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Research for PECH Committee – The management of fishing fleets in Outermost Regions

STUDY

EN ES FR PT

2017

European Parliament

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

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FISHERIES

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STUDY

This document was requested by the European Parliament's Committee on Fisheries.

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LINGUISTIC VERSION

Original: EN
Translations: ES, FR, PT

ABOUT THE PUBLISHER

To contact the Policy Department or to subscribe to its monthly newsletter please write to: poldep-cohesion@europarl.europa.eu

Manuscript completed in March 2017.

Print	ISBN 978-92-846-0315-2	doi: 10.2861/060414	QA-05-16-014-EN-C
PDF	ISBN 978-92-846-0314-5	doi: 10.2861/60754	QA-05-16-014-EN-N

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Abstract

Outermost Regions (ORs) fishing fleets are mostly composed of small-scale vessels targeting inshore and offshore resources. Over the past decade, modernisation of ORs fishing fleets has been unevenly achieved across regions.

ORs fleets are subject to the same management measures than those applied to all Union fleets. Nevertheless, EMFF takes into account ORs specific handicaps through increased intensity of public aid and a specific compensation scheme of additional costs.

Several options are discussed to support the much needed ORs fleet modernisation, including a derogatory regime for fleet management and a revision of capacity ceilings.

IP/B/PECH/IC/2016_100 March 2017

PE 585.901 EN

CONTENTS

LIST OF ABBREVIATIONS

CFP	Common Fisheries Policy
CLLD	Community Led Local Development
EFF	European Fisheries Fund
EMFF	European Maritime and Fisheries Fund
EP	European Parliament
CJEU	Court of Justice of the European Union
FAD	Fish Aggregating Devices
FLAG	Fisheries Local Action Group
ICES	International Council for the Exploration of the Sea
MLF	Mainland Fleet
MSY	Maximum Sustainable Yield
OFR	Other Fishing Regions
OR	Outermost Region
PECH	Committee on Fisheries of the European Parliament
RAC	Regional Advisory Council
SFPA	Sustainable Fisheries Partnership Agreement
STECF	Scientific, Technical and Economic Committee for Fisheries
TAC	Total Allowable Catch
TFEU	Treaty on the Functioning of the European Union

LIST OF TABLES

LIST OF FIGURES

EXECUTIVE SUMMARY

Background

Union Outermost Regions **are affected by handicaps deserving implementation of specific measures according to Article 349 of the TFEU**. This Initial Briefing aims at establishing the extent to which fleet management rules adopted under the Common Fisheries Policy take sufficiently account of the specificities of the fishing sector in Outermost Regions, and at identifying relevant measures that could support the development of the sector in these regions.

Situation of fishing fleets in Union Outermost Regions

In Outermost Regions (ORs), **small-scale fishing vessels represent the overwhelming majority of the 4 500 fishing vessels registered in ORs regions**. The percentage varies between 84% in Azores and 100% in both Martinique and Guadeloupe. However, small-scale fishing vessels constitute less than 60% of total fishing capacity expressed in kW in all ORs regions due to the presence of large scale fishing vessels in ORs fleets, except in Guadeloupe and Martinique where no such vessels are registered.

Over the 2005-2016 period, **the number of fishing vessels decreased in all ORs**. By Member State, highest decrease in the number of vessels are found for Portugal (-40%) and for Spain (-31%), but are somewhat more limited for France (-15%). **However, the aggregate engine power of the fishing fleets increased** in the ORs of France (+26%) and Portugal (+15%) as a consequence of increases of the average engine power of the vessels registered. In Canary Islands, aggregate fishing power decreased by 31%.

Small-scale vessels are newer than their Mainland counterparts in the ORs of France (18 years old *vs* 29 years old) **and in Azores** (25 years old vs 34 years old). **However, in Canary Islands and in Madeira, small-scale vessels are older** than their mainland counterparts, exceeding 40 years old on average.

The administrative situation of ORs fleets early 2016 indicates that **all fleet segments in Portuguese ORs as well as the Guadeloupe small-scale segment are nearing the respective capacity limits set by the CFP Basic Regulation**. Conversely, Martinique small-scale vessels and French Guiana small-scale vessels and shrimp trawlers, as well as Canary Islands large scale trawlers, are at less than 70% of their respective ceilings. Other segments in the Canary Islands are in-between these two administrative situations.

ORs fishing fleets target different resources, including inshore resources by the small scale fleets and offshore resources like tunas, small pelagics or deep sea species by both the small-scale and large scale fleets. **The development of some fleet segments in the ORs over the past few years has been hampered by various externalities in relation with the status of the resources** targeted (Portuguese fleet segments, French Guiana shrimp trawlers) or in relation with loss of access to historical fishing grounds in the case of Canary Islands large scale trawlers.

ORs have implemented strategies to lower the fishing pressure on inshore stocks for which potential is perceived as limited, **by developing exploitation of offshore resources available**. This is particular the case in French ORs with the development of exploitation of highly migratory species around networks of anchored FADs as far as 40 miles offshore. For Portuguese ORs, developments included exploitation of deep-sea stocks around the seamounts present in the fishing zones.

Past and current fleet management measures applicable to ORs

Under the current CFP, ORs fishing fleets have no derogation to the general fleet management rules prescribing in essence that entry of new capacity must be compensated by prior withdrawal of equivalent capacity, and that fishing capacities withdrawn with public aids shall not be replaced.

Under the previous CFP, ORs fleets were granted derogations exempting Member States from the compulsory withdrawal of capacities in case of entry until end of 2011, within the capacity limits authorised. ORs were also granted authorisation to use Union aids for vessels construction until end 2006 while prohibition of construction aid applied as from end 2004 for Mainland fleets.

Assessment of the current balance between ORs fleet capacity and the fishing opportunities available by Member States was not conclusive, mainly in the absence of biological data on stocks exploited. Neither France nor Portugal identified ORs fleet segments as structurally imbalanced in their fleet reports. Spain would have identified a segment in Canary Islands as structurally imbalanced.

The current CFP includes several measures of interest to ORs fishing fleets including **exclusive access rights** in the 100 miles zone around the territories, **fishing opportunities under SFPAs** negotiated with third countries in North and West Africa and in the Indian Ocean, or the **creation of a dedicated Outermost Regions Advisory Council** which did not exist under the previous CFP.

EMFF takes into account the specificities of ORs by authorising **higher intensity of public aid** compared to the Mainland (+35%), increasing maximum aid intensity level to 85% in the general case. This is higher than aid intensity considered for ORs under the previous EFF. **A notable exception** under EMFF **is aid intensity for engine replacement** which is uniformly capped at 30%, irrespective of the Union region concerned.

EMFF also includes the continuation of the compensation scheme aiming at offsetting additional costs borne by ORs operators in the fisheries and aquaculture sectors as a result of the specific handicaps of the regions. By comparison with its predecessors, the technical and geographical **scopes of the intervention are broadened**, and the annual maximum **financial envelope almost doubled** from EUR 15.6 million to EUR 27.5 million as a consequence.

The Commission authorises Member States to take into account the specificities of ORs when designing State Aids schemes for the fisheries sector. This opportunity has been taken up for vessel running costs in Spain and Portugal ORs, and for investments in vessels and implementation of fishermen compensation schemes for long-lasting natural disasters in French ORs.

