations and conclusions pointing at the need to revise the framework. Member States and stakeholders[31] also repeatedly called for action, recognising that the current system is not fit for purpose.

The drivers of the problems mentioned above are analysed in detail in Section 2. For simplicity of presentation they have been grouped as follows:

- Lack of measures to control new provisions of the reformed CFP and lack of synergies with other policies;
- Complexity of the legislative framework and ambiguity of legal provisions;
- Inadequate provisions for fisheries data;
- Enforcement rules not deterrent enough.

2.2. What are the problem drivers?

2.2.1. Lack of measures to control new provisions of the reformed CFP and lack of synergies with other policies

Both the Control and the EFCA Founding Regulations were adopted[32] before the current CFP and have never been aligned to its new principles and key provisions.

As mentioned in Section 1.1 one of the most important elements introduced for the first time in 2013 in the reformed CFP to reduce overfishing and promote innovation and more selectivity is the **LO**. A summary of the volume of catches covered by the LO as per 2017 is provided in Table 1.

[31] The position of the different stakeholders on the implementation of the Control Regulation, its effectiveness and efficiency is summarised in the Consultation: Evaluation of the fisheries control regulation, summary report of the results.

[32] The major amendment of EFCA Founding Regulation dates to 2009 when it was revised through the Control Regulation to comply with the new provisions in this new legislative act. It was again amended in 2016 but the amendment was limited to the establishment of a European Cooperation on Coast Guard functions (Regulation *(EU) 2016/1626 of the European Parliament and of the Council amending Council Regulation (EC) No 768/2005 establishing a Community Fisheries Control Agency*, OJ L 251 16.9.2016 p. 80).

Volume under LO per seabasin

	Total TAC 2017	Volume of TAC under LO	% under LO
Total	3,807,970	3,281,504	86%
Baltic Sea	697,390	697,390	100%
North Sea	1,537,721	1,257,929	82%
North Western Waters	1,244,440	1,071,749	86%
South Western Waters	328,419	254,435	77%
Black Sea	11,561	11,561	100%

Volume of demersal stocks under LO per seabasin

	Total demersal TAC	Total demersal volume under LO (t)	% unnder LO
Total	825,181	317,146	38%
North Sea	387,830	108,368	28%
North Western Waters	304,102	140,017	46%
South WesternWaters	88,454	23,965	27%
Baltic Sea	44,795	44,795	100%
Black Sea	86,4	86,4	100%

Mediterranean Sea: volume under LO (species with MCRS)

	Total reported landings (tonnes)	Volume of landings under LO	% under LO
Small pelagic species	279.766	230.249	82%
Demersal species	280.069	15.403	5%
Molluscs	204.633	24.774	12%
Others	180.763	0	0%
Total	**945.231**	**270.426**	**29%**

Table 1 Stocks covered by the landing obligation in 2017[33]

In this respect, the main shortcoming identified in the Control Regulation by the REFIT evaluation is the absence of measures empowering Member States to effectively control the LO. The level of proof required to prosecute beyond reasonable doubt suspected or observed discarding events is practically impossible to obtain using traditional means of control, such as aerial surveillance, inspections at sea or inspections at landing. Remote electronic monitoring technology (REM) incorporating closed-circuit television (CCTV) have demonstrated the potential to be an effective means to ensure control and enforcement of the landing obligation and provide a deterrent to illegal discarding. However, for those measures to be applied, Member States would require targeted mandatory provisions to be laid down in the Control Regulation.

The CFP also sets so-called **fishing capacity ceilings** for Member States by limiting both the total engine power and the gross tonnage of their fleets. The Control Regulation lays down a series of provisions to ensure that those parameters are checked, but experience showed that

[33] SWD(2017) 256 final.

current verifications do not prevent possible manipulations of the engines, resulting in potential under-reporting of fishing capacity and thus in Member States possibly exceeding their capacity ceilings in the CFP.

Concerning **EFCA's Founding Regulation**, the recent second five-year external evaluation of the Agency highlighted important mismatches between the mandate of the Agency and the new CFP priorities and objectives. This led EFCA's Administrative Board to issue a number of recommendations in June last year, calling for the Commission to align the Agency's mandate with the new CFP, and notably the landing obligation and the external dimension of the CFP. Also, the EFCA's founding act is not aligned with the Common approach on decentralised agencies[34].

Critical lacks of synergies with **other policies** were also identified by the REFIT evaluation, and highlighted by stakeholders.

First, the Control Regulation does not allow Member States to effectively control fishing activities in marine protected areas under the **Natura 2000 network** and in other spatial conservation areas such as those established under **Article 11[35] of the CFP** and **Article 4[36] of the Mediterranean Regulation**. The number and extension of those areas has been increasing over recent years and this positive trend is expected to continue. It is therefore important to urgently address the lack of measures available to Member States to properly monitor and control fishing activities in areas subject to special conditions for environmental concerns. Also the Control Regulation could support the new European Strategy for Plastics with improved measures regarding the retrieval of fishing gears.

Secondly, the Control Regulation is not aligned with the general principles (traceability, cooperation rules, responsibility of operators) laid down in the **food law**. This creates confusion and poses problems to the authorities when enforcing the fishery and the food control legislations.

The current FCS remains a complex and cumbersome system, still largely based on paper-data, and as such not in line with the Digital Single Market Strategy.

Last, but not least, another major issue is constituted by the provisions in the **IUU Regulation** on the so-called "Catch Certificate". The EU depends heavily on imports of fish products to satisfy its demand, as they provide about two thirds of the supply to the EU market (2015). Products imported into the EU market have to be accompanied by a paper Catch Certificate. This document only accompanies the product until customs, where it is used to clear the consignment and to allow it to be placed on the EU market. The transmission of the Catch Certificate is only made between operators on a voluntary basis, when further steps in the supply chain request this document or information included therein. The risk that products sold on the EU market stem from IUU fishing activities is a growing concern in the supply chain. On top of depleting stocks, IUU fishing causes reputational damage in the eye of consumers that affects all economic operators, regardless of whether they are engaged in these activities or supply their products from IUU sources or not. Thus, the possibility that products stemming from IUU fishing may enter the EU market poses a reputational risk for all actors involved in the EU supply chain for fish products, even more so given the high EU

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34 Joint Statement of the European Parliament, the Council of the EU and the European Commission on decentralised agencies (https://europa.eu/european-union/sites/europaeu/files/docs/body/joint_statement_and_common_approach_2012_en.pdf).

35 Conservation measures necessary for compliance with obligations under Union environmental legislation.

36 Protected habitats.

dependency on imports. The current Catch Certificate is based on an inefficient and obsolete paper-based system, which not only prevents efficient fraud detection but results in a huge administrative burden for national competent authorities, for EFCA and for the Commission. Digitising the catch certificate would require a targeted modification of the IUU Regulation and would have multiple benefits in terms of the capacity to provide assurance on imports, notably:

– it would allow the information to be integrated within the EU traceability system required by the Control Regulation, thus making sure that information would be readily available at all stages of the supply chain thereby speeding up transactions between economic operators;
– it would reduce the risk of fraudulent information being entered at the source or of document falsification;
– it would allow customs authorities to exchange information on imports in a more effective manner, thereby strengthening the EU control capacity.

These benefits would have trickle down effects on the EU market. The risk of IUU products entering the EU market would be drastically reduced, thereby reducing the reputational risk for economic operators in the sector and allowing them to maintain the high level of consumer trust they enjoy at present.

It should be also noted that digitising the catch certificate will allow implementation of the Action 7 'Fighting illegal fishing and strengthening the sustainable management of ocean food resources globally' as stated in the International ocean governance agenda, and reported in Section 1.

2.2.2. Complexity of the legislative framework and ambiguity of legal provisions

The current Control Regulation is the result of a thorough reform, which consolidated in one single legal act control provisions which were previously scattered among 23 different Regulations. Although this exercise constituted an important step forward towards simplification, harmonisation and better coherence, the system remains complex and **provisions are often unclear and open to different interpretations**. This negatively affects the effective enforcement of rules by the control and judicial authorities of Member States. It also impacts operators, in that they do not have certainty and predictability as to the legal consequences of their actions.

Furthermore, despite the consolidation attempt of the 2009 reform, a number of **control provisions remain scattered in various Regulations**, namely the Mediterranean Regulation and the Multiannual Plan for the Baltic Sea. Some of those provisions are obsolete, while others derogate from the Control Regulation provisions in the sea-basin where they apply. This creates unbalanced and discriminatory treatment of fishermen across the EU, which is contrary to the spirit and *raison-d'être* of an EU Fisheries Control System.

Supply chain operators and fishermen also complained about the rigidity of the current legal framework and about certain rules that do not correspond to the current state-of-the-art methods of control, while Member States pointed at the unnecessary administrative burden created by **multiple reporting obligations** (as Flag State, Coastal State, State of sale) **and by sometimes unnecessary reporting provisions**.

The control of fishing activities at EU level requires substantial and continuous data and information exchange among the different players (operators to Member States, between Member States, the Commission, and EFCA). The **exchange of all this data remains**

cumbersome and inefficient, often requiring multiple reporting and ICT systems to be used. While the Commission is developing an integrated Fisheries Data Management programme, which takes a holistic approach replacing the existing patchwork of data management methods by a coherent and efficient new concept, its effectiveness is hampered by the obsolete provisions in the Control Regulation imposing direct exchange of data between Member States. According to current practices the central node of the Commission is used simply as a system for dispatching messages coming from Member States, while no retention of data is legally possible. To obtain such data the Commission has to address a specific query to the Members State or it is given the possibility to download them manually or automatically from Member States databases. An example of the complexity of data exchange requirements for a typical case of fisheries activities is presented in Figure 3.

Such a system not only results in excessive administrative burden for the Member States and the Commission, but also represents a waste of tax-payers' money for the development and use of multiple ICT tools[37].

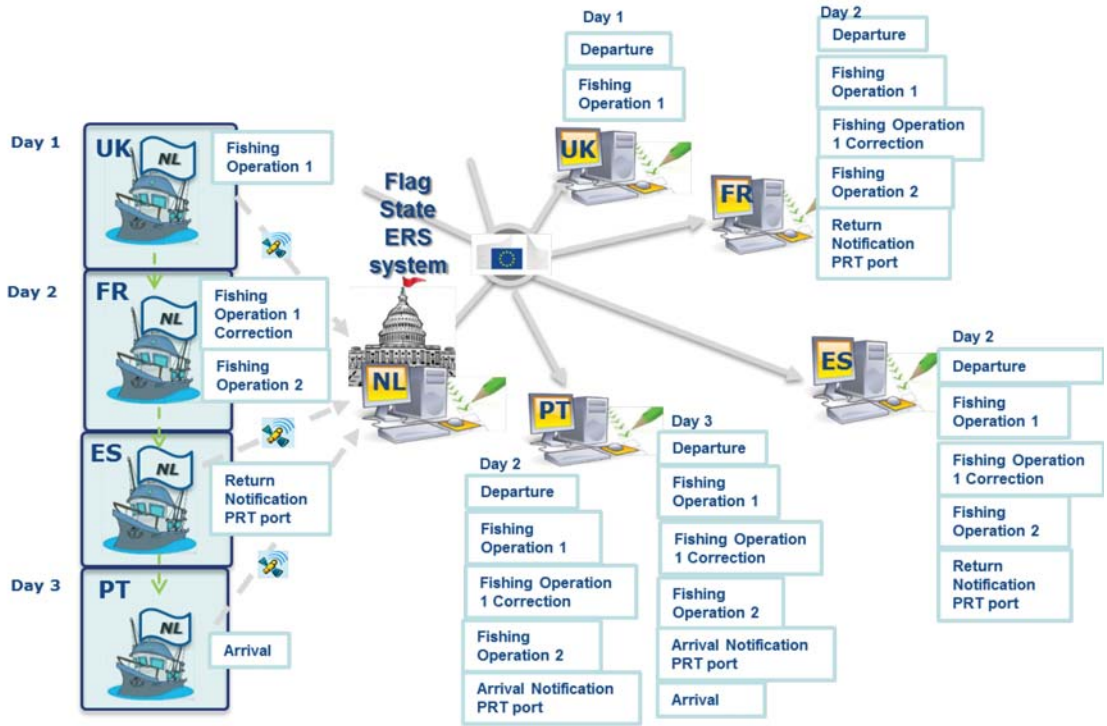

Figure 3: Example of a workflow fishing activity report. Dutch vessel fishing in English, French, and Spanish waters and landing in Portugal.

The current control system also requires the **co-existence of various national electronic databases** (such as, for instance, the electronic database for inspection and surveillance reports, the electronic database containing the list of all fishing licences and fishing authorisations, the vessel monitoring system computer files recorded by its fisheries monitoring centre). While the Commission should have permanent access to those databases, *de facto* it was only provided with such access by a few Member States. Again the Commission has to make specific queries to obtain information. This situation is not only inefficient and creating unnecessary administrative burden, but it also lacks effectiveness

[37] ICT expenditures for Member States are reimbursed by the Union through the EMFF. There have been cases where the same company developed a software and sold it to different Member States, so in practice the same development has been reimbursed several time by the EU.

insofar as it does not allow the Commission to have a clear picture on the status of fisheries control in the various Member States.

The Control Regulation contains provisions for the full traceability of fisheries and aquaculture products from catch to the retail stage. Stakeholders and Member States consider that **traceability** is not effective, and the REFIT evaluation confirmed that implementation across Member States is inconsistent.

The Control Regulation introduced the obligation to ensure traceability for all fishery and aquaculture products sold in the EU market, leaving to each Member State the task of defining its set-up, but **without ensuring interoperability between Member States' systems**. The seamless circulation of goods within the internal market is particularly important in the case of fish products, since intra-EU exchanges make up for half of overall EU trade of this commodity, despite the EU's heavy reliance on imports. This means that the flows within the EU market tend to add value to the raw material, and thereby to create economic benefits. By removing the barriers that an incomplete, non-interoperable traceability system poses, an EU-wide traceability system will therefore help to strengthen the internal market and increase economic prosperity within the EU.

Other problems for the effective control of the supply chain are the lack of clarity on responsibilities and accountability of business operators, the lack of legal basis for electronic traceability systems and the fact that the current system is exclusively designed for EU fishery products, and does not allow the use of certain data on imported fishery products from third countries (Figure 4).

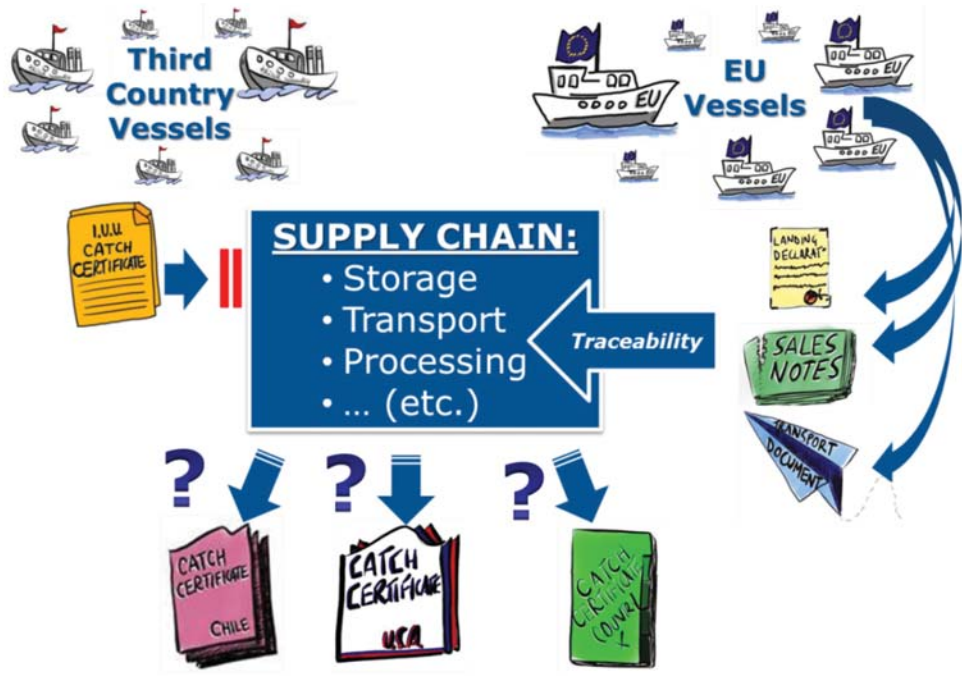

Figure 4: Documentation requirements for the trade of fisheries products and controls in the supply chain.

2.2.3. Inadequate provisions for fisheries data

Fisheries data, and in particular catch data, are the metric by which fishery managers monitor the progression of a fishery. Accurate, effective and timely reporting mechanisms are critical to support this monitoring process. Catch data are needed to make informed management adjustments, such as adjusting catch limits, quotas, granting or withdrawing licences or closing the fishery as needed, to prevent exceeding catch limits.
Flaws in the data reporting process also erodes the quality of the fish stock assessment and hence of the scientific advice for the management of the fishery. Compromised scientific advice may impede the effective management of the resource and jeopardise future harvest and thus fleets profitability. Proper fisheries data backing a sound scientific advice is of great importance especially in the Mediterranean, where currently the status of the majority of stocks remains unknown, with only 35 fish stocks currently subject to scientific advice, and where even the total number of fish stock is today unknown.

Fisheries data recording, monitoring and submission as provided for in the Control Regulation are affected by several drawbacks and important limitations, which inevitably affect the quality of those data and ultimately compromise sound management decisions at national, EU and also international level.

The main drivers are to be found in the **numerous exemptions and derogations**, notably for **certain categories of vessels**, as well as for **recreational fisheries**[38], which are currently exempted from providing fisheries data.

In addition, there is no obligation to report catches below 50 kg for all vessels. Only this derogation, mostly relevant for small vessels, could leave unaccounted today up to **350.000 t** of fish.. Since the small scale coastal fleet in the Mediterranean represent 57% of the total small scale coastal fleet, accounting for 63% of the fishing effort and 22% of the value of landings., up to 180,000 t might remain undeclared in the Mediterranean, i.e. over 4 times the reported ones.

Provisions for the submission of fisheries data for vessels below 10 m have proved to be highly ineffective and catch data for this category of vessels are largely unaccounted for. Furthermore, reporting for small vessels between 10 and 12 m is still largely paper based, as provided by current derogations, despite the existence and accessibility of more modern and cost-efficient electronic reporting tools. This has a huge impact on national authorities as data received from paper sources must be entered into their databases manually and subsequently transmitted to the European Commission for monitoring the quota consumptions. Furthermore, manual typing increases the chances of mistakes, which, together with the exemptions for vessels below 10 m, seriously undermine the completeness and accuracy of fisheries data at EU level[39].

The **lack of minimum control measures for recreational fisheries** is the root cause of what can be considered today a considerable and unacceptable information gap, both on the exact pool of participants in those fisheries (number of vessels, number of fishermen) and on relevant catch data. Recreational fishing has been on the rise in EU Member States. There are an estimated 8 to 10 million recreational fishermen in Europe spread across the various Member States and sea basins, with the UK, France, Italy and Norway showing the largest numbers (750,000-1.5 million). This number has grown throughout the years and is likely

[38] Recreational fishing activities encompass all activities for which placing on the market of catches is not allowed. This includes recreational and sport fishing, angling and subsistence fishing.
[39] Overall 70713 EU vessels are below 12m, of which 65333 are smaller than 10m.

continue to do so. The growing number of recreational fishermen is a matter of concern as it has a direct and increasing impact on fish stocks, including on commercial ones subject to catch limits. Although there is generally a lack of data when it comes to recreational fishing, recent studies and estimates show large numbers of catches for certain important stocks. For example, scientists estimated that for 2017 the volume of catches for seabass in the Atlantic by EU recreational fishermen largely exceeds that of commercial ones. The situation for Eastern Baltic cod is similar, while data are lacking on several other stocks and sea basins. From the point of view of the health of stocks whether catches are for commercial or recreational purposes is irrelevant, as both amount to removing fish from the sea, which increases fishing mortality and reduces biomass for reproduction. However, because catches from recreational fisheries are largely unaccounted for, their exclusion slows down environmental recovery and delays achieving the full economic and social benefits from a situation of generalised fishing at sustainable levels.

Finally, due to exemptions and derogations related to **weighing of catches after landing**, each quantity of each species landed is not always correctly accounted for and the results are not always recorded in mandatory catch registration documents. This not only undermines the legality of the fishing activities but also jeopardises quota uptake monitoring.

2.2.4. Enforcement rules not deterrent enough

The whole **enforcement system[40] is to a large extent unclear, with provisions scattered** between the Control Regulation and the IUU Regulation. This is a major drawback and source of confusion for the Member States, who strongly called for a more streamlined system. In addition, the lack of clear and harmonised rules on sanctions for infringements of the CFP rules[41] led to a situation where not only the levels of sanctions are substantially different from one Member State to another, but where the same type of infringement can be punished in very different ways (e.g. administrative fines, withdrawal of licence, points assigned or even criminal proceedings), depending on the Member State identifying it. In certain cases, whereas in one Member State the same infringement can lead to prosecution, it will not be prosecuted at all in another Member State. Some of those divergences in handling are down to the inevitable differences in the national judicial systems. Others are due to the fact that current rules are so designed that unequal treatment of fishermen across the EU will continue to perpetrate. Such inequality of treatment runs counter to the very *raison d'être* of the CFP and undermines the basis for establishing a solid culture of compliance across the EU. Furthermore, when the sanction does not ensure that, as a minimum, the perpetrator is deprived of the economic benefits of the illegal activity, recidivism is significant, resulting in a negative impact on the environmental resources and ultimately on the society.

Also, the **point system [42]for serious infringements is not uniformly applied** by Member States. This is due to the lack of standard definitions of serious offences to the rules of the CFP, and to the fact that the criteria for defining serious infringements are to a large extent at the discretion of Member States[43]. The rules on the point system also lack clarity on several

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40 See Annex 7, paragraph 1 for a short description of the enforcement system.

41 The applicable EU standard in this respect being the general requirement for effective, proportionate and dissuasive sanctions, leaving the type and level of sanctions entirely to the Member State.

42 The Control Regulation foresees a point system for serious infringements on the basis of which a fishing licence should be suspended or even withdrawn if a certain number of points have been attributed to the holder of a fishing licence following the detection of a serious infringement.

43 From Art (90.1) "the gravity of the infringement […] shall be determined by the competent authority of the Member State, taking into account criteria such as the nature of the damage, its value, the economic situation of the offender and the extent of the infringement or its repetition".

aspects: *e.g.* it is not clear whether points are applicable to the licence holder in a case where the serious infringement concerns an obligation addressed to the master of the vessel. The scope of application of the point system for masters is not clear either, and, unlike the point systems for licence holders, the definition of this system - including the number of points to be attributed - is left entirely to Member States.

The penalty points system introduced for serious infringements was supposed to lead to a better and more harmonised enforcement of the CFP rules. However, it is now apparent that the system in place, which was designed more than 10 year ago, is not fit for purpose. Since the point system is not applied with equal criteria by Member States, fishermen are allocated different points for the same infringement depending on where this is committed, exacerbating unfair competition and inequality between fishermen.

Another critical problem is the fact that Member States, but also the Commission, have no direct access to infringements identified and prosecuted in other Member States. This is a serious drawback for the effective management and control of Member States' fleets (e.g. a typical case is that of a Member State where the catch is landed detecting an infringement for a vessel flying the flag of another Member State, the latter however not always being informed). This is due to the fact that the transmission of information relating to inspections and infringements between Member States is not mandatory.

Figure 5 below provides a schematic overview of the existing problem, their drivers and consequences, which are presented in greater detail in the following paragraphs.

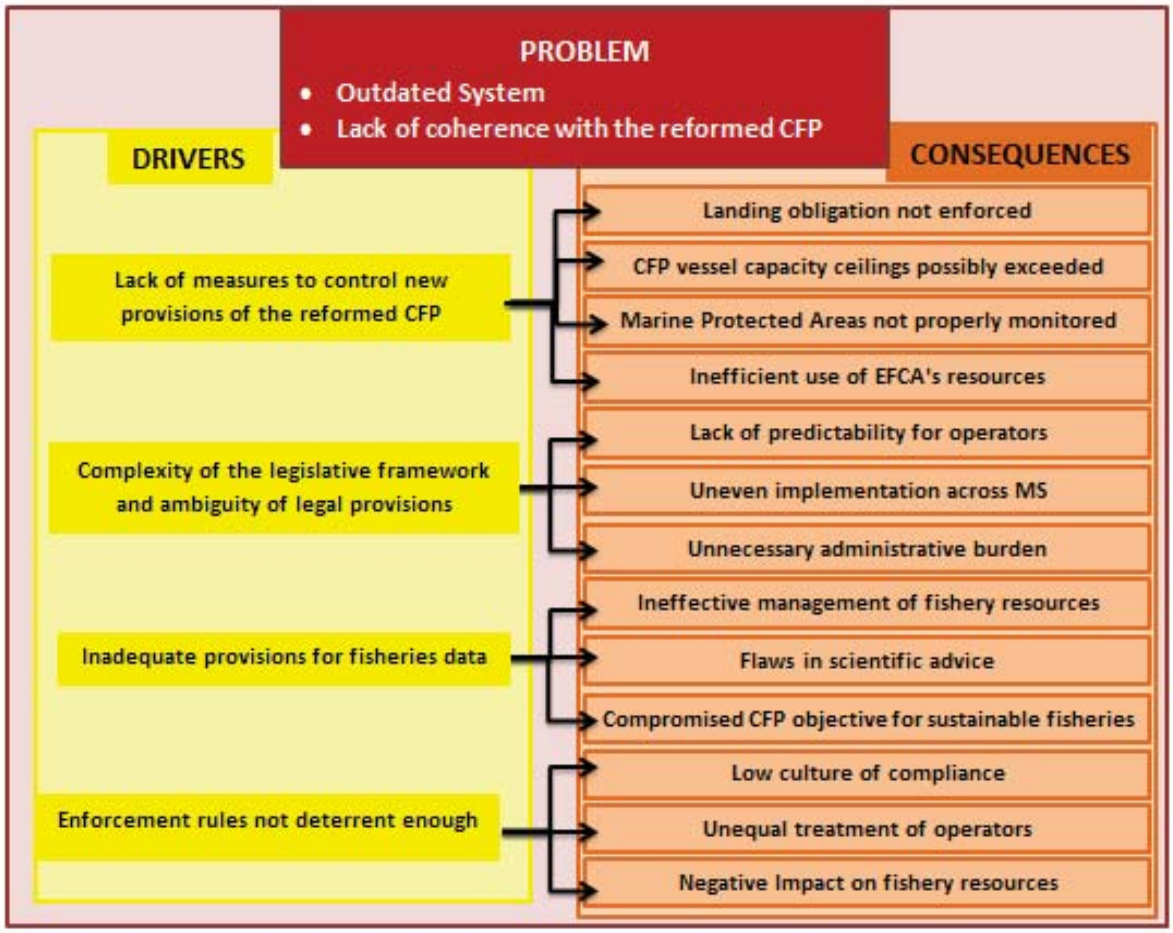

Figure 5: Schematic overview of the existing problems (red box), their drivers (yellow boxes) and consequences (orange boxes) in fisheries control.

2.3. How will the problem evolve?

Without addressing the regulatory failures which characterise the current legal framework, little can be done to improve the effectiveness and the efficiency of the current system. Both the REFIT evaluation carried out by the Commission and the recent recommendations of the European Court of Auditors are clear in this respect and there was broad consensus among stakeholders.

By fully implementing existing rules, including derogations and exemptions, most issues could be only partially addressed. However, this would require imposing on Member States to pursue the implementation of provisions which are often obsolete and largely inefficient, which are neither aligned with current available technologies nor state-of-the-art (e.g. digital systems for data recording and transmission) and which will eventually entail major investments without bringing the expected benefits.

The main negative outcomes of not properly addressing the problems identified would encompass the following areas:

- **Compliance with the CFP and fulfilment of CFP objectives**: If the current control system is not adapted to the reformed CFP and is not properly modernised, there is a very high risk of undermining the objectives of the CFP itself and its very *raison d'être*. Notably, the landing obligation introduced by the reformed CFP would remain without proper control means and provisions. If compliance with the CFP is not ensured, the international reputation and credibility of the EU will also be affected in bilateral and multilateral fora.

- **Administrative burden and costs**: The complexity of the current system will continue to be a serious issue. Administrative procedures and requirements that are largely inefficient and often useless, that could be replaced by more effective and efficient means, would remain in place as required by the legislation. Once more, this will have negative repercussions as costs will be borne by Member States, tax-payers and operators. It will also negatively impact the image and credibility of the European Institutions, which would be seen as responsible for imposing obsolete, burdensome and anachronistic provisions.

