

## Working Group 2: EU Markets

### Minutes

Monday, 23 May 2022 (14:30 – 18:00 CEST)

Zoom / Martin's Brussels EU Hotel (Hybrid)

Interpretation in EN, ES, FR

#### Welcome from the Chair, Pierre Commère

Click [here](#) to access the Chair's presentation.

**Adoption of draft agenda and of the last meeting minutes (28.03.22):** adopted

#### Action points of the last meeting

- **State-of-play of the decision made during the last meeting – information**
- Initial Focus Group on Trade:
  - Amended draft advice on improvement of data on trade policy instruments to be put forward to the Executive Committee for adoption
  - Ahead of the next meeting, new draft Terms of Reference to be prepared, to launch the next stage of the work on trade policy instruments
    - Advice adopted: 30 March 2020
    - Letter from MARE B3 Head of Unit: 12 May 2022
    - New draft Terms of Reference circulated: 17 May 2022
- Trade Agreements & Trade Policy Instruments:
  - In relation to Brown Crab, Secretariat to request exchange with DG SANTE and DG TRADE representatives concerning recognition of health certificates and exports to People's Republic of China, respectively. Prior to that, Pim Visser (VisNed) to prepare document outlining problems concerning the recognition of health certificates.
    - Exchange with DG SANTE and DG TRADE requested – DG SANTE refused, since health certificates are a responsibility of individual Member States
    - Background document on intra-EU movement of brown crab sent to DG MARE
- EU Taxonomy for Sustainable Initiatives:
  - Jennifer Reeves (MSC) to circulate document analysing the first draft criteria
  - Secretariat to request exchange of views with DG FISMA representatives
    - MSC contribution to call for feedback circulated: 10 May 2022
    - Exchange of views with DG FISMA scheduled: 14:45 CEST



## EU Taxonomy for Sustainable Initiatives

- **Exchange of views on development by the Platform on Sustainable Finance of technical screening criteria for fisheries with Commission representative**

Tina Krajsek Samar (DG FISMA) informed that, at that stage, the Commission could not comment on the proposal of the Platform on Sustainable Finance, since it does not represent Commission's work. Nevertheless, the Commission is interested to hear stakeholders' views.

Ms Krajsek Samar explained that taxonomy is a green classification system that translates EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. It recognises activities that make a substantial contribution to at least one of the six climate and environmental objectives. At the same time, the activity should not significantly harm any of the objectives. It should also meet minimum social safeguards. Taxonomy is a transparency tool that introduces mandatory disclosure obligations on some companies and investors, requiring them to disclose their share of taxonomy-aligned activities. Companies can also reliably use the EU Taxonomy to plan and implement their environmental transition and to raise financing. Financial companies can use the EU Taxonomy to design their green financial products.

Ms Krajsek Samar underscored that taxonomy is not a mandatory list of economic activities for investors to invest in. The taxonomy does not set mandatory requirements on environmental performance on companies or financial products. Investors can freely decide on their investments. Economic activities may not be recognised in the EU Taxonomy but this does not mean that they are environmentally harmful or unsustainable. It merely means that they are not covered by the legislation.

Ms Krajsek Samar listed the six climate and environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. Based on these objectives, criteria are developed. A Delegated Act was adopted that lists activities that substantially contribute to climate change mitigation. The Commission is developing a Delegated Act focused on substantial contributions to the other objectives. The criteria ensure that the activity either has substantial positive environmental impact or substantially reduces negative impacts on the environment. Additionally, the concept of "Do not significantly harm" ensures that the activity does not impede other environmental objectives.

In terms of procedure, in the past year and half, the Platform on Sustainable Finance worked on technical screening criteria including those for fisheries, consulting stakeholder, and receiving and taking their views in account in reviewed criteria. The final recommendation to the Commission was submitted in March 2022. Their report was published at the same time. The Commission will consider the Platform's report and recommendations. The Commission will start developing the Delegated Act based on its own views.



- **Presentation of MSC's contribution to the call for feedback by MSC representative**

Click [here](#) to access the presentation.

Camiel Derichs (MSC) provided an overview of his organisation and its practice as a third-party certification scheme. Mr Derichs explained that, when the Platform on Sustainable Finance's draft was published, MSC was interested to understand its functioning, the activities rewarded and discouraged, who makes the judgements, the criteria and standards, the control, and transparency. In terms of process, MSC observed that the work of the experts was not entirely transparent. MSC and many key stakeholders involved in standard setting were not involved in the process, which raised doubts about the expertise in the process. It also raised doubts whether it was in line with the Codes of Good Practice of ISEAL.

In terms of the criteria, in MSC's view, it was a partial success. The scope is in line with sustainability standards in fisheries. It is relatively well aligned with the MSC standard, meaning a focus on a healthy biomass, limited bycatch, limited impacts on the environment, and a good management system. At the same time, the technical screening criteria are simplistic in some places, and vague in other places. For example, criteria 1.1.1. on healthy biomass of stocks is ambitious and goes beyond the CFP (maximum sustainable yield), yet it is also incomplete and cannot be applied in a standard manner to all fisheries. The technical screening criteria are poorly aligned with fisheries practice, capacity, and legal requirements. For example, under the CFP, not all fisheries are required to have observers on board or Remote Electronic Monitoring. For a large proportion of the EU fleet, and almost all small-scale fleet, this is not easily operable.