The way forward

Due to the global economic crisis and to other externalities, **ORs could not take full advantage of past derogations** to Union fleet management rules. **ORs fleet modernisation remains a stringent need to be addressed**.

A new derogation to fleet management rules established under the CFP could support further development of those ORs fleet segments that are currently not nearing established capacity limits. However, **for those fleet segments close to their respective capacity ceilings** (in Azores, Madeira and Guadeloupe in particular), a derogation on similar grounds that the 2004-2011 **derogation will have no effects**.

In the longer term, it could be envisaged to **increase certain fleet segment capacities** if it can be scientifically demonstrated that **exploitation rate of certain fisheries resources can be increased without compromising the MSY objective**. In complement, **reorganisation or even suppression** of ORs fleet segmentation could provide development possibilities for some ORs segments without the need to increase capacity limits.

Another proposal is to increase **aid intensity for operations concerning engine replacement** in the ORs by granting the 35 percentage increase on top of the 30% aid intensity set by EMFF. Under current EMFF rules, aid intensity for such operations applies uniformly, irrespective of the Union region considered.

While re-introduction of **Union aids for construction would be a leverage to modernise ORs fleets** given the specific handicaps of the regions, **the decision is sensible** and has to be **coherent with recent Union initiatives in the WTO context** aiming at prohibiting harmful subsidies in the fisheries sector which according to the Commission, encompass aids for construction or increase of fishing vessels capacities.

INTRODUCTION

As established by Article 349 of the TFEU, Outermost Regions deserve specific attention. The following nine territories of Portugal (PT), Spain (ES) and France (FR) are regarded as Outermost Regions of the Union: Azores and Madeira (PT), Canary Islands (ES) and French Guiana, Guadeloupe, Martinique, Mayotte, Réunion and Saint-Martin (FR)[1].

The current Basic Regulation of the Common Fisheries Policy[2] establishes fleet management measures at EU level but may not address the specificities of Outermost Regions in sufficient details. Feedback from stakeholders in Outermost Regions indicates that fleet management rules and associated financing conditions should be more flexible to meet specific needs arising from the specific handicaps recognised by TFEU including *"structural social and economic situation [...] which is compounded by their remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development" (*Article 349 of the TFEU).

This Initial Briefing is intended to provide the Members of the Committee on Fisheries of the European Parliament **with an overview of the different management systems** of the fishing fleets in the Outermost Regions of the European Union. The document aims at establishing the **state of play of the management of fishing fleets in EU Outermost Regions**, including financing measures implemented under the CFP through Union Structural Funds, and at identifying **whether specific fleet management measures would be desirable** in view of the specific handicaps of these regions.

More specifically this Initial Briefing:

- Provides an overview of **the situation of the fishing fleets** in the different EU Outermost Regions with emphasis on their recent evolution and operational patterns.
- Reviews the **existing and known forthcoming EU policies** with implications for fleet management measures applicable in EU Outermost Regions, taking into account the measures foreseen under the European Maritime and Fisheries Fund (EMFF) and other relevant measures.
- Drawing on lessons from past and current CFP frameworks, highlights **some key issues likely to be of concern** and identifies some recommendations for actions by the Committee.
- Addresses in an annex **several questions on the specific conditions of Outermost Regions fleets**, including their geographical conditions, the possible impacts of SFPAs signed with neighbouring third countries, the possible impact of the climate, the impact of its remoteness, the high level of unemployment and the low levels of education, and consideration of past CFP treatments.

[1] Since the adoption of the Lisbon Treaty, Mayotte was included to the list of EU Outermost Regions under Article 349 of the TFEU as of 01.01.2014. Saint-Barthélemy changed status in 2012 to become part of the Overseas Countries and Territories (OCT) within the meaning of the TFEU.

[2] Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC. OJ L 354, 28.12.2013, p. 22–61

1. THE FISHING FLEETS IN OUTERMOST REGIONS

KEY FINDINGS

- **Small-scale fishing vessels represent the overwhelming majority** of the number of fishing vessels registered in ORs regions. The percentage varies between 84% in Azores and 100% in both Martinique and Guadeloupe. However, **small-scale fishing vessels constitute less than 60% of total fishing capacity** expressed in kW in all ORs regions, except in Martinique and Guadeloupe.
- Over the 2005-2016 period, **the number of fishing vessels decreased in all ORs**. However, the **aggregate engine power of the fishing fleets increased** in the ORs of France and Portugal as a consequence of increases of the average engine power of the vessels registered.
- Whilst small-scale vessels are **newer** than their Mainland counterparts **in the ORs of France and in Azores**, **Canary Islands and Madeira** small-scale vessels are older, **exceeding 40 years old on average**.
- The administrative situation of ORs fleets early 2016 indicates that **all fleet segments in Portuguese ORs** as well as the **Guadeloupe small-scale segment** are **nearing their respective capacity limits**. Conversely, Martinique and French Guiana fleets, as well as Canary Islands large scale trawlers are at less than 70% of their respective ceilings. Other segments are in-between.
- ORs fishing fleets **target different resources**, including inshore resources and offshore resources like tunas, small pelagics or deep sea species. The **development of some fleet segments** in the ORs over the past few years **has been hampered** by various externalities in relation with the status of the resources targeted or in relation with access to historical fishing grounds.
- ORs have **implemented strategies** to lower the fishing pressure on inshore stocks for which potential is perceived as limited, **by developing exploitation of offshore resources** available.

1.1. ORs Fishing fleets characteristics

According to data recorded in the EU fishing fleet register, the number of fishing vessels registered in ORs was 4 507 units as of 1st January 2016 representing about 5% of the total number of vessels constituting the Union fleet.

The distribution of the OR fishing fleet by length class shows that small vessels of less than 12 m represent on average 89% of the total number of vessels, with a minimum of 84% in Azores and a maximum of 100% in both Martinique and Guadeloupe.

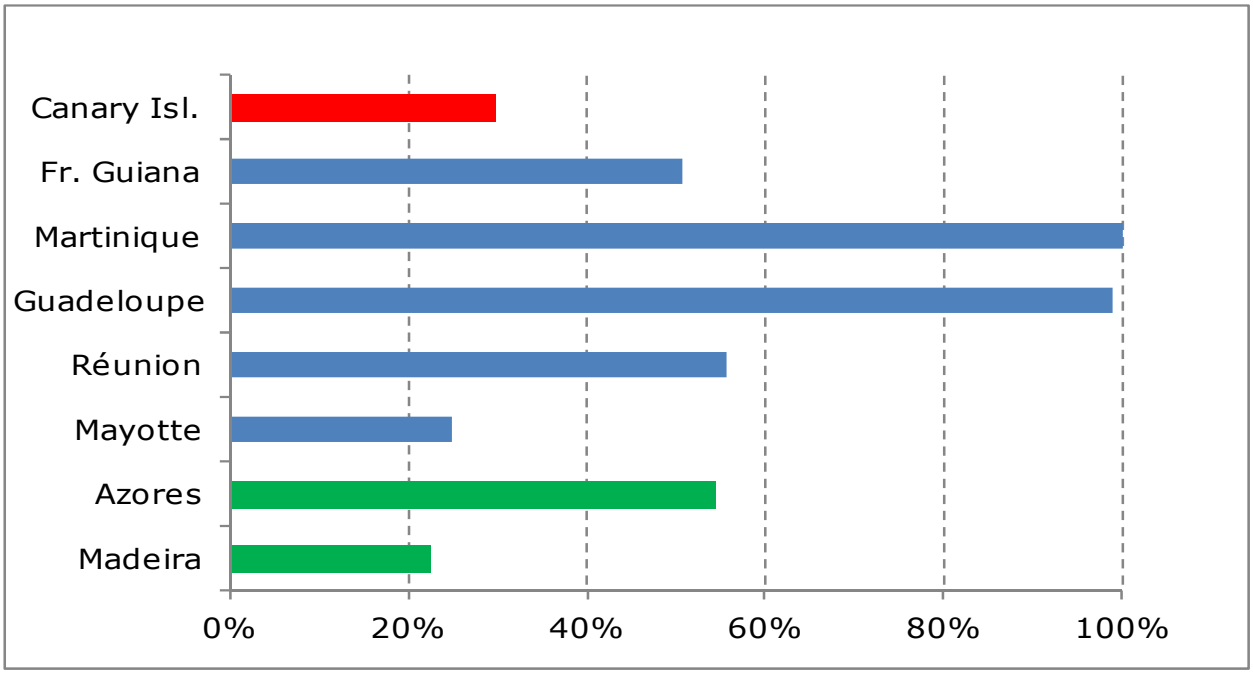
Table 1: Number of fishing vessels by length class in the ORs; situation as of 01/01/2016