- **Fisheries Data**: The current limitations in the recording, transmission, sharing and processing of fisheries data can only be overcome to a limited extent. Major investments and efforts will be necessary to possibly improve the quantity of data for small vessels, but their quality and reliability will remain weak. Data from recreational fisheries will remain largely unavailable, if not totally unknown, to the detriment of scientific advice and of decision-making for more sustainable fish stocks. Member States will continue to experience major hurdles in the exchange of data for their vessels and operators and would not benefit from centralised systems for the sharing of data and of information. Overall, this will have a negative impact on the ability of Member States to take action, to ensure better controls and to enforce the rules.

- **Culture of compliance and equal treatment of fishermen**: One of the main objectives of having a common control system at EU level is to ensure that fishermen and operators are treated fairly and equally. This is yet to be achieved and current rules, even if their implementation is stretched to the maximum, contain structural and important limitations which hinder the achievement of a level-playing field. This has in turn negative implications for an accrued culture of compliance which will be difficult to promote if equal treatment is not ensured and if conditions for unfair competition are not redressed.

3. WHY SHOULD THE EU ACT?

3.1. Legal basis

The legal basis for this initiative is provided in Article 3(d) of the Treaty.

3.2. Subsidiarity: Necessity of EU action

The CFP and its control is an area of **exclusive EU competence** pursuant to Article 3(d) of the Treaty and therefore the subsidiarity principle does not apply.

3.3. Subsidiarity: Added value of EU action

The EU added value of the policy intervention is recognised by all stakeholders, as well as by the European Institutions and Member States, which strongly agreed that EU intervention is essential in adding value compared to possible diversified national approaches and in guaranteeing a proper control and management of shared resources. In prescribing a harmonised and common framework for the control of CFP measures, and in defining harmonised inspection and control standards, the Control Regulation contributes to create a level playing field across the EU and hence to improve the culture of compliance with CFP rules.

4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

4.1. General objectives

The main objectives of this initiative are making the Union fisheries control system more effective and efficient and ensuring full compliance with the reformed CFP.

The objectives of the CFP are listed in Article 2 of Regulation (EU) No 1380/2013, and are reported below for clarity:

- *The CFP shall ensure that fishing […] activities are environmentally sustainable in the long-term and are managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies.*
- *The CFP shall apply the precautionary approach to fisheries management, and shall aim to ensure that exploitation of living marine biological resources restores and maintains populations of harvested species above levels which can produce the maximum sustainable yield […] by 2015 where possible and, on a progressive, incremental basis at the latest by 2020 for all stocks.*
- *The CFP shall contribute to the collection of scientific data.*
- *The CFP shall:*
  - *gradually eliminate discards […] by avoiding and reducing, as far as possible, unwanted catches, and by gradually ensuring that catches are landed;*
  - *provide conditions for economically viable and competitive fishing capture industry;*
  - *provide for measures to adjust the fishing capacity of the fleets to levels of fishing opportunities […];*

- *contribute to an efficient and transparent internal market for fisheries and aquaculture products and contribute to ensuring a level–playing field for fisheries and aquaculture products marketed in the Union;*
- *promote coastal fishing activities, taking into account socio- economic aspects;*
- *be coherent with the Union environmental legislation […], as well as with other Union policies.*

4.2. Specific objectives

The specific objectives of this initiative are as follows:

- Remove obstacles that hinder the development of a culture of compliance and the equitable treatment of operators within and across Member States;
- Simplify the legislative framework and reduce administrative burden;
- Improve availability, reliability and completeness of fisheries data and information, in particular of catch data, which are key to monitor and deliver on the CFP objectives and allow exchange and sharing of information;
- Bridge the gaps with the CFP and with other EU policies.

The general and specific objectives and their relation with the identified problems are presented in Figure 6.

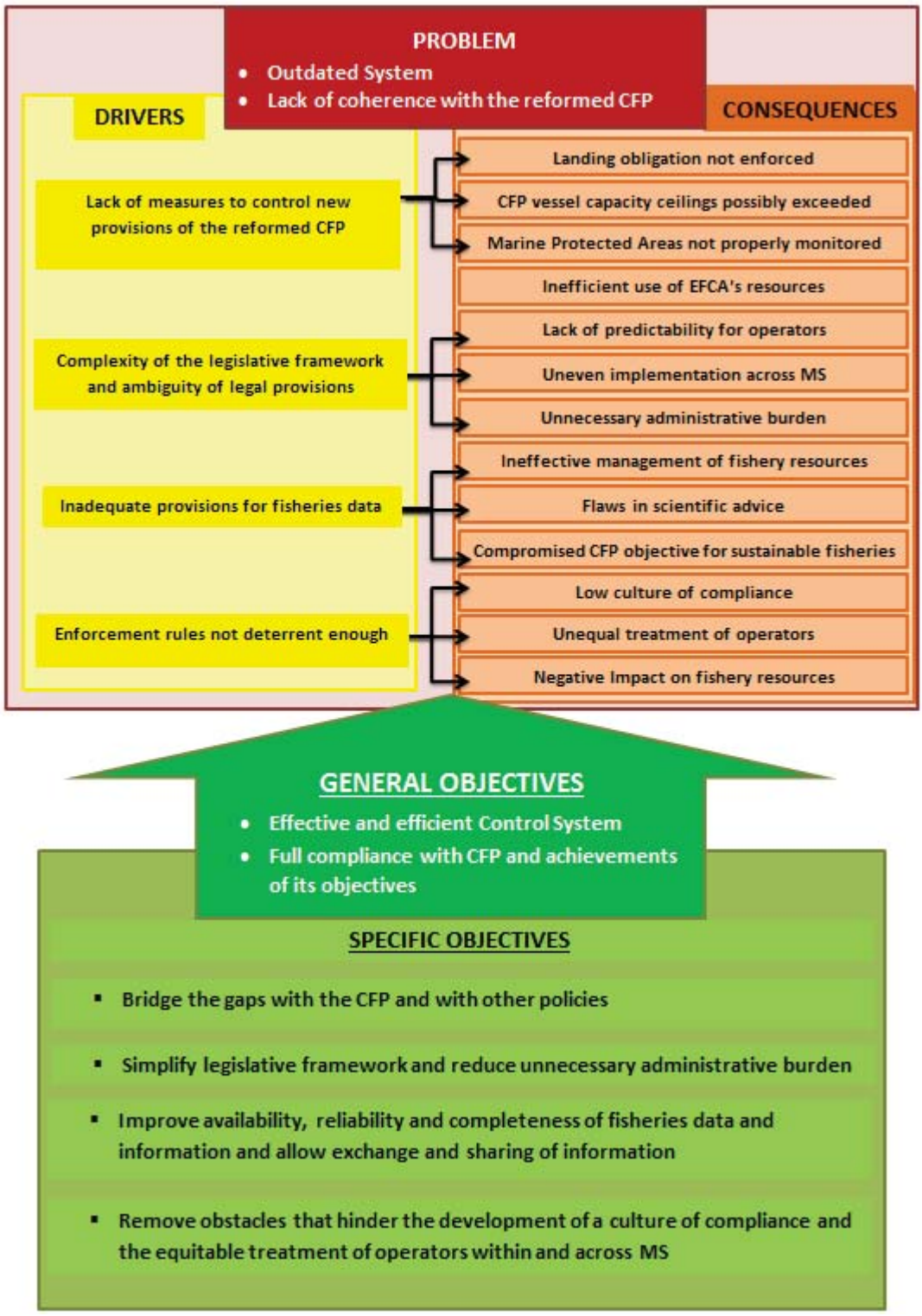

Figure 6: Schematic overview of the existing problems and general and specific objectives of this initiative.

5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

Following the results of REFIT evaluation different policy options that would allow tackling the shortcoming identified and achieve the objectives set in Section 4 were discussed.

Five policy options were considered: (Baseline) No policy change but full enforcement of current rules; (1) Targeted amendments of the Fisheries Control Regulation; (2) Targeted amendments of the Fisheries Control System; (3) Complete revision of the Fisheries Control System; (4) Repeal of the Control Regulation and introduction of relevant measures in multiannual management plans at regional level.

The third and fourth options were discarded at an early stage. The other three most relevant policy options have been retained for further analysis and comparison.

5.1. What is the baseline from which options are assessed?

The baseline for assessing the impacts of the other options proposed is the current legislative framework, i.e. no policy change but full enforcement of current rules. The REFIT exercise [44] concluded that, while the main provisions of the Control Regulation are implemented, full compliance is yet to be met and a number of improvements could be achieved by a reinforced implementation and enforcement by Member States. The main areas affected by these shortcomings are linked to enforcement, data availability, quality and sharing, the control of the landing obligation, synergies with other policies and legislation. Since those areas are also tackled by policy Options 1 and 2, the impact of full enforcement of the current provisions in those areas are explicitly presented in the Sections 5.1.1 to 5.1.4.

5.1.1. Environmental impacts

Over the past few years there has been significant progress achieving environmental sustainability[45]. Overall, overexploitation has declined drastically across all areas (with the exception of the Mediterranean and the Black Sea) and the number of stocks with MSY[46] assessment increased. Fleet capacity reductions over 2008 to 2016, conservation measures, and the implementation of the Control Regulation contributed to it. It should be noted however that the situation in the North-East Atlantic and in the Mediterranean are quite different. It has been estimated that in the Mediterranean the average fish biomass declined by 20% between 2003 and 2014. By contrast, it registered a 35% increase in the North-East Atlantic, although still around 30% of stocks in this sea basin remain overfished and not within the expected biological limits. So overall, despite the improvements in the environmental status of stocks in recent years, there remain significant regional differences, and there is still considerable room for improvements in performance.

As explained in Section 1 the main tools to reduce overfishing are conservation measures (*e.g.* fishing quotas, regional management plans, fishing restricted areas, and technical measures – which set where, when and to how to fish). Control measures are essential in supporting reduction in overfishing insofar as they allow keeping under control fishing activities and ultimately ensure that conservation measures are respected.

Although a number of additional elements have to be factored in the whole equation (*e.g.* externalities in the form of climate change and natural stock fluctuations' impact on environmental indicators) it is therefore indisputable that an effective and efficient control system contributes to the positive environmental status of stocks. In the attempt to quantify such positive contribution, despite the lack of targeted data, a number of case studies were

[44] SWD(2017) 134 final http://eur-lex.europa.eu/resource.html?uri=cellar:2c2f2554-0faf-11e7-8a35-01aa75ed71a1.0017.02/DOC_1&format=PDF.

[45] COM(2017) 368 final: COMMUNICATION FROM THE COMMISSION on the State of Play of the Common Fisheries Policy and Consultation on the Fishing Opportunities for 2018.

[46] According to the CFP, a stock is considered in good condition when stocks are above levels which can produce the so-called Maximum Sustainable Yield (MSY).

conducted[47]. These studies compared fisheries targeting the same species with and without specific and reinforced control actions.

The main results of the first case study comparing the sole fishery in the North Sea and in the Bay of Biscay was that the recovery of the fish stocks to sustainable biological limits is likely to be attained more quickly if tighter control and monitoring of fishing activities are deployed. The rebuilding of the spawning stock biomass is also faster in case of tighter control measures.

A second case study on Bluefin Tuna (BFT) fishery shows that increased compliance with conservation and management rules from 2008, and in particular catch limits, as a consequence of a strengthened control scheme, supported the rebuilding of the stock, which was almost on the verge of collapse. As a result, the fleet was allowed to considerably increase fishing quotas from 2015 onwards.

A third case study of the Northern hake stock shows that with improved control from 2008, the stock could exceed sustainable biological levels beyond the CFP requirements.

By contrast, a review of the situation of the EU fishing fleet operating in the Mediterranean shows that lack of monitoring, control and enforcement can have detrimental impacts. In the Mediterranean, it is estimated that over 90% of stocks are overexploited without any tangible indications of recovery. Some commercially important stocks cannot be assessed, or are assessed only with a great degree of uncertainty, because of a lack of relevant data, in particular from small-scale fishing vessels and recreational fishermen both of which are particularly numerous in this sea basin.

A more detailed assessment of the environmental impacts that a full enforcement of the provisions in the current legislative framework was also carried out and led to the following conclusions:

Enforcement (sanctioning systems) - A study commissioned by the European Commission[48] in 2000 analysed the short term economic benefits of fraud, including the perception of fishermen of control measures and offences, likely impact of increased surveillance, likelihood of being identified, economic reward of fraud and additional value added. The results show that net benefits deriving from illegal activities in Europe could amount to up 200M€ and that a robust, deterrent, and enforced control system increases the culture of compliance of fishermen with the CFP. In the Baseline, the level of consistency between Member States on the application of sanctions for infringements would remain weak, and the differences between national systems would not be eliminated. This might *de facto* induce a culture of non-compliance with CFP rules among fishermen, including overfishing, therefore strongly hindering the achievement of good biological status of fish stocks.

Data availability, quality and sharing - Reporting of data from small vessels could be improved through full enforcement of specific control measures (*e.g.* those recently introduced in the Baltic Regulation) and better implementation of the sampling plans used by Member States to control vessels below 10m. The estimated benefits however would not substantially increase, as the vessels covered by direct reporting of catches thanks to Baltic Regulation would increase only by 1.2% of the total EU fleet, with still significant data gaps

[47] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY 2018).

[48] Cost benefit comparison of different control strategies (Oceanic Development, 2000)

of information needed for the assessment of resource status, especially in the Mediterranean. The lack of EU control for recreational fisheries would also continue to hinder the quality of catch data. Weaknesses would remain in the weighing practices at landing. This would perpetuate shortcomings in quota uptake monitoring, and undermine environmental sustainability. Problems would also remain in correctly establishing/certifying engine power at MS level against capacity ceilings, which are so important in ensuring environmental sustainability of fish stocks. Exchange of fisheries data between Member States, and access of the Commission to control-related data would also remain unsatisfactory, impacting on the enforcement of regulations designed to ensure CFP objectives of environmental sustainability.

Landing obligation - Control tools available to Member States would only cover a very small proportion of the fishing fleet on a real-time basis by seagoing inspection activities, and would still provide considerable opportunity for discarding by fishermen without detection. Average discard rates[49] for selected fisheries and gear types in the EU are estimated to be significant. Under a scenario of full enforcement of the current legislative framework these rates would not be expected to significantly decline. In addition, budgetary limitations in Member States and the high at-sea costs would not prevent discarding, with associated negative environmental impacts.

Synergy with other policies and legislation - As presented in Section 2.2.1 Article 50 of the Control Regulation provides for control of fishing restricted areas adopted by the EU Council, but not for all marine protected areas defined by Member States under Natura 2000 network of the Habitat Directive. As a result, not all marine protected areas are explicitly covered by the remit of the Control Regulation and no further environmental improvement can be gained under the Baseline. As regards lost fishing gears, current rules on reporting are burdensome and inefficient, and do not take advantage of other existing reporting tools. As a result they are hardly used. In addition, certain categories of vessels are currently exempted from carrying on board equipment to retrieve lost gears.
Also synergies with market and in particular positive indirect environmental impacts attributable to traceability of fishery products would remain compromised under this option, threatening an effective and consistent control from ‘net to plate’.

5.1.2. Economic impacts

Studies published in scientific journals suggest that exploiting EU fish stocks in compliance with the CFP would result in high economic benefits for the EU fishing communities. The benefit for the EU fishing fleet could be as high as an extra €4.54 billion operating profit per year[50]. This represents a maximum economic gain 3.5 times higher than the current operating profits of the EU fleet.

This is consistent with the fact that, with the implementation of the CFP, the overall economic situation of the EU fleet in the period 2008-2015 has been regularly improving at a significant rate[51] (see Figure 7). These improvements coincide with the improved environmental performance achieved thanks to the current legislation (resulting in improved fishing opportunities) and are also driven by a steep decline to low stable fuel prices as from 2014 and lower fuel usage in recent years, and by improvements in some first-sale fish prices.

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49 Over 2014-2016, 44.8% for beam trawls, 28.8% for bottom otter trawls, 2% for midwater otter trawls, 17.7% for set gillnets, and 1% for trammels nets (for the fisheries included) (COFFEY 2018).

50 Marine Policy 72(2016)40–47. Sustainability now or later? Estimating the benefits of pathways to maximum sustainable yield for EU Northeast Atlantic fisheries.

51 The 2017 Annual Economic Report on the EU Fishing fleet (STECF 17-12).

Economic performance at EU level however varies considerably between regions, Member States and fisheries. Generally, economic performance trends are better in the North Sea, North-East Atlantic and Baltic fleets than those fleets fishing in the Mediterranean and Black seas fleets, although the latest economic data in the Baltic Sea suggests a poorer economic performance among certain fleets. The economic situation of certain small-scale coastal fleets, in particular in the Mediterranean, continues to be of concern, in contrast with the overall improvement in the EU large-scale and distant-water fleets. For the EU small-scale coastal fleet, all indicators show a decline in performance over the period 2008-2013, but with improvements in 2014 and 2015 and predicted declines between 2016 and 2017.

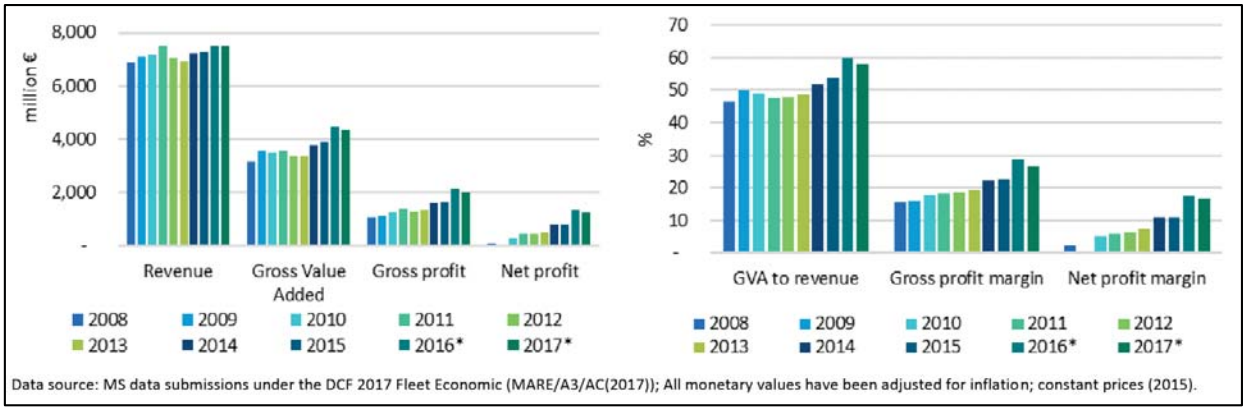

Figure 7. Trends in economic performance of the EU fleet Source: STECF, 2017 (STECF 17-12)

The small scale coastal fleet (so prevalent in the Mediterranean compared to other areas) is exempted from numerous reporting and monitoring obligations by the Control Regulation. Under the Baseline further improvements in economic performance over subsequent years are still to be expected, driven by the improvements in environmental performance (stocks conservation). However, considering the existing inertia and the fact that full implementation of the current legislative framework will anyway not be able to tackle major identified shortcomings, no major differences in impacts are expected compared to the current situation. In particular, in geographical areas where environmental and thus economic performance has been poor *e.g.* the Mediterranean and the Black Sea, the limited positive environmental impacts would be unlikely to bring about any meaningful positive changes in economic performance.

Overall, achieving the full economic potential of fishing stocks at biological sustainable limits will be hampered by the continuation of existing problems and shortcomings. The economic benefits gained by those fishermen that do not comply with the rules would continue, partly due to the failure of the sanctioning system. This represents an economic cost to compliant fishermen, as direct competitors to the non-compliant ones. The economic benefits gained by non-compliant fishermen would also represent a direct negative environmental impact, as well as an indirect cost to society from the negative impact of illegal fishing behaviour on stocks.

The case studies referred in Section 5.1.1 allowed estimating the economic impacts of the Fisheries Control System under the Baseline scenario. The results clearly show that quicker recovery of the stocks, linked to better controls, is also associated with higher economic performance indicators.

In the case of sole fishery in the North Sea, reinforced controls supported a GVA increase by 8% per year on average over the 2008-2015 period, compared to the 2% per year for the Bay of Biscay (no reinforced control). In the North Sea fishing vessel profitability indicators

increased by 2% on average per year, while they remained fairly stable for the Bay of Biscay sole fishery.

The assessment of control costs, compared to the benefits in terms of GVA, supports the conclusion that improved control would result in positive economic impacts for the EU fleet with a clear positive cost-benefit ratio (i.e. costs of control vs economic benefits); the case study of sole fishery suggests that the cost-benefit is positive with 1 € invested in control supporting the creation of 3.7 € for the EU economy (GVA estimates do not include economic benefits for ancillary industries, so in reality, the cost-benefit ratio is probably higher).

Unfortunately the relative lack of economic data on some EU fishing fleet segments targeting BFT prevents a detailed economic analysis for this fishery. In addition, the BFT market is especially exposed to external factors outside the remit of the EU (*i.e.* economic and societal situation in Japan). Nonetheless, the economic performance of the EU fishing fleet targeting BFT substantially improved on average over the past five years and GVA increased at an average of 2.4 € million per year, while vessel profitability indicators increased by 4-5% per year. Therefore, also this case study supports the view that improved control would be likely to generate positive economic impacts and with a positive cost-benefit ratio (with 1 € invested in control supporting creation of 2 € for the EU economy).

The Northern hake fishery benefitted from a clear economic improvement over the 2008-2015 period. Income doubled over the period, the gross value increased threefold and the gross profit increased sixfold. Correspondingly, fishing fleet profitability ratios also increased over the period with average annual increase rates of about 2%. As in the previous cases, the benefit/cost of control appears also positive with 1 € invested in control supporting creation of 2.2 € for the EU economy.

In contrast, economic (and social) indicators in the Mediterranean have been deteriorating over the past few years for the whole EU fleet, with some important fishing fleet segments nearing a situation of economic collapse and some Member States fishing fleets consistently operating with negative economic results.

5.1.3. Social impacts

Positive social impacts resulting from an enhanced control system are not so evident in some cases; in particular as regards job creation, mainly because the fisheries sector, as with most other sectors of the EU economy, sees a process of replacing labour by capital. Hence, better economic results could mean higher capital investments resulting in more technologically intensive vessels. Additional factors like the reduced fleet capacity and reduced fishing quotas in line with the CFP also contributed also to the decline in employment.

Both the case studies on sole and Northern hake fisheries did not show any clear trend in the number of full time equivalent. Nevertheless, the evolution of crew remuneration tells a different story: average wages per crew member on fleet segments targeting sole increased by 50% more per year in the case of tightened control, lending weight to the argument that improvements in control supported social benefits in the form of quality of employment over the longer-term. Also the average wage for hake fishermen shows a positive evolution with average yearly wage almost doubling over the period, reflecting the increased profitability of the vessels concerned.

In the case of BFT, the significant quota increases supported a rise in the number of jobs, which can be again indirectly attributable to tighter control measures on the fleet.

The full enforcement of the current Control Regulation would therefore bring some limited positive social impacts for the EU fleet in terms of wages, but –as for the economic impacts- only in the longer term, especially due to better enforcement and compliance with the landing obligation. However, in geographical areas where environmental and thus social performance has been poor *e.g.* the Mediterranean, the limited positive environmental impacts of full enforcement of the current Control Regulation would be unlikely to bring about any meaningful positive changes in social performance.

The Baseline, again for the failure of addressing systematic shortcomings of the sanctioning system, is also not considered to bring any fundamental change in the social behaviour of fishermen towards greater compliance.

5.1.4. Administrative burden

The REFIT evaluation shows that the Control Regulation is very complex and a number of provisions require legal clarification. In addition, as some obligations can be interpreted and thus applied very differently by Member States, the Commission is often requested to provide guidance to avoid multiple interpretations. While the use of modern technologies and the development of electronic fisheries information systems allowed for a decrease of the administrative burden for both operators and public administration, the analysis showed that the Control Regulation has potential for further decreasing administrative burden, for instance by promoting the use of digital and interoperable systems.

The full implementation of the current legislative framework is expected to dramatically increase the administrative burden of businesses (90.3M€ over a 5 year period) and public authorities (71.0M€) due to the better enforcement of monitoring and control of vessels below 12m[52].

Also the full implementation regarding current rules on sharing of information, *e.g.* on the establishment and maintenance of national databases and specific queries or manual download of data from the European Commission to access Member States data, are assumed to increase the costs compared to the Baseline, and notably by 4.6M€ for the public administrations in Member States and by 2.0M€ for the European Commission[53]. A total increase of 167.9 M€ over a five year period is therefore expected for this option.

A summary of the administrative burden for the Baseline is provided in Table 3 in (Section 7.2)

5.2. Description of the policy options

5.2.1. Option 1: Targeted amendments of the Fisheries Control Regulation

This option considers targeted amendments of the Fisheries Control Regulation (hereinafter "Control Regulation") limited to the following thematic areas:

i) **Enforcement**, including sanctions, point system and follow-up of infringements;

ii) **Data availability, quality and sharing,** with particular regard to better reporting and tracking for vessels below 12m, data on recreational fisheries, weighing procedures and data, monitoring of the fishing capacity, and data management and sharing at EU level;

[52] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

[53] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

iii) **Control of the landing obligation;** and

iv) **Synergies with other policies**, in particular with the environment, market, food and feed policies and with the policy on the fight against IUU fishing.

The amendments in these areas will among other things clarify provisions currently prone to different interpretations and leading to disparate implementation by Member States and address numerous derogations that hinder the level playing field among EU fishermen. Overall, the legislative framework will be simplified and unnecessary administrative burden will be reduced by either removing reporting obligations or by streamlining them. Full digitisation of control data, setting the conditions for integrated EU information systems and databases and promoting the use of harmonised and/or interoperable ICT tools will be instrumental in this respect. Last but not least, the Regulation will be aligned with the Lisbon Treaty.

The core assumptions for this option are summarised below:

- Rules on enforcement are clarified and strengthened;
- Requirements established are all duly justified by a purpose, easily understandable and technically enforceable (simplification);
- All vessels are tracked and electronically report their catches (electronic reporting is introduced for vessels below 12 m, replacing the current paper-based system, with an easy and cost-effective system, making use of easy and affordable electronic devices such as mobile phones);
- Control measures for recreational fisheries are introduced;
- Weighing, transport and sales procedures are clarified and simplified to ensure that all catches are taken into account and reported;
- The responsibilities and accountability of operators at all process stages are clarified;
- The information and reporting systems are fully digitised and where possible streamlined;
- Data exchange and sharing among relevant actors is ensured;
- Control of the landing obligation is regulated;
- Interoperability of traceability systems is promoted;
- Control of fisheries in marine protected areas is ensured;
- When the CFP can contribute to reaching the objective of other EU policies, and respectively when other, non-fisheries, policies can support CFP objectives, bridges are set up so as to ensure synergies and coordination.

It should be noted that under this Option, the choice of amending only some of the provisions in the areas that show shortcomings but not all of them (for instance amending the provisions on the enforcement but not data availability, quality and sharing) was early discarded as it would not have allowed achieving the objectives set.

In addition, following the publication of the Inception Impact Assessment[54], various technical sub-options were identified for tackling the identified shortcomings in each area. In this impact assessment, however, only those sub-options prone to achieve the set objectives with minimal administrative burden and that found support from the majority of stakeholders were

[54] https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-4808152_en

fully investigated. A list of the technical sub-options discarded and related motivations is provided in Annex 6, while Annex 5 gives specific details on the retained sub-options.

5.2.2. Option 2: Targeted amendments of the Fisheries Control System

Policy Option 2 builds upon policy Option 1. It considers all the actions proposed in the policy Option 1 plus i) amendment of the EFCA founding Regulation and ii) of the IUU Regulation as regards enforcement and the catch certificate; and iii) any related amendments of specific provisions in relevant legislation (*i.e.* the Mediterranean Regulation and the Baltic Regulation).

The core assumptions for this option are all those of Option 1, complemented by the following:

- Enforcement rules in the Control Regulation and IUU Regulation are consolidated;
- Control provisions that are currently spread across other legal texts are concentrated in one legal instrument or, if not up-to-date or consistent with other provisions, repealed[55];
- An electronic IUU catch certificate is introduced (currently paper based system);
- The EFCA missions and tasks are fully aligned to the CFP;
- The EFCA procedures and working practices are adapted to take into account the Common Approach on decentralised agencies as adopted in the 2012 Joint Statement of the European Parliament the Council of the EU and the European Commission.

Specific details on amendments proposed to ensure the achievement of those actions are presented in detail in Annex 5.

5.3. Options discarded at an early stage

Two policy options were discarded at an early stage: the **full revision of the Fisheries Control System** and **the repeal of the Control Regulation**, followed by incorporation of control rules into fisheries management plans at regional level.