In terms of mechanism, Mr Derichs highlighted that the technical screening criteria would be applied at the activity level, but it was still unclear who would apply them and where. MSC wonders about the expertise of the auditors and whether bankers would need education in fisheries science. MSC also wondered about who controls the auditors and their conclusions, the transparency of the assessment against the technical screening criteria, what would happen if the stock or bycatch levels shift or the management changes for worse, and how the different EU mechanisms link together. For example, the link and consistency with the PEFCR initiative, the FIC Regulation, the Fisheries Control Regulation, and the CFP.

In terms of impact, Mr Derichs explained that MSC requested several fisheries scientists, who are also part of the Advisory Committee on Fisheries of ICES, to compare a list of EU managed fisheries with the draft technical screening criteria. According to their conclusions, very few, if any, EU managed fisheries would align with the draft technical screening criteria. This is a concern, especially since seafood is generally considered one of the lowest impact food products that can be produced. MSC has doubts about the additional costs and complexity to the seafood and finance industries. There could be duplication since there is already reporting on several social and environmental matters. In case the assurance is weak, there could be risks of conflict of interest. There could be impacts in and on the water.

Mr Derichs outlined a series of recommendations. First, ensure alignment of taxonomy with the legal framework under which fisheries operate and ensure consistency across EU instruments. Second,



align application of the Technical Screening Criteria for fisheries with the Technical Screening Criteria to be developed for Aquaculture, to ensure a level playing field. There is a link on feed. Many companies active on fisheries sourced food are also active in aquaculture sourced food. Third, provide clarity on the assurance process to ensure credibility. Fourth, nuance the technical screening criteria to better reflect best practice management and science, to ensure applicable on all fisheries in the EU. Fifth, recognise credible third-party certification tools to avoid duplication and costs for industry and finance sector, while increasing applicability and impacts. Sixth, broaden expertise as applicable the Platform on Sustainable Finance. MSC has offered to assist the Platform.

- **Exchange of views & way forward**

Daniel Voces (Europêche) informed that his association was also interested in the process. Europêche shares the main concerns expressed by MSC. Concerning the process, Europêche was not directly contacted by the European Commission. There was a call for stakeholders to express interest, but fisheries stakeholders do not closely follow the work of DG FISMA. There was no fishing industry representative in the Platform's expert group. Mr Voces also expressed regret that no Advisory Council was involved in the process. It is unclear whether advice could be developed in a timely manner to influence the process. He expressed willingness to work together with other members to develop advice to the European Commission.

Mr Voces emphasised that the CFP Regulation is the appropriate legislation to achieve sustainability. Fishing under the CFP should mean that it is sustainable. If financial institutions want to go beyond these rules, they should consider what is already available in the market, such as labelling and certification schemes designed to promote sustainability. Mr Voces expressed doubts whether it should be the role of the European Commission to set standards that are already developed in the market. Under the new EMFAF, as long as these are not forbidden, permitted subsidies should be considered sustainable. Under the taxonomy, certain investments would be considered more sustainable than others, which creates double standards and confusion.

Mr Voces argued that ongoing legislative initiatives should be considered, such as the revision of the marketing standards framework, and the green claims initiative. It will be difficult to have links between these standards if they are different. Concerning the criteria at harvest level, Mr Voces drew attention to the criteria of all stocks at MSY level. In the EU, there are, at least, 400 stocks. ICES MSY advice is available for 69 stocks in the Northeast Atlantic and for 23 stocks the Mediterranean Sea. Therefore, it is unclear how the 300 stocks without MSY assessment would be treated. The requests for scientific advice are a competence of the European Commission, not of the companies. ICES is also not always able to provide advice.

Mr Voces highlighted that the draft technical screening criteria refer to Maximum Economic Yield, which is an entirely new concept. As far as he is aware, this management system only existed in Australia. In their view, it would not function in the EU. The EU has a complex management system with many shared stocks with third countries. When the Maximum Economic Yield system was introduced in Australia, half of the fleet was decommissioned. In relation to the target of minimum of 50% of the spawning biomass unfished, ICES sometimes uses this as an indicator. Nevertheless, it cannot be a general target or indicator.



Mr Voces also drew attention to the target not to operate in a fishery where targeted species are threatened or endangered. The industry tries to avoid these species, and these are not targeted. If these are accidentally caught, these must be released automatically. The target should be rephrased to mean that the operator is not targeting threatened or endangered species. The proposed percentage of birds and cetaceans' bycatch is not in line with existing legislation. It would also be difficult to prove in practice. The proposed draft refers to "only truly selective methods and gears", which is not in line with the Technical Measures Regulation. It would be a subjective definition.

The proposed criteria of observers and cameras would exclude around 80% of the EU fishing fleet of compliance with the technical screening criteria. Under the Commission's proposal on the Fisheries Control Regulation, the installation of cameras would be based on a risk assessment approach. It would not be required for 100% of the fleet. Under the proposed criteria, it would not be possible to operate in MPAs, but companies do not set MPAs. The draft criteria mix the concepts of "MPAs" with "no take zones". Under the draft criteria, the terms "no harm" and "disturbance" are used as synonyms, even though these are different concepts. In accordance with existing management practices, the fishing industry disturbs, but does not harm.

Mr Voces informed that his association submitted comments to the call for feedback, which are public available, and expressed willingness to contribute to future advice.

Sean O'Donoghue (KFO) expressed disappointment that the MAC was not made aware of the taxonomy initiative at an earlier stage. Considering that work is still ongoing by the expert group and that the Commission will still draft the delegated act, Mr O'Donoghue argued that there is time to submit advice. The MAC should submit advice promptly. In his view, if the Commission's delegated act follows the Platform's draft criteria, it would exclude a significant part of fisheries. Even though the technical screening criteria would be legally voluntary, the financial institutions will require compliance to provide funding.