MS	ORs	< 12 m	[12-24 m[	[24-40 m[	>= 40 m	Total
Spain	Canary Islands	680	69	36	14	799
France	French Guiana	125	22	0	0	147
	Martinique	1 004	0	0	0	1 004
	Guadeloupe*	985	4	0	0	989
	Réunion	197	21	0	2	220
	Mayotte	148	0	0	5	153
Portugal	Azores	639	90	32	1	762
	Madeira	386	35	12	0	433
TOTAL		**4 164**	**241**	**80**	**22**	**4 507**

Source: Own extractions from EU fishing fleet register
Note: *: Saint-Martin fleet is included in Guadeloupe data

The following graph indicates that fishing vessels of less than 12 m represent less than 60% of the total fleet power in each ORs, except for Martinique and Guadeloupe. Data for Mayotte are provisional as the small-scale fleet is still under the process of being registered.

Figure 1: Share of fishing power of fishing vessels with less than 12 m compared to total fishing power of the respective fleets; situation as of 01/01/2016

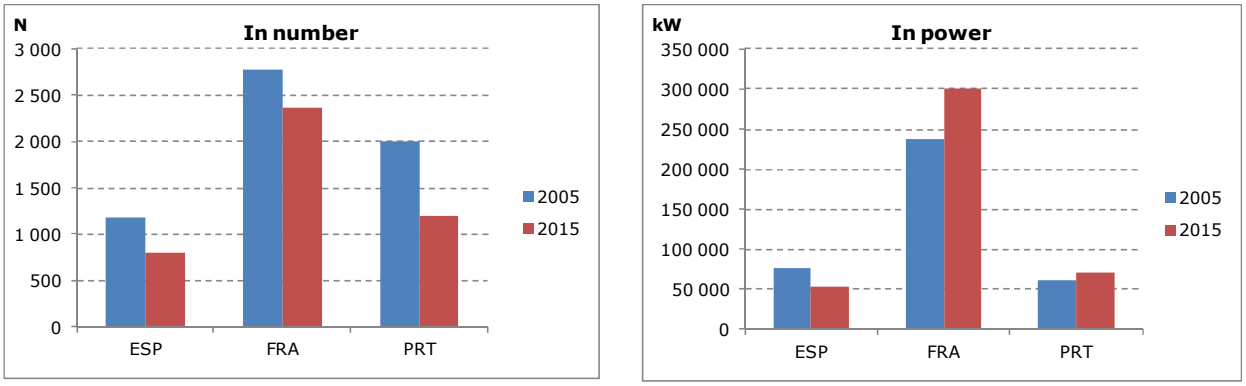


Source: Authors from data extracted from the EU fishing fleet register

Compared to 2005, the following graphs show that the number of vessels decreased in ORs for each Member States, but aggregate engine power increased in the ORs of France and Portugal. By Member State, highest decrease in the number of vessels are found for Portugal

(-40%) and for Spain (-31%), but are somewhat more limited for France (-15%). Whilst aggregate engine power decreased by 31% in the OR of Spain, it increased by 15% for the ORs of Portugal and by 26% for the ORs of France. As a proxy for fishing efficiency, the average engine power of vessels in the OR of Spain remained stable (around 65 kW per vessel), while it increased by 50% for the ORs of France and 94% for the ORs of Portugal.

Figure 2: 2005 / 2016 comparisons of the number of vessels registered in the Outermost Regions and of their aggregate engine power



Source: Own extractions from EU fishing fleet register
Note: For 2016, fleet data for Mayotte (France) have not been included to have similar comparison basis

1.2. Comparison with Mainland fleets

By comparison with the fishing fleet registered in the continental part of the three Member States, the evolution of the fleet registered in the OR of Spain has been very much aligned with the evolution of the fleet registered in the Mainland (MLF). For France, decreases in number of vessels are somewhat comparable between Mainland and ORs, but aggregate fishing power increased by 26% in ORs while it decreased for French mainland by 21%. For Portugal ORs, the decrease in the number of vessels has been more pronounced than for Portugal mainland, but aggregate fishing power increased in ORs (+15%) while it decreased for Mainland fleets by 14%.

Table 2: Compared 2005 / 2016 evolution of fishing fleets based in Mainland (MLF) and in Outermost Regions (ORs) for the three Member States concerned

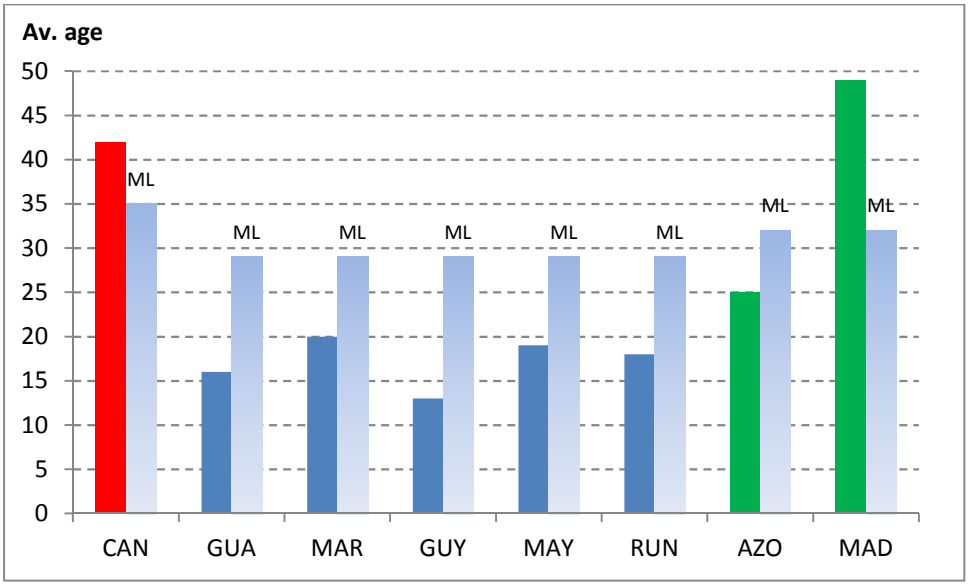
Member State	No. of vessels		Engine power (kW)	
	MLF	ORs	MLF	ORs
Spain	-33%	-31%	-31%	-31%
France	-19%	-15%	-21%	+26%
Portugal	-14%	-40%	-14%	+15%
TOTAL	**-25%**	**-27%**	**-25%**	**+ 13 %**