The **full revision of the fisheries control system** aimed at radically changing the approach in the control policy, by deviating from current principles and priorities and fully re-designing the current system at national and EU level. This option was not well received by stakeholders, the majority of which supported an evolution rather than a revolution of the current system. A complete change in the control approach would not ensure the return on the investments made so far and allow the achievement of the anticipated benefits on the long term. The majority of stakeholders agree that the principles embedded in the current Control Regulation tackle issues that have in the past led to extensive overfishing and poor compliance and as such should not be changed but rather some of the provisions for their implementation should be amended where it was found that they are obsolete or of difficult application.

The **repeal of the Control Regulation** envisaged a radical change, by repealing the harmonised control measures set in the Control Regulation and rather adopt tailored control solutions in the framework of multiannual management plans at regional level. However, this approach was discarded early for several reasons. First, such an approach would be against

[55] This is specifically the case for the control measures contained in the Mediterranean Regulation and in the Multiannual Plan for the Baltic Sea.

the principles for a Union fisheries control system as laid down in the CFP (Article 36), which shall be based on a global, integrated and common approach and on a Union framework for controls, inspections and enforcement. Secondly, such an approach would not create the conditions for ensuring a level playing field among the operators as it would increase inequalities and ultimately lead to discriminatory treatments not only among operators, but also among fishery products placed on the EU market. Thirdly, multiannual management plans are being progressively adopted at regional level, but they do not and will not necessarily cover all regions and all fisheries, thus leaving entire areas and species entirely unprotected by control and enforcement measures.

6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

This section presents the environmental, social, and economic impacts assessed for the retained policy options, as well the administrative burden and other impacts against the Baseline[56]. Details on the methodology are presented in Annex 4.

6.1. OPTION 1 "Amendment of the Fisheries Control Regulation"

6.1.1. Environmental impacts

Under Option 1, the proposed amendments would serve to support and contribute to a range of positive environmental impacts in all sea basins, with particularly significant environmental improvements expected in the Mediterranean[57]. The contribution of the amendments proposed in the Control Regulation for the four different thematic areas that would be affected are presented in detail below.

Enforcement (sanctions systems): The level of consistency between Member States on the application of sanctions for infringements would improve, and sanctions would be better set at a level to act as a deterrent to infringements. Earlier studies[58] have shown how the level at which sanctions are set, coupled with the likelihood of being inspected and of infringements being detected, is a critical factor in affecting compliance with regulations intended to ensure environmental sustainability. The harmonisation of the sanctioning system is therefore expected to result in considerable improvements on enforcement of the CFP rules, with expected large positive returns for the environment.

Data availability, quality and sharing: The number of vessels below 12m tracked and reporting catches electronically would rise from 1.2% of the total fleet under the Baseline, to 100% under Option 1. The improved control would result in increased quality and availability of data required for resource assessments, and thus in net positive environmental impacts (better and more reliable stock assessment). Given the large proportion of small vessels in the Mediterranean, this means that significant environmental improvements would be likely in this basin. The improved control at regional level of recreational fisheries, especially the ones having a significant and consistent impact on fish stocks, would provide the basis for additional management measures on those types of fisheries, resulting in turn on better stock assessment. The digitisation of the data information system will also significantly enhance availability and exchange of data, contributing therefore to improved enforcement of

[56] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

[57] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

[58] Oceanic Development, 2001. Cost benefit comparison of different control strategies. Final report

regulations designed to ensure the CFP objective of environmental sustainability. In terms of weighing of catches, the actions specified under Option 1 would remove exemptions and close current loopholes, again leading to improved data for the monitoring of quota uptake, and in turn supporting more accurate assessment of fishing mortality to feed into stock assessments. Improved data on engine power would contribute to positive environmental impacts through enhanced ability to ensure a balance between fishing capacity and fishing effort in compliance with capacity ceilings as set out by the CFP. Increased environmental benefits could have been achieved with tighter control measures, as for instance imposing to recreational fisheries the same rules as commercial fisheries. This sub-option however was discarded (see Annex 6) as the estimated extra benefits would not have been proportional to the imposed additional costs and administrative burden and as such also not supported by certain groups of stakeholders (in particular in general Member States did not support extending the current control rules to recreational fisheries at EU level).

Landing obligation: The introduction of CCTV systems on vessels identified as being at high risk of discarding would significantly increase the effectiveness and efficiency of control and compliance. The extent of the positive environmental impacts generated from catch data used in stock assessments being a more accurate reflection of fishing mortality, would depend on the number of vessels considered by Member States as required to have CCTV systems, and their levels of discards in the absence of CCTV. Also in this case additional environmental benefits could have been achieved through tighter rules, as for instance requiring the presence of observers on board of fishing vessels or impose the mandatory use of remote continuous electronic monitoring tools (*e.g.* CCTV) on board of all vessels. Again, however, the extra benefits would not have been proportional to the estimated costs and therefore were discarded. In addition, the stakeholder consultation revealed that businesses did not support full coverage of all fishing vessels with CCTVs or even 100% coverage for certain pre-defined categories of vessels (see Annex 6). An approach based on risk was therefore considered more appropriate, as it would possibly reward compliant operators and would also require the authorities to regularly update their control strategies.

Synergy with other policies and legislation: The actions foreseen in Option 1 to increase synergies with environmental legislation would result in an additional 510.451 km^2 of marine protected areas[59] being fully covered by the remit of the Control Regulation compared to the Baseline. This impact would be particularly beneficial in the Mediterranean, where the activities of recreational fleets, the increased use of spatial restrictions and the potential impact of non-EU fleets on marine protected areas' integrity are particularly relevant.

6.1.2. Economic impacts

The proposed amendments under Option 1, will result in a series of positive economic impacts for the business, most of which stems from the positive environmental impacts and in particular the better status of the stocks.

As previously described in the introduction to this section, case studies provide quantitative estimates on economic impacts of improved control. Collectively they show that the positive economic impacts of an improved control system can be realised in the medium- to longer-term, and in periods of less than five years. The case studies show that, as a consequence of quicker stock recovery, supported by a reinforced control scheme, an improved control system would potentially assist in achieving higher economic performance indicators. The

[59] European Environment Agency as at 6th April 2017. Based on declared percentage of Natura 2000 areas with marine territories. Some Member States are not considered in this figure.

higher performance could therefore support the view that Option 1 would help in achieving the ideal status of generalised fishing at sustainable levels quicker and at a reasonable cost.

The positive economic impacts on EU fleets could generate positive indirect economic impacts in the downstream processing and marketing sectors (i.e. for the 3 454 processing sector firms in the EU), in the medium- to longer-term, to the extent that processors rely on EU catches as opposed to imports of raw material from outside the EU. Under Option 1 increased availability of fish would be expected for the processing sector, both from any improvements in stocks that would result from the positive environmental impacts of this Option, but also specifically from the reduced levels of discards which Option 1 would contribute to through its actions related to the landing obligation. However, these additions are not expected to be of such a magnitude as to reduce significantly the dependency of the EU processing sector on imports of raw materials. Furthermore, profitability gains are not to be expected either, unless the increased availability of local products and the preference of consumers for such products would support using them as a market differentiation tool supporting higher prices and hence increased profit margins.

Also potentially of considerable importance to the small scale fleet is that this fleet typically does not have historical data, which they would need if quotas are introduced to demonstrate historical record. Improving data on catches for the under the 12m fleet segment under Option 1 would assist with generating historical time series of 'track record', and thus potentially longer-term economic benefits if catch restrictions were to be introduced at some stage in the future.

Direct economic positive impacts are expected for small scale fleets thanks to the reinforced control of recreational fishermen. In fact, despite the ban to sell catches from recreational activities, there are concerns that this might not always be the case, resulting in unfair competition for professional fishermen.

While it was not possible to quantify the economic benefits, it was however possible to calculate the costs to ensure compliance with the landing obligation and the control of fishing capacity[60]. Those costs have been estimated to be about 7.2M€ for public authorities to monitor the landing obligation, and 5.1M€ for businesses to comply with the new provisions on monitoring of power engine, which will be however counterbalanced by a reduction in costs to public authorities by 4.2 M€ (a summary of the compliance costs is provided in Table 3 in Section 7.2).

It should also be noted that the above-mentioned compliance costs which would be incurred both by businesses and public administrations would be eligible for refund under the EMFF (see section 1.3).

6.1.3. Social impacts

Under Option 1, the increased consistency and clarity of the sanctioning systems, together with its robustness is expected to have a significant and positive impact on the social behaviour of fishermen in the short-term and thereafter, providing support for a stronger culture of compliance and leading to fewer infringements. Social impacts would also include a more consistent and equal treatment of fishing operators.

[60] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

As already stated, whereas it is unlikely that significant numbers of new jobs among fishermen are to be created, further increases in wages seem to be quite likely to happen, which will result in better quality jobs and improve the attractiveness of the sector to younger generations. Furthermore, as regards smaller vessels, the potential economic benefits resulting from the allocation of fishing quotas and thus of increased fishing opportunities, would also result in a social positive impact.

However, the digitisation of the Control System and the introduction of new ICT will boost innovation, providing new avenues for job creation and creating new opportunities for small and medium-sized enterprises (SMEs).

6.1.4. Administrative burden

The actions and amendments foreseen under Option 1 would strongly support the reduction in unnecessary administrative burden for the public authorities and, considering that most of the new costs are associated with ICT development and one-off investments, also in the long term for the whole EU.

The actions foreseen under enforcement and data availability, quality and sharing are especially prone to reduce administrative burden and their impacts have been monetised for businesses, national and EU administrations, including the Commission and EFCA[61].

The amendments proposed under enforcement, and in particular the establishment of the electronic inspection report system (currently paper based) is expected to decrease the administrative burden for public authorities by 19M€ over a 5-year period, with an associated 3.3M€ of costs due to ICT investments, for a total net decrease of 15.7M€ over the same years.
The digitisation of reporting for small vessels (*i.e.* the introduction of tracking and electronic reporting for vessels below 12m and the removal of exemptions from the VMS and ERS for the vessels 12-15m) are estimated to reduce the costs related to reporting by 19.7 M€ for businesses and by 83.6M€ for Member States, counterbalanced by 127M€ investments in ICT development and equipment for vessels.

The modification associated to the exchange of information such as digitisation of data systems (*i.e.* the inspection report system), paving the way for a future centralisation at EU level of the now national databases, is associated to savings of about 8.5M€ over a 5-year period, to which however 2.3M€ should be added for Member States and 2.0M€ for the EU as ICT investment. Also the measures would result in increased costs of 3.5M€ for the EU for ICT development and maintenance.

It should be noted that, as for the compliance costs mentioned in section 6.2.2, costs associated to ICT developments would also be eligible for funding under the EMFF, with therefore a very limited real impact on businesses and administrations.

A summary of the estimated impacts on administrative burden for Option 1 is presented in Table 2.

On top of the estimated cost savings presented in Table 2, more cost savings are expected at European level: savings would be mostly attributable to Member States, resulting from rationalisation of data exchange and increased interoperability of the traceability systems, and

[61] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

to the Commission, thanks to the direct access to information data of the Member States. Unfortunately at this stage it was not possible to quantify them.

Impact administrative burden Option 1 (most likely costs in M€ over a 5 year period)						
	Businesses		Administrations		EU	
	One-off*	Recurrent	One-off*	Recurrent	One-off*	Recurrent
Enforcement			3.3	-19.0		
Reporting and tracking of vessels below 12m and vessels between 12m-15m	127	-19.7		-83.6		
Exchange of information			2.3	-8.5	2.0	3.5
Total costs	**7.3**					
Total Investment in ICT**	134.6					
Total recurrent cost savings thanks to ICT***	127.3					
* One-off costs for ICT technologies are here intended as hardware investment costs and transmission costs. ** Costs reimbursable to Member States under EMFF. *** Corresponds to annual savings of 26M€, savings that will continue beyond the 5year period.						

Table 2: Impacts administrative burden Option 1 compared to the current situation

6.2. OPTION 2. Amendment of the Fisheries Control System

6.2.1. Environmental impacts

Option 2 includes some specific policy actions that would generate marginal, but important, improvements in environmental impacts, in addition to those mentioned under Option 1.

With regard to enforcement (sanctioning systems) Option 2 includes additional measures compared to Option 1 that would considerably improve consistency in the approach to infringement follow-up and sanctions to address the currently uneven enforcement landscape across the Member States. The requirement to treat infringements of the CFP under administrative law, and the setting of common rules for sanctions would further increase compliance with the control system compared to Option 1, thus supporting additional positive environmental impacts on the stocks that the CFP requires to be sustainably exploited.

With regard to EFCA, Option 2 includes amendments to its Founding Regulation, which would further support the achievement of the general objective of ensuring full compliance with the reformed CFP. The clarification of EFCA's objective regarding the CFP and its external dimension and the extension of the geographical coverage for its inspections , would support positive environmental impacts by allowing EFCA to carry out inspections also in EU waters, in addition to international waters, and resulting in better control of Member State fleets, better controlling of possible illegal activities and thus limiting overfishing, with positive knock-on effects on fish stocks.

The digitisation of the IUU Catch Certificate would make it harder to manipulate certificates and for any illegally caught fish to enter the supply chain. The improvements in traceability would also contribute to the EU’s international obligations and efforts to reduce IUU fishing,

overfishing and thus contributing to the general objective of ensuring compliance with the CFP.

6.2.2. Economic impacts

Economic impacts under Option 2 would be largely consistent with those under Option 1 because those options are identical in terms of the actions for data (availability, quality and sharing) and for the control of the landing obligation. However additional economic benefits would be expected from the improved environmental impacts under Option 2 and most notably from the additional actions on enforcement, through the amendment of the IUU Regulation, and from the reinforced role of EFCA, through the amendment of its founding Regulation. The strengthened enforcement system will help to ensure that sanctions better act as a deterrent compared to Option 1 by increasing the amounts thereof and hence the costs of non-compliance for those with incentives to cheat. With the revision of its founding Regulation, EFCA should in future be able to carry out inspections with an extended geographical scope and not limited to international waters. This would allow a more effective control of fishing activities and a more rational use of Member States control means. However, at this stage it was not possible to quantify exactly the impacts.

Hence, Option 2 compared to Option 1 would result in an extra push towards achieving the economic benefits of generally fishing at sustainable levels.

6.2.3. Social impacts

Social impacts under Option 2 would also be largely consistent with those under Option 1 because those options are identical in terms of the actions for data (availability, quality and sharing) and for the control of the landing obligation. However, additional social benefits would flow from the improved environmental impacts under Option 2 and as for the economic impacts they will most notably stem from the additional actions on enforcement from the clarified role of EFCA. As reported by stakeholders, EFCA involvement in fisheries control is considered as paramount in supporting a level playing field, with positive effects on the promotion of a culture of compliance. The additional actions related to sanctioning systems under Option 2 would be especially beneficial in further supporting positive changes in the behaviour by fishermen in the short-term to operate within a culture of compliance.

6.2.4. Administrative burden

The digitisation of the electronic catch certificate in the IUU Regulation is expected to reduce the administrative burden for public authorities by about 4M€ over a five year period[62].

As Option 2 takes all the actions of Option 1, it will further decrease the administrative burden estimated for the latter. Summary of the cost savings under Option 2 are provided in Table 3 in Section 7.2 and in detail in Table 4 of Section 8.2.

7. HOW DO THE OPTIONS COMPARE?

This section compares the different policy options with regard to their effectiveness, efficiency, coherence and acceptability. It also compares them with the recommendations of other EU institutions and bodies.

[62] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018). It should be noted that more than 200,000 catch certificates are processed annually in the Union,

The options have been compared objectively using multi-criteria analysis (MCA) and, to allow for a direct and easy appraisal, they have been rated according to scoring criteria. The results are presented below in graphs, with a comparison of the relative impacts to the Baseline. More details and information supporting the graphs, and in particular the scoring of each the option for each criteria and the contribution of each action it is reported in the study '*Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System*' (COFFEY, 2018).

7.1. Effectiveness

This sub-section looks at effectiveness, or how successful the different policy options would be in achieving the general and specific objectives set out in Section 4.2.

Figure 8 below summarizes the scoring of the different options against the effectiveness criteria. As the figure shows, all three options make contributions to the general objective of ensuring full compliance with the reformed CFP. While Options 1 and 2 contribute to all four specific objectives, the Baseline only contributes to three of the four specific objectives. Of more importance however are the relative scores for the three options. The Baseline brings about only very small contributions in achieving the objectives, while Option 1 and 2 bring about large and very large improvements respectively. The difference in effectiveness between Option 1 and the Baseline is greater than the difference between Option 2 and 1, due largely to the fact that most regulatory amendments to the Baseline situation are contained within Option 1. Overall, Option 2 out-performs both the Baseline and Options 1, as it better supports all specific objectives and the general objective, with the exception of the objective to improve fisheries data quality, which is equally supported by Options 1 and 2. In particular the main strength of Option 2 is the contribution to achievement of the specific objective to remove obstacles that hinder equitable treatment of operators thanks to the clarification and holistic approach of the enforcement both in IUU and Control Regulation.

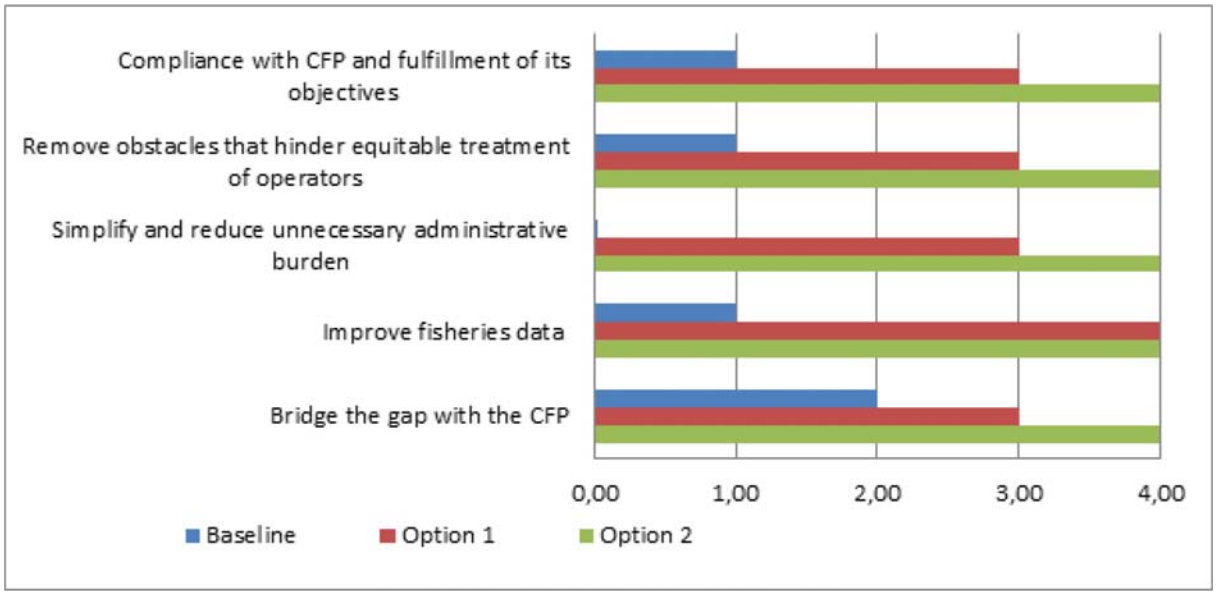

Figure 8: Effectiveness of Baseline, Options 1 and 2 (COFFEY 2018).

7.2. Efficiency

Efficiency evaluates the cost-effectiveness of the different options in delivering the objectives.

While it is not possible to quantify the benefits for the Baseline, Options 1 and 2 and to provide a direct quantitative comparison at the aggregated policy level, the extent of beneficial impacts from the amendments in the five main policy areas can be scored against a range of quantitative and qualitative indicators, to provide a quantitative basis for the comparison of the options for their benefits/impacts. This scoring is summarised below in Figure 9. The figure shows that the benefits across the five policy areas (which link strongly with the specific objectives) are very limited for the Baseline, vary for Option 1 but are moderate on average, while Option 2 brings about very significant improvements in all five individual policy areas and on average across the policy areas as a whole.

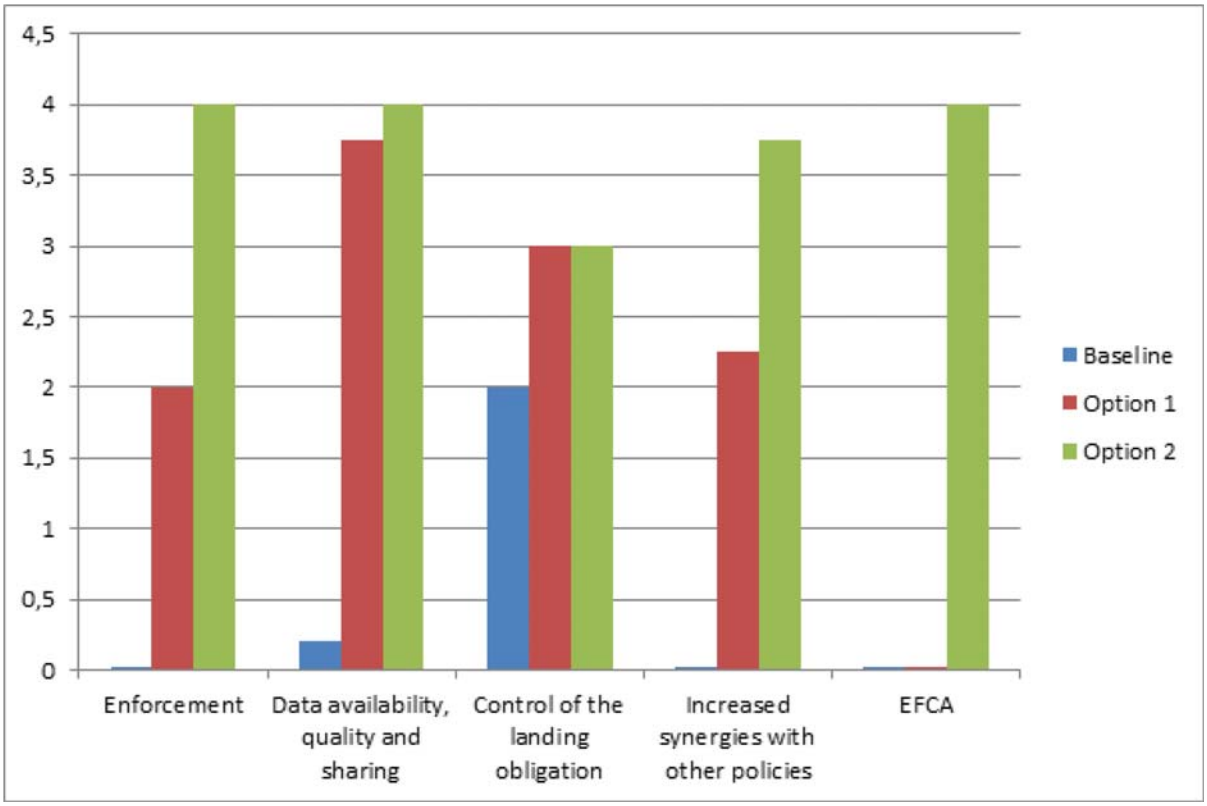

Figure 9: Comparison of benefits in the five main policy areas under the Baseline, Options 1, and 2 (COFFEY 2018).

Under the Baseline both fishing operators and Member States would incur significant administrative costs from fully enforcing the existing regulatory framework. Those costs mainly come from the time that would have to be spent to handle paper reporting for small vessels. The European Commission would also incur costs over the same period for further ICT development. Under The Baseline there would also be a significant compliance cost related to the enforcement of the landing obligation, although it cannot be monetised.

Under Option 1 the most likely estimates of annual administrative burden would be costs to private sector commercial fishermen, as all vessels under 12m would have to report. However, this cost would be mitigated by the use of efficient and low-cost electronic reporting applications and by annual cost savings for public authorities, as a result of the

digitisation of reporting obligations. Data management and sharing would also be a cost at EU level.

Other annual costs in the form of 'compliance' costs would be for commercial fishermen related to the investment for the continuous recording of engine power for monitoring the fishing capacity and for Member States to invest in CCTV/REM equipment for the control of the landing obligations. At the same time, Member States would save from the reduction of engine verifications to monitor fishing capacity. There would also be additional savings under Option 1 from the digitisation of traceability documents, but these cannot be monetised.

The total costs for the various options are reported in Table 3. It should be noted that since the amendments proposed in Option 1 and 2 will modify the current legislative framework, the costs reported in the Table 3 for Option 1 and 2 are alternative to those assessed for the Baseline.

	Baseline				**Policy Option 1**				**Policy Option 2**			
	B*	A**	**EU**	**Tot**	B*	A**	**EU**	**Tot**	B*	A**	**EU**	**Tot**
Administrative burden												
Enforcement						-15,7		-15,7		-15,7		-15,7
Reporting and tracking <12m vessels	90,3	71,0		161,3	107,3	-83,6		23,7	107,3	-83,6		23,7
Data management and sharing at EU level		4,6	2,0	6,6		-6,2	5,5	-0,7		-6,2	5,0	-0,7
IUU e-CC										-4,0		-4,0
Total Administrative burden	**90,3**	**75,6**	**2,0**	**167,9**	**107,3**	**-105,6**	**5,0**	**7,2**	**107,3**	**-109,5**	**5,5**	**3,3**
Compliance costs												
Control of the landing obligation						7,2		7,2		7,2		7,2
Monitoring fishing capacity					5,1	-4,2		0,8	5,1	-4,2		0,8
Total Compliance costs					**5,1**	**2,9**		**8,0**	**5,1**	**2,9**		**8,0**
Total costs	**90,3**	**75,6**	**2,0**	**167,9**	**112,4**	**-102,6**	**5,5**	**15,3**	**112,4**	**-106,6**	**5,5**	**11,3**
*** B=** Businesses **** A=**Administrations												

Table 3: Summary table of monetised administrative burden and other costs (M€) for the Baseline, Options 1 and 2 over 5 years respect to the current situation (rounded figures, COFFEY 2018).

While a comparison cannot be made in monetary terms to allow for a cost-benefit analysis, when taken 'in the round' the comparison of benefits versus costs for the Baseline suggest that benefits would outweigh the increases in costs, although they would be limited. For both Options 1 and 2, costs would be 'proportionate' to the benefits achieved (especially considering cost savings) and cost-effective, with considerable benefits outweighing the relatively modest changes in costs. In addition, there would be minimal costs on businesses which would be eligible for support under EMFF (see section 1.3), while the same businesses would benefit in environmental, economic and social terms.

Member States' public authorities would also benefit from cost savings under this Option through simplification and inter-operability. The case studies provided in the COFFEY study[63] also suggest that the benefits of an improved Fisheries Control System can significantly outweigh costs, more than doubling benefit/cost ratios.

Under Option 2 the benefits would be marginally increased over those in Option 1, with costs decreased, indicating increased efficiency (cost-effectiveness) of Option 2 over Option 1.

On the top of the above analysis it is also worth considering the results of the study carried out in 2000[64], showing that the sum of benefits of illegal activities is on average 8 times greater than the costs of deployment of control means.

Based on all the above considerations, Figure 10 below compares the Baseline, Options 1, and 2 for the efficiency criterion.

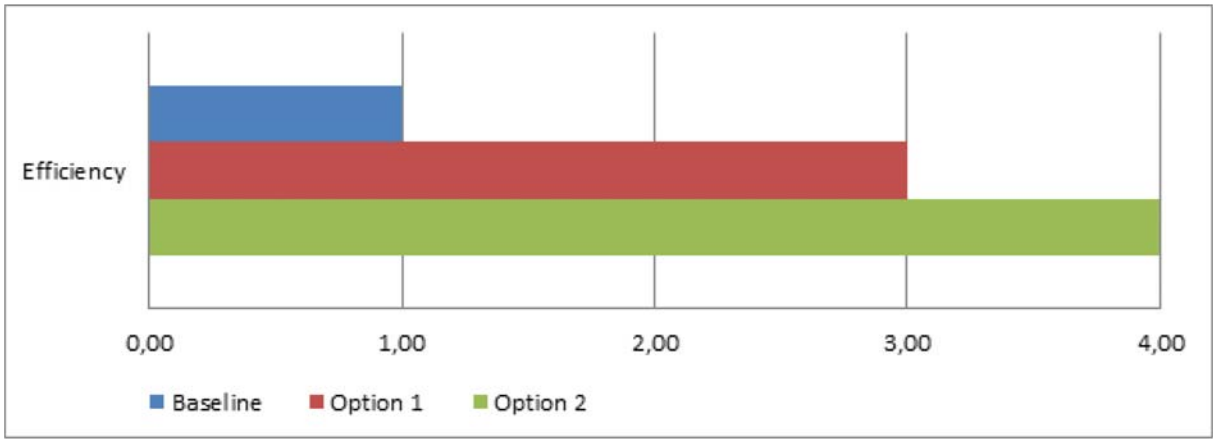

Figure 10: Comparison of the efficiency for the Baseline, Options 1, and 2.