Patrick Murphy (IS&WFPO), in relation to certification, wondered about what would happen when there are different operators active in a shared stock, potentially leading to unsustainability of the stock.

Pim Visser (VisNed) highlighted that wild catch fisheries are harvesting from nature, which is quite different from cultivation, breeding, growing, and other production methods. It seems that harvesting is only allowed when not impacting nature. At the same time, it seems to be possible to grow pigs and cultivate corn without being considered impactful on the environment, because it is part of the process. Mr Visser emphasised that fisheries harvests but leaves the stock intact.

The Chair noted that several members shared similar concerns. The Chair proposed the development of draft advice, which should consider Mr Derichs's presentation and Mr Voces's intervention.

The Secretary General suggested using the recommendations put forward by Mr Derich and by Mr Voces as a basis for a draft advice. The Secretariat could work with Mr Derichs and Mr Voces in the drafting.



Christine Absil (Good Fish) suggested the involvement of another “Other Interests Group representative” in the drafting, in order to achieve a more balanced draft.

The Chair responded that the aim was not to establish a Focus Group, but to develop a first draft text based on the contributions provided. If there NGO members have contributions, these could be sent to the Secretariat to be considered together.

Christine Absil (Good Fish) stated that the draft technical screening criteria were developed without the involvement of many fisheries NGOs. Active NGOs, such as WWF, could have feedback to provide.

The Chair emphasised that all members would have the opportunity to share their views on the draft.

### Illegal, Unreported and Unregulated (IUU) Fishing & Global Governance

- **Presentation of EU IUU Coalition’s report “Impact of the EU IUU Carding Scheme on Belize, Guinea, Solomon Island and Thailand” by Pew Trusts representative**

Click [here](#) to access the presentation.

Nikolas Evangelides (Pew Trusts) provided an overview of the work of the EU IUU Coalition. Mr Evangelides explained that the EU carding scheme dates back to 2008. The EU review fisheries management in third countries. If a third country has problems fulfilling international rules, the EU issues a formal warning (“yellow card”). If the third country is identified as non-cooperating (“red card”), a ban takes place on all products for which the catch certificate is validated. Fisheries products caught by fishing vessels flying the flag of these countries cannot be imported into the EU while the countries remain listed. Since 2010, there have been a series of dialogues between the EU and third countries. Out of the 27 cards issued, six have resulted in a red card. Three countries have failed to undertake sufficient measures to be delisted: Cambodia, Comoros, and Saint Vincent and Grenadine. The EU has also taken the step to review previously green carded countries. As a result, two countries were issued yellow cards for the second time: in 2019, Panama, and, in 2021, Ghana.

Mr Evangelides outlined several cases studies: Belize, Guinea, Solomon Islands, and Thailand. In relation to Belize, in 2012, the EU reported that there were vessels flying the Belizean flag that were operated by non-nationals. This indicates the use of flags of convenience, which is often linked to lower scrutiny by the flag State authorities. There were continuous IUU trade flows into Belize. As a result of the carding process, there was an improvement in a series of categories. Institutional improvements to the national legislation, nationalisation of the fishing registry, and a national plan of action on IUU fishing. Monitoring, control and surveillance improvements included improvements in RFMOs, deregistration of a suspected IUU vessel, a new fishery monitoring centre, VMS, and electronic catch reporting scheme. Improvements in prevalence included a reduction of the vessel registry, a reduction of IUU-listed vessels, and removal from the USA NOAA’s list of countries of concern. Added benefits included the sharing of VMS data and the signature of the Torremolinos Declaration.



Mr Evangelides summarised the five identified areas of improvement : legislative changes, MCS improvements, increased national capacities, RFMO compliance, and added benefits. Even if some of the processes were occurring before the listing, evidence suggests that the EU carding scheme encouraged change in the five countries. The situation should continue to be closely monitored and dialogue should be maintained with these countries. Fighting IUU fishing requires long-term commitments. Legislative changes are important as a demonstration of intent to fight IUU fishing. Many monitoring, control and surveillance improvements have been noted. There is increased compliance with RFMO measures. Added benefits include sharing of VMS data, improvement of labour conditions, and signing of international conventions. The success of the EU carding scheme is due to four characteristics: reputation, spotlight effect, clear messaging, and integrated approach.

The EU IUU Coalition's report includes a series of recommendations.

1. Maintain the use of the carding scheme to promote better global fisheries governance and allocate appropriate financial and human resources
2. Expand the carding system or similar trade-based mechanisms to be adopted by other market States, multiplying the effect of potential trade measures.
3. Deepen the approach. Trade-based measures can be an effective manner to improve fisheries governance. The dialogue, capacity building, and technical support offered by the EU are fundamental for the success of the carding scheme. Support to developing countries should be deepened.
4. Broaden the use of other mechanisms to encourage third countries to take measures to increase transparency. For example, RFMO membership, trade policy, provision of funds to FAO instruments, and encouraging the expansion of the FAO's Global Record of Fishing Vessels.
5. Increased transparency for the dialogues, without jeopardising these, for example through the involvement of local NGOs, to generate local ownership and accountability, publication of the meetings' calendar, publication of press releases after meetings, continuous briefing of stakeholders, and inclusion of detailed rationale in the EU's carding decisions.
6. There should be policy alignment, for example between the IUU policy and the trade policy, including the revision of free trade arrangements with carded countries.

The Chair recognised the importance of the EU carding scheme. In relation to the recommendation of transparency, in the past, the Commission has refused to provide more details on the dialogues with third countries.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) highlighted that the Member States have developed significant experience on the use of the catch certification scheme. Mr Keller expressed interest in knowing, from the Member States, how many catch certificates were presented to the local authorities and the percentage of certificates rejected due to IUU reasons.