Source: Own extractions from EU fishing fleet register
Note: For 2016, fleet data for Mayotte (France) have not been included to have similar comparison basis

Average age of ORs small-scale vessels as of 1st January 2016 is shown in Figure 3. The comparison of the average age of fishing vessels within the small-scale segment (fishing vessels less than 12 m) show also different situations according to the Member States concerned. In both Spanish and Portuguese ORs, the average small-scale vessel is older in

ORs compared to Mainland. The difference is important in Spain (42 years old compared to 35 years old in Mainland), but less in Portugal (34 years old compared to 32 years old) with however large differences between the average age of the Azores small-scale fleet (25 years old on average) and that of Madeira (49 years old on average). For France, the situation is opposite. Small-scale vessels in French ORs are more recent (18 years old on average) compared to similar vessels in the Mainland (29 years old), with the most recent small-scale fleet to be found in French Guiana (13 years old on average).

Figure 3: Average age of fishing vessels of less than 12 m based in Outermost Regions (ORs) (plain bars) and comparison with average age of vessels of less than 12 m based in Mainland (ML - shaded bars) situation as of 01/01/2016



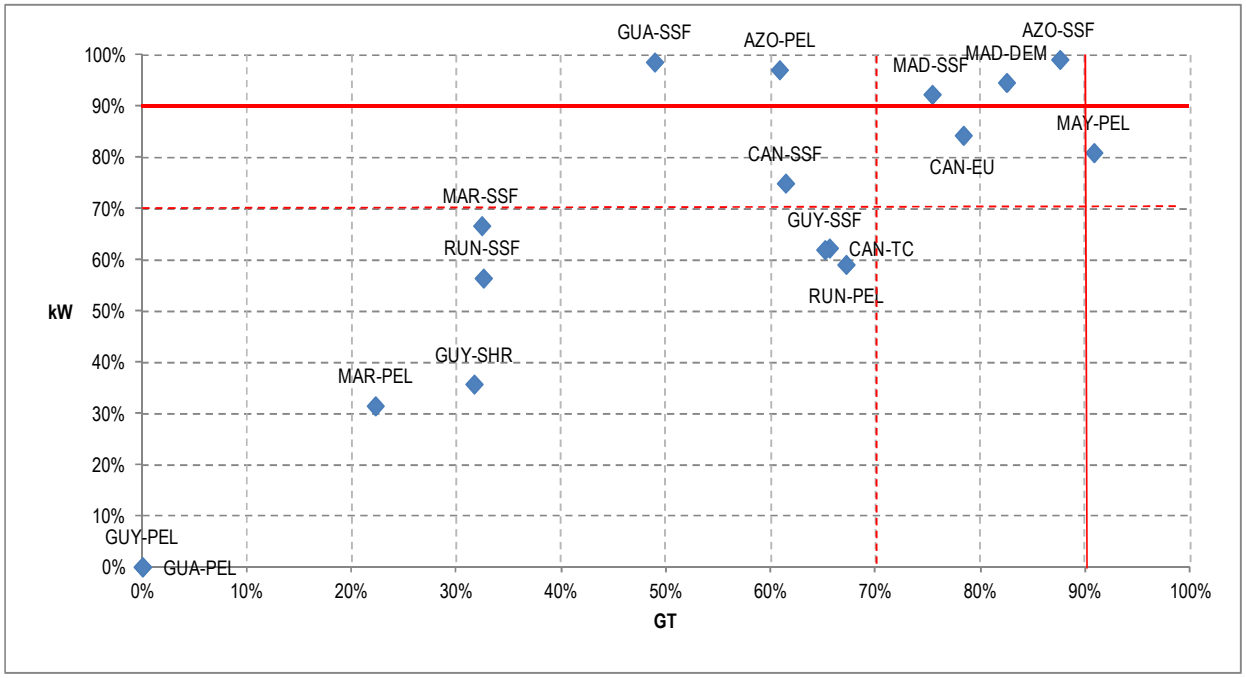
Source: Own extractions from EU fishing fleet register
Note: CAN: Canary Islands, GUA: Guadeloupe, MAR: Martinique, GUY: French Guiana, MAY: Mayotte, RUN: Réunion, AZO: Azores, MAD: Madeira

For other fleet segments, the situation is somewhat comparable. Fishing vessels of more than 12 m registered in the Spanish OR are older than their counterparts in the Mainland (23 years old vs 19 years old), almost of the same age for Portuguese ORs (28 vs 29), and more recent for French ORs (17 vs 26).

1.3. Current situation of ORs fleet regarding capacity limits

The comparison between the administrative fishing capacity as of 01/01/2016 compared to capacity ceilings set by Regulation (EU) 1380/2013 is displayed in the next figure for the different fleet segments based in ORs.

Figure 4: Administrative situation of Outermost Regions fishing fleets compared to fishing capacity ceilings of Regulation (EU) 1380/2013 (Annex II); situation as of 01/01/2016



Source: Own extractions from EU fishing fleet register.
Note 1: AZO: Azores, CAN: Canary Islands, GUA: Guadeloupe, GUY: French Guiana, MAD: Madeira, MAR: Martinique, MAY: Mayotte, RUN: Réunion / SSF: Small-Scale Fleet, PEL: pelagic species, SHR: shrimps, DEM: demersal, TC: third countries waters and EU: EU waters. Segment codes are detailed in Annex 2 of this report with correspondence with official segmentation.
Note 2: Data for Mayotte segment of vessels less than 10 m have not been included as France is exempted from registering these vessels until 2021. Data for Mayotte for segment including mechanised longliners < 23 m have not been included as well as no corresponding entries have been found in the fleet register as of 01/01/2016.
Note 3: Capacity ceiling considered in this figure are those annexed to Regulation (EU) 1380/2013. They may have decrease since if vessels have been withdrawn with public aid.

The graph denotes different situations.

OR fleet segments nearing capacity ceilings in kW or in GT (90% or more)
This group includes all fleet segments in Azores and Madeira, and well as the segment of small-scale vessels less than 12 m in Guadeloupe and the segment of large scale tuna purse seiners of Mayotte.

According to information in previous sections, the fleet segments in this group increased their capacities over the last decade through an increase of the number of vessels (Madeira) or through a restructuration of the fleet with fewer vessels but an higher average engine power (Guadeloupe, Azores). Note that for those segments, the most limiting parameter is capacity expressed in kW.

OR fleet segments clearly below capacity ceilings in kW or in GT (70% or less)
This group comprises for France, the Martinique, French Guiana segments and Réunion segments, and for Spain, the Canary Islands segment of vessels of more than 12 m fishing in international and third countries waters. The Mayotte segment of small-scale vessels is not capped by capacity ceilings. Two segments appear not be used at all: the French Guiana segment of vessels of more than 12 m and the Guadeloupe segment of vessels of more than 12 m both targeting pelagic species. Respective capacity limits for these unused segments are 5 000 kW and 1 750 kW.