7.3. Coherence

The assessment of coherence involves looking at a how well or not different actions work together. Figure 11 below shows how the options compare for their coherence with:

1. The Common Fisheries Policy;
2. Relevant horizontal legislation: IUU Regulation, EFCA Founding Regulation, CMO Regulation, Food Law;

[63] Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

[64] Cost benefit comparison of different control strategies (Oceanic Development, 2000)

3. Overarching EU policies, as enshrined in environmental legislation, the digital Single Market Strategy, the Plastic Strategy, the Ocean Governance agenda and the Strategic partnership with the EU's outermost regions.

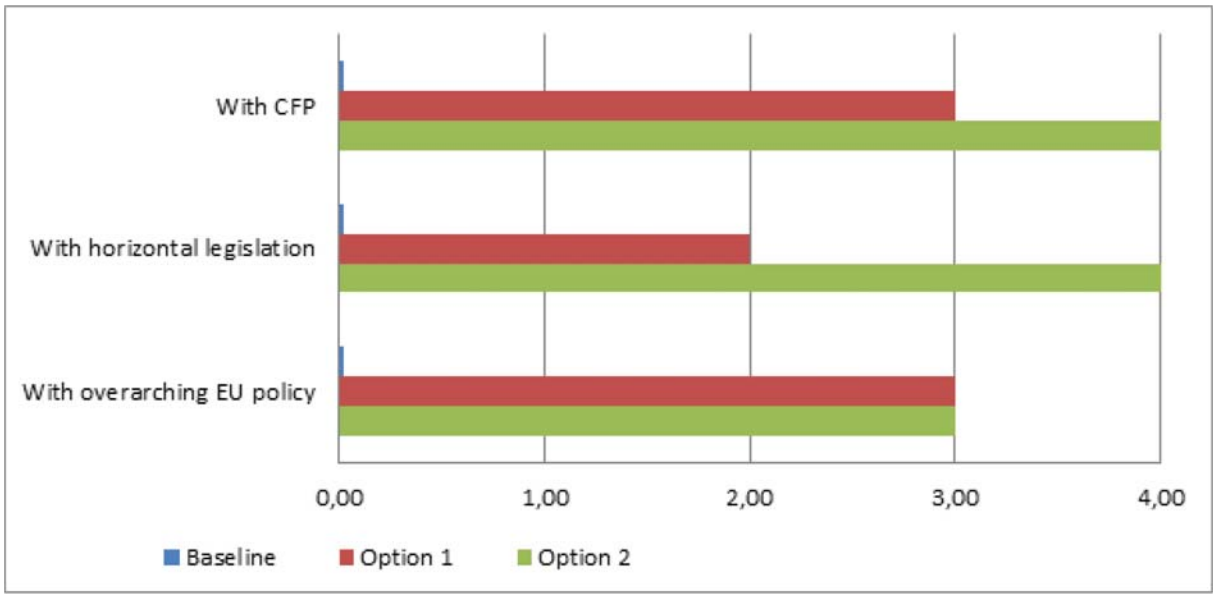

Figure 11: Comparison of the Baseline, Options 1, and 2 respect to the criterion coherence (COFFEY 2018)

The Baseline would not bring any improvements in coherence, as this option does not anticipate any regulatory amendments, and the gap with the reformed CFP and other policies will remain. Both Options 1 and 2 support improved coherence, but Option 2 performs better than Option 1 mainly thanks to the EFCA alignment with the CFP and to the greater coherence with other horizontal legislation – not surprisingly given that this option includes amendments to two other pieces of horizontal legislation, in addition to the amendments to the Control Regulation under both options.

The support to other policies will be specifically achieved through digitisation (support to Digital Single Market (DSM) strategy), through a simplified and more effective and digitised system for the reporting of lost fishing gear (support to the Plastic Strategy), through the electronic catch certificate, an improved tools to fight against illegal fishing (support to Ocean Governance) as well the through improved and modern control strategies (support to strategic partnership with the EU's outermost regions).

7.4. Acceptability

The policy options are here compared for their acceptability, both in terms of stakeholders' support and proportionality.

7.4.1. Stakeholders' view

The result of stakeholders' view on the three policy options is presented in Figure 12. All stakeholders, including the Member States, the Advisory Councils[65], the fishing sector, the processing sectors and NGOs stated that a revision of the current legislative framework is

[65] See Annex 8 for a description of the Advisory Councils.

necessary. When asked for the preference among the 3 policy options, most of them agreed that an amendment of the Fisheries Control System, encompassing the revision of the Control Regulation, of the IUU Regulation (regarding the sanctioning system and IUU catch certificate only) and of the EFCA Regulation (Option 2) was preferable to the amendment of solely the Control Regulation (Option 1). The stakeholders' specific views on each of the proposed actions for the five different thematic areas are reported in Annex 2.

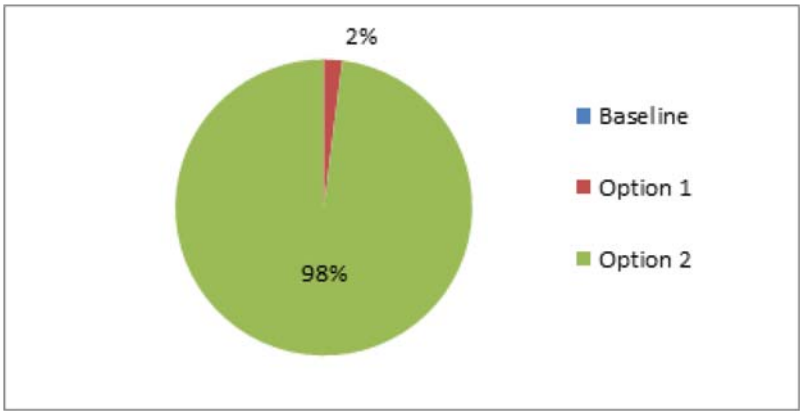

Figure 12: Stakeholder preference for the Baseline, Options 1 and 2.

7.4.2. Proportionality

The options have also been analysed for their proportionality. Of particular importance is the proportionality under both Options 1 and 2 including amendments related to reporting of catches from vessels below 12m and from the recreational sector. It should be noted that actions not considered proportionate were early discarded (see Section 5.2)

Both Options 1 and 2 may be considered proportional in terms of the specific actions they include when considering that one of the specific objectives of the amendments is to improve the quality of fisheries data. The current poor quality and partial nature of data from both the below 12m fleet segments and recreational fisheries, which is required for robust scientific assessment of the status of stocks, seriously compromises not just the achievement of the specific objective to improve the quality of fisheries data, but also of the CFP sustainability objectives more generally.

Both Options 1 and 2 also appear proportional in terms of addressing aspects that the current system has not proven to be able to achieve to date. This is particularly the case for the creation of a strong culture of compliance through new and more effective sanctioning systems and new data exchange arrangements which would address the failure to share and provide access to key control-related data.

Content and actions of Options 1 and 2 would serve to address all current problems identified, without going beyond the issues of the problem statement.

7.5. Recommendations of other EU institutions and bodies

This criterion to compare options goes beyond those suggested in the Better Regulation Guidelines, which only require comparison in terms of effectiveness, efficiency, and coherence.

The 3 options are here compared for the extent to which they act on the recommendations and suggestions made by:

- The European Court of Auditors (ECA);
- The European Commission REFIT Platform opinion;
- The European Parliament;
- The EFCA Administrative Board; and
- Council of the European Union in its response to the finding of the ECA;

A detailed list of the various recommendations is provided in Annex 9.

Figure 13 summarizes the scoring of the different options in terms of the criterion of how well they serve to act on those recommendations. As the figure shows, the Baseline scores low, as it does not address many recommendations. Both Options 1 and 2 perform well in acting on the recommendations made. It should also be noted that while the scoring is not weighted, acting on the ECA recommendations is considered essential, given their "semi-binding" nature, and both Options 1 and 2 serve to comply with the ECA recommendations. However Option 2 out-performs Option 1 quite significantly, largely due to the failure of Option 1 to address the recommendations of the EFCA Administrative Board.

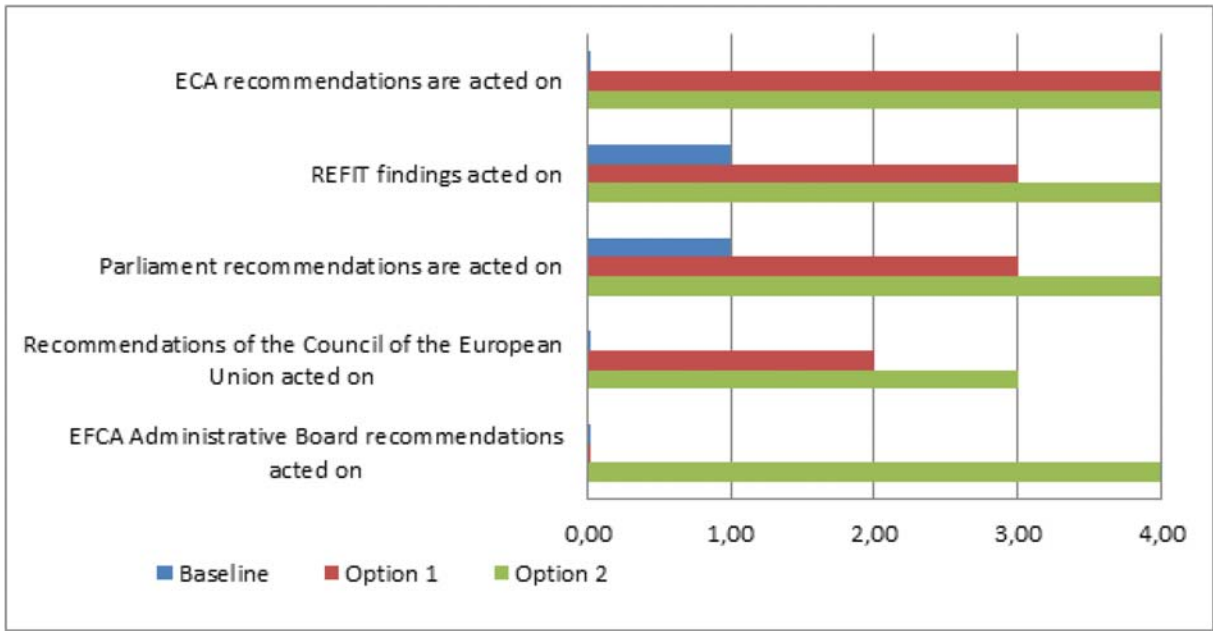

Figure 13: Comparison of action on the recommendations of EU institutions in the Baseline, Options 1, and 2 (COFFEY 2018)

8. PREFERRED OPTION

8.1. General overview

A summary of the average scores presented in the previous section is presented in Figure 14. The fully enforced baseline performs poorly against the current situation with only limited improvements in effectiveness and efficiency, virtually no action on recommendations by EU

institutions, and no increased coherence because of the failure to amend the current regulatory framework. Both Options 1 and 2 perform well against the Baseline, showing improvements for all the five criteria.

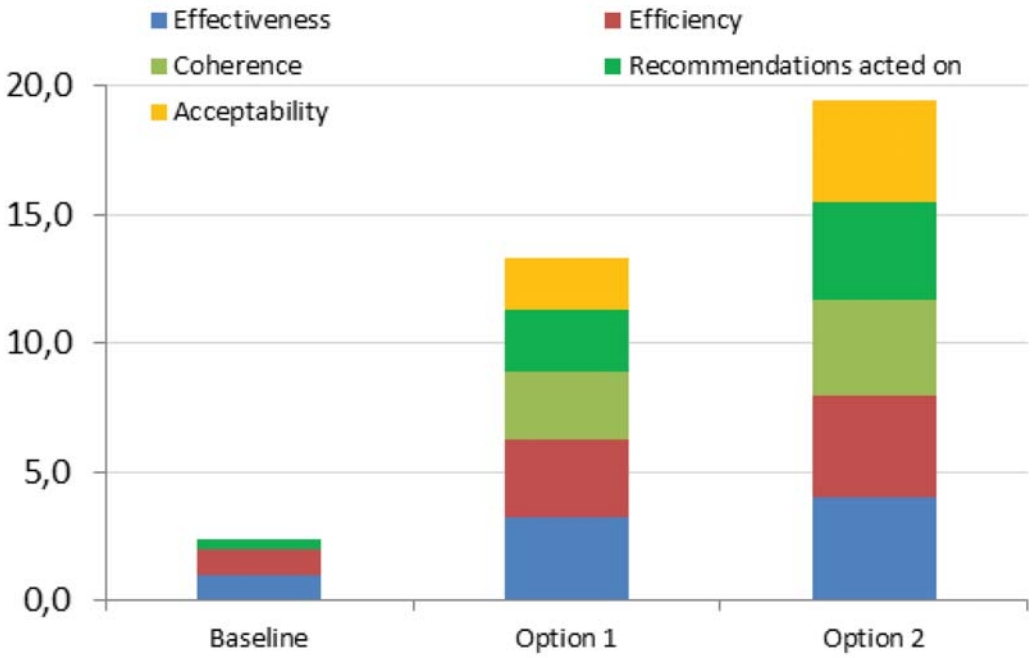

Figure 14: Comparison of scores across all criteria in the multi-criteria analysis.

Option 2 shows markedly better performance overall compared to Option 1, across all five criteria, and is therefore chosen as **the preferred option**. Taking into account all the evidences collected and analysed through the Impact Assessment process, **Option 2** would best:

- Ensure coherence with the reformed CFP;
- Modernise and ensure a full compliant future-proof control system;
- Simplify the legislative framework and decrease unnecessary administrative burden;
- Increase the culture of compliance with the CFP;
- Ensure equal treatment of operators;
- Improve quality, exchange and sharing of fisheries data;
- Improve data for stock assessment;
- Increase synergies with other policies;
- Increase competitiveness of the European industry;
- More than double each euro invested in control as revenue for the EU economy;
- Increase creation of new jobs in ICT;

- Boost investments in new technologies while saving 157M€ over a five year period compared to full enforcement of the current system (Baseline);
- Result in faster improvement of the status of the stocks and thus in increased profitability of the vessels concerned and the wages of fishermen.

8.2. REFIT (simplification and improved efficiency)

The preferred Option (Option 2) is estimated to simplify and drastically reduce the unnecessary administrative burden of the current system. An overview of the costs savings is reported in Table 4 for the different actions proposed in the five thematic areas. It should be noted that while some of the savings could be monetised, some others have been identified but it was not possible to quantify them.

REFIT Cost Savings – Preferred Option(s)		
Description	***Amount over 5 years***	***Comments***
Harmonised enforcement rules; electronic inspection reports; centralised database of inspection reports; improved exchange of data on infringements	19 M€ (✦) 15,7 M€ (❋)	Net cost savings thanks to reduction in administrative burden for public authorities. However,3.3M€ would be required as investment in ICT systems (hardware and software).
Reporting and tracking of vessels below 12m and vessels between 12m-15m	103.3 M€ (✦) 137,6 M€ (❋)	Total net cost savings for operators and public authorities thanks to decrease in administrative burden resulting from digitisation. However, 127M€ would be required as ICT investment (see Table 1 section 6.2.4)
Exchange of information: centralisation of databases	8.5 M€ (✦) 7,3 M€ (❋)	Net cost savings for public authorities thanks to digitisation and centralisation of databases. However, 2.3 M€ would be required for Member States and 2 M€ for the Commission as ICT investment. Also the measures would result in increased costs of 3.5M€ for the Commission for ICT development and maintenance.
IUU electronic certificate	4 M€(✦) 4 M€ (❋)	Net cost savings for public authorities thanks to digitisation and consequent reduction in administrative burden. The ICT system is already being developed by the Commission which bears the costs of it.
Traceability	-	Cost savings are expected for public authorities thanks to the increased interoperability of the ICT solutions, however at this stage it was not possible to

		quantify them.
Data management and sharing at EU level	-	Cost savings are expected for Member States and the Commission thanks to the rationalisation of data exchange. More savings are also estimated for the Commission thanks to the direct access to information data of the Member States, but at this stage it was not possible to quantify them.
Reduction and simplification of reporting obligations	-	Cost savings are expected for operators and public authorities[66] thanks to reduction and streamlining of reporting, but at this stage it was not possible to quantify them.

Table 4: REFIT cost savings of the preferred Option, respect to the current situation (✦), respect to the Baseline (❋).

9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

To conclude the impact assessment process, this section identifies the **monitoring and evaluation arrangements needed to track the intended results of this initiative**. In addition, a set of core indicators has been defined for the preferred option, the multi-annual plan.

9.1. Monitoring

Table 5 identifies for the specific objectives of the initiative, as presented in section 4, their operational objectives and the corresponding monitoring indicators and their expected trends in the medium and long term as criteria for success of the initiative.

Monitoring of the impacts of the control system is and will continue to be part of the routine work performed by Member States, by the Commission and by EFCA.

As regards sanctions, monitoring already takes place in the Member States and by EFCA in the context of common coordination activities carried out by the Agency. In future, with the creation of a register of serious infringements at EU level and the possibility to have direct access to inspection reports, data collection, monitoring of relevant indicators will be easier, more effective and directly accessible to the Commission as well. This will also be relevant for data collection and monitoring of operational objectives 5 and 6.

For the exchange of data and number of publications (operational objectives 2 and 3), data collection and monitoring is guaranteed by the data management unit with DG MARE, which regularly oversees the implementation of IT and data systems by Member States also through *ad-hoc* expert meetings with Member States.

[66] Those savings are mostly associated with changes (deletion or amendments) of reporting or publication obligations obligation foreseen for Member States and the Commission (*e.g.* Art 16, Art 25, Art 28, Art 34, Art 35.3 Art 48.3)

Catch data are regularly submitted by Member States to the Commission (monthly or quarterly, depending on the stocks). This will allow for the monitoring of operational objective 4.

9.1. Evaluation

A continued evaluation will be ensured through the use of an integrated set of tools and actions:

1. Verifications, autonomous inspections and audits: The Control Regulation (Articles 96-102) empowers the Commission to control and evaluate the application of the rules of the CFP by the Member States by means of examination of information and documents, by conducting verifications, inspections and audits and by following-up on those. This activity currently encompasses a yearly average of 40 missions in all Member States concerned.

2. Expert/Steering groups: Fisheries control and compliance expert groups are routinely organised by the Commission with all Member States and EFCA (one average once/month) to review the state of play with implementation, to evaluate data, to discuss best-practices and problems and to identify solutions and common ways forward. Furthermore, EFCA regularly organises steering groups at regional and EU level with Member States to assess the level of implementation of specific control programmes. Those groups are also attended by the Commission and will continue to be operational.

3. Five-year evaluations: The Control Regulation provides that the Commission shall assess the implementation of the Control Regulation every 5 years, based on reports submitted by Member States. In addition, the EFCA founding regulation requires a 5-year evaluation of the Agency's activities, based on an external independent assessment. The monitoring indicators and their evolution in the medium and long term will be assessed on the occasion of those evaluations and in particular in the context of the 5-years evaluations of the Control Regulation (medium and long term evolution of indicators).

Specific objectives	Operational objectives	Monitoring indicators	Expected trends of indicators[67]	
			3-5 y	5-10 y
Remove obstacles for a better culture of compliance and for equitable treatment of operators	1. Sanctions are deterrent enough in all MS	• N° infringements and serious infringements/N° of inspections and N° of vessels (yearly)	↑	↓
		• Average fine by type of infringement (yearly)	↑	↔
		• Average time for the allocation of points/assignment of penalties (yearly)	↓	↔
Simplify legislative framework and reduce unnecessary administrative burden	2. Structures are in place for easy data exchange	• N° of interoperable databases/systems (yearly)	↑	↑
	3 Reduction in the No of publications on the series C	• N° publications on the series C, linked to the Control Regulation (yearly)	↓	↔
Improve availability, reliability and completeness of fisheries data and information	4. All vessels report their catches (electronically)	• Catch data by fish stock by sea-basin (monthly)	↑	↔
		• Number of stocks with sufficient fisheries data to support scientific advice in the Mediterranean	↑	↑
Bridge the gaps with the CFP and with other EU policies	5. The landing obligation is effectively enforced	• N° infringements prosecuted on breaches to the landing obligation (yearly)	↑	↔/ ↓
	6. MS can effectively control marine protected areas	• N° infringements detected for fishing activities in MPAs (yearly)	↑	↔/ ↓

Table 5: Monitoring indicators of the preferred option and their expected trends.

[67] The expected trends are presented in the medium and long term, i.e. 3-5 years and 5-10 years after the full implementation of the new Fisheries Control System.

Annex 1: Procedural information

10. LEAD DG, DECIDE PLANNING/CWP REFERENCES

The Directorate-General for Maritime Affairs and Fisheries (DG MARE) led the preparation of this initiative and the work on the impact assessment. Other Commission departments involved are: DG Environment (DG ENV), DG Health and Food safety (DG SANTE), DG Mobility and Transport (DG MOVE), the Legal Services (DG LS) and the Secretariat-General (DG SG).

EFCA, EMSA and FRONTEX were also consulted in the process and provided their input on the proposal (see Annex 2 on Stakeholder Consultation).

The proposal for the revision of the Fisheries Control System is provided for in the 'Agenda Planning' (**2017/MARE/1111**) and in the DG MARE's 2017 Management Plan.

11. ORGANISATION AND TIMING

The impact assessment has progressed in several steps since the publication of the results of the Commission REFIT evaluation in April 2017, the publication of other EU Institution's opinions (ECA, EP, Council) and EFCA Administrative Board Recommendations.

The discussions led in the European Institutions concluded that the current fisheries control system is not fit for purpose and, upon agreement of the priority areas to be tackled, in June 2017 its revision was formally launched.

Since then, numerous meetings have been organised to collect as many views as possible from the various stakeholders (see Annex 2 for more details).

The steering group that oversaw the REFIT evaluation, enlarged to represent some more Commission Services, followed the process of this initiative as well, providing continuity and coherence with the previous exercise.

The Impact Assessment Inter-Service Steering Group (IA-ISSG) was composed of relevant Commission departments (DG MARE, DG ENV, DG SANTE, DG MOVE, the Legal Services and the Secretariat-General). DG LS and DG MOVE were added to the original steering group of the REFIT evaluation to ensure that the new proposal would be legally sound and robust, and coherent with maritime policy and safety.

The IA-ISSG met five times (27 May, 14 July, 11 September, 10 November, and 13 December 2017) and was consulted various times in writing. In between these consultations, informal contacts were held with the members of the steering group to get input and feedback on:

- the draft inception impact assessment;
- the stakeholders consultation;
- concrete aspects of the impact assessment such as defining the problem, conceiving the policy options and the technical action to solve the identified shortcomings;
- the draft impact assessment report.

In addition, in January 2017 DG MARE set up a working group to internally coordinate the process and in September 2017 set up ten specific project teams to deal with specific issues of

the control (enforcement, monitoring of vessels below 12m, recreational fisheries, post-landing activities, engine power, data management, landing obligation, environment, traceability, IUU, EFCA). The team comprises DG MARE inspectors, staff working in the various units with direct or indirect interests in control[68]. The group has made good progress on topics such as better defining the nature of the problem, choosing the best technical actions to tackle them, and determining what indicators to use in the modelling of impacts.

12. CONSULTATION OF THE RSB

The draft impact assessment report was submitted to the Regulatory Scrutiny Board on 8 January 2018 for quality review. The Board analysed the draft report and issued a positive Opinion accompanied with its recommendations for improvement on 9 February 2017[69].

An overview of the Board's recommendations and the changes made compared to the earlier draft is provided below:

Board's main consideration and recommendations (part B)	**Changes made compared to the earlier draft**
(B.1) The report does not present sufficiently the links between the Common Fisheries Policy, control system and other policies.	The relationship between the Common Fisheries Policy, the control system and other policies has been further explained in Chapter 1 [see box C.1]. The relationship between the Common Fisheries Policies, conservation measures and the FCS has been further clarified in Section 1.1. In order to clarify the relationship with other EU policies new sub sections has been added in Section 1.4 [see box C.1]. The contributions of the baseline, policy options 1 and 2 as support of other EU policies is presented with more detail in Section 7.3.
(B.2) The baseline does not assume full enforcement of existing policies as it should be under a "no policy change" scenario.	Old Option 1, foreseeing full enforcement of the current system has been merged with the baseline, and presented in Section 5.1.
(B.3) Several important elements of the problems are not sufficiently clear. The report does not sufficiently explain relevant trade-offs with regard to social and environmental impacts.	Chapter 2 on the problem definition has been revised, better explaining the links and issues with other EU policies recently adopted [see box C.2]. Trade-offs with regards to social and environmental impacts has been further elaborated in Chapter 6.

[68] In particular the following units were represented and actively contributed: Unit A3: Sea basin strategies, Maritime Regional Cooperation and Maritime Security; Unit A4: Economic Analysis, Markets and Impact Assessment; Unit B3: Trade Negotiations and Sustainable Fisheries Partnership Agreements; Unit B4: Illegal, Unreported and Unregulated Fisheries Policy; Unit C1: Fisheries Management Atlantic, North Sea and Baltic; Unit C3: Scientific Advice and Data Collection; Unit C4: Data Management; Unit D1: Fisheries Management Mediterranean and Black Sea; Unit D3: CFP and Structural Support - Policy Development and Coordination; Unit D4: Fisheries Control and Inspections; Unit E3 HR and IT; Unit E4: Legal Affairs.

[69] The Opinion of the Regulatory Scrutiny Board will be published with the impact assessment report and the Commission proposal in the online Register of Commission documents (available here).

Board's further consideration and recommendations for improvement (part C)	Changes made compared to the earlier draft
(C.1) The context of the initiative could be improved by adding information about the Common Fisheries Policy and how it links to the fisheries control system in terms of policy objectives and in practice. Also other initiatives could be more clearly linked, such as the ones mentioned in the introduction – Joint Communication on Ocean Governance, European Strategy for Plastics in a Circular Economy, Digital Single Market strategy and the Communication regarding outermost regions. It would be useful to clarify the scope after the presentation of the context by adding a figure that summarises how the system as a whole works and where there are problems	More information on the CFP and its relationship with conservation measures and the FCS has been added in Section 1.1. Figure 1 has been also added to clarify policy objectives and scope. In order to clarify the relationship of the FCS with other EU policies recently adopted new sections, providing an overview of those policies, has been added in Section 1.4 (*i.e.* sections '1.4.3 Digital Single Market Strategy', '1.4.4 International Ocean Governance Agenda', 1.4.5 Strategic partnership with the EU's outermost regions). Clarification of the links with the European Strategy for Plastics in a Circular Economy has been added in the section 1.4.1 EU environmental legislation. Figure 2 in Section 1.4 has been added to clarify the links between those recently adopted EU policies versus the FCS and relevant issues.
(2) The problem definition and problem drivers could be better presented. The report might add more information about derivative problems, for example overfishing due to lack of enforcement of the landing obligation. Illustrative examples might also be useful. The report should reflect relevant regional considerations, e.g. on overfishing problems and differences in fishing fleet composition.	The problem definition has been clarified in Section 2.1 better highlighting the links with other EU policies. Issues or possible contribution of the FSC in supporting the achievement of other EU policies' objectives have been further explained in Section 2.2. In particular links with the European Strategy for Plastics in a Circular Economy, the Digital Single Market strategy and the Joint Communication on Ocean Governance, are presented in Section 2.2.1. More details about the landing obligation have been added in Section 2.2.1, with Table 1 proving an overview of stocks covered by the landing obligation. Illustrative example to reflect regional considerations *e.g.* overfishing and difference in fleet composition have been added in sub-section 2.2.3.
(3) The presentation of the baseline scenario should follow the Better Regulation Guidelines. The baseline should reflect a best projection of how things will evolve with no policy change. It should take into account how already decided or ongoing policy measures will be enforced. Option 1 should also be reconsidered in line with the new presentation of the baseline. Options 2 and 3 could also add sub-options to better address trade-offs of different policy choices across multiple objectives. The report could provide more detail on how the amendment of the EFCA founding Regulation and the IUU Regulation would improve enforcement in the seas with particular overfishing risks	The baseline has been revised in Section 5.1 presenting in detail the projections of how things will evolve with no policy change. Various sub-options conceived under the two policy options proposed are presented and explained in Section 5.2. In the impact assessment only those sub-options prone to achieve the set objectives with minimal administrative burden and that found support from the majority of stakeholders were fully investigated. These sub-options are presented in detail in Annex 5. A list of the sub-options discarded and related motivations are presented in Annex 6.
(4) Impacts could be further explored and explained. The intended positive impacts of the fisheries control system is to contribute to the general	The impacts of control measures on healthy fish stocks and ecosystem, and a profitable industry have been further explained in Sections 5.1.1 and 5.1.2 and 5.1.3.

objective of the Common Fisheries Policy; healthy fish stocks and ecosystem, and a profitable industry. To provide more coherent and complete picture, the report should more rigorously elaborate on the environmental and social impacts of the (preferred) options.	Environmental impacts attributable in particular to strengthen control and monitoring of small scale fisheries and of the landing obligation have been further explained in Section 6.1.1. Also the environmental impacts related to the amendments of EFCA Founding Regulation have been further elaborated. The economic impacts related to amendments of EFCA Founding Regulation have been further clarified in Section 6.2.2
(5) Stakeholder views about various measures could be better reflected. This would help to indicate where changes may prove disruptive or otherwise relatively hard to implement.	Stakeholders' views on measures that may prove disruptive or relatively hard to implement have been summarised in Table 6 and further explained throughout Annex 2, providing links with the discarded sub-options listed in Annex 6. Annex 10 with a list of stakeholders who provided a written contribution has been added.
(6) The report could more clearly specify operational criteria for success, and indicate how data for indicators would be collected and presented,	Further information on monitoring and evaluation of impacts of the preferred options (criteria, indicators and collection of information) has been provided in Section 9. Operational criteria for success and expected trends have been defined and presented in Table 5.