The Chair agreed that the volume of the system was unknown. The MAC could indeed ask for information on the volume of the system.



Nikolas Evangelides (Pew Trusts) informed that the EU IUU Coalition was finalising a study on this aspect of the implementation of the IUU Regulation. Mr Evangelides expressed availability to present the results of the study at a future meeting.

The Chair asked whether the study would focus on the volume of catch certificates received by the Member States or the volume of catch certificates emitted by exporting countries.

Nikolas Evangelides (Pew Trusts) responded that the study on the implementation of the IUU Regulation includes an element on the quantity of catch certificates that Member States have been asked to recheck. There will also be a comparison between different Member States. Preliminary results show that some Member States have more rigorous checks than others.

José Manuel Beltrán (OPP-07-Lugo) argued that, in the context of the carding process, the EU should not delist countries when a scientifically rigorous basis demonstrating the adoption of regulatory measures is missing. The MAC should encourage the Commission not to accept proposals from carded countries that have not resolved the identified problems.

- **Presentation of EJF’s report “The Ever-Widening Net” by EJF representative**

Click [here](#) to access the presentation.

Sean Parramore (EJF) explained that the report aims to provide a comprehensive analysis of China’s vast, opaque and, at times, illegal global fisheries footprint. The specific aim is to inform appropriate and effective responses by fisheries decisionmakers in China and globally. The assessment of China’s distant water fleet is a complex exercise, particularly due to the lack of transparency. Official data from the Chinese government list around 2700 vessels with an official cap at 3000. These figures include vessels not flying the flag of China, but assimilated due to ownership links. Some estimates range up to 17000 vessels. China uploaded information on 1500 vessels under the FAO’s Global Record of Fishing Vessels. The EJF’s research is based on the official figure of 2700 vessels. While the exact size is uncertain, China’s distant-water fishing fleet is the world’s biggest and operates globally. A significant part of the fleet is authorised by China to operate in waters of foreign countries in 29 Exclusive Economic Zones, particularly in developing countries and regions. In oceanic areas, China put a clear emphasis on targeting squid species. These vessels maintain activities in major squid fishing grounds not covered by any RFMO or arrangement. The importance of Africa for the activities of the fleet stands out, representing 80% of the approved distant-water fleet’s operations.

As part of the research, EJF aimed to analyse the magnitude of IUU fishing and human rights abuses by the Chinese distant-water fleet. There are widespread across the fleet. Data was used from various sources, including costal States, governments, China’s own data, and interviews with 116 crewmembers. The suspected and confirmed offences are diverse in nature: fishing without authorisation, use of prohibited gear, fishing for protected species, among others. Shark finning is a common activity by the long-line fleet. IUU fishing practices are not negligible among the fleet. These conclusions are consistent with the findings of previous research. In relation to human rights abuses by the fleet, interviews uncovered a high frequency of abuses, ranging from withheld salaries to



abusive working conditions and physical violence. It demonstrates the failure of the Chinese government to effectively regulate and control its distant-water fleet.

Mr Parramore emphasised that many coastal communities, countries and regions depend on these marine resources for their food security and livelihoods. These are the first victims of illegal fishing and suffer a disproportionate impact. Illegal fishing enters in direct competition with legal fishers and operators, both industrial and artisanal, along the supply chain. This unfair competition is a reality on the market, in the EU, and at sea. There are several reports of Chinese industrial operators destroying the gears of local artisanal fishers and operating in areas reserved for local artisanal fishing. The key takeaway of the report is that harmful environmental, economic and human consequences are widespread.

According to EUMOFA, in 2019, China ranked as the top world catching producer, representing 15% of the total global catches. These amounts three times the EU's production. The EU and China are major trading partners in fisheries and aquaculture products. In 2020, the EU represented 14% of China's exports in volume and 10% in value. China ranked as the third most important extra-EU country of origin in value and volume for the EU. As such, Member States are understood to receive around 30.000 catch certificates and processing statements validated by the Chinese authorities per year. According to information provided, in 2018 and 2019, by Member States on the implementation of the IUU Regulation, which EJF accessed through a document request, five certificates validated by China were rejected by Member States. These are five out of 19.391 certificates. In the same period, 57 formal verification requests would have been sent from Member States to China. This information is partial, since it is not available for some Member States.

Mr Parramore outlined the report's recommendations that could be relevant for the EU. The EU must step up engagement with China aiming at similar sustainability and transparency being applied. First, strengthen import controls over products coming from the fleet. Second, strive to achieve effective implementation of the transparency and non-discrimination clauses by coastal partner countries. Third, increase coordination of multilateral and bilateral cooperation mechanisms, trade-based measures and on global fisheries transparency policies. Fourth, increase efforts to promote decent work and strengthen import controls to protect the market from imported seafood produced through forced labour and other human rights abuses. Fifth, tackle and support efforts to tackle the enabling factors of IUU fishing and human rights abuses such as corruption.

- **Exchange of views & way forward**

Guus Pastoor (Visfederatie), in relation to the imports into the EU, highlighted that there are three main streams: product caught by Chinese vessels, product processed in China but fished by other countries, and aquaculture products. Mr Pastoor wanted to know if Mr Parramore had any indication on how much product caught by Chinese vessels was coming into the EU. Then, under that group, it would be relevant to analyse the number of documents refused.

Sean Parramore (EJF) responded that he was not able to provide comprehensive data. The report had a global focus, so was not EU specific. Information mentioned in the second part of the presentation



came mainly from the IUU Regulation's implementation reports. Mr Parramore expressed availability to follow-up on the question posed.