Information from previous chapters indicates various situations. The French Guiana shrimp vessels segments and the Canary Islands segments have been at much higher capacity levels in the past, but had to decommission several units as a consequence of resource problems (French Guiana) or losses of fishing opportunities (Canary Islands). For Martinique, the fishing segment comprising vessels of more than 12 m never developed. The small-scale segment in Martinique underwent a restructuration but with a limited increase in engine power compared to Guadeloupe. At the end, this segment lost fishing capacities.

OR fleet segments in between the two previous situations
This group includes two Canary Islands segments: small-scale vessels of less than 12 m and vessels of more than 12 m fishing in Union's waters.
The small-scale segment of Canary Islands was at much higher levels in the past. The segment lost fishing capacity for reasons probably linked to the status of the resources targeted or to its economic profitability, which triggered decommissioning plans[3]. The segment comprising vessels of more than 12 m fishing in Union's waters also decreased compared to the past.

1.4. Information on operational patterns of the OR fleets by region and recent evolutions

1.4.1. Canary Islands

The small-scale fleet targets demersal species available of island slopes, small pelagic (horse mackerel, sardine and mackerel) and highly migratory species (e.g. tunas) caught by hand line or longline. Some fishing vessels of more than 12 m exploit tuna species with pole and line in the areas around the local islands, but have also fishing opportunities in the waters of Morocco under the SFPA concluded by the Union, and in the waters surrounding Madeira and Azores under specific Spain-Portugal reciprocity arrangements. The Canary Islands fleet also include some 25 industrial trawlers (around 30 m in length) specialised on exploitation of species (octopus, squids, fish) found on the continental shelves of West African third countries. This fleet utilises fishing opportunities available under the SFPA concluded by the EU with Guinea Bissau and Morocco, although to a lesser extent in this later case, as well as fishing opportunities negotiated under private agreements (Oceanic Développement et al., 2012).

The fishing fleet registered in Canary Islands has dramatically decreased over the last few years, with the total number of vessels halving and the fishing power decreasing by 30%. The fleet of small-scale vessels of less than 12 m decreased by 33% in number, with an average engine power increasing from 15 kW to 23 kW. The fleet of large trawlers operating in third country waters went down from 58 vessels (2005) to 38 vessels (2016).

[3] See for example ORDEN de 27 de mayo de 2014. Boletín Oficial de Canarias núm. 103 29.05.2014.

The decrease is attributable to adverse conditions for large-scale trawlers which lost access to African fishing grounds (Morocco as from 1999 then Mauritania as from 2012), and also for small-scale vessels in relation with a lack of profitability (European Parliament, 2013).
Landings by the Canary Islands fishing fleets amounted to 12 000 tonnes in 2015 for a first sale value of EUR 25.4 million. Highly migratory species form the bulk of the catches landed in the region, preceding small pelagic. Landings of cephalopods and other species by the large-scale trawlers decreased dramatically and only reached 312 tonnes in 2015, as opposed to almost 8 000 tonnes in 2007 (source: Gobierno de Canarias[4])

1.4.2. French Guiana

The fishing fleet registered in French Guiana includes two main segments: a segment made of small-scale vessels targeting white fish species and a segment comprising industrial trawlers targeting shrimps. Both segments are active only in the area under jurisdiction.
The small-scale vessels segment includes open-deck or decked canoes as well as a few traditional decked vessels known as *tapouilles*. This fleets target whitefish in inshore areas using predominantly gill nets. Main species caught include croakers (e.g. *Acoupa)*. (IFREMER, 2016a). Landing amounted to 3 000 tonnes in 2015 for a first sale value estimated close to EUR 7.5 million.

There were 17 active industrial trawlers targeting shrimps in 2015. Shrimps landings totalled 759 tonnes, far below the TAC set at 2 170 tonnes for this year. The value of shrimp landings is not published but assumed to be in the region of EUR 5.3 million (EUR 7 / kg).
Over the past few years, whilst the small-scale fleet remained fairly stable, the shrimp trawler fleet decreased dramatically from more than 30 units in the early 2000 to 17 in 2015. The decrease of the fleet was underpinned by decreasing abundance of target shrimp species for reasons not all attributable to excess fishing capacity[5], compounded by increasing fuel prices.

In addition to the local fleet, a fleet of vessels flagged to Venezuela are granted fishing opportunities in the fishing zone through a Council Decision[6]. These vessels target deep-sea snappers with handlines. As a condition for access, this fleet must land 75% of its catches in French Guiana. These landings represented around 1 400 tonnes per year, utilised for both the domestic and export markets (Oceanic Développement et al., 2012).

1.4.3. Martinique

The fishing fleet registered in Martinique is composed of small-scale vessels, mostly open-decked canoes (*yoles* or *saintoises*). A part of the fleet targets inshore resources with traps or gill nets while another part targets large pelagics (tunas and billfish) around a network of offshore anchored FADs using troll lines. Exploitation of offshore resources contributes to alleviate the fishing pressure on inshore stocks. Seasonally, some small-scale vessels also target other species from the pelagic ecosystem (wahoo, flying fish, mai mai) using drifting pelagic longlines. Some fishing vessels fish on both inshore and offshore resources. Total landings are estimated around 900 tonnes for an unknown value (IFREMER, 2015a).

According to IFREMER (2015a), the number of fishing vessels registered in Martinique remained fairly stable over the past decade albeit slightly decreasing (-5%). A decrease in the number of vessels of less than 7 m (-108 vessels between 2005 and 2013) has been

[4] http://www.gobiernodecanarias.org/agricultura/pesca/lapescacanarias/ accessed 4.10.2015.
[5] Including adverse environmental conditions for shrimp recruitment.
[6] Council Decision (EU) 2015/1565 of 14 September 2015 on the approval, on behalf of the European Union, of the Declaration on the granting of fishing opportunities in EU waters to fishing vessels flying the flag of the Bolivarian Republic of Venezuela in the exclusive economic zone off the coast of French Guiana. JO L 244 du 19.9.2015, p. 55–57.

somewhat compensated by an increase in the number of vessels between 7 and 12 m (+45 vessels over the same period). Consequently, the average engine power of increased substantially from 60 kW in 2005 to 90 kW in 2013.
In addition to the small-scale fleet, a few (less than 5) vessels of more than 12 m target tunas in offshore areas and snappers in the waters of French Guiana.

1.4.4. Guadeloupe (incl. Saint-Martin)

The operational patterns of the fishing fleet registered in Guadeloupe are very much similar to those described for the neighbouring island of Martinique. Part of the local fishing fleet targets inshore resources with traps and nets, while another part targets large pelagic around a dense network of offshore anchored FADs, with possible implementation of the two types of fishing strategies by some vessels.

Landings are estimated to be in the region of 3 600 tonnes (IFREMER, 2015b) for an unknown value, i.e. much higher than in Martinique for a somewhat similar number of vessels. Between 2005 and 2013, the number of small-scale vessels slightly increased by 3%, with a decrease of number of vessels of less than 7 m (-68 units between 2005 and 2013) offset by an increase of the number of vessels between 7 and 12 m (+97 units). The average engine power of the Guadeloupe vessels rose from 115 kW in 2005 to almost 160 kW in 2013.