13. EVIDENCE, SOURCES AND QUALITY

The evidence supporting the problem definition reported in this impact assessment is provided in the documents published by the European Institutions following evaluations, studies, audit and surveys of the Fisheries Control System and in particular the

- Commission REFIT evaluation[70];
- The Commission REFIT Platform[71];
- The special report of the Court of Auditors[72];
- The Council conclusions on Court of Auditors report[73];
- The Resolution by the European Parliament[74];
- The EFCA Administrative Board recommendation[75], following the results of its five years external evaluation[76].

Additional material was collected from technical reports published by regional expert groups (*e.g.* North Western Waters, PEASCAMED) and Advisory Councils.

70 COM(2017) 192 final, http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2017:192:FIN
71 https://ec.europa.eu/info/sites/info/files/xiv3acontrol_of_eu_fisheries.pdf
72 https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=41459
73 http://data.consilium.europa.eu/doc/document/ST-13323-2017-INIT/en/pdf
74 http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2016-0407+0+DOC+XML+V0//EN
75 https://www.efca.europa.eu/sites/default/files/EFCA%20Evaluation%20-%20Issuing%20of%20Recommendations.pdf
76 https://efca.europa.eu/sites/default/files/Five-Year%20Independent%20External%20Evaluation%20Report%202017.pdf

The results of the Capgemini Study carried out in the frame of the REFIT evaluation fed into this Impact Assessment providing extensive data on status of the implementation of the Control Regulation and detail analysis of its impacts[77,78].

Further data on the status of implementation of the Control Regulation, and its contribution on the reaching CFP objectives, supporting management and conservation measures came from several studies and reports published by:

- **the European Parliament**, and in particular:
  - Research for PECH Committee – Marine recreational and semi-subsistence fishing – its value and its impact on fish stocks (2017)[79]
  - Fisheries control and enforcement (2017)[80]
  - Research for PECH Committee - Small-scale Fisheries and "Blue Growth" in the EU (2017)[81]
  - Research for PECH Committee – The discard ban and its impact on the maximum sustainable yield objective on fisheries (2016)[82]
  - Research for PECH Committee – Feasibility of measuring socio-economic and environmental impacts of recreational and semi-subsistence fisheries in the EU (2016)[83]
  - Research for PECH Committee – Small-scale fisheries markets: value chain, promotion and labelling (2016)[84]
  - Research for PECH Committee – Social and economic impact of the penalty point system (2016)[85]
  - How to make fisheries controls in Europe uniform (2016)[86]
  - The landing obligation and its implications on the control of fisheries (2015)[87]
  - Small-scale fisheries and the zero discard target (2015)[88]
  - Le contrôle de la pêche européenne: une vue d'ensemble – ANALYSE APPROFONDIE (2015)[89]
  - The obligation to land all catches – Consequences for the Mediterranean. In-depth analysis (2014)[90]
  - The CFP-infringement procedures and imposed sanctions throughout the EU (2014)[91]
  - Data-deficient fisheries in EU waters (2013)[92]

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77 *Evaluation of the impact of Council Regulation (EC) No 1224 / 2009 of 20 November 2009 "establishing a. Community control system for ensuring compliance with rules of the common fisheries policy" Evaluation report'*, EU bookshop catalogue nr KL0716172ENN, ISBN 978-92-79-64671-3, DOI 10.2771/927090.

78 *Evaluation of the impact of Council Regulation (EC) No 1224 / 2009 of 20 November 2009 "establishing a Community control system for ensuring compliance with rules of the common fisheries policy" Synthesis report of the first five years report of Member States according to Art 118'*, EU bookshop catalogue nr KL0716174ENN, ISBN 978-92-79-64676-8, DOI 10.2771/359063.

79 http://www.europarl.europa.eu/RegData/etudes/STUD/2017/601996/IPOL_STU(2017)601996_EN.pdf

80 http://www.europarl.europa.eu/ftu/pdf/en/FTU_3.3.3.pdf

81 http://www.europarl.europa.eu/RegData/etudes/STUD/2017/573450/IPOL_STU(2017)573450_EN.pdf

82 http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573440/IPOL_STU(2016)573440_EN.pdf

83 http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573457/IPOL_STU(2016)573457_EN.pdf

84 http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573443/IPOL_STU(2016)573443_EN.pdf

85 http://www.europarl.europa.eu/RegData/etudes/STUD/2016/573413/IPOL_STU%282016%29573413_EN.pdf

86 http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A8-2016-0234+0+DOC+PDF+V0//EN

87 http://www.europarl.europa.eu/RegData/etudes/STUD/2015/563381/IPOL_STU(2015)563381_EN.pdf

88 http://www.europarl.europa.eu/RegData/etudes/STUD/2015/540360/IPOL_STU(2015)540360_EN.pdf

89 http://www.europarl.europa.eu/RegData/etudes/IDAN/2015/568321/EPRS_IDA(2015)568321_FR.pdf

90 http://www.europarl.europa.eu/RegData/etudes/note/join/2014/529055/IPOL-PECH_NT(2014)529055_EN.pdf

91 http://www.europarl.europa.eu/RegData/etudes/note/join/2014/514003/IPOL-PECH_NT(2014)514003_EN.pdf

- The small-scale coastal fleet in the reform of the Common Fisheries Policy (2012)[93]
- Characteristics of small-scale coastal fisheries in Europe (2011)[94]

- **NGOs**, and in particular:
  - Client Earth – Slipping through the net - The control and enforcement of fisheries in France, Ireland, the Netherlands, Poland, Spain and the UK (England) (2017)[95]
  - Oceana – Fish Stories: Success and Value in Seafood Traceability (2016)[96]
  - Client Earth – Slipping through the net - The control and enforcement of fisheries in England, France, Ireland and Poland (2016)[97]
  - Coalition: Environmental Justice Foundation, Oceana, The Pew Charitable Trusts and WWF – The EU IUU Regulation - Building on success EU progress in the global fight against illegal fishing (2016)[98]
  - WWF – Traceability principles for wild-caught fish products (2015)[99]
  - Our Fish – Thrown away: how illegal discarding in the Baltic sea is failing EU fisheries and citizens (2017)[100]

External expertise was used as support for this Impact Assessment for assessing the impacts of the policy options proposed and their comparison. The request for service was issued in September 2017 and COFFEY was selected for carrying out the work. The contract was signed in October 2017. The consultant was provided with the conceived policy options and the action and technical solutions proposed to solve the identified shortcomings. Tasks of the study were to 1) assess the environmental, economic, social impacts of the policy options, changes in administrative burden, and simplification benefits; 2) compare the option in terms of efficiency, effectiveness, coherence, and recommendations of relevant Institutions.

To get feedback on the initiative DG MARE directly and extensively engaged in targeted stakeholder consultations (see Annex 2 Stakeholder Consultation). Stakeholders' opinion and feedback from experts and Member States has been taken into consideration in the choice of the policy options (see Section 5.3 and Annex 6 on discarded options) and in the development of actions aimed at solving the identified shortcomings (See Annex 5 on 'Specific elements of the retained policy options').

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92 http://www.europarl.europa.eu/RegData/etudes/etudes/join/2013/495865/IPOL-PECH_ET%282013%29495865_EN.pdf
93 http://www.europarl.europa.eu/RegData/etudes/note/join/2012/474545/IPOL-PECH_NT(2012)474545_EN.pdf
94 http://www.europarl.europa.eu/RegData/etudes/etudes/join/2011/460059/IPOL-PECH_ET(2011)460059_EN.pdf
95 https://www.documents.clientearth.org/wp-content/uploads/library/2016-12-02-slipping-through-the-net-the-control-and-enforcement-of-fisheries-in-france-ireland-the-netherlands-poland-spain-and-the-uk-england-ce-en.pdf
96 https://usa.oceana.org/sites/default/files/fish_stories_report_hi-res.pdf
97 https://issuu.com/capnh/docs/2016-12-02-slipping-through-the-net
98 https://wwf.be/assets/RAPPORT-POLICY/OCEANS/UK/IUU-report-01-02-16-web.pdf
99 https://wwf.be/assets/RAPPORT-POLICY/OCEANS/UK/WWF-Traceability-Principles-for-Wild-Caugh-Fish-April-2015.pdf
100 http://our.fish/wp-content/uploads/2017/11/Our_Fish_Baltic_fish_discards_exec_summary.pdf

Annex 2: Stakeholder consultation

Consultation objectives

An extensive public consultation was conducted in the framework of the REFIT evaluation in 2016. It consisted of an online questionnaire with 35 closed questions tackling specific topics, complemented by 3 open questions on strengths and weaknesses of the current system, inviting suggestions on ways forward. A total of 462 contributions were received: 441 replies to the online questionnaire, 16 of which from registered organisations, and 21 contributions sent by individual stakeholders. The results are published on the Europa webpage[101].

Additional targeted consultations were later carried out with the aim to (i) agree on the problems identified by the European Commission in the REFIT evaluation (ii) agree on the need for action; and (iii) collect inputs and receive feedback from as many stakeholders as possible on the forward-looking elements of the inception impact assessment and on the specific proposed actions proposed by the Commission to address the issues identified.

The consultations especially involved: public authorities (including national competent authorities, regional and local authorities), Advisory Councils, industry/fishermen, EU and national associations, NGOs, the European Fisheries Control Agency (EFCA) and its Administrative Board, the European Maritime Safety Agency (EMSA), FRONTEX (sea border control).

Discussions were held in several different fora to ensure a broad and exhaustive coverage of all relevant stakeholders, including the Council Working Party on Internal and External Fisheries Policy, and the PECH Committee of the European Parliament.

Consultation process

The objectives of the consultations were achieved carrying out the discussions in three different phases.

In the **first phase** the results of the REFIT evaluation were presented and discussed with stakeholders[102] in order to gather their view on the conclusions reached by the European Commission, agree on the problem definition, agree on the main issues to be tackled, and gather suggestions on possible way forward. The feedback received **allowed DG MARE to conceive a first wide range of possible policy options** to be investigated for improving the effectiveness and efficiency of the Fishery Control System.

The **second phase** aimed at gathering stakeholders' preferences on this first wide range of policy options initially conceived, and certain specific actions that could be envisaged to tackle the agreed shortcomings of the Fisheries Control System. These options and actions were especially discussed with Member States and their experts, and with other Institutions (Court of Auditors, Council, European Parliament), and EFCA in the Expert Group on Compliance on 5th July 2017.[103] The result of this second phase allowed DG MARE to

[101] https://ec.europa.eu/info/consultations/evaluation-fisheries-control-regulation_en

[102] Results were presented at the following meetings: Council Working Party (26.04.2017); European Parliament Committee on Fisheries (EP PECH) (22.06.2017); Expert Group of the Control Regulation (07.06.2017); North Sea Advisory Council (13.06.2017); North Western Waters Advisory Council (05.07.2017); Pelagic Advisory Council (12.07.2017); meeting with WWF and Client Earth (29.06.2017).

discard early some policy options. After the meeting, DG MARE also received written feedback, which allowed refining the options based on the suggestions and comments received.

The outcome of the consultations carried out under the first and second phases eventually led to the problem definition, objectives and three policy options as laid down in the Inception Impact Assessment published in October 2017. Stakeholders were invited to provide feedback on the Inception Impact Assessment through the Better Regulation online platform, which was active for four weeks. Seven contributions, publicly available[104] were submitted.

Within the **third phase**, stakeholders were consulted on the 3 retained policy options presented in this Impact Assessment and specific actions to achieve their objectives. In this frame several workshops and meetings were organised with the different categories of stakeholders to ensure an as broad and as exhaustive coverage as possible. In particular, two technical workshops were organised with Advisory Councils, EFCA, public authorities, fishing industry, European Fisheries Organisations and Associations and with NGOs. The scope of the workshops was to gather stakeholders' views on the 3 proposed policy options retained and discuss the technical solutions proposed to address the control of the landing obligation (15 November 2017) and the other five key areas identified for the revision (16 November 2017). The same discussions took place with the Member States in the Expert Group meeting on Fisheries Control (6 November 2017), where EFCA and the EP PECH secretariat were also present and Advisory Councils were collectively informed in the Inter-Advisory Councils meeting (14 November 2017). The amendments proposed for improving traceability of fisheries products and market control were presented in detail and discussed also in the Expert Group on Market and Trade (30 November 2017). The amendments proposed for the EFCA Founding Regulation were also presented in detail and discussed with the EFCA Administrative Board in an *ad-hoc* seminar (19 October 2017).

DG MARE also attended various meetings organised by the Advisory Councils, regional Expert Groups and various stakeholders, and carried out other informal discussions with Member States and stakeholders.

The main conclusions from all these consultations are summarised below, thereby providing an overview of the opinions on the different key areas that were investigated.

A list of the stakeholders which sent a written contribution is provided in Annex 10.

The original written contributions sent by stakeholders and the minutes of the above mentioned workshops and seminars are published on the European Commission website[105].

Main conclusions from the stakeholders' consultation

General overview

There was a **common agreement among stakeholders on the need to revise the EU fisheries control system**. Contributions and feedback received highlighted deficiencies in the implementation of the fisheries Control Regulation, as well as in some of its provisions. Stakeholders generally supported the Commission in tackling the following major issues: alignment to the CFP, discrepancies between Member States' application of the rules, complexity of the legislative framework and lack of clarity of some provisions regarding the

[104] https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-4808152_en
[105] https://ec.europa.eu/fisheries/cfp/control_en

sanctioning system, availability, quality and sharing of data, the control of small vessels and the landing obligation, as well as synergies with other legislations, in particular IUU fishing, environment, food law and market.

Contributions also highlighted issues such as simplification, regionalisation, level playing field and the need for cost-effective solutions. **Simplification** and legal clarification of the current control rules were strongly encouraged by stakeholders as the current legislative framework remains too complex with too many obligations and exemptions. Additionally, some obligations can be interpreted and thus applied differently by stakeholders. **Regionalisation** was seen as an important concept for some stakeholders, while it was considered as a concept not in line with the spirit and the objectives of a Union control policy by others. Some asked for the amended Control Regulation to be flexible enough to accommodate the specificities of each region and fishery; others however did not support regionalisation of fishing control rules, but voiced the need for continued and enhanced harmonisation in the various Member States that would allow for a **level playing field** within the Union. The need to create a level playing field among fishery operators and Member States across the EU was considered critical and stakeholders stressed the fact that this should be guaranteed within the Union. Exemptions from the main rules are deemed as sometimes necessary. However, they should be kept to a minimum. Lastly, whenever possible, reduction of administrative burden and **cost efficiency** should be guiding principles of the revision process.

Regarding the proposed policy options, **the vast majority of stakeholders strongly supported or had a preference towards Option 2**, namely the amendment of the fisheries Control Regulation, together with the IUU and EFCA Regulations. The need to amend the IUU Regulation was unanimously supported by all stakeholders in order to to introduce electronic catch certificates.

An overview of stakeholders' views on measures that may prove disruptive or relatively hard to implement is given in Table 6.

Table 6: Stakeholders' views on measures that may prove disruptive or relatively hard to implement and Commission's remarks

Area	Stakeholders	Summary of stakeholders positions	Commission remarks
Enforcement	NGOs	Full support for amendment of the IUU Regulation to introduce the electronic catch certificate. However no support for amending the IUU Regulation on sanctions as this "risks to re-open this legislation and risks are high that, if pursued, this option will be used to weaken enforcement provisions in both the IUU and Control Regulations".	The preferred option proposed a targeted revision of the IUU Regulation as regards the title dealing with enforcement rules, given its tight interlink with the enforcement system of the Control Regulation and of the .FCS as a whole. It was therefore considered that the most effective way to clarify and simplify at the same time the enforcement rules of the FCS would inevitably require also amending this specific tittle of the IUU Regulation. As regards future risks, at this stage it is premature to pre-empt any evolution as regards the inter-institutional co-decision process.
Control of the landing obligation	Businesses and most Advisory Councils (ACs)	Use of remote electronic tools (*e.g.* CCTV): - might constitute invasion of privacy and business confidentiality; - might be discriminatory; - other methods to control (*i.e.* gram size) exist.	- Privacy and confidentiality have been rigorously taken into account in the preferred option and the European Data Protection Supervisor(EDPS) was consulted; - Specific rules will have to be laid down in secondary acts on the installation and functioning of CCTVs, as well as in the use and availability of data resulting from them; - The percentages and types of vessels subject to remote electronic tools will be decided at regional level according to risk assessment; - Other methods of control (*i.e.* gram size as proposed by the Pelagic AC) are not applicable to all fisheries, and most importantly are based on unverified data.
Recreational fisheries	Most Member States	Called for a cautious approach to avoid administrative burden and limit the impacts on control means and resources.	The preferred option proposes: - Minimum control requirements to be applied at national level by Member States, depending and coherently with any requirements set in Union conservation measures applicable to recreational fisheries; - National Control Programmes set according to risk analysis; - When deemed necessary, further control provisions could be set in secondary acts.
Weighing	Businesses	Multiple weighing of fresh fish would be detrimental for its quality	In the preferred option no superfluous multiple weighing is imposed. For unsorted catches not for human consumption sampling plan will still be a possibility. Unsorted catches for human consumption need anyway to be sorted and weighted before final sale.
Control of fishing capacity	Businesses and some Advisory Councils (ACs)	Control of engine power "is not of relevance in the quota system and strongly related to fishing vessel safety". "Fishing capacity limitation are seen as restriction to adapt fishing vessels to new technologies and to the discard ban.	The CFP sets fishing capacity ceilings for each Member States in terms of engine power and gross tonnage. The Control Regulation needs to provide the necessary tools for its enforcement, while changing those two ceilings on fishing capacity – as argued by businesses, is out of the scope of this initiative as it pertains to the CFP.

Specific opinions on the elements proposed

A. Enforcement

Stakeholders generally considered that the proposed amendments on enforcement rules are intended to improve the consistency and effectiveness of national sanctions for infringements of the CFP.

The majority of **Member States** acknowledged that the current framework requires greater clarification, including certain Articles of the IUU Regulation. Some provisions are differently laid down in the Control Regulation and in the IUU Regulation. This leads to possible misinterpretations regarding sanctions, serious infringements and the point system, therein causing confusion on its application. Nevertheless, Member States recalled their national competencies with regard to the treatment of infringements and the definition of level of sanctions, thus implicitly warning against any attempts to excessively harmonise related provisions at EU level [thus the option to fully harmonise sanctions at EU level was discarded, see sub-option A.1 in Annex 6].

The possible amendments to clarify the current enforcement rules were also generally supported by other stakeholders, including **Advisory Councils** and **NGOs**. They acknowledged the level of complexity and the need to harmonise sanctions to obtain a better level playing field throughout the Union.

In particular, NGOs highlighted some issues regarding the lack of clarity on provisions related to enforcement, and noted that national criteria largely differ from one Member State to another, leading to an uneven playing field. NGOs also called for more dissuasive sanctions to effectively combat illegal practices and supported the idea to make the sharing of inspection reports between Member States mandatory.

Similarly, Advisory Councils underlined that it is necessary to have a harmonised implementation of sanctions. They emphasised the need to ensure a level playing field amongst Member States and third countries fishing in EU waters. They also called for greater clarifications on sanctions and the point system for serious infringements, as well as on the need to have all control measures in one Regulation and avoid the mushrooming of control provisions within other Regulations. On the definitions of serious infringements however some **Advisory Councils** and **NGOs** did not support the amendment of the IUU Regulation, claiming that those are already clear and well defined in the IUU Regulation.

A **fisheries association** stressed the need for a harmonised sanctioning system with a clear definition for serious infringements and a compilation of all control measures in one legal act.

B. Data: quality, availability and sharing

B1. Reporting and tracking for vessels below 12 m

There was general agreement among **Member States** that tracking and reporting of catches should be extended to all vessels, irrespective of their size. Yet easy and cost-effective solutions should be gradually applied in the near future. Most contributions stressed the importance of investigating suitable electronic devices with a good cost-efficiency ratio, as VMS may be too expensive for small vessels [thus the option to tracking and reporting for small through VMS /ERS was discarded, see option B.1 in Annex 6). Alternative potential solutions proposed by Member States included the use of GPS equipment, AIS, and mobile

phone. The introduction of these devices and electronic catch reporting for all vessels was deemed to be beneficial.

Other stakeholders including **Advisory Councils**, **NGOs** and **fisheries associations and organisations** generally supported this key area, with a warning that the system should be user-friendly, cost-effective and in general not burdensome. Some representatives of fisheries associations expressed preference for reporting of catches to be conducted after landing. Tracking was perceived as very important, including to control fishing activities in fishing restricted areas and in marine protected areas (MPAs). One **Advisory Council** called for a clearer definition of the scope as per the need for such data to be collected. The need to be careful, not to discriminate and to monitor all segments of vessels equally was also stressed.

NGOs also called for the elimination of the 50 kg derogation by species in the logbook, to be applied to all categories of vessels.

B2. Control of recreational fisheries

The control of recreational fisheries is the matter on which opinions differ most amongst consulted stakeholders. The initially proposed introduction of fully fledged control measures at EU level on recreational fisheries was fully supported only by one **Member State**. Most of the concerns of other Member States for thorough and rigorous control provisions related to the high administrative burden and costs that such measures would entail [thus the option to fully control all types of recreational fisheries was discarded, see option B.3 in Annex 6]. Some Member States defended the notion that the impact of recreational fisheries is not substantial, despite the huge number of participants. Other Member States recognised that the impact was real, but it is difficult if not impossible to estimate it because of the lack of proper data. Although some Member States were only in favour of national measures, others seemed not to exclude EU measures in specific circumstances and when scientific advice provides evidence of high impacts on the overall status of already depleted stocks (*e.g.* Seabass in the Atlantic and Cod in the Baltic Sea).

Other stakeholders generally agreed that additional EU control measures for recreational fisheries are necessary. **NGOs** fully supported the specific actions proposed, as there is currently no reliable data on the impacts of recreational fisheries. Some referred to a huge "black hole" in monitoring, especially in the Mediterranean Sea, and asked to further regulate recreational fisheries. They also recommended stricter guidelines, including outlining rules for licensing and catch reporting procedures. One **fisheries association** suggested proposed specific actions to be improved. In particular, the registration of recreational fishing vessels should be extended to all recreational fishermen (including shore-based anglers and spearfishers) as these categories could have higher impacts on some key stocks. The control of recreational fisheries was considered as important for four **Advisory Councils** which highlighted the need for strengthen control measures. One Advisory Council however argued that a personal licencing system would be more efficient and useful, while registration of vessels might prove difficult for most vessels involved in these fisheries. Stakeholders also raised issues on controllability, possible administrative burdens for national governments and the difficulty to implement a licencing system.

Following the above comments on the initial proposal the Commission revised it [see Annex 5] and the option to fully control all types of recreational fisheries was discarded [see option B.3 in Annex 6].

B3. Weighing, transport and sale

Regarding key provisions on weighing, transport and sales, most **Member States** agreed on the need to simplify and clarify related rules, and called for greater accuracy on catch reporting. Although maintaining the existing legal structure was dismissed as considered ineffective (see discarded technical sub-option B4 in Annex 6), yet a rational equilibrium should be found between the necessity to control every landing and the feasibility of doing so effectively. Imposing weighing at landing for all fisheries was not considered realistic for unsorted landings and reservations on specific measures initially proposed for weighing were made (see discarded technical sub-option B5 in Annex 6). In particular, certain Member States called for additional discussions on the margins of tolerance and a clearer definition of the role of transport documents. They also asked for a better clarification of responsibilities and accountabilities of operators at all process stages. One **Advisory Council** called for the adaptation of the so-called margin of tolerance of 10% which is strongly limiting fishermen, and for a delayed transmission of the logbook.

NGOs and **Advisory Councils** also generally supported the need to simplify related rules. Yet opposition on the proposed measures was voiced by certain representatives of the Advisory Councils, notably in terms of logistics and implementation issues for Member States. They called for control measures that would still allow businesses to operate more easily. NGOs raised concerns over the current weighing practices, and asked to ensure that weighing takes place at landing, supporting a controllable/approved system.

B4. Monitoring of the fishing capacity

Although monitoring of engine power was deemed as important to abide by capacity ceilings set in the CFP, limited feedback was received on the necessity to strengthen control measures through its continuous monitoring. **Member States** did not consider it as being necessary or suggested that the specific actions proposed would change the current systems in place. In particular, one Member State stressed the need for enhanced monitoring, and highlighted the presence of possible difficulties in applying proposed provisions, and declared that it was currently developing a "black box system" at national level. Most representatives from the **Advisory Councils** raised concerns related to the necessity to strengthen control measures through continuous monitoring of engine power. In fact, some of them requested the removal of measures to control fishing capacity which, in their view, are seen as anachronistic and even questioned the capacity ceilings set in the CFP, which are outside the scope of this revision exercise. **Fisheries associations and some Advisory Councils** did not support the idea of controlling the fleet capacity by monitoring engine power as it would not be relevant for the quota system and stressed that capacity ceilings are in conflict with safety requirements for fishing vessels, with the landing obligation or with adaptations to new technologies (see discarded technical sub-option B.6 in Annex 6). In contrast, **NGOs** agreed with the description of the problem, welcomed the specific actions proposed, called for current rules to be fully implemented by Member States and for additional provisions to be laid down on the control of gross tonnage, as also requested by the ECA.

B5. Data management and sharing at EU level

Member States acknowledged the importance of data exchange at EU level. Although rules exist, they need to be better implemented and efforts on data collection and sharing should be

enhanced, whilst abiding by data protection laws. More specifically, it was noted that Member States often have to send the same information to different parties. Some proposals suggested using a common database which could be managed by the Commission or a central EU-level end point which would disseminate the information to relevant recipients. Member States stressed the need for greater clarification in EU legislation as per what data needs to be shared and who needs to have access to them.

Only limited feedback was given on this topic by **Advisory Councils**, **NGOs** and **European fisheries organisations and associations**. This topic is mainly seen as an issue impacting Member States' authorities excluding other stakeholders. Three Advisory Councils and one NGO supported the proposed actions (*i.e.* moving to full digitisation, electronic reporting and to an integrated EU information system).

C. Control of the landing obligation

The majority of **stakeholders** acknowledged that conventional controls, such as inspections at sea, are not effective to control and enforce compliance of the landing obligation [The possibility to require for the presence on board was discarded for a number of reasons, see discarded technical sub-option C.1 in Annex 6].
On this issue, **Member States** were overall supportive of the introduction of new control tools, such as Remote Electronic Monitoring (REM) with closed-circuit television (CCTV) cameras and/or, in particular circumstances, the deployment of remote piloted aircraft systems (i.e. drones), to control and ensure compliance of the landing obligation. However, in view of the potential cost and resources needed to analyse the generated data, Member States called for its cost/benefit ratio to be carefully checked in every sector and how a certain level playing field should be ensured amongst Member States in the deployment of proposed technologies [See discarded technical sub-options C2 and C3 in Annex 6]. Although Member States raised concerns over personal data protection, they widely agreed on the need to identify those vessels to be equipped with CCTV cameras on a risk analysis basis, with the support of EFCA.

Other stakeholders acknowledged current low levels of compliance with the landing obligation and the lack of application of effective means to control at sea. One **Advisory Council** representative recommended the application of CCTVs to vessels with inherent high risks. However, it also stressed how some fundamental issues would remain (e.g. type of CCTV system, level of details, data sharing). Another **Advisory Council** stressed that the landing obligation is not appropriate in the Mediterranean also in light of the cost-benefit ratio that it brings. One **Advisory Council** was in favour of using CCTV for the control of the landing obligation as long as it would be applied according to risk analysis, while another one propose an alternative method for its control. In line with Member States' position, although concerns were raised regarding privacy and data protection, **NGOs** generally recognised REM with CCTV cameras as the most promising and effective solution. A **fisheries association** was sceptical of 100% coverage for high risk vessels and suggested to apply REM tools on a voluntary basis to avoid possible privacy-related and business confidentiality breaches, as well as the spreading of mistrust. One **national organisation** raised the necessity to fully implement the landing obligation prior to any adaptation of control measures.