The Chair wanted to know if the report covered the part of the catch from global oceans that returns to the Chinese market. A significant part of the Chinese fleet's activities in West Africa is for squid and cephalopods, but it was unclear if it went to the global market or to the Chinese market.

Sean Parramore (EJF) responded that the report includes a list of the top ten countries for which China has authorised vessels to operate. In the top five, four countries are in Africa. The top country is Mauritania. Mr Parramore was not able to provide a definite answer on the destination of the products. Assumptions can be made, but that was not part of the report. Mr Parramore offered to check internally about that data.

The Chair asked members about their views about the development of advice concerning supply from the Chinese distant-water fleet, including whether the MAC should proceed individually or cooperate with the LDAC, which had already initiated work on the topic.

Sean O'Donoghue (KFO) informed that he participated at the last meeting of the LDAC. Prior to that meeting, a draft on the topic of the Chinese distant-water fleet was circulated. The draft included a significant number of market-related measures. At the LDAC meeting, he suggested that there should be a joint MAC-LDAC approach. Mr O'Donoghue encouraged the Secretariat to contact the LDAC about potential collaboration. There are key market issues to be discussed. It would be appropriate to adopt advice jointly. Since there is already a draft prepared by the LDAC, he suggested that the MAC could consider the same draft.

Jean-Marie Robert (Les Pêcheurs de Bretagne) thanked EJF for the presentation and for the collection of information on the topic. Mr Robert stated that, considering that the EU represented 14% of China's exports in volume, it would be relevant to know how much corresponded to the distant-water fleet. Mr Robert recalled that the Commission is revising the marketing standards framework, which will consider a report by STECF, that will focus primarily on environmental sustainability. In the case of cephalopod fisheries, scientific advice is missing. Therefore, the EU production, which must meet high social and environmental standards might receive a lower scoring under the sustainability criteria of the marketing standards framework than the Chinese production. The MAC must insist on the importance of social and economic criteria under the marketing standards framework.

The Chair asked members for their agreement for the Secretariat to formally contact the LDAC Secretariat about the feasibility of joint work, including the potential establishment of a joint Focus Group.

The Secretary General stated that he had been informally informed by the LDAC Secretariat about their work and that there was some interest in undertaking joint work. Several associations that are members of the MAC and of the LDAC seem to want a broader advice than the EJF's recommendations.



The Chair asked members about their views about the development of advice on the impact of the EU IUU carding scheme. Since members did not express specific interest in the development of advice on that topic, the Chair proposed to maintain the focus on advice concerning the Chinese distant-water fleet.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) highlighted that IUU fishing is continuously an agenda item in WG2 meetings. Nevertheless, in future advice, it should be emphasised that 98% of imports come from regular legal fisheries. In relation to the first presentation, which included case studies on Belize, Guinea, the Solomon Islands, and Thailand, Mr Keller wondered about the relevance, since supply to the EU market from those countries was rather limited. While each kg of IUU fishing in the EU is one kg too much, he expressed opposition to general accusations of IUU fishing in the sector.

Mr Keller emphasised the importance of knowing the quantity of catch certificates accepted by Member States and how many are rejected. Rejection of catch certificates is not necessarily connected to IUU fisheries. It can be connected to the complexity of the rules. Therefore, he wondered about the relevance of continued discussions about IUU fishing when the presence on the market seemed to be rather limited.

The Chair agreed that the vast majority of the supply does not face problems. The Chair asked for members' views on further work on the volume of rejected catch certificates. The Chair also asked Mr Keller about what the Terms of Reference for a Focus Group would be to develop such a task.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) suggested that that this could be a task undertaken by the Focus Group on Trade.

Christine Absil (Good Fish) agreed with the suggestion but added that there should be an agreed baseline on how to define legal and illegal products, since there seemed to be divergent views.

Sean O'Donoghue (KFO) wondered if it was necessary for a Focus Group to undertake such a task. The aim is to gather data on the catch certificates per Member State. It is unclear that a Focus Group would have access to such a data. It is necessary to identify who holds the information and how to access it. The course of action could be to ask the Commission and Member States about the available data on the quantity of catch certificates refused due to IUU fishing.

Guus Pastoor (Visfederatie) agreed with Mr O'Donoghue. The first course of action should be to ask the Commission about the availability of the data. This should take place before allocating tasks to a Focus Group. Mr Pastoor agreed with Ms Absil, considering the experience with previous NGO reports, that there can be different interpretations of the data.

The Chair suggested that the Management Team could develop a written question to the Commission. At the next meeting, the Commission could be invited to discuss these elements.

Pim Visser (VisNed) highlighted that this exercise had two components: illegality and social justice. The definition of IUU is clear, but the situation was more complex for social justice. If minimum



requirements on social justice are required, such as decent working conditions, decent wage, and no physical abuse, there would be a very significant improvement globally.

José Manuel Beltrán (OPP-07-Lugo) stated that the traceability of imported products should go further. In the context of RFMOs, there is a significant quantity of unreported data. If a level-playing-field is demanded in the EU, the same level should be required of imported products.