On the island of Saint-Martin (French part), the fishing fleet is largely unknown. According to the Operational Programme submitted by France under EMFF[7], there would be 10 fishing vessels of less than 12 m officially registered, with no data on landings.

In both Guadeloupe and Saint-Martin, the informal fishing sector would be significant with landings by unregistered fishermen underpinning the conditions of an unfair competition with landings from registered fishermen on the domestic markets (source: EMFF Operational Programme France).

1.4.5. Réunion

The fishing fleet of Réunion includes two main segments (IOTC, 2015):

- A segment composed of small-scale vessels of less than 12 m targeting inshore resources, mostly small pelagic, and offshore resources (tunas) around a network of offshore anchored FADs deployed around the island. The fleet includes some 80 open-deck vessels of less than 6 m and 72 larger decked vessels between 6 and 12 m.
- A segment of surface longliners with two sub-segments: a group of 13 small longliners of less than 10 m working around the island, and a group of 22 larger longliners (10 m up to 24 m) working around the island and in the areas under jurisdiction of Madagascar under the SFPA concluded by the Union and the third country.
- A segment of two large scale tuna purse seiners working in fishing areas far North from the islands in the high seas and in areas under jurisdiction of third countries under SFPA concluded between the Union on the one hand and Seychelles, Madagascar, Mauritius and Comoros on the other hand. The purse seine fleet lands/ transhipps in Seychelles like its Union's mainland counterparts with few interactions with the regional economy.

[7] Annexe 5 - Plan de compensation des surcoûts Saint-Martin 2014-2020.

Landings of the fleet of Réunion are in the region of 3 000 tonnes per year for an estimated value of EUR 12 million, with pelagic species (tuna, swordfish and associated species) representing the bulk of the catches.
According to IFREMER (2016b), the Réunion fishing fleet decreased by 22% between 2005 and 2014. The main segment impacted is the less than 7 m segment which lost 62 units (from 207 in 2005 to 145 in 2014; i.e. -30%). The 7-12 m segment remained fairly stable while the number of surface longliners of more than 12 m lost 7 units mainly as a consequence of technical problems (Oceanic Développement et *al.*, 2012).

1.4.6. Mayotte

- The Mayotte fishing fleet is composed in majority of small open-decked vessels (around 7 m in length on average) fishing both in inshore areas and in offshore areas around a network of anchored FADs deployed around the islands. The number of vessels is yet unknown as France is in the process of registering this component of the fishing fleet. Preliminary estimates indicate a possible number of 500 units (IOTC, 2016). Landings from this small-scale fleet are not known, but are thought to be less than 1 000 tonnes per year.
- In addition, there were 6 small-scale surface longliners registered in Mayotte in 2014 (IOTC, 2015) with landing close to 94 tonnes. These vessels fish mostly in the area under the islands, and have fishing opportunities available in the neighbouring waters under jurisdiction of Comoros under the SFPA negotiated by the Union with this third country.
- The Mayotte fishing fleet also includes 5 large-scale tuna purse seiners (80 m +) operating under the same strategy as Réunion purse seiners, with landings mostly in Seychelles.

Note that Mayotte, as a small island developing State at the time of the relevant IOTC resolution in 2007, submitted a fleet development plan to IOTC (IOTC, 2016). The plan foresees further development of the longline fleet (up to 25 units in 2020) and of the purse seine fleet (one more unit to be added to the 5 currently registered).

Like for French Guiana, third countries (Seychelles) fishing vessels are granted fishing opportunities in Mayotte fishing zone under a fishing agreement concluded between the Union and Seychelles[8]. In summary, this agreement authorises access to up to 8 purse seiner flagged to Seychelles plus two supply vessels up to the 24 miles limit. Access conditions include payment of licence fees (EUR 11 000 per purse seiner in 2015) to France for supporting integration of Mayotte in the CFP and various clauses, including safeguard clauses, mirroring clauses adopted under the Union-Seychelles SFPA.

[8] Council Decision (EU) 2015/238 of 10 February 2015 on the conclusion, on behalf of the European Union, of the Agreement between the European Union and the Republic of the Seychelles on access for fishing vessels flying the flag of the Seychelles to waters and marine biological resources of Mayotte, under the jurisdiction of the European Union. OJ L 40, 16.2.2015, p. 1–3

1.4.7. Azores

The Azores comprises three main segments (Oceanic Développement *et al.*, 2012):

- Small "polyvalent" vessels (under 12 metres), which comprise the majority (640 vessels in 2015). These use a variety of small-scale fishing gears including traps, pots, various line fishing methods, and seine nets and therefore produce a wide range of species.
- Larger vessels (>12 metres) within this group an important fleet segment is the tuna sector (25 vessels), which mainly targets migratory stocks of tunas and other large pelagic fish in the region using longlines, pole and line and nets. The tuna fishery is seasonal (March-October). The tuna vessels do not operate during the winter.
- The remaining vessels over 12m are all involved in either seine fishing for small pelagics or demersal line fishing.

Over the last decade, the number of small-scale vessels of less than 12 m shrunk from 1 428 units (2005) to 639 units (2015), i.e. a 55% decrease, but with average engine power increasing from 15 kW to 46 kW. Conversely, the number of vessels of more than 12 m rose by 14% from 107 units (2005) to 122 units (2015) with a decrease in average engine power for this segment (from 221 kW to 195 kW in 2015)[9].

A notable feature is that the Azores (and Madeira) fishing fleet benefits from the presence of numerous seamounts in the area to target deep-sea species, including black scabbardfish and red seabream. Catches of these species are subject to TAC and quota set by the Council based on scientific advice provided by ICES.

Landings into Azores amounted to 8 236 tonnes in 2015 for a value of EUR 28 million. This is a significant decrease compared to previous years (16 000 tonnes in 2010) that the Regional authorities attribute to persistent low catches of tunas and constraints over the fishing opportunities for deep-sea species[10].

1.4.8. Madeira

The Madeira fishing fleet has comparable characteristics with the Azores fleet with however less vessels. Main fleet segment include a polyvalent small-scale segment of 386 units that uses passive gears to catch different species, and larger vessels greater than 12 m that target deep-sea species (44 unit) using hand lines and tuna species using pole and line (3 units) (Oceanic Développement *et al.*, 2012).

The evolution of the fleet over the past decade contrasts with the evolution of the Azores fleet. The number of small-scale vessels of less than 12 m decreased by 7% only between 2005 and 2016 without a concomitant significant increase in fishing power (7 kW on average in 2005 compared to 9 kW on average in 2016). The number of vessels greater than 12 m remained stable (48 unit in 2005 and 47 in 2016, with an average engine power slightly increasing from 228 kW in 2005 to 272 kW in 2016.

Landings in Madeira totalled 5 640 tonnes for a value of EUR 15.6 million in 2015. This is less than 2005 landings (6 700 tonnes) in weight, but greater in value still compared to 2005 (EUR 11.8 million)[11]. Domestic landing are dominated by tuna and other large pelagic species.

[9] Data extracted from the Union fishing fleet register.

[10] http://www.azores.gov.pt/Portal/en/entidades/srmct/noticias/Reopening_of_alfonsino_fishing_is_good_news_for_Azorean_fishers_says_Brito_e_Abreu.htm (accessed 5/10/2016)

[11] Source: Direção Regional de Estatística da Madeira.