D. Increased synergies with other policies

Stakeholders agreed with the need to increase synergies with other policies, notably regarding environment, food law and market.

D1. Environment

Some **Member States** agreed on the need to have minimum requirements for the control of fishing restrictions due to environmental obligations. Yet one Member State warned against the possibility to mix policies, as fisheries and environment have different interests. **NGOs** strongly supported the idea to extend the control of fishing restricted areas to all marine protected areas. **Advisory Councils** were in general supportive while remaining cautious on the specific measures to apply. One **Advisory Councils** was not supportive of any strengthen provision.

D2. Food Law

Stakeholders (including five **Member States** and three **Advisory Councils**) fully supported the need to align terminologies and general principles of the Control Regulation with the Food Law.

D3. Market control, traceability, IUU fishing

Most **Member States**, **Advisory Councils, NGOs** and a **fisheries organisation** acknowledged that the current traceability system is ineffective and showed interest in improving the system. Rather than removing traceability-related [see discarded technical sub-option D1 in Annex 6] stakeholders actively called for an improvement of the rules. One national business organisation pointed out at huge discrepancies between the derogations provided by the Control Regulation at various levels of the supply chain (50 € or 30 kg) and market data that would instead support derogations for much lower quantities.

Member States agreed that there is a need to clarify definitions (e.g. lot) and provisions, including the objective of traceability and its use. The general Food Law approach (one step back, one step forward) was given as an example by two Member States, who then recommended it to be implemented in the revision of the Control Regulation. The addition of the requirement regarding a unique trip identifier was also largely debated. Two Member States thought it would make the system more complex and increase the administrative burden for both the industry and the authorities, while four others agreed with the idea. Furthermore, digitalising the system to control the application of CFP-related rules at all stages of the supply chain was supported by most Member States. They were also supportive of the presented EU-wide system defining it as the only way to ensure traceability and monitor fishery catches.

Furthermore, four Member States and a **fisheries association** agreed with the fact that products from third countries should be as traceable as EU products, ensuring a level playing field. As a result, five Member States favoured the digitalisation of the IUU catch certificate.

All **NGOs** supported the approach implying stronger rules on market control and traceability, and they were in favour of the digitisation of the IUU catch certificate.

Advisory Councils also asked for clarifications with regard to some definitions, concepts and current provisions. According to one Advisory Council, traceability-related requirements could be met if properly aligned with and complementing existing food safety traceability

systems. Another one was fully supportive of the digitalisation of the IUU catch certificate. A last one called for greater control of traceability for imported fish but also asked for more flexibility in the interpretation of the term "lot", notably in the Mediterranean.

E. EFCA Founding Regulation

The proposed revision of the EFCA Founding Regulation was broadly supported by stakeholders including **Member States**, **Advisory Councils**, **NGOs** and **fisheries associations**. **Advisory Councils** emphasised the importance of the existing good cooperation with the Agency and welcomed an extended role of EFCA, especially with regard to its external dimension. This would include the possibility to carry out inspections and activities beyond international waters.

A summary of the views above is graphically presented in Figure 15.

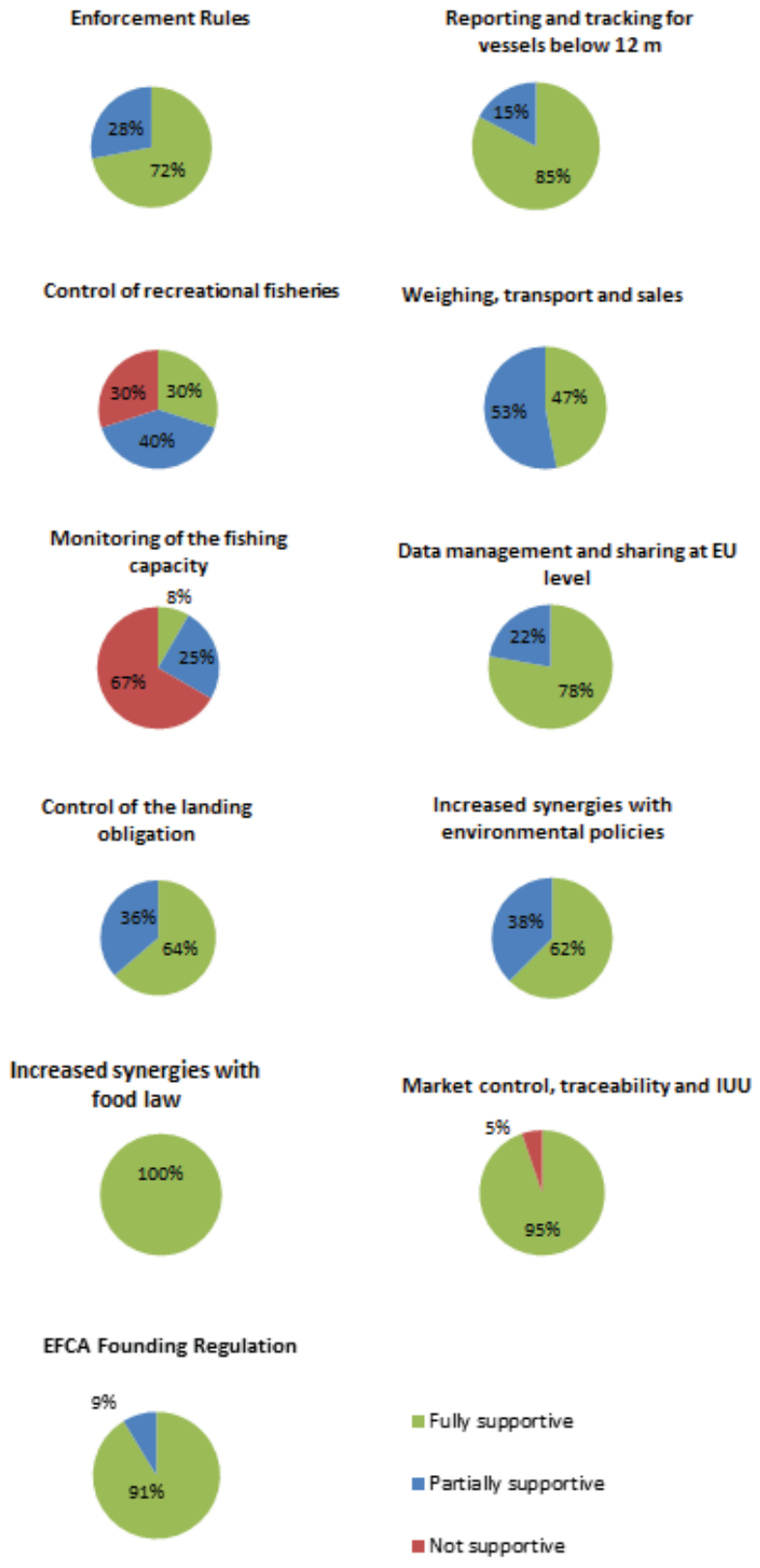

Figure 15: Overview of stakeholders views

Annex 3: Who is affected and how?

This Annex presents a summary of the practical implications and costs of the initiative for the directly affected stakeholders, together with the benefits associated to it (for direct and indirectly affected stakeholders). A description of the identified stakeholders is provided in Annex 8.

14. PRACTICAL IMPLICATIONS OF THE INITIATIVE

Stakeholders' category	How will stakeholders be affected?
Business: commercial fishermen, supply chain operators	▪ Increased vessel profitability, wages of fishermen and overall competitiveness of the EU industry; ▪ Owners and masters of vessels below 12m would phase out paper logbooks and in general paper reporting systems and move to simple electronic devices such as mobile phones that would allow an easy and cost-effective tracking and electronic reporting ; ▪ Fishing operators of vessels considered at high risk of discards at sea would have to install CCTVs on board, to ensure a proper control of the "landing obligation"; ▪ Owners of certain categories of vessels would have to install devices for the continuous recording of the power developed by the engines; ▪ All fishermen would have to use certified and approved weighing systems. The record of catches in the landing declarations would have to include all the quantities of fish landed; ▪ Operators in the supply chain would have to implement electronic traceability systems, if not done already.
Business: ICT companies and start-up	▪ Creation of new jobs in IT technologies and software development.
Member States	Member States would: ▪ Align their national sanctioning systems to the common EU rules; ▪ Develop ICT solutions to complete digitisation of the fisheries data systems and to manage the new data flow *e.g.* for tracking and reporting of small vessels, recreational fisheries, electronic inspection reports, traceability (the costs are reimbursable under the EMFF – see Section 1.3); ▪ Implement the new digital system for the imported fishery products from third countries (electronic catch certificate) and phase out paper-based verifications;

Stakeholders' category	How will stakeholders be affected?
	▪ Experience a net decrease in administrative burden; ▪ Improve collaboration and exchange of data with other Member States; ▪ Equip and train inspectors for the use of the electronic inspection report; ▪ Identify, in collaboration with EFCA and according to risk assessment, the vessels at high risk of discard so to equip them with CCTV technologies.; ▪ Train inspectors to acquire the technical knowledge to check engine power data from new devices installed.
EU institutions and bodies	The **European Commission** would : ▪ Work in collaboration with Member States and EFCA to ensure that the full digitisation of data is put in place using compatible standards and that when different systems are developed they are interoperable; ▪ Continue the development of open sources ICT systems; ▪ Control that the new rules are effectively implemented by the Member States; ▪ Finalise the development of the electronic catch certification system under the IUU Regulation. **EFCA** would: ▪ Review their work programme strategy and priority to adjust their activities to the revised missions and tasks; ▪ Reinforce cooperation with Member States especially as regards the control of the landing obligation and develop with them the necessary standardised procedures to process the information obtained with REM and CCTV; ▪ Contribute to set-up an EU-wide system to exchange data on infringements and sanctions.
Others: citizens, recreational fishermen	▪ Better traceability, sustainability and thus security of fish stock supplies; ▪ Recreational fishermen would generally be subject to stricter rules than today, requiring in particular licencing or registration (depending on the Member States) and reporting of catches, with frequency and procedures defined at Member States level and based on the stocks/species they fish for.

15. SUMMARY OF COSTS AND BENEFITS

An overview of the benefits for all the identified categories of stakeholders is provided in the Table I.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
	Direct benefits	
Enforcement	- Deterrent sanctions; - Improved compliance with CFP rules; - Equal treatment of fishermen.	
Data reporting and management (*e.g.* digitisation, reporting of vessels <12m)	- Decreased administrative burden; - Future proof system; - Increased quality, reliability and availability of fisheries data; - Easier exchange of data between Member States and Member States and the Commission and EFCA; - Improved data for stock assessment;	
Control of fishing capacity	- Reduction of overfishing.	
Control of the landing obligation	- Reduction of discards.	
Synergies with environmental legislation	- Control of marine protected areas. - More effective and efficient reporting of lost fishing gears.	
IUU electronic certificate	- Ensure legality of fish imports (reduced fraud)	
	Indirect benefits	
All actions	- Healthier fish stocks	Medium term
All actions	- Increased fishermen wages; - Increased EU fishermen competitiveness, especially for the small fleet; - Job created (especially in ICT).	Short and (medium term); Commercial small scale fishermen will benefit from reduced unfair competition of recreational fishermen
All actions	- General public will be indirectly affected, especially those consuming fisheries products,	

	(better traceability, sustainability and thus security of fish stock supplies) - In addition, the proposal will bring about considerable cost savings and improved efficiency in controls, to the benefit of effective use of EU tax-payers' money	
All actions	- General public will be indirectly affected, especially those consuming fisheries products, (better traceability, sustainability and thus security of fish stock supplies) - In addition, the proposal will bring about considerable cost savings and improved efficiency in controls, to the benefit of effective use of EU tax-payers' money	

Table I: Overview of benefits for the preferred option (Option 2 relative to the Baseline)

An overview of the costs associated for businesses and administrations is provided in table below. No costs (nor direct, nor indirect) have been identified for citizens.

II. Overview of costs – Preferred option (most likely costs in M€ over a 5 year period)								
		Citizens/Consumers		Businesses		Administrations		
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent	
Control of the landing obligation	Direct costs					7.2*		
	Indirect costs							
Monitoring of the fishing capacity (engine power)	Direct costs			5.1*		-4.2		
	Indirect costs							
*reimbursable under EMFF – see section 1.3								

Table II: Overview of costs for the preferred option (Option 2 relative to the Baseline)

Annex 4: Analytical methods

Methodology for assessing impacts

General approach

Impacts were assessed for the two policy options (and the fully enforced baseline), considering for each the five key areas of targeted amendments (Enforcement, Data availability, quality and sharing, Control of the landing obligation, Synergies with other policies, and EFCA). The methodology for assessing impacts took also into account the need to assess direct and indirect impacts as stated in the EC Better Regulation Guidelines[106] (Figure 16).

The assessment recognized that impacts:

i. Would be felt principally by: a) businesses directly concerned by the EU control policy (vessels owners, and crew, processors, transporters - typically SMEs); b) public administrations in charge of the implementation of the EU control policy (the Commission, Member State Authorities, EFCA[107]); c) consumers (of fish); and d) parties having an interest in the EU control policy (civil society with interest in environmental protection);
ii. Are easily monetised for some actions contained in the policy options, but not for others;
iii. May result in costs (or savings) that are either one-off or recurrent;
iv. May arise immediately following amendments to the Control Regulation, the EFCA Founding Regulation and the IUU Regulation depending on the options (e.g. some types of direct costs), or be felt over the medium- to longer-term (e.g. ongoing recurrent costs/savings, environmental benefits and the knock-on economic and social benefits); and
v. May in some cases (e.g. impacts on some types of direct costs) be easily linked to specific actions in the policy options, but not in others (e.g. environmental benefits would result from multiple actions in the options combining together and overall from the effectiveness of the EU conservation policy, and it is not feasible to distinguish specific environmental benefits from specific actions contained in the policy options nor is it readily feasible to disentangle effects from different EU initiatives having effects on stocks conservation).

[106] https://ec.europa.eu/info/sites/info/files/file_import/better-regulation-toolbox-58_en_0.pdf

[107] Impacts of amendments to the IUU Regulation on third countries will not be considered, as the IUU Regulation can place no legal/mandatory obligations on third countries, and the requirement under policy option 2 to digitalise catch certificates would place an obligation on MS at the EU border to digitalise all catch certificates if provided by third countries in paper form.

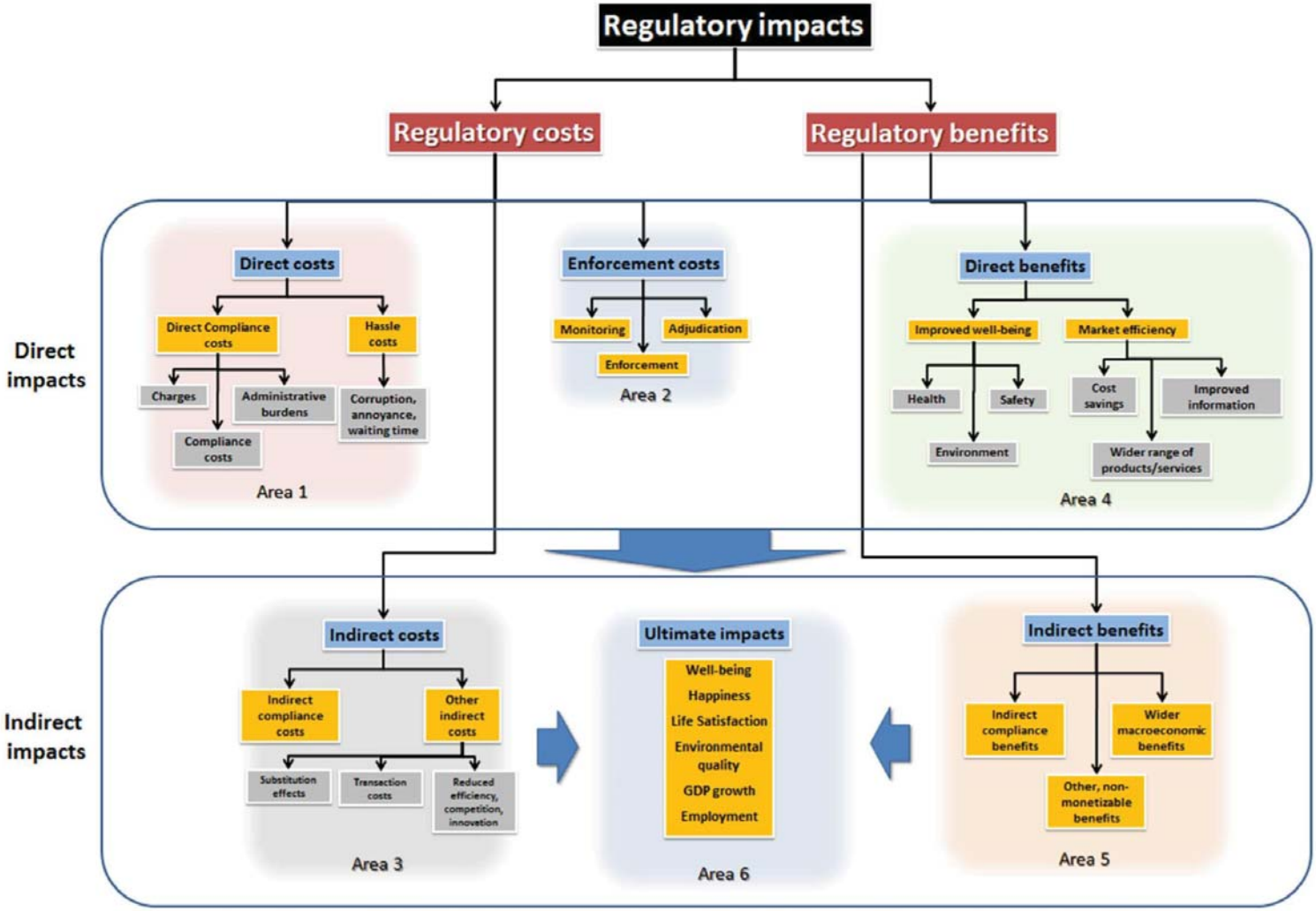

Figure 16: Impacts, Costs and Benefits from Regulatory Proposals (Source: EC Better Regulation)

Assessing costs

Data on existing costs was performed according to a step-wise approach. First, all actions specified in the policy options were considered individually to map affected parties. Secondly, they were screened to assess whether monetisation of costs was feasible. Direct costs assessed relate to: i) substantive compliance costs; ii) administrative burden; iii) regulatory charges; and iv) hassle costs. Administrative burden costs and some compliance costs were monetised. Where it was not possible to monetise the impacts (*e.g.* environmental and social impacts) the assessment was done according to qualitative criteria.

The Better Regulation Guidelines require that whenever an assumption is particularly important or uncertain, sensitivity analysis should be used to check whether changing it would lead to significantly different results. A sensitivity analysis of the assessment of direct costs was completed to provide a partial, worst/best case scenario sensitivity analysis. This allowed for an assessment of direct costs (and savings) and their presentation as three monetised values: most likely scenario, worst case scenario, and best-case scenario. For variables not treated to the sensitivity analysis, costs/savings were kept the same under the most likely scenario, worst case scenario, and best-case scenario. Two types of costs/savings were analysed: time costs and monetary costs. The figures presented in this impact assessment refer to the costs under the most likely scenario.

More information on the methodology used and on the scenarios investigated is provided in the Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

Assessing benefits

The policy options were assessed for their environmental, economic and social impacts, using a two-step approach. The first step was to assess impacts in these three domains that could be linked directly to the five different areas in the different policy options. A range of indicators was specified. The second step was to assess environmental, economic, and social impacts that would result from the combined effect of actions on a specific impact domain, but which could not be disaggregated to the level of the five areas contained within the policy options or their detailed actions. These impacts were treated as resulting from each policy option as a whole. For these types of impacts a second set of indicators was specified.

More information on the methodology used is provided in the Assessment of the impacts of the policy options proposed for the Amendment of the Fishery Control System (COFFEY, 2018).

Methodology for comparing the options

In comparing the options, information is presented in such a way as to allow policy makers to make a choice, but also to identify the preferred option. The options were compared objectively (through scores as explained below) according to the criteria of:

- Effectiveness: the extent to which different options would achieve the objectives;
- Efficiency: the benefits versus the costs;
- Coherence: the coherence of each option with the objectives of EU policies;
- Acceptability: in terms of stakeholder views and proportionality; and
- Adherence: to the recommendations of the relevant EU institutions/organisations;

Possible methods to compare the options were considered as presented in Table 7 below, with Multi-Criteria Analysis (MCA) selected as the preferred (and only suitable) methodological approach.

Possible Method	Selected/Not selected	Reason
Cost benefit analysis	Not Selected	Not possible to monetise all impacts, as would be required for this method to be applicable
Multi-criteria analysis	Selected	Appropriate as IA needs to be reconciled with specific policy objectives not just monetary costs/benefits, and impacts likely to be diverse, quantified in different units, and contain a mix of quantitative and qualitative impacts.
Least cost analysis	Not Selected	Benefits not fixed and/or standard across policy options, as would be required for this method
Cost-effectiveness analysis	Not Selected	Not possible to quantify all impacts, and FCS amendments have more than one main objective making the method potentially misleading and inappropriate
Counterfactual analysis	Not Selected	More appropriate for ex post evaluations than impact assessment, challenge in finding a credible approximation of what would occur in the absence of the intervention, insufficient budget/time

Table 7: Selection of methodological approach(es) to comparing options

MCA was used to assess and rank the options. Each option was assessed for its performance against a range of criteria, using performance scoring and certain criteria as shown below (Table 8).

Performance score	**Legend**
0	Does not improve and/or worsens the situation compared to the present scenario
1	Small improvements compared to the baseline scenario
2	Moderate improvements compared to the baseline scenario
3	Large improvements compared to the baseline scenario
4	Very significant improvements compared to the baseline scenario

Table 8: Scoring of impacts.

Each option was assigned a performance figure for each criterion.

The sum of the performance figures for each criterion was added for each option to compare the baseline, Options 1 and 2 to the current scenario (*i.e.* the status of implementation in 2017, as reported in the REFIT evaluation) and to rank options. The sum of performance figures is presented across all criteria (*i.e.* one total sum), as well as disaggregated with separate summed scores for effectiveness, efficiency, coherence, and action on recommendations of the EU institutions.

Annex 5: Specific sub-options of the retained policy options

This Annex provides details on the specific actions foreseen under policy options 1 and 2.

Option 1: Amendment of the Fisheries Control Regulation

This option considers targeted amendments of the Fisheries Control Regulation (hereinafter "Control Regulation") limited to the following thematic areas:
i) **Enforcement**, including sanctions and point systems and follow up of infringements;
ii) **Data availability, quality and sharing,** with particular regard to better reporting and tracking for vessels below 12m, data on recreational fisheries, weighing procedures and data, and monitoring of the fishing capacity, and data management and sharing at EU level;
iii) **Control of the landing obligation;** and
iv) **Synergies with other policies**, in particular with the environment, market, food and feed policies and with the policy on the fight against illegal, unregulated and unreported (IUU) fishing.

Those amendments will, among other things, clarify provisions currently prone to different interpretations and leading to uneven implementation by Member States and address numerous derogations that hinder the level playing field among EU fishermen. Overall, the legislative framework will be simplified and unnecessary administrative burden will be reduced by either removing certain reporting obligations or by streamlining them. Full digitisation of control data, setting the conditions for central EU databases and promoting the use of harmonised and/or interoperable ICT tools will be instrumental in this respect. Last but not least, the Regulation will be aligned with the Lisbon Treaty.

For each of the four thematic areas, different solutions to tackle the identified shortcomings were initially proposed. In this impact assessment, however, only those prone to achieve the set objectives with minimal administrative burden and that found most support from stakeholders were fully investigated. Those solutions are presented below in detail. A list of the technical alternatives discarded following stakeholder consultations (see Annex 2 for the process) is provided in Annex 6.

i. Enforcement

The amendments proposed to the enforcement system relate to provisions laid down in Title VII (Inspection and Proceedings) and Title VIII (Enforcement) of the Control Regulation, and aim at clarifying, streamlining and increasing effectiveness and efficiency of the current rules and at easing and improving the exchange of information among the Member States involved in case of infringements (Coastal State, Flag State, Member States whose nationals committed infringement), EFCA and the European Commission.
This would result in the establishment of the following provisions:
Sanctions (current Title VIII):

- Define detailed criteria for the categorisation of serious infringements;
- Fix current mismatches between the rules for point system under the Control Regulation and the CFP;
- Provide Member States with common/minimum rules for the masters' point system;
- Clarify that points apply in addition to the main sanction(s);
- Clarify immediate enforcement measures (or preventive measures) to be taken by Member States in case of serious infringements;

- Enable Member States to exchange data on infringements and sanctions (ECA request).

Inspection and proceedings (current title VII)

- Digitisation of inspection reports through the use of an Electronic Inspection Report System (ECA request).

ii. Data availability, quality and sharing

The shortcomings hindering data availability, quality and sharing are inherent to specific types of fisheries, specific vessels and intrinsic to the weighing measures. The underlying problems are either lack of provisions or too many derogations and exemptions, which render the provisions virtually impossible to be effectively controlled. The amendments proposed will therefore address the following areas:

- **Reporting and tracking for vessels below 12 m, logbook data**: ensure that vessels of this category can be monitored and have access to an easy and cost-effective electronic reporting system of their catches (e.g. using mobile phones technologies), as already in place and/or tested in several Member States. The exemption from reporting in logbooks catches of less than 50 kg is removed for all categories of vessels and the rules for the so-called "margin of tolerance" are clarified and tailored to specific situations/fisheries.
- **Control of recreational fisheries**: enhance control of recreational fisheries, establish mechanisms to have better and more accurate information on the pool of participants in these fisheries and on the quantity of associated catches. The conditions are set to further define more specific measures at EU and/or regional level, *e.g.* fishing authorisations, licenses, vessel registration, rules on fishing gears.
- **Weighing, transport and sales procedures and data**: current exemptions that undermine the accurate weighing and registration of landed fish will be streamlined and replaced by a simple and effective system to guarantee a good and accurate weight at landing. Under this scenario:
  - Each quantity of each species landed is weighed on approved systems, recorded in weighing records and weighing activities are conducted by authorised/permitted "registered weighers";
  - Targeted procedures are established for unsorted landings and for frozen products;
  - The results of weighing are used to complete landing declarations and transport documents;
  - All quantities sold/dispensed for private consumption, to non-registered buyers, are recorded in landing declarations.
  - The responsibilities and accountability of operators in the supply chain are clarified;
  - The reporting procedure of documents from operators to competent authorities (flag state, state of landing, state of sale) are simplified.
- **Monitoring of the fishing capacity**: provide a legal basis, in line with the recommendations of the ECA, to define implementing rules for the control of gross tonnage by Member States. In addition, ensure that the maximum power developed by the engines when the vessels are active can be measured and recorded. Under this scenario:
  - Vessels having engines above 221kW and using active gears, and vessels having engines above 120kW and being covered by fishing efforts or power limitation

and/or specific technical measures, have a continuous monitoring system of the maximum power developed by the engines when the vessels are active.
    - The information on engine power is recorded and stored in a specific device, so that it can be directly accessible to the authorities when they are conducting an inspection at sea or in port.
- **Data management and sharing at EU level**: complete the digitisation of the data system, and enhance availability and exchange of data. Under this scenario:
    - All the control documents (*e.g.* logbook, sales notes, landing declarations, transport documents, taking over declarations, inspection reports) become digital (no more paper-based system).
    - The Commission has direct access to control and information data from the Member States. This will ease exchange among Member States and remove the requirement for a secure part of the website in each of them (Article 116 of the Control Regulation). The conditions are also set for merging at EU level certain current national lists and databases.

iii. Control of the landing obligation

The level of proof required to identify beyond reasonable doubt that suspected or observed discarding events contravene permitted discarding provisions is practically impossible to obtain using traditional means of control, such as aerial surveillance, inspections at sea and landing. Remote electronic monitoring technology (REM) incorporating closed-circuit television (CCTV), have demonstrated the potential to be an effective means to ensure control and enforcement of the landing obligation and provide a deterrent to illegal discarding. The introduction of mandatory measures for the application of such technology for specified sectors according to harmonised risk management under EFCA's coordinated "regional risk assessments", would be greatly beneficial to compliance and would ensure a level playing field for this key provision of the CFP.