Quentin Marchais (ClientEarth) highlighted that most of the publicly accessible information is provided in the report on the implementation of the IUU Regulation. Data from 2020 and 2021 for the 27 Member States should be available through an access to information request. His organisation analysed in detailed the implementation of the IUU Regulation in Spain. ClientEarth also worked on comparisons of import control systems within the EU. There should be homogenous import control system, as is proposed by CATCH. Mr Marchais emphasised the importance of maintaining continued discussions about IUU fishing. Discussions should not only be about illegality, but also about undocumented and unregulated fisheries. More work can be done in terms of risk assessment in the supply chain, particularly in the context of the Sustainable Corporate Due Diligence Directive. Mr Marchais drew attention to the difficulty in assessing data on intra-EU trade flows. He committed to sending two ClientEarth reports on the topic to the Secretariat for circulation.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) agreed that the Secretariat should contact the Commission to ask about the available information on the quantity of catch certificates verified and how many were rejected due to IUU reasons. At a later stage, members could also discuss how to receive information from their Member States' authorities.

Quentin Marchais (ClientEarth) emphasised that this information was available on the biennial report on the implementation of the IUU Regulation. Therefore, the request would for the Commission to develop a table of aggregated data, per Member State, on quantity of catch certifications, number of verifications asked, and consignments refused.

The Chair agreed with Mr Marchais's suggestion of way forward.

Christine Absil (Good Fish) suggested that, before sending an official request to the Commission, the Secretariat should check how much data is available.

Quentin Marchais (ClientEarth) informed that the biennial reports on the implementation of the IUU Regulation were only available through an access to information request. ClientEarth has been requesting for the Commission to make this information publicly available. Since the IUU Coalition is preparing a report on this topic, it is important to liaise to avoid duplication of efforts.

Sean O'Donoghue (KFO) argued that, since the information is not publicly available, a request letter by the MAC would be quite legitimate. It should ask for aggregated data per Member State.

José Manuel Beltrán (OPP-07-Lugo) wondered if the aim was to know the rate of rejected consignments or to know if imports were failing to meet some of the standards of the EU fleet. It is important to avoid duplication of work.



The Chair stated that the aim was to gather access to the data, which is not publicly available. The results could be analysed at the September 2022 meeting, including further actions.

### Trade Agreements & Trade Policy Instruments

- **Update on latest trade developments, including on:**

Concerning the exporting of brown crab to the People's Republic of China, the Secretary General recalled that it was agreed as an action point at the previous meeting, , that an exchange of views on testing of cadmium with DG TRADE would be requested. It was also agreed to request an exchange of views with DG SANTE on the recognition of health certificates by Member States. Due to scheduling reasons, DG TRADE representatives were not available to participate, but Mr Lizaso offered to forward written questions to DG TRADE. DG SANTE was not available to participate since the mentioned issue is a competence of Member States. The sub-items on Brazil, New Zealand and Australia were requests from members of the processing sector.

- **Exporting of Brown Crab to People's Republic of China**

Pim Visser (VisNed), in relation to the catch certificates for brown crab exports, emphasised that it was about free trade in the EU and the reexporting to China. Mr Visser explained that brown crab products are sent from Ireland to the Netherlands with the completed paperwork, in line with the People's Republic of China, but that the Dutch authorities refuse to "restamp". The Dutch authorities only "restamp" paperwork of brown crab products from the North Sea. Mr Visser wondered if it was a protection measure in favour of the Dutch industry. If a trader purchases a product with a valid health certificate, he should be able to reexport the product with the same valid health certificate. Furthermore, there seem to be various interpretations of the same rules by different inspectors.

Considering DG SANTE's position that it belongs to the competence of Member States, the Chair, wondered about the appropriate way forward.

Pim Visser (VisNed) responded that the only solution seemed to be to contact the Dutch authorities. Mr Visser expressed disappointment about the lack of level-playing-field in the common market and the lack of action from the Commission's side.

The Chair stated that it could be a case of administrative complexity, instead of protectionism.

Guus Pastoor (Visfederatie) highlighted that China maintains bilateral relations with individual Member States. The Commission is not involved in exports to China. Each Member State has its own agreement with China, which can allow the Member State to export. If a product is coming from another country that does not have an agreement, then the Member State with an agreement cannot reexport the product. In the case of brown crab, Ireland does not have the necessary agreement, therefore, the Dutch authorities will not stamp these products. Mr Pastoor argued that no solution could be envisaged, since it is connected to the structure of the trade agreements with China.



Patrick Murphy (IS&WFPO) expressed hope that different food commodities, including aquaculture products, would be treated in the same manner. Mr Murphy wondered about how the MAC could encourage the Member States to develop a level-playing-field.

The Chair stated that, as highlighted by Mr Pastoor, the situation depends on the willingness of the Chinese administration in relation to individual Member States. The applicable rules are not necessarily the same. The Chair commented that the situation is similar with other third countries, for example Australia accepts certain goods from Poland, but not from France.

Miguel Lizaso (DG MARE) emphasised that the EU defended free commerce and free movement of goods, but that, in this case, it is a matter of bilateral agreements.

Sean O'Donoghue (KFO) highlighted that the EU has a role when it comes to EU and Chinese standards for the testing of cadmium in brown crab. The Commission must solve this situation with China. The MAC should focus on the equalisation of standards. China and the EU have different standards on the testing of cadmium in the white and brown meat of the crab. In the past, the MAC provided specific recommendations in relation to this, but it has not been resolved. China launched a revision of the cadmium standards, but the revision does not seem to have been finalised. Since there is a risk that consignments will be returned if they fail the tests due to the testing methodology implemented by the Chinese authorities, Member States avoid reexporting of product, in order not to jeopardise their bilateral agreements.

The Chair asked Mr O'Donoghue for his views on a way forward.

Sean O'Donoghue (KFO) suggested that the MAC should resend the previous letter to the Commission on the testing of brown crab, so that the Commission could provide information on developments. Representatives could also be invited for an exchange of views at the next meeting, but, hopefully, there would be a reply to the letter.