2. REVIEW OF PAST AND CURRENT UNION'S FLEET MANAGEMENT MEASURES APPLICABLE IN OUTERMOST REGIONS

KEY FINDINGS

- Under the current CFP, **ORs fishing fleets, except in Mayotte, have no derogation to the general fleet management rules** prescribing in essence that entry of new capacity must be compensated by prior withdrawal of equivalent capacity.
- Under the previous CFP, **ORs fleets were granted derogations** exempting Member States from the compulsory withdrawal of capacities in case of entry, within the capacity limits authorised. ORs were also **granted authorisation to use Union aids for vessels construction** during the two years following their prohibition for Mainland fleets.
- **Assessment of the balance** between ORs fleet capacity and the fishing opportunities available by Member States **was not conclusive**, mainly in the absence of biological data on stocks exploited. Nonetheless, Spain would have identified a segment in Canary Islands as structurally imbalanced.
- The current CFP includes several measures of interest to ORs fishing fleets including **protection of fishing zones**, **fishing opportunities under SFPAs** or creation of a **dedicated Advisory Council**.
- **EMFF** takes into account the specificities of ORs **by authorising higher intensity of public aid** compared to the Mainland (+35%). A **notable exception is aid intensity for engine replacement** which is uniformly capped at 30%, irrespective of the Union region concerned.
- EMFF also includes the continuation of the **compensation scheme aiming at offsetting additional costs borne by ORs operators** as a consequence of the specific handicaps of the regions. By comparison with its predecessors, **the technical and geographical scopes of the intervention are broadened**, and the **financial envelope almost doubled** as a consequence.
- The Commission authorises Member States to take into account **the specific handicaps of ORs when designing State Aids schemes** for the fisheries sector. This **opportunity has been taken up** for vessel running costs in Spain and Portugal ORs, and for investments in vessels and implementation of compensation schemes for long-lasting natural disasters in French ORs.

2.1. Fleet management rules

Member States fleets are subject to compliance with capacity ceilings expressed both in kW and in GT. For Union Mainland fleets, capacities ceilings are set for all vessels altogether at Member State level, while for ORs, capacity ceilings are set on a fleet segment basis within each OR (see annex 1 for the details of the segmentation retained for each OR by Regulation (EU) 1380/2013).

As from 01/01/2014, OR fleets are subject to the general provisions applicable to all Member States fleets prescribing in particular that fishing vessels withdrawn with public aid shall not be replaced and that entry in the fleet of new capacity without public aid must be compensated by prior withdrawal of capacity without public aid of at least the same amount. Under this regime, current ORs fishing fleet capacities cannot expand further. However, Mayotte which has been only recently included in the scope of TFEU, benefits from a derogatory regime with authorisation to include new capacities without the withdrawal of an equivalent capacity until 31/12/2025[12].

For managing entry and exit from the fishing fleet register until end of 2013, ORs were subject to a specific regime described in Regulation (EC) 639/2004[13] which provided for derogation to the entry - exit management scheme detailed in the basic 2003-2013 CFP regulation (Council Regulation (EC) 2371/2002[14]). In summary, Regulation (EC) 639/2004 as modified allowed ORs fleet to develop up to the reference levels until 31/12/2011 and exempted Member States from the compulsory withdrawal of capacity set out by Regulation (EC) 2371/2002. This regulation also allowed public aid for the renewal of ORs fishing vessels until 31/12/2006 (as opposed to 31/12/2004 for Mainland fleets). Regulation (EC) 639/2004 did not derogate from the basic rule establishing that fishing vessels withdrawn with public aid shall not be replaced. Whist Regulation (EC) 639/2004 was applicable with no set date limit, its effects for ORs regions ceased on 31/12/2011 which was the date agreed for the end of the derogation to the entry-exit management scheme within the capacity limits set out by Council Regulation (EC) 2371/2002.

Regulation (EC) 639/2004 mandated the Commission to submit to the European Parliament and the Council a report on the implementation of this Regulation no later than 30 June 2012. For some reasons, the expected implementation report has not been submitted.

2.2. Balance between fishing capacity and fishing opportunities

For ORs fleets like for the Mainland fleets, the overarching principle promoted by the CFP for fleet management is for Member States to seek adaptation of the fishing capacity to the fishing opportunities over time, taking into account trends and based on scientific advice, with the objective of achieving a stable and enduring balance between them (Article 22(1) of Regulation (EU) 1380/2013). This principle was also enshrined in the CFP adopted in 2002. However, compared to its 2002 version, the 2013 CFP put more stringent obligations on Member States which have to identify in annual reports the situation of national fleet segments (Article 22(2)) and identify those segments that are in structural overcapacity. Art 23(2) indicates that a separate assessment shall be drawn up for fleets operating in Outermost Regions.

STECF (2015) reviewed the fleet reports submitted by Member States. Concerning the situation of Outermost Regions, no conclusions could be drawn from the analysis. One reason is that despite mandatory requirements, ORs are not identified individually in the STECF assessment, but grouped under a general heading *Other Fishing Regions (OFR)* which includes Outermost Regions grouped by Member States and Union fishing activities outside

[12] Council Regulation (EU) No 1385/2013 of 17 December 2013 amending Council Regulations (EC) No 850/98 and (EC) No 1224/2009, and Regulations (EC) No 1069/2009, (EU) No 1379/2013 and (EU) No 1380/2013 of the European Parliament and of the Council, following the amendment of the status of Mayotte with regard to the European Union. OJ L 354, 28.12.2013, p. 86–89.

[13] Council Regulation (EC) No 639/2004 of 30 March 2004 on the management of fishing fleets registered in the Community outermost regions. OJ L 102, 7.4.2004.

[14] Council Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy. OJ L 358, 31.12.2002, p. 59–80.

Union waters. Azores fleet is an exception as it is included in the North-East Atlantic segments. Another reason reported by STECF is that from a total of 94 OFR fleet segments, balance indicators were only available for a small proportion of these (typically less than 10% depending on indicator). Since the number of fleet segments for which indicators are available is very low, STECF does not consider appropriate to present any conclusions for OFR fleet segments, or to present conclusions with regards to indicator trends.

In particular, it was found that the two biological indicators proposed by the Commission (the Stock-at-Risk indicator and the Sustainable Harvest Indicator[15]) are often missing for most ORs fleet segments. When one of these indicators was available (for some fleet segments in Azores, Madeira and Canary Islands), no conclusions could be drawn mostly because the stocks for which biological indicators are available represented only small percentages of total segment catches. Nonetheless, according to STECF (2015), Spain would have identified a fleet segment in Canary Islands as structurally imbalanced and included it in a national action plan. The fleet reports published by Portugal and France do not distinguish ORs segments that would be structurally imbalanced[16].

In conclusion, it is not possible to evaluate the extent to which ORs fleets are balanced in the absence of biological indicators. The main reason is probably that most inshore stocks exploited by the small-scale fleets based in ORs are not assessed due to insufficient scientific data available. Under this situation, the precautionary principle embedded in the CFP commands not to increase fishing effort.

2.3. Protection of regional fishing interests in ORs waters

As a general measure, Regulation (EU) 1380/2013 authorises Member States to exclude access to waters up to 100 nautical miles from the baselines of ORs to Union fishing vessels not registered in the ports of ORs until 31/12/2022 (Article 5(3)). However, such restrictions shall not apply to Mainland fishing vessels that traditionally fish in those waters, in so far as those vessels do not exceed previous fishing effort levels. This is an exemption to the general rule establishing that Union fishing vessels have equal access to Union waters and resources subject to the CFP[17].