The amendments proposed will mandate the use of remote electronic monitoring tools, including CCTV, for the control of the landing obligation. The new provisions will affect individual vessels and fleet segments according to risk assessment, and shall be implemented by Member States at regional level. Specifically this scenario foresees:

- Vessels coverage levels should be determined per fleet segment in accordance with the regional risk assessment and in cooperation with EFCA, including through the use of existing specific control and inspection programmes (SCIPs).
- Specific requirements on the installation and use of CCTVs should be laid down in secondary legislation.

iv. Synergies with other policies

The amendments proposed seek synergies with other policies and in particular with

- <u>Environment:</u>
    - Empower Member States to effectively control fisheries activities in marine protected areas. This can be easily achieved by revising the definition of "fishing restricted areas" and by clarifying the provisions of Article 50 (currently limited only to areas set in co-decision acts and not at national level).
    - Ease and improve the reporting of lost fishing gear, in line with the plastic strategy, by allowing fishermen to use the logbook for such reporting, and at the same time removing current unnecessary and ineffective reporting obligations.
    - Remove the current derogation applicable to vessels < 12m to carry on board the necessary equipment for the retrieval of lost gear.

- Market control (and traceability):
    - Clarify current provisions on traceability, which resulted in difficult implementation and which were prone to different interpretations.
    - Ensure that traceability information is recorded electronically and that systems are interoperable, so that controls in the supply chain within the internal market are more effective and efficient.

- Food and feed safety:
    - Remove current inconsistencies by aligning as much as possible the terminology and principles of the Control Regulation with the Food Law.
    - Introduce minimum cooperation rules and procedures between Member States and better definition of responsibilities and accountability of the food chain operators (see also weighing, transport and sales chapter).

Option 2: Amendment of the Fisheries Control System

Policy option 2 builds upon policy option 1, considering all the approaches and thematic areas proposed in the policy option 1 plus the following and a fifth thematic area of the EFCA (not implementable in policy option 1 as they need amendment of IUU Regulation and/or of the EFCA Founding Regulation).

i. Enforcement

Amendments to the Control Regulation and to the IUU Regulation are here proposed to clarify, simplify, streamline and significantly improve the current rules. Enforcements rules will only be laid down in the Control Regulation to ensure one single enforcement system. Specifically this scenario entails the following:

- Establish a common list of definitions of serious infringements of the CFP.
- Without excluding criminal law, provide that infringements of CFP shall be subject to administrative sanctions.
- Introduce common rules on administrative sanctions for infringements of the CFP rules by requiring Member States to set national sanctions, including their ranges, in accordance to clear benchmarks or minimum levels set in EU rules. This would also require defining concepts such as "economic benefit from the infringement"/"value of the prejudice to the fishing resources and the marine environment".

ii. Increased synergies with other policies

To complement the amendments proposed in Option 1 here further modifications are proposed for the Control and IUU Regulations seeking synergies with the market control and the fight against IUU fishing. In particular, for the following policies, this scenario envisages:

- Market control (and traceability): fully extend traceability rules to products from third countries;
- Fight against IUU: amending the IUU Regulation to digitise the IUU catch certificate, in line with the commitments of the Joint Communication on Ocean Governance. Specifically this will entail the use of an EU-wide IUU ICT system (already under development) for the electronic submission and collection of catch certificates and processing statements.
- Other fisheries legislation: control provisions that are currently spread over other legal texts are concentrated in one legal instrument or, if not up-to-date or consistent with other provisions, repealed. This is specifically the case for the control measures

contained in the Mediterranean Regulation and in the Multiannual Plan for the Baltic Sea, which will thus be repealed.

iii. European Fisheries Control Agency

Amendment of the EFCA Founding Regulation is proposed to align EFCA's mission and tasks to the changed needs of the new CFP and adaptation of EFCA procedures and working practices to take into account the Common Approach on decentralised agencies as adopted in the 2012 Joint Statement of the European Parliament the Council of the EU and the European Commission. In particular this scenario envisages:

- Clarifying EFCA's objective, which does not fully reflect EFCA's mission and tasks, including as regards the external dimension of the CFP;
- Empower EFCA to also carry out inspections in EU waters as well as in international waters;
- Allow the participation of representatives of relevant Union Institutions to the EFCA's Administrative Board;
- Introduce more flexibility as regards sources of revenue, in line with provisions of other Agencies;
- In general align the EFCA's Founding Regulation to the Common approach on decentralised agencies, including by clarifying the tasks of the Advisory Body.

Annex 6: Discarded technical sub-options

During the impact assessment process a range of sub-options to implement specific actions proposed in policy option 1 were discussed for each of the five major areas under investigation. (*i.e.* enforcement; data: quality, availability and sharing; control of the landing obligation; increased synergies with other policies; and increase synergies with other policies). Among those, some alternatives were retained as they were deemed more relevant to achieving set objectives of the initiative (these are described under Section 5). Other alternatives and sub-options were discarded, after careful consideration of their likely impacts and/or in view of lack of support by stakeholders. The discarded sub-options for each of the thematic areas and the rationale behind such decision is provided in the sections below.

A. Enforcement

A.1. Fully harmonised sanctioning system at EU level

A possible alternative was the development of a fully harmonised sanctioning system at EU level for infringements related to the Common Fisheries Policy (CFP). This alternative was promptly dismissed due to the lack of support from Member States. In this regard, Member States voiced two main concerns: on the one hand, the lack of a clear legal basis within the Treaties of the European Union on the need to harmonise criminal sanctions related to EU policies at EU level; on the other, the treatment of infringements and the definition of serious infringements and sanctions are a matter of national competence.

B. Data availability, quality and sharing

Reporting and tracking for vessels below 12 m

B.1 VMS/ERS applicable to all vessels, regardless of their size

The possibility to widen the scope of Article 9 (Vessel monitoring system; VMS) and Article 15 (Electronic recording and reporting system; ERS) to vessels less than 12 m was initially considered. However, this alternative was later discarded due to the high level of opposition from stakeholders, who raised a series of concerns. First, the obligation to install VMS devices and satellite-based transmission contracts is estimated to be too expensive, and such financial burden would directly impact fishermen. Secondly, vessels below 12 m usually fish close to the coast and for short fishing trips, where the low frequency (generally every two hours) of VMS data transmission would not allow their effective tracking.

B.2 Mandatory use of AIS (Automatic Identification System) on all vessels combined with an ERS device

The obligation to use AIS as well as an ERS device on all vessels was considered and discarded due to the anticipated difficulties in guaranteeing its effective implementation. A major issue with such proposal relates to its large scope, addressing a widened number of vessels, including small ones, in which the installation of AIS on board would bring about a number of difficulties. In addition, such proposal would require Fisheries Monitoring to link location data from high frequency AIS signals with related ERS data, leading to the creation of an additional burden on operators. In parallel, AIS data is directly accessible to the public, meaning that EU standards on personal data protection should be applied to respect data subject privacy rights. Furthermore, AIS information could be partly manipulated, thus

possibly triggering a lower degree of compliance. Lastly, ERS is not considered as a fit-for-purpose system ensuring value-for-money, due the difficulties that the majority of vessels' masters would encounter to fully implement it (i.e. it encompasses complex technology measures that would require highly-developed IT skills).

Control of recreational fisheries

B.3 Fully-fledged control provision on recreational fisheries

The possibility to introduce EU mandatory control provisions, similarly to those in place for commercial activities, was considered and dismissed due to the lack of political support by the Member States and by the difficulty in estimating the cost-benefit ration in the absence of reliable data on this sector. Recreational fisheries in the EU correspond to a large number of activities in some Member States (e.g. France is estimated to have more than 1,3 marine recreational fisheries) and regions (e.g. it is estimated that Atlantic and Mediterranean regions have 5.9 and 2.8 million European marine recreational fisheries respectively[108], while a recent study[109] concluded that there are a total of 10 million recreational fishermen in the Baltic region). The dismissal of such proposal is also backed up by certain stakeholders, who pointed out that covering all types of recreational fisheries would likely increase the administrative burden on both managers and operators.

Weighing, transport and sales

B.4 Maintain existing legal structure and clarify derogations and operator responsibilities

The alternative to maintain the existing legal structure of the Control Regulation, whilst solely clarifying derogations and operator responsibilities, was dismissed for existing procedures regarding weighing and catch registration would not address the structural weaknesses of the current system. More specifically, this proposal would not ensure the registration of each quantity of each species caught. In parallel, the sole clarification of operator responsibilities at all stages of the supply chain would not remedy current deficiencies.

B.5 Impose weighing at landing for all fisheries

Under this alternative, operators would have to weigh each quantity of each species for all types of catches at landing before transport, storage or sale. This alternative was promptly discarded due to the unfeasibility of requesting the weighing of unsorted landings.

Monitoring of the fishing capacity

B.6 Remove the engine power parameter from the equation and take into account only the gross tonnage for computing fishing capacity

This alternative would require Member States to carry out gross tonnage checks on-the-spot to increase data reliability. Although having the possibility to ease related monitoring activities,

[108] Hyder K, Radford Z, Prellezo R, Weltersbach MS, Lewin WC, Zarauz L, Ferter K, Ruiz J, Townhill B, Mugerza E, Strehlow HV (2017) Research for PECH Committee – Marine recreational and semi-subsistence fishing - its value and its impact on fish stocks, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels.

[109] http://www.ccb.se/wp-content/uploads/2018/02/ccb_recreational_fishing.pdf

such proposal was dismissed as it would require the modification of requirements in other legislative frameworks (e.g. the fishing capacity ceilings, expressed as GT and kW, set out in Annex II of the CFP). In parallel, this alternative would lead to the discrimination of certain fisheries as per their certified/licensed engine power parameters.

C. Control of the landing obligation

C.1 Require the presence of observers on board

The possibility to require for the presence of observers on board was initially considered as it may lead to a number of benefits, including the promotion of compliance with the landing obligation at sea, the definition of a more flexible control measure rather than closed-circuit television (CCTV) cameras without an initial capital outlay.

Nonetheless, this alternative was discarded for a number of reasons: (i) it would be necessary to employ a far larger number of observers in rotating shifts to ensure 24-hour coverage; (ii) small fishing vessels would not have sufficient room to host observers, especially during long trips; (iii) the costs incurred by employing observers on many fishing vessels would be disproportionate to the results one might get (e.g. the need for two observers to be awake throughout fishing operations may result in over €2000 per day[110]; average cost of €5000/month per observer incurred in the NAFO observer programme); and (iv) while recognising the feasibility of costs incurred by employing observers only on those vessels deemed with a high risk of non-compliance, such option would lead to a disproportionate gap in control on other vessels that could hardly be justifiable.

C.2 Define a minimal set of tools that should be used and create incentives

These tools could include CCTV, observers, data analysis, last haul verifications and gram size analysis. By applying this alternative, fishing operators would not benefit from the minimum discard provisions or choke species quota reserves, unless they clearly declare discards at sea. It would also require Member States to dispatch their control strategy to the Commission for approval.

The alternative was dismissed as it would not guarantee a level playing field amongst Member States, and it would not ensure an effective control and enforcement at sea. Furthermore, the refusal to grant access to choke species reserve quota would not prevent unreported discarding of choke species. Eventually, it would increase the administrative burden of the Commission.

C.3 Require the mandatory use of remote continuous electronic monitoring tools, including CCTV, on board all vessels

This alternative was dismissed due to the disproportionality that would result from applying remote continuous electronic monitoring tools to all vessels, including vessels that are not impacted by the landing obligation and those that operate in low risk[111] fisheries. A full coverage would also be disproportionate, leading to heavy expenses and enhanced administrative burden incurred by operators to comply with such proposal. Accordingly, authorities would be faced with both financial and time constraints when (i) supporting the

[110] North Western Waters Fishery Control Experts Working Group (2015) Recommended measures to achieve compliance with the Landing Obligation in pelagic fisheries in North Western EU Waters.

[111] The impact of non-compliance is low as catching capacity or catches of species subject to the landing obligation are low

installation of all systems on board, as well as when (ii) handling a resulting large amount of data that would eventually be retrieved.

C.3 Require 100% CCTV coverage for certain categories of vessels with an inherent highest risk of non-compliance and those with the potential to discard high quantities of fish in a short period of time (factory vessels, freezer vessels, refrigerated seawater tank vessels, vessels otherwise equipped to pump fish in bulk), while for others apply a risk-analysis approach

This alternative was dismissed further to comments received in the stakeholders consultation pointing at the fact that certain categories of vessels should not be penalised from the outset but should be subject to a regular risk-assessment, based on a clear and objective set of principles.

D. Increased synergies with other policies

Market control (and traceability)

D.1 Completely remove traceability-related provisions from the Control Regulation

The possibility to completely remove traceability-related provisions from the Control Regulation was also considered, and later dismissed due to the related non-adherence to CFP objectives, as well as the difficulties one may incur while implementing control measures. As stated in the Control regulation, the CFP should include rules that aim *to ensure the traceability, security and quality of fisheries and aquaculture products marketed in the Union* and contribute to an efficient and transparent internal market. A common organisation of the markets in fisheries and aquaculture products shall be established to provide consumers with accurate and reliable information regarding the origin of the product and its mode of production, in particular through marking and labelling. Accordingly, removing traceability-related provisions would result in putting transmission of correct information to consumers at risk. In parallel, stakeholders actively called for an improvement, rather than complete cancellation, of the traceability system. Stakeholders further stressed the importance of traceability provisions and the need for clearer provisions, since a fish product supply chain that is not transparent could allow for illegal and irresponsible fishing practices, seafood fraud (i.e. no product authenticity), public health risks, and erroneous assessment of stocks. Not only would these issues jeopardise the sustainability of marine ecosystems, but they would also threaten the definition of a level playing field between operators in the Union.

Annex 7: Specific measures of the Control Regulation

This Annex provides more detailed information on the provisions of the Control Regulation (hereafter "CR") in the four thematic areas where shortcomings were identified and amendments will be proposed under Option 1.

1. ENFORCEMENT

According to the CR and the IUU Regulation, the Member States (hereafter "MS") shall take appropriate sanctions in an effective, proportionate and non-discriminatory manner, to ensure compliance with any rules of the CFP (Art. 84 and Art. 89-93 of the CR and Art. 3 and 41-47 of the IUU Regulation).

Sanctions for serious infringements are specifically prescribed as follows:

- Use of national administrative and/or criminal proceedings;
- Immediate enforcement measures, if necessary;
- Accompanying sanctions, if necessary;
- Establishment of a point system for fishing licence holders and masters.

Serious infringements are not explicitly defined, but the CR and IUU Regulation are providing for a list of behaviours which may be considered serious. The determination of the gravity of the infringements is however left at the discretion of MS, which should define it taking into account criteria such as the nature of the damage, its value, the economic situation of the offender and the extent of the infringement or its repetition.

The CR also provides for the obligation to establish a national register of infringements (for serious and non-serious infringements), which is not publicly available in order to protect the secrecy of judicial inquiries.

2. REPORTING AND TRACKING FOR VESSELS < 12 M

Tracking requirements: according to the CR, vessels above 12m need to be equipped with a satellite-based Vessel Monitoring System (VMS). Specific requirements are provided in the Commission Implementing Regulation (EU) No 404/2011 (hereafter "CIR"). MS may apply exemptions for vessels between 12 and 15m under specific conditions. No tracking is required for vessels below 12m.

Reporting requirements: all vessels above 10m need to have a fishing logbook, in which all quantities of all species above 50kg need to be recorded (including discards above 50kg) with a single 10% tolerance margin. Moreover, all landings (regardless minimum weight) should be recorded. The logbook should also contain information on the identification of the vessel, the catch areas, the date of catches, the gears used and others, an exhaustive list of which is provided in Art14.

Vessels above 12m need to have an electronic reporting system (ERS), while for vessels between 10 and 12m the logbook can be in paper format. MS may exempt masters of vessels between 12 and 15m from having an ERS if they operate exclusively within the territorial seas of the flag MS; or never spend more than 24 hours at sea from the time of departure to the return to port (in case of this derogation than the vessel needs to have a paper logbook).

The fishing logbook shall be submitted within 48 hours after landing or transshipment. Precise instructions for completion and submission are provided in Annex X of the CIR.

MS shall monitor vessels below 10 meters (which do not have a logbook) on the basis of a sampling plan, based on a methodology adopted by the Commission and transmitted every

year to the Commission. Sales notes may be also accepted as an alternative measure to sampling plans to report catches for those vessels.

3. CONTROL OF RECREATIONAL FISHERIES

The activities of recreational fisheries are mainly managed at MS level following basic principles set up in Art.3, 4, 5 and 55 of the CR:

- MS shall ensure that recreational fisheries on their territory and in Union waters are conducted in a manner compatible with the objectives and rules of the common fisheries policy;
- The marketing of recreational fisheries products is prohibited;
- MS shall monitor, on the basis of a sampling plan, the catches of stocks subject to recovery plans by recreational fisheries (on shore fishing is excluded). Detailed rules for the establishment of sampling plans are developed in Art. 64 of CIR;
- Each MS shall ensure that control, inspection and enforcement are carried out on a non-discriminatory basis as regards sectors, vessels or persons, and on the basis of risk management;
- The Council can still adopt more stringent management and control measures only "when a recreational fishery is found to have a significant impact".

4. WEIGHING, TRANSPORT AND SALE

Post landing activities, as detailed by Articles 59 to 68 of the CR, refer to prescribed activities intended to ensure that each quantity of each species of fish, commercially landed, are accounted for and form the basis of quota uptake monitoring. Post landing activities include the following:

i. First sales of fishery products (Art. 59 CR);
ii. Weighing of fishery products (Art. 60-61 CR);
iii. Sales notes (Art. 62-65 CR) and take-over declaration requirements (Art. 66-67 CR);
iv. Transport document requirements (Art. 68 CR).

i. First sales of fishery products

MS shall ensure that all fisheries products are first marketed or registered at an auction centre or to registered buyers or to producer organisations. An exception is made for fisheries products up to 30 kg which are used only for private consumption.

ii. Weighing of fishery products[112]

All fishery products must be weighed on landing prior to the fisheries products being held in storage, transported or sold. The figure resulting from the weighing shall be used for the completion of landing declarations (LD), transport document (TD), sales notes (SN) and take-over declarations (TO) and bodies or persons which are responsible for the first marketing of fisheries products shall be responsible[113] for the accuracy of the weighing operation.

[112] The CIR provides more detailed rules for the weighing of fishery products in relation to: weighing records (art. 70), timing of weighing (art. 71), weighing systems (art 72), weighing of frozen fishery products (art 73) and ice and water (art. 74). In addition, art 78-90 CIR provide special rules for the weighing of certain pelagic species.

[113] Except when weighing takes place on board a fishing vessel in accordance with an approved SP (art 60.3 CR), in which case it shall be the master's responsibility.

There are four exceptions to the mandatory weighing at landing. When the MS has adopted and the Commission has approved one of the following sampling plans (SP):

- Art. 60.1. Weighing at landing[114]
- Art. 60.3. Weighing on board[3]
- Art. 61.1. Weighing after transport (destination in same MS)[115]
- Art. 61.2. Weighing after transport (destination in different MS)[4]

iii. Sales notes and take-over declaration requirements

Registered buyers, registered auctions or other bodies or persons authorised by MS responsible for the first marketing, shall submit a sales note (SN)[116] to the competent authorities of the MS in whose territory the first sale takes place, as follows:

- If their annual financial turnover is EUR 200 000 or more they shall record and send SN by electronic means, within 24 hours after completion of the first sale.
- If their annual financial turnover is less than EUR 200 000, they shall submit the SN, if possible electronically, within 48 hours after the first sale.

If the MS in whose territory the first sale takes place is not the flag MS, it shall ensure that a copy of the SN is submitted, to the competent authorities of the flag MS upon receipt the information.

Where the first marketing does not take place in the MS where the products have been landed, the MS responsible for controlling the first marketing shall submit a copy of the SN, to the competent authorities responsible for controlling the landing and to the competent authorities of the flag MS upon receipt of the sales note.

When the landing and first sale takes place outside the Union, the master or his representative shall forward a copy of the SN or any equivalent document containing the same level of information to the competent authority of the flag MS within 48 hours after the first sale.

In cases where the MS has installed an acceptable sampling system, the Commission may grant an exemption from the obligation to submit the sales note for fisheries products landed from fishing vessels of less than 10 metres' length overall or for quantities not exceeding 50 kg of live weight equivalent by species.

A buyer acquiring products up to an amount of 30 kg which are used for private consumption shall be exempted from the above provisions.

When the fisheries products are intended for sale at a later stage, bodies or persons responsible for the first marketing shall submit to the competent authorities of the MS where the take-over takes place:

- ✓ Electronically and within 24 hours after completion of the first sale, if their annual financial turnover is EUR 200 000 or more
- ✓ Within 48 hours after the first sale, if their annual financial turnover is less than EUR 200 000

[114] Art 76 CIR together with Annexes XIX and XX established specific rules and a risk-based methodology for the adoption of SP

[115] Art 77 CIR together with Annexes XXI and XXII established specific rules and a risk-based methodology for the adoption of SP

[116] Art 90 and 91 CIR provide some rules about the content and format of the SN and take-over declarations. Art 146h CIR established details on the format sales notes data and take-over declarations data for exchange of sales related data.

iv. Transport document

Fisheries products landed, for which neither a sales note nor a take-over declaration has been submitted and which are transported to a place other than that of landing, shall be accompanied by a transport document drawn up by and responsible for the transporter. The transporter shall submit it to the competent authorities of the MS in whose territory the landing has taken place and the authorities of the MS of destination, within 48 hours after the loading. The MS of first marketing may require further information from the MS of landing.

The transporter shall be exempted from having the TD accompanying the fisheries products if the TD has been transmitted electronically, before the transport begins, to the competent authorities of the flag MS and the competent authorities of MS may grant exemptions from the obligation of TD if the fisheries products are transported within a port area or not more than 20 km from the place of landing.

TD can be replaced by a copy of the LD pertaining to the quantities transported, or any equivalent document containing the same level of information. When there is a transport of fisheries products that have been declared as sold the transporter shall be able to prove with a document that a sales transaction has taken place[117].

5. MONITORING OF THE FISHING CAPACITY

Art 38 CR states that MS shall be responsible for carrying out the necessary checks in order to ensure that the **total capacity** corresponding to the fishing licences, in Gross Tonnage (GT) and in kilowatts (kW), shall at any moment not be higher than the maximum capacity levels established for that MS.

Art 40 CR requires MS to be responsible to **certifying** and issue engine certificates for propulsive engines that exceed 120 kW[118]. MS competent authorities shall officially certify[119] these engines as not being capable of developing more maximum continuous engine power than stated in the engine certificate[120].

Certified engine power[121] must be stated in a vessel's fishing licence and it shall be prohibited to use a propulsion engine if such engine has not been officially certified by the MS concerned or if exceeds the power established in the fishing licence.

Art 41 CR requires MS to conduct **verification** of engine power following risk analysis and according to a sampling plan[122]. Physical verification of engine power is only required in cases where risk analysis indicates that a vessel's actual engine power is greater than that stated on the fishing licence.

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117 Art 108-109 CIR establish measures for transport inspections; Module 5 for inspection of a transport vehicle is stablished in Annex XXVII of CIR. Art *146h* CIR establish format of TD data for the exchange of sales related data.

118 Except vessels using exclusively static gear or dredge gear, auxiliary vessels and vessels used exclusively in aquaculture (Art 40 CR).

119 Rules on engine power certification and modification of engine power are provided on Art 61 of the Implementing Control Regulation (CIR). Art 62 and 63 CIR provide detailed rules for establishing sampling plans to detect under-declaration of propulsion engine power and perform physical verifications.

120 Art 90 CR considers as serious infringement the manipulation of an engine with the aim of increasing its power beyond the maximum continuous engine power according to the engine certificate.

121 According to Art 4 CR 'certified engine power' means the maximum continuous engine power which can be obtained at the output flange of an engine according to the certificate issued by the Member State's authorities or classification societies or other operators assigned by them;

122 Art. 109 CR considers engine power data mandatory for the automated cross-checking, analyses and verifications that MS shall perform.

6. DATA MANAGEMENT AND SHARING AT EU LEVEL

The data collected under the CR are fisheries activity data covering vessel position, logbook, landing, sales and transport, and are often referred to as control data. These data are collected by MS from vessels and fisheries operators in accordance with the various reporting obligations. The conditions for exchange, reporting and management of these data are set up in the following 3 articles of the CR:

- Art 33 requires the MS to register all relevant data and report every month to the Commission the catches and effort from the previous month. The Commission uses these reports (= ACDR reports) to monitor the consumption of fishing opportunities and to fulfil some of its international reporting obligations.
- Art 110 and116 give the Commission the right to access and download control data, and requires MS to set up the conditions for Commission remote access to their data bases (which has not been done yet).
- Art 111 sets up the conditions for exchange of data primarily between MS, but also with the Commission.

Data sets dealt with under these articles are very diverse, ranging from tiny reports on the whereabouts of individual fishing vessels to aggregated reports of monthly (yearly) catches of the complete fleet of a country. Depending on the nature of the data set, data flows are diverging:

- Source data, produced by the vessel (or the fishing operator), are sent from the vessel/operator to the flag Member State authority (FMC), and in some conditions transmitted to other parties[123]. These data are VMS positions, logbook data, landing declarations, sales notes.
- Aggregated data, i.e. reports compiled from multiple vessel data, such as monthly catch reports (ACDR), or monthly effort reports. These are sent by the Member State to the Commission, and possibly used for reporting to international parties.

Exchanging such variety and quantity of data requires coordination at EU level. In order to streamline this, an Integrated Fisheries Data Management programme (IFDM) was set up. The IFDM programme covers not only fisheries activity data, but also related data such as vessel licences, fishing authorisations and quotas.

The IFDM programme entails better integration of the DG MARE control infrastructure, as well as standardisation of both data formats and data exchange technology used in the European Commission, MS and other parties.

The first pillar of this standardisation is the FLUX data standard (Fisheries Language for Universal eXchange) defined in the UN/CEFACT context. The FLUX UN/CEFACT standard aims at defining a universal and efficient data exchange "language" compatible with regulations and international requirements.

The different data domains which are already covered by this FLUX UN/CEFACT standard are Aggregated Catch Data Reporting (ACDR), Vessel Position (VMS), Master Data Management (for codes), Fishing Activity (ERS), Sales and Vessel data. The implementation for fishing authorisations (LICENCE) is in progress.

[123] If the vessel for instance is fishing in the waters of another Member State, or operating in the territory of a Member State which is not the flag state, data are shared with the Member State(s) concerned by the operation through via a data exchange platform in the Commission. If t4he vessel is for instance fishing in external waters, data are sent to Member States and to the data exchange platform in the Commission and are automatically forwarded to the third parties by the Commission.

The second pillar of the IFDM programme is a Transportation Layer (FLUX-TL), ensuring exchange of data between MS, Commission, SFPAs and RFMOs in an automated and secured manner. The European Commission is providing the FLUX-TL software as Open-Source Software for all MS and other parties to use. Currently, some of the applications still use the so-called FIDES3 system as communication framework between the European Commission and MS, but this is gradually being replaced by FLUX-TL for data exchange.

7. CONTROL OF THE LANDING OBLIGATION

No specific measures for remote control of the landing obligation. The only way to control it is by inspection at sea.

8. MARKET → TRACEABILITY RULES

Art 56 CR establishes that each MS shall be responsible for controlling on its territory the application of the rules of the CFP at all stages of the marketing of fisheries and aquaculture products, from the first sale to the retail sale, including transport and ensure that the use of fishery products below the applicable minimum conservation reference size that are subject to the landing obligation is restricted to purposes other than direct human consumption.
MS shall ensure that all fisheries and aquaculture products are put into lots[124] prior to the first sale; these lots[125] shall be adequately labelled and traceable at all stages of production, processing and distribution, from catching or harvesting to retail stage[126].
Operators shall have in place systems and procedures to identify any operator from whom they have been supplied with lots and to whom these products have been supplied.
Art 58 CR provides the minimum labelling and information requirements for all lots and the information that must be available to the consumer[127].
MS may exempt small quantities of products sold directly from fishing vessels to consumers, provided that these do not exceed the value of 50€ per day.

9. IUU [CATCH CERTIFICATE]

The IUU Regulation introduces in its Chapter 3 an EU IUU Catch Certification scheme for importation and exportation of fishery products with respective rules. The most important "novelty" (with the biggest impact on MS and 3rd countries) is the establishment of a requirement that fishery products falling under Chapter 03 and Tariff headings 1604 and 1605 of the Combined Nomenclature (CN) (with exception of exempted products listed in Annex I IUU Regulation) imported into the EU need to be accompanied by a catch certificate (CC) that confirms that these products are obtained from catches which have been made in accordance with applicable laws, regulations and international conservation and management measures (Art. 12, 16, 2(8)). The CC has a defined format (Annex II of the IUU Regulation), is paper based, needs to be validated by the flag state of the fishing vessel/s which made the catches from which the products to be imported have been obtained and has to be submitted by the importer to the competent import authorities of the MS of import. To allow timely import clearance on the basis of risk management, the CC needs to be submitted prior to the

[124] According to Art 4 CR 'lot' means a quantity of fisheries and aquaculture products of a given species of the same presentation and coming from the same relevant geographical area and the same fishing vessel, or group of fishing vessels, or the same aquaculture production unit.
[125] Art. 67 CIR provides detailed information for the information on lot.s
[126] According to Art 13 CR the Council may decide on the obligation to use traceability tools such as genetic analysis and MS should have carried out pilot projects on traceability tools such as genetic analysis before 1 June 2013.
[127] Annex XXVII CIR provide with the minimum information required for completion of inspection reports on market premises (Module 4).

estimated arrival time of the products at the place of entry in the EU; deadlines for submission differ according to the means of transport of arrival.