The Chair suggested that the concerned members should request a meeting directly with the relevant Commission representatives. In his view, the representatives might be more forthcoming with information in a bilateral meeting.

Sean O'Donoghue (KFO) responded that his organisation initiated work on this matter a while ago. Direct contacts have taken place and will continue. Nevertheless, a letter from the MAC would still be useful.

Miguel Lizaso (DG MARE) informed that the development of a new methodology by the Chinese authorities had progressed, but that it required international recognition. It is a process that requires significant time.

- **Brazil's prohibition to export fishery products to EU**
- **New Zealand and Australia as sourcing countries under FTAs**



The Chair suggested that the sub-items on Brazil, New Zealand and Australia could be postponed to the next meeting, providing the opportunity for further development of the background information and the technical elements.

Matthias Keller (Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.) stated, concerning Brazil's prohibition to export fishery products to the EU, that a concrete question was submitted to the Commission. Due to hygiene issues, EU traders cannot import from Brazil. In March 2022, Brazil delivered an action plan to the Commission. Therefore, Mr Keller would like to hear the Commission's views concerning the action plan and the next steps. He suggested that perhaps a letter could be addressed to the Commission.

Miguel Lizaso (DG MARE) expressed availability to forward a written question to the appropriate unit in the Commission. If possible and necessary, DG MARE would also engage with the relevant DG SANTE representative to ensure participation at the next meeting.

Daniel Voces (Europêche) agreed with Mr Keller that a letter could be useful as a kind reminder to receive information on the state-of-play.

### Focus Group on Trade

- **Consideration of draft Terms of Reference**

The Chair recalled that the Initial Focus Group on Trade, chaired by Poul Melgaard Jensen (Danish Seafood Association), prepared a report on existing EU trade policy instruments and their impacts, which was followed by the adoption of advice. There was agreement to establish a second Focus Group on Trade, to provide further details on the instruments. The Chair asked for views on the draft Terms of Reference circulated ahead of the meeting.

Sean O'Donoghue (KFO) recalled the expected role of a Focus Group. The Working Group should assign a specific task, mainly of technical nature and under a reasonable time limit, to the Focus Group. Mr O'Donoghue expressed satisfaction with the work of the Initial Focus Group on Trade and expressed support for the establishment of a new Focus Group. Mr O'Donoghue stated that the proposed outcomes were rather ambitious, while it was preferable to be more specific. The Focus Group should be asked to identify the trade policies with the most impact, in terms of volume, value, species, over a specific period of years. The other relevant issue is the supply from the distant water fleet. Additionally, it would be relevant for the Focus Group to consider the impact of the Russian invasion of Ukraine on the market. Hopefully, there would be a report at the January 2023 meeting.

Guus Pastoor (Visfederatie) recalled previous requests from the Commission for advice to be succinct, specific and relevant. The report of the Initial Focus Group on Trade was quite precise. The advice adopted includes a series of recommendation. A reply from the Commission is still pending. Mr Pastoor highlighted that the list of proposed outcomes was quite long, while warning that very technical knowledge would be required. It is necessary to consider how many members would be available to participate in the new Focus Group.



- **Way forward**

The Chair expressed apprehension concerning Mr O’Donoghue’s suggestion to include the impacts of the Russian invasion of Ukraine, since it is not connected to a trade agreement, even though there is catch from Russian vessels that reaches the EU after processing in third countries.

Sean O’Donoghue (KFO) highlighted that informal meetings took place between the Management Team and DG MARE to discuss the impacts of the Russian invasion of Ukraine. There are trade issues connected to the processing of codfish caught by Russian and processed in third countries. There are also landings by Russian vessels in third countries.

The Chair stated that effects of the Russian invasion of Ukraine were merely indirect, particularly connected to fuel prices. Working Group 1 scheduled an exchange of views with a Commission representative on that matter. The Chair wondered about the relevance of developing advice on that matter. In relation to the draft Terms of Reference, the Chair recognised that it was significant work to analyse different trade instruments and that the impact would vary significantly based on species. As an example, economic partnership agreements have significant impacts on tuna trade.

Guus Pastoor (Visfederatie) argued that the draft Terms of Reference need to be rethought, since the proposed outcomes were too wide. Mr Pastoor suggested for the Chair, the Secretariat, and the Chair of the Initial Focus Group on Trade to analyse the draft and propose alternative options.

Poul Melgaard Jensen (Danish Seafood Association) agreed with Mr Pastoor that the list of proposed outcomes was too broad for the timeframe. There should be more precise guidance from the Working Group to the Focus Group. Since there was no commitment to provide generic advice, Mr Melgaard Jensen suggested that, based on the Initial Focus Group’s report, the new Focus Group could directly provide advice on individual trade instruments, for example the Free Trade Agreement on Australia. Mr Melgaard Jensen expressed availability to participate as a member, but not as Chair of the new Focus Group.

Sean O’Donoghue (KFO) agreed that the list of proposed outcomes was too ambitious. He suggested to schedule another exchange of views at the September 2022 meeting. It is also important to determine who would be interested in chairing the Focus Group.

The Chair proposed to proceed with further reflections to develop more precise draft Terms of Reference and to schedule another exchange of views at the September 2022 meeting.

### Russian Invasion of Ukraine

- **Exchange of views about market impacts**
- **Way forward**

The Chair informed that the Management Team concluded that a more comprehensive exchange with Commission representatives would be more relevant under the meeting of Working Group 1, since there are significant indirect impacts due to the fuel prices.



**AOB**

None.

**Summary of action points**

- EU Taxonomy for Sustainable Initiatives:
  - Based on the presentation of MSC and the contributions of Europêche, draft advice to be developed for consideration via written procedure
- Illegal, Unreported and Unregulated (IUU) Fishing & Global Governance:
  - In relation to EJF's report on the Chinese distant-water fleet, Secretariat to formally contact the LDAC Secretariat about the feasibility of joint work, including the potential establishment of a joint Focus Group
  - In relation to the quantity of catch certificates verified and rejected due to IUU reasons, Secretariat to check bilaterally with ClientEarth and Commission about publicly available – if necessary, draft letter to the Commission requesting data
- Trade Agreement & Trade Policy Instruments:
  - In relation to testing of brown crab, letter to be sent to the Commission requesting an update on the development of a new methodology by the Chinese authorities and a harmonization of trade between the whole EU and China
  - In relation to Brazil's prohibition to export fishery products to the EU, written question to be resent requesting an update of Commission's position on the action plan presented by Brazil, and next steps in view of reopening the trade
- Initial Focus Group on Trade:
  - In coordination with the WG Chair and the Chair of the Initial Focus Group on Trade, Secretariat to prepare a new version of the draft Terms of Reference with a more specific list of proposed outcomes for consideration at the September 2022 meeting



## Attendance List

Representative	Organisation	Role
Alexandra Philippe	Market Advisory Council (MAC)	Secretariat
Alexandre Cornet	WWF	Member
Alexandre Rodríguez	Long Distance Advisory Council (LDAC)	Observer
Angeles Longa	European Molluscs' Producers Association (EMPA)	Member
Anne-France Mattlet	Organización Productores Asociados Grandes Atuneros Congeladores (OPAGAC)	Member
Annelie Rosell	Swedish Pelagic Federation Producer Organisation (SPFPO)	Member
Antonio Lizcano	Spain	Observer
Benoît Thomassen	Federation of European Aquaculture Producers (FEAP)	Member
Camiel Derichs	Marine Stewardship Council (MSC)	Member
Christine Absil	Good Fish	Member
Daniel Voces	Europêche	Member
Daniel Weber	European Fishmeal	Member
Daniela Costa	Outermost Regions Advisory Council (CCRUP)	Observer
Eduardo Míguez	Puerto de Celeiro (OPP77)	Member
Esben Sverdrup-Jensen	Danish Pelagic Producers Organisation (DPPO)	Member
Felicidad Fernández Alonso	ANFACO-CECOPESCA	Member
Francisco Javier De Las Peñas Rivero	Spain	Member
Francisco Lahoz Molina	Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA)	Member
Guus Pastoor	Visfederatie	Member
Jaroslaw Zieliński	Polskie Stowarzyszenie Przetworcow Ryb (PSPR)	Member
Javier Ojeda	Federation of European Aquaculture Producers (FEAP)	Member
Jean-Marie Robert	Les Pêcheurs de Bretagne	Member
Jens Mathiesen	Danish Seafood Association	Member
Jérôme Dorgelo	Marine Stewardship Council (MSC)	Member



Representative	Organisation	Role
Joash Mathew	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Jérémie Souben	Fédération des Organisations de Producteurs de la Pêche Artisanale (FEDOPA)	Member
José Basilio Otero Rodríguez	Federación Nacional de Cofradías de Pescadores (FNCP)	Member
José Manuel Beltran	Organización de Productores Pesqueros de Lugo (OPP-07-LUGO)	Member
Juan Manuel Elices López	Spain	Observer
Katarina Sipic	EU Fish Processors and Traders Association (AIPCE) / European Federation of National Organizations of Importers and Exporters of Fish (CEP)	Member
Maria Luisa Álvarez Blanco	Federación de Asociaciones Provinciales de Empresarios Detallistas de Pescados y Productos Congelados (FEDEPESCA)	Member
Marilena Papaeti	EuroCommerce	Member
Marine Cusa	Oceana	Member
Martina Zurli	FRUCOM	Member
Massimo Bellavista	COPA COGECA	Member
Matthias Keller	Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V.	Member
Miguel Lizaso	European Commission	Expert
Nicolás Fernández Muñoz	Organización Productores Pesqueros Artesanales Lonja de Conil (OPP72)	Member
Nikolas Evangelides	The Pew Trusts	Expert
Noémie Jegou	Market Advisory Council (MAC)	Secretariat
Patrick Murphy	Irish South & West Fish Producers Organisation (IS&WFPO)	Member
Paulien Prent	Visfederatie	Member
Pawel Szatkowski	European Commission	Expert
Pedro Reis Santos	Market Advisory Council (MAC)	Secretariat
Pierre Commère	Association Des Entreprises de Produits Alimentaires Élaborés (ADEPALE)	Chair
Pim Visser	VisNed	Member



Representative	Organisation	Role
Poul Melgaard Jensen	Danish Seafood Association	Member
Quentin Marchais	ClientEarth	Member
Richard Curtin	Ireland	Observer
Roberto Carlos Alonso de Sousa	ANFACO-CECOPESCA	Member
Rosalie Tukker	Europêche	Member
Sean O'Donoghue	Killybegs Fishermen's Organisation (KFO)	Member
Sean Parramore	Environmental Justice Foundation (EJF)	Member
Tina Krajsek Samar	European Commission	Expert
Tuure Eskelinen	EuroCommerce	Member
Yannis Pelekanakis	Federation of European Aquaculture Producers (FEAP)	Member
Yobana Bermúdez	Asociación Española de Mayoristas, Importadores, Transformadores y Exportadores de Productos de la Pesca y Acuicultura (CONXEMAR)	Member
Zarah Bellefroid	European Association of Fish Producers Organisations (EAPO)	Member