In case of imports of products processed in other third countries than the flag state, the submission of the CC to MS authorities needs to be supplemented by a Processing Statement (PS) (Annex IV of the IUU Regulation) with endorsement by competent authorities of the processing state of product description and quantities of unprocessed and processed products, confirming that the processing activity took place in that country and the final processed products stem from raw material accompanied by a valid CC (Art. 14 (2)). Photocopies of CCs are allowed when only a part of the catch is processed (Art. 14 (c)ii))

Some rules of further import and export scenarios are also described in the chapter (e.g. indirect importation, transit and transhipment, re-exportation etc.), which are, from experience, of less importance or impact on stakeholders.

While the IUU Regulation provides for the possibility to use electronic means to establish, validate or submit CCs and PS in the framework of administrative cooperation with flag states ((Art. 12 (4), 20 (4)), it does not include a clear legal base for an EU IUU IT system with an obligation to use it (i.e. in all MS, the EU importer should submit the CC/PS data electronically to MS authorities and the MS authorities should use the data in the system for its checks, verifications, decision, etc.).

MS authorities are competent for the implementation of the catch certification scheme, i.e. ensuring the required IUU-related import and export controls of fishery products (including refusals), to efficiently and effectively monitor the import prohibitions the IUU Regulation establishes for "IUU fishery products" (the latter being the responsibility of the Commission).

10. EFCA FOUNDING REGULATION

According to its Founding Regulation, the European Fisheries Control Agency is a European Union agency whose main mission is to promote the highest common standards for control, inspection and surveillance under the CFP. Its primary role is to organise coordination and cooperation between national control and inspection activities so that the rules of the CFP are respected and applied effectively.

The added value of the work of the Agency lies in its contribution to a European-wide level playing field for the fishing industry and in its contribution towards sustainable fisheries by enhancing compliance with existing conservation and management measures.

The Agency, in cooperation with the European Border and Coast Guard Agency and the European Maritime Safety Agency, also supports the national authorities carrying out coast guard functions. EFCA has its official seat in Vigo, Spain.

Annex 8: Stakeholders' description

The objective of this annex is to provide more details about the different stakeholders which have been identified as being directly or indirectly affected by this initiative.

Stakeholders' category	Part A: Who are the affected stakeholders?
Fishing industry (i.e. fishermen processors, salesmen, vessel owners)	The **fishing industry** includes fishermen, processors and salesmen that are required to comply with the control rules. The problems described in this initiative primarily affect **fishermen** fishing for all types of fishery (i.e. demersal, pelagic and other), meaning the EU fishing fleet from the 23 coastal Member States[128]. For processors and salesmen, this initiative extends to the 28 Member States. Based on data reported under the EU fisheries data collection framework (DCF), around 84 420 vessels would be potentially affected by this initiative[129]. In 2015, The combined gross tonnage (GT) was of 1.62 million tonnes and engine power of 6.44 million kilowatts (kW). Among those 63 976 were active vessels, of which 74% were classed as small-scale coastal vessels, 25% as large-scale and remaining 1%, distant-water vessels. The EU inactive fleet, amounting to 20 444 vessels, represented 24% of the total EU fleet in number, 9% of the gross tonnage and 14% of the engine power[2]. Direct employment generated by the fleet amounted to 152 720 fishers, corresponding to 114 863 full-time equivalents (FTEs). The EU fleet spent 4.8 million days at sea and landed over 5 million tonnes of seafood with a reported value of €7 billion. Revenue earned by the EU fishing fleet was estimated at €7.27 billion[130]. The amount of Gross Value Added (GVA) and gross profit (all excl. subsidies) generated by the EU fishing fleet (excl. Greece) was €3.9 billion and €1.6 billion, respectively. Table 1 provides a detailed overview of the affected fishing sector. For each coastal Member State, it illustrates the total number of vessels, the vessel tonnage, the engine power, the employment (as full-time equivalent), the fishing days, the number of fishing trips, the volume and value of landings, and the

[128] (BE) Belgium, (BG) Bulgaria, (DK) Denmark, (DE) Germany, (EE) Estonia, (IE) Ireland, (EL) Greece, (ES) Spain, (FR) France, (HR) Croatia, (IT) Italy, (CY) Cyprus, (LV) Latvia, (LT) Lithuania, (MT) Malta, (NL) Netherlands, (PL) Poland, (PT) Portugal, (RO) Romania, (SI) Slovenia, (FI) Finland, (SE) Sweden, (UK) United Kingdom. For completeness' sake, these are the 5 EU Member States which do not have a sea border: (CZ) Czech Republic, (LU) Luxembourg, (HU) Hungary, (AT) Austria and (SK) Slovakia.

[129] Scientific, Technical and Economic Committee for Fisheries (2017) The 2017 Annual Economic Report on the EU Fishing Fleet (STECF-17-12). Publications Office of the European Union, Luxembourg; ISBN 978-92-79-73426-7, doi: 10.2760/36154, 492 pp.

[130] Revenue represents income from landings plus other income in 2015 (excluding Greece).

Stakeholders' category	Part A: Who are the affected stakeholders?
	net profit. According to data collected under the 2014 DCF data call for the fish **processing industry**[131], the sector in the EU comprised approximately 3500 enterprises with fish processing as their main activity. This accounts for a total income around €27.9 billion (98% of this is turnover), more than €6 billion in GVA, and employed around 120 thousand persons within the EU. Table 2 provides a detailed overview of the affected processing sector. For each coastal Member State, it illustrates the total number of enterprises, the total number of employees, the employment (as full-time equivalent per enterprise), the Gross Value Added and the net profit. The EU is a major **market** for seafood and considered as a net importer of fisheries and aquaculture products. Consumers spent €54.8 billion euro for buying fisheries and aquaculture products in 2016. Since 2003, a general positive trend was recorded in almost all Member States. Per capita fish consumption per year was of 25.1 kg[132].
Member States	**Member States** and their inspectors are charged with the responsibility of administering the controls, but also forming an integral part of the design of the controlling systems either through the Council of Ministers or via strategies agreed through the regular coordination meetings.
EU institutions and bodies	The **European Commission** and its inspectors which are responsible for monitoring Member State compliance of the regulations. The **European Fisheries Control Agency** (EFCA) responsible for coordinating joint deployment plans, and supporting exchanges between, and capacity building within, Member State inspectorates respectively.
Non-governmental organisations	This initiative would also affect **non-governmental organisations** (NGOs) advocating control as an essential tool to ensure compliance with the Common Fisheries Policy, thereby sustainable management of fisheries. Those NGOs include Birdlife Europe, CAPE-CFFA, ClientEarth, Environmental Justice Foundation, Greenpeace, Oceana, The Pew Charitable Trusts, Seas At Risk and WWF. They contributed actively in different phases of the consultations.
Others	Other groups affected by this initiative may include **recreational**

131 Scientific, Technical and Economic Committee for Fisheries (2014) The Economic Performance Report on the EU Fish Processing (STECF-14-21). Publications Office of the European Union, Luxembourg; ISBN 978-92-79-44714-3, doi: 10.2788/968527, 355 pp.

132 European Commission, Directorate-General for Maritime Affairs and Fisheries, Director-General (2017) The EU fish market. Highlights the EU in the world EU market supply consumption trade EU landings aquaculture production, 94 pp.

Stakeholders' category	Part A: Who are the affected stakeholders?
	fishermen and **non-EU actors** (e.g. importers of fish products). Indirectly it may affect the general public (chiefly those consuming fisheries products and those with an interest in fisheries and the marine environment), the scientific community, particularly universities and research institutions, and also consultants and fisheries experts. The initiative may also affect the **Advisory Councils** (ACs) as set under the CFP[133], namely the Aquaculture AC, Baltic Sea AC, Black Sea AC, Long Distance AC, Market AC, Mediterranean Sea AC, North Sea AC, North-western waters AC, Outermost regions AC (not set up yet), Pelagic stocks AC and South-western waters AC. The Advisory Councils, which include representatives of businesses, environmental NGOs and consumer groups, also contributed actively during the consultation process.

[133] See full list of Advisory Councils and relevant tasks Articles 43-45 of the CFP.

Table 9: EU overview of the affected fishing sector (data from the 23 coastal Member States in 2015[134]). Total number of vessels, vessel tonnage (thousand GT), engine power (thousand kW), employment (as full-time equivalent, or FTE), fishing days (thousand day), number of fishing trips (thousand), volume of landings (thousand tonne), value of landings (million EUR) and net profit (million EUR). "-": no data was available.

Member State	No vessels	Vessel tonnage	Engine power	FTE	Fishing days	No fishing trips	Volume landings	Value landings	Net profit
Belgium	79	14.6	47.6	406	15.7	4.3	24.5	82	2.9
Bulgaria	1979	6.4	56	608	22.7	22.7	8.3	3.8	1.2
Croatia	7849	53.8	429.7	2384	206.7	205	72.91	60.92	-14.5
Cyprus	905	3.6	41.2	794	65.2	64.2	1.48	7.56	-6.5
Denmark	1851	66.3	208.2	1570	91.5	71.7	865.9	440.3	106.1
Estonia	1534	5.9	31.8	485	151.6	84.5	59.3	14.5	1.7
Finland	2717	15.8	155.7	358	106	102.8	148.1	33.6	-8.2
France	6911	171.9	999.4	6865	418.3	357.1	518.3	1147.7	97.1
Germany	1478	56.5	130.1	1202	110.7	33.3	238.5	215.8	7.1
Greece	15624	74.7	446.2	23431	-	-	-	-	-
Ireland	2048	58.9	179.2	2522	62	39.2	240.9	237.4	-14.8
Italy	12426	164	1014	21459	1527	1435	192.2	894	106.4
Latvia	309	7.3	20.6	345	16.3	15.3	62.1	19.8	5.8
Lithuania	151	53.6	57	463	7.2	4.5	82.2	62.4	-23.9
Malta	1039	7.5	76.1	872	23.3	20.8	2.4	11.6	-0.9
Netherlands	718	125.8	266	1619	43.2	28	330.5	375	33.1
Poland	873	34	81.5	2280	68.7	60.3	187.9	48.7	5.6
Portugal	8205	100.3	367.7	8130	338.2	320.6	183.4	351.9	76.5
Romania	151	0.9	6	44	3.7	3.6	4.8	4.3	2.7
Slovenia	169	0.6	8.5	84	8.7	6	0.2	1.3	0.2
Spain	9686	366.7	842.1	30015	1030.8	865.6	923.3	1885	217.5
Sweden	1298	30.8	167.9	792	73.4	67.6	202.7	116	15.1
UK	6420	200.3	805.4	8135	304	219.2	708.8	1067.9	188.2

[134] Data source: Scientific, Technical and Economic Committee for Fisheries (2017) The 2017 Annual Economic Report on the EU Fishing Fleet (STECF-17-12). Publications Office of the European Union, Luxembourg, 492 pp. Data collected under the Data Collection Framework (the 2017 call requested data).

Member State	Total enterprises	Total employees	FTE per enterprise	GVA	Net profit
Belgium	240	2492	9.2	206.9	70.2
Bulgaria	10	252	25.2	9.2	8.3
Croatia	20	1365	61.6	10.5	-12.3
Cyprus	4	56	14	2.7	-0.6
Denmark	106	3409	28.3	293.9	78.2
Estonia	61	1861	29.8	28.6	4.6
Finland	146	930	5.4	44.3	5.6
France	295	16184	54.1	1087.4	219.7
Germany	250	7010	26.7	267.6	-27.7
Greece	147	2330	14	50.1	-1.3
Ireland	164	3342	16.3	110.8	18.9
Italy	537	6197	9.7	394.2	98.1
Latvia	101	5781	53	55.9	16.3
Lithuania	33	4451	107.1	61.3	25.6
Malta	6	56	8.8	9.2	8.0
Netherlands	84	3567	29.4	136.9	20.8
Poland	196	15972	77	241.8	47.5
Portugal	180	6823	35	421.6	-
Romania	14	780	55.7	29.1	25.8
Slovenia	15	354	20.4	10.2	3.0
Spain	487	18324	35.7	1276.5	-
Sweden	223	2135	8.2	122.4	12.8
UK	375	19070	47.6	1729.7	1054.8

Table 10: EU overview of the affected fish processing sector (data from the 23 coastal Member States in 2012[135]. Total enterprises (number), total employees (number), Full-Time Equivalent (FTE) per enterprise, Gross Value Added (GVA, million EUR) and net profit (in million EUR).

[135] Data source: Scientific, Technical and Economic Committee for Fisheries (2014) The Economic Performance Report on the EU Fish Processing (STECF-14-21). Publications Office of the European Union, Luxembourg, 355 pp. Data collected under the Data Collection Framework (data call issued on August 2014).

Annex 9: Recommendations from the European Commission, other European Institutions and Bodies on the evolution of the Fisheries Control System

This Annex presents an extract/summary of the recommendations on the evolution of the Fisheries Control System given by the European Commission (REFIT Platform), other EU institutions (namely the court of Auditors and the Council) and European Bodies (namely EFCA Administrative Board) during the period 2016-2017 following in depth assessment and evaluation of the current system.

REFIT Platform Opinion on the submission by the Finnish Government Stakeholder survey on the control of EU fisheries

[*extract, please note that only the text directly linked to the revision of the Fisheries Control System is below given*]

The REFIT Platform has considered the submission from the Finnish Government Stakeholder survey on the provisions concerning the control of EU fisheries.

The Stakeholders group recognises the need to ensure a proportionate and effective application of the Fisheries Control Regulation in relation with vessels and in that context, welcomes the evaluation process and the publication of the evaluation Staff Working Document. A key objective of the current Control Regulation is to ensure that the rules underpinning the Commons Fisheries Policy are effectively enforced whilst avoiding any unnecessary administrative burdens. In this context, the stakeholder group notes the special report on the EU fisheries control system issued by the European Court of Auditors in 2007 in which it was noted that *"the procedures for dealing with reported infringements do not support the assertion that every infringement is followed up and still less infringements attract penalties; even when penalties are imposed their deterrent effect is, on the whole, limited*." Such a situation risks undermining the level playing field and the sustainability of the fisheries regime.

The Government group recognises that certain provisions of Regulation No 1224/2009 can create regulatory burden for the fisheries administration as well as for the fishing vessels' operators and other fish market operators.

While a few Member States support the recommendations of the Stakeholder group, most Member States do not wish to pre-empt the discussion on the revision of this Regulation scheduled for the end for the end of 2017 and recommend that the submission, together with the Stakeholder group recommendations, is examined by the Commission during the revision process.

The special report of the Court of Auditors

[*extract, please note that only the recommendations directly linked to the revision of the Fisheries Control System are below given*]

ECA Recommendation 1 – Improving the reliability of information on fishing fleets

> In the context of any future amendment to the Control Regulation, and in order to improve the accuracy of information of fishing capacity, we recommend the Commission to include in its legislative proposal:
>
> detailed rules for the regular documentary and on-the-spot verifications of both gross tonnage (GT) and engine power (kW) indicators used to calculate fishing capacity.

ECA Recommendation 2 – Improving the monitoring of fisheries management measures

> In the context of any future amendment to the Control Regulation, and in order to improve the monitoring of activities of small fishing vessels, we recommend the Commission to include in its legislative proposal:
>
> (a) the removal of the VMS exemptions for vessels between 12 and 15 metres long;
>
> (b) the requirement for the installation of smaller and cheaper localisation systems for vessels under 12 metres long.

Recommendation 3 – Improving the reliability of fisheries data

In the context of any future amendment to the Control Regulation, and in order to improve the completeness and reliability of fisheries data, we recommend the Commission to include in its legislative proposal:

> (g) the removal of the Electronic Reporting System and electronic declaration exemptions for vessels between 12 and 15 metres long or the consideration of alternative solutions;
>
> (h) review the catch data reporting obligations of the Member States under Control Regulation, in order to include the details of fishing area, size of vessels and fishing gear.

Recommendation 4 – Improving inspections and sanctions

1. In order to improve the inspections, in the context of any future amendment to the Control Regulation, we recommend the Commission to include in its legislative proposal

> (b) the mandatory use of the Electronic Inspection report System by the Member States in order to ensure the exhaustiveness and updating of their national inspection results and to share the results of inspections with other Member States concerned.

2. In order to ensure the effectiveness of the system of sanctions, in the context of any future amendment to the Control Regulation, we recommend the Commission to include in its legislative proposal

> (e) a provision foreseeing a system to exchange data on infringements and sanctions in cooperation with EFCA and the Member States.

The Council conclusions on Court of Auditors report

THE COUNCIL OF THE EUROPEAN UNION [*extract, please note that only the recommendations directly linked to the revision of the Fisheries Control System are below given*]

[…]

(4) SHARES the Court's assessment that the design and the implementation of an effective system of control is essential for the success of the Common Fisheries Policy, NOTES that the implementation of the Control Regulation is an ongoing process and that improvements are continuously being made, and ENCOURAGES Member States and the Commission to follow up on the Court's recommendations where appropriate;

(5) ACKNOWLEDGES the need to achieve a lasting balance between fishing fleet capacity and fishing opportunities to maintain fishing sustainable in the long term, NOTES therefore the importance of having reliable information on the fishing capacity in the Union fleet register, and WELCOMES the Court's recommendation to establish procedures to verify the accuracy of the information recorded in national fleet registers;

[…]

(7) AGREES that good management measures rely on the proper and efficient monitoring of fishing activities, WELCOMES the Court's assessment that fisheries management measures are overall correctly implemented, and ENCOURAGES the continuous development of technology, in particular with regard to an electronic reporting system and cross checking of data across the relevant Member States, to achieve control and compliance objectives, reduce administrative burden and further increase cost efficiency.

(8) while ACKNOWLEDGING the findings of the Court on certain deficiencies in the monitoring of small-scale fishing vessels, UNDERLINES the need to find a balance between the benefits of monitoring and evaluation and the costs and administrative burden related to it, especially in respect to small-scale fishing vessels, therefore STRESSES the need of making the greatest possible use of existing monitoring systems and data sources.

(9) NOTES that inspection activities and sanctions contribute to the compliance ensuring sustainable fisheries management, the creation of a culture of compliance and the achievement of a level playing field in the long term, but RECALLS that different sanction practices are due to divergences in national legal systems and legal traditions and that the establishment of sanctions is exclusively Member States' competence and

ENCOURAGES the further development of common inspection strategies to reinforce the level playing field and improve mutual access to relevant data.

(10) WELCOMES the Court's assessment of the implementation of the Control Regulation. RECALLING in this context the report from the Commission to the European Parliament and the Council on the implementation and evaluation of Regulation (EC) 1224/2009**4** the Council firmly WELCOMES the Commission's initiative to review the control system, and POINTS on this occasion to the opportunity for improvement through reliable catch reporting, further simplification, the use of new technologies, taking into account costs, added value for control objectives, regional specificities and minimalizing administrative burden.

The Resolution by the European Parliament:

Proposals for improvement [*extract, please note that only the one directly linked to the revision of the Fisheries Control System are below given*]

The European Parliament,

[…]

25. Is in favour of a simplification and improvement of Union legislation, as well as a reduction in the administrative burden with a view to achieving 'better lawmaking', in particular through a limited and targeted revision of Council Regulation (EC) No 1224/2009, scheduled for and expected by 2017 at the latest […];

[…]

29. States that closer cooperation between Member States would be a way towards further harmonisation of controls; stresses the importance in this regard of the expert group on compliance with the obligations under the Union's fisheries control system;

30. Reminds the Commission of the need to create the legal and operative environment before implementing mandatory rules, thus avoiding paradoxical situations;

31. Considers that the Commission must attend to uniform and accurate transposition and verify the state of implementation of the existing legislation, for example by establishing a minimum percentage of consignments to be checked by each Member State; believes, furthermore, that control procedures must be transparent, even-handed and standardised, allowing Member States to be put on an equal footing as regards controls on their fishermen, and that the rules on control should be simpler, and more comprehensive and consistent;

32. Advocates a strengthening of controls to prevent the importation of fish from illegal, unreported and unregulated fisheries by, among other measures, setting up national intelligence teams staffed with specialised fishing inspectors, who are best qualified to

detect risks, and establishing a minimum percentage of consignments that must be checked;

33. Believes there is a need for the collection, management and use of good-quality data regarding the landing obligation, in order to control and assess the effectiveness of the implementation of the landing obligation and to bring data collection into line with the requirements resulting from the revised CFP;

[…]

37. Points out that in certain regions basins are managed jointly with countries outside the EU, and calls for cooperation between Member States and non-member countries to be intensified;

38. Believes that Member States, the European Fisheries Control Agency, and the Commission need to work in closer cooperation and coordination;

[…]

43. Suggests that the idea of an EFCA electronic registry (EFCA single desk) be examined, with ready-to-print or electronic models for inspections and for the centralisation of inspection reports; notes that this EFCA electronic registry could also be used for receiving and centralising the capture certificates issued by Member States and third countries;

44. Proposes that the public communication systems used by control agencies be improved, and stresses the importance of periodically disseminating the work carried out and the results obtained and providing information on a permanent basis about the rules applied to fish resources, such as minimum sizes and temporal and spatial closures;

45. Stresses the necessity to strengthen the role of the EFCA, particularly its budget, competences and human resources; suggests revising the conditions of intervention referred to in Articles 94 and 95 of Council Regulation (EC) No 1224/2009 and, in particular, giving it the right to intervene in respect of fishery resources which are overexploited and those which have not reached the maximum sustainable yield (MSY);

46. Stresses the importance of reinforcing and strengthening controls, especially in Member States that have so far demonstrated poor implementation of the Control Regulation, in order to combat illegal fishing, to comply with the rules of the CFP and to strengthen the quality of the data obtained;

47. Recalls the importance of having the capacity to share data in real time, especially during control operations carried out by the Agency in conjunction with the Member States and coordinated by the Agency through joint deployment plans;

48. Stresses the importance of increasing the presence of the EFCA close to the Member States, including the Outermost Regions;

49. Suggests that at least two representatives of the European Parliament be included on the Management Board of the Agency, on which there are already six representatives from the Commission and one from each Member State, this representation to have parity of composition (equal numbers of women and men) and to be appointed by Parliament's Committee on Fisheries from among its members;

50. Recommends expanding the controls – for example extending monitoring – to cover the entire production chain, and assigning responsibility for control at sea to a single administrative body, in order to avoid an overlapping of controls which wastes human, logistic, and financial resources and causes confusion and unnecessary pressure on those operating in the fisheries sector; in addition, calls for formal collaboration between the institutions of the Member States so that the entire fish production chain can be effectively controlled;

51. Asks the Commission to determine whether linking penalty points to fishing licences is appropriate; stresses that under this system points are transferred with the licence when the vessel is sold, which can reduce the value of vessels in some cases and may thus prevent their resale, for example to young fishermen wishing to start up in the business;

[…]

54. Takes the view that controls based on risk assessment should be based on a list of transparent, specific, and measurable minimum criteria defined at European level;

55. Calls for a standardisation of sanctions while keeping them at a level that is proportional and non-discriminatory and that acts as a deterrent; prefers economic sanctions, including temporary suspensions of activity, to penal sanctions, but also considers that, as provided for in Article 17 of Regulation (EU) No 1380/2013, preference should be given to incentives for fishermen who comply with CFP rules in order to prevent infringements;

56. Recalls that it is the Member States that have responsibility for sanctions and that the European Union is not legally able to impose standardisation thereof via Regulation (EC) No 1224/2009; points, however, to the importance of the points system in providing a framework for sanctions, and calls on the Member States to take the initiative for an extensive standardisation of sanctions, in particular penal ones, in order to put an end to the inequities existing at present;

[…]

59. Encourages the Commission and the Member States to consider the development of a harmonised minimum-level penalty, applicable to serious infringements and/or repeated illegal behaviour;

60. Advocates imposing harsher sanctions for illegal, unreported and unregulated fishing;

[…]

62. Considers that the interpretation of some provisions, which lead to a penalty for exceeding the limit for incidental catches without even taking into account the absence of negligence or intent when engaging in lawful conduct, clearly conflicts with the fundamental principles of the European Union, which are enshrined in Article 6 TEU as primary law;

63. Calls on the Commission to lay down guidelines that can be readily applied and understood in order to prevent unequal treatment between Member States, especially where, by reporting by-catches voluntarily, fishing operators show that they have acted in good faith and that the catches were completely fortuitous;

64. Takes the view that helping actors invest in modern technology and equipment compatible from one Member State to the other and easily updatable will make controls fairer, more balanced and more efficient;

65. Encourages the establishment of funding mechanisms to increase the use of low-cost technologies to enable voluntary control and increase monitoring and safety of fishermen, especially in small-scale artisanal fisheries;

66. Stresses the importance of electronic technologies (electronic reporting and electronic monitoring systems) which represent a potentially cost-effective means to widen observation of activities at sea;

67. States its opposition to any mandatory video surveillance system on board;

68. Calls the attention of the Commission to the fact that the use of new earth-observation technologies, such as Sentinel satellites, would be of benefit in fisheries control;

69. Recommends that equivalent controls be applied to imported fishery products, to shore fishing and to recreational fishing, as well as to the EU fleet fishing in non-EU waters and to non-EU countries' fleets fishing in EU waters so as to ensure that the entire European market has an equivalent level of access; proposes that data exchange be made mandatory in connection with illegal, unreported and unregulated fisheries (IUU);

71. Recommends ensuring the continued existence, notably through EMFF funding, of fish auctions vital to territories, as these contribute to transparency and traceability, and facilitate fisheries control;

72. Supports the inclusion of the impact of recreational fisheries in the revised Control Regulation;

73. Requests the development of a monitoring, information-transfer and data-analysis system which is compatible throughout the Union; further requests that it fall to the Commission to set the framework for the exchange of data and information, in accordance with the data protection provisions in force; stresses that a transparent framework for the exchange of data and information is key to ascertaining whether a level playing field exists;

74. Stresses that implementation of the landing obligation must be accompanied by appropriate flexibility with regard to its control, as the fundamental changes imposed on fisheries by this obligation should be taken into account, particularly as regards multi-species fisheries; reiterates the importance of progressively applying sanctions and the points system in the event of serious infringements linked to non-compliance with the landing obligation, in accordance with Regulation (EU) 2015/812 on implementation of the landing obligation;

75. Stresses that information on whether and how Member States are sanctioning different types of infringements, and whether sanctions are applied consistently, regardless of a vessel's flag, must be made available to stakeholders and the public, while fully respecting the privacy of those involved;

The EFCA Administrative Board recommendations following the results of its five years external evaluation

The Administrative Board issues the following recommendations [*extract, please note that only the recommendations directly linked to the revision of the Fisheries Control System are below given*]

Regulation (EC) No 768/2005:

While most of the suggestions made in the evaluation report can be implemented within the current legal framework, reflections could useful begin on a review of the above Regulation, taking into account, among others, the following elements:

- A review of the Regulation (EC) No 1224/2009 (Control Regulation);
- The alignment of EFCA's mission and tasks with recent and future developments in the CFP, notably the landing obligation, regionalisation, measures to combat IUU fishing and the external dimension of the CFP.

Annex 10: List of stakeholders who sent written contributions

Member States
Belgium
Cyprus
Estonia
Finland
France
Germany
Italy
The Netherlands
Poland
Portugal
Spain
Sweden
United Kingdom
Advisory Councils
Long Distance Advisory Council (LDAC)
Mediterranean Advisory Council (MEDAC)
North Sea Regional Advisory Council (NSRAC)
North Western Waters Advisory Council (NWWAC)
Pelagic Advisory Council (PelAC)
South Western Waters Advisory Council (SWWAC)
EU Organisations and Associations
Aquamind

Swedish Fishermen's Producer Organisation (SFPO)
Europêche
EU Fish Processors and Traders Associations (AIPCE-CEP)
European Anglers Alliance
European Fishing Tackle Trade Association
International Forum for Sustainable Underwater Activities (IFSUA)
National Associations
Comité National des Pêches Maritimes et des Elevages Marins (France)
Federación Nacional de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA) (Spain)
PESCAGALICIA (Spain)
Environmental NGOs
Birdlife Europe
Coalition for Fair Fisheries Arrangements (CAPE-CFFA)
ClientEarth
Fundacion Rendemento Economico Minimo Sostible e Social
Environmental Justice Foundation
Greenpeace
International Forum for Sustainable Underwater Activities
Oceana
OurFish
The Pew Charitable Trusts
Seas At Risk
World Wide Fund for Nature (WWF)