In effect, this measure essentially protects fishing opportunities available to Azores and Madeira fishing fleets on deep-sea stocks. In other ORs, few, if any, Mainland fishing vessels seek access to ORs fishing zones. However, the measure does not concern third countries vessels which are granted fishing opportunities in French Guiana or Mayotte waters through specific fishing agreements approved through Council Decisions.

Mayotte waters are further protected by Council Regulation (EU) 1385/2013 which introduces a prohibition on purse seine tuna fishing by any fishing vessel inside the area within 24 miles of the coasts of the islands in order to protect local small-scale fishermen targeting the same species.

[15] For definitions of these indicators, see COM (2014) 545 with Guidelines for the analysis of the balance between fishing capacity and fishing opportunities according to Art 22 of Regulation (EU) No 1380/2013.
[16] http://ec.europa.eu/fisheries/fleet/index.cfm?method=FM_Reporting.AnnualReport (accessed 18.10.2016).
[17] Recital (18) of Regulation (EU) 1380/2013.

2.4. Fishing areas

Fishing operations of ORs small-scale fleets are relatively close to the shore. However, in French ORs, small-scale vessels can deploy their operations up to 50 nautical miles offshore when fishing around anchored FADs.

Larger vessels based in the ORs may extend their operations in international waters or in areas under jurisdiction of third countries under SFPAs concluded by the Union. Annex 3 lists current SFPAs utilised by ORs fishing fleets. The relevant SFPA evaluation reports[18] have all concluded that the fishing opportunities used by ORs fleets were supporting their economic viability and hence, are highly relevant.

At present, there are no SFPAs concluded by the EU with third countries in the Western Central Atlantic that would provide fishing opportunities to ORs fleet based in Guadeloupe (incl. Saint Martin), Martinique or French Guiana to fishing zones of neighbouring countries. A fishing agreement has been concluded between the EU and Dominic Republic in 1993[19] but it has never been implemented for unknown reasons. Access to adjacent fishing zones when targeting highly migratory species has been reported to be of potential interest for Guadeloupe and Martinique fleets, in particular in Antigua waters (Blanchet *et al.*, 2002). However, this past need identification needs to be reconfirmed in light of recent evolution of relevant ORs fleet segments.

2.5. (Regional) Advisory Councils

Under the previous CFP, Regional Advisory Councils have been established without full consideration of ORs. Only Portuguese and Spanish ORs were included in the geographical scope of the South Western waters RAC[20] with fishing interests operating in the waters of the Bay of Biscay and in the waters around the Iberian Peninsula (ICES areas VIII and IX). All French ORs were not part of any of the other RACs established under Regulation (EC) 2371/2002.

The current CFP foresees the creation of a specific Advisory Council for Outermost Regions divided into three sea basins (West Atlantic, East Atlantic and Indian Ocean). Compared to the previous CFP, the Outermost Regions Advisory Council will provide opportunities to stakeholders based in all ORs to contribute to CFP implementation and development, in particular through the regionalisation process considered under Article 18 of Regulation (EU) 1380/2013. At the time of writing of this study, the OR Advisory Council was still in a preparation stage.

For Portuguese and Spanish ORs, the geographical scope of the OR Advisory Council overlaps with the geographical scope of the South Western Waters Advisory Council which encompasses waters around Azores, Canary Islands and Madeira. In principle, these ORs can be members of both Advisory Councils. This situation raises a potential issue of redundancy that will need to be solved when the OR Advisory Council is functioning.

[18] Available at http://ec.europa.eu/fisheries/documentation/studies/index_en.htm (accessed 6.10.2016)
[19] Council Regulation (EC) No 3329/93 of 29 November 1993 concerning the conclusion of an Agreement on fisheries between the European Economic Community and the Government of the Commonwealth of Dominica. OJ L 299, 4.12.1993, p. 1–1
[20] Council Decision of 19 July 2004 establishing Regional Advisory Councils under the Common Fisheries Policy (2004/585/EC)

2.6. Financial support to ORs fishing sectors

2.6.1. Union financial instruments

As from 2014, Union interventions for the fisheries and aquaculture sectors are framed by the European Maritime and Fisheries Fund (EMFF) as detailed by Regulation (EU) 508/2014[21].

The EMFF includes various measures that can be implemented to support the development of Union fishing fleets, including those registered in ORs. However, aid for construction of fishing vessels or increase of fishing vessel capacities, which have been phased out under the previous CFP[22], are coherently excluded from eligible aids under the EMFF for all Union regions. Nonetheless, the EMFF takes into consideration the specificities of ORs through different measures as follows:

A derogation to allow financing the deployment of anchored fish aggregating devices (FADs) in ORs (Article 38). Anchored FADs are extensively used in the French ORs to improve catchability of highly migratory species in offshore areas. Concerned fishing vessels deploy less effort in inshore areas with conservation benefits for coastal stocks (see for example Guyader *et al*, 2017).

A compensation regime for additional costs in ORs for fishery and aquaculture products (Article 70). The intention of the compensation regime is to offset additional costs resulting from the specific handicaps of the regions concerned. The compensation regime was already included during the previous programming periods but through a specific instrument disconnected from structural funds. By comparison with the last applicable compensation instrument (Regulation (EC) 791/2007[23]), EMFF:

- Broaden the geographical scope of the compensation scheme to include all ORs (Guadeloupe, Martinique, Saint-Martin and Mayotte were not included in previous instruments);
- Broaden the technical scope to include fisheries products placed on the market in ORs. The previous compensation instruments implicitly considered compensation for products landed and/or manufactured in ORs and subsequently sold on the Mainland markets, although with some margins of interpretation exploited by some ORs (see Oceanic Développement *et al.*, 2012);
- Increase the financial envelopes available for compensation. The next table shows that the overall annual maximum envelope has almost doubled from EUR 15.6 million (2007-2013) to EUR 27.5 million (2014-2020) in relation with the broadened scope of the intervention.

[21] Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council. OJ L 149, 20.5.2014, p. 1–66.

[22] Available until 31/12/2004 for Mainland, and until 31/12/2006 for OR.

[23] Council Regulation (EC) No 791/2007 of 21 May 2007 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the outermost regions the Azores, Madeira, the Canary Islands, French Guiana and Réunion. OJ L 176, 6.7.2007, p. 1–4.

Table 3: Relation of annual compensation envelopes for ORs of the 2014-2020 period compared to the 2007-2013 period

Member State	EMFF Regulation 2014-2020 in EUR (a)	Reg. (EC) 791/2007 2007-2013 in EUR (b)	(a) / (b)
Spain	8 700 000	5 844 076	1.5
France	12 350 000	4 868 700	2.5
Portugal	6 450 000	4 868 700	1.3
TOTAL	**27 500 000**	**15 581 476**	**1.8**

Source: Regulation (EU) 508/2014 and Regulation (EC) 791/2007

A delegation to Member States for the implementation of the compensation scheme under the principles set out by Regulation (EU) 508/2014 and the financial rules governing control and payment of ESI funds. While the EMFF compensation scheme is only being implemented now due to delayed adoption of Member States operational plans, ORs stakeholders fear that the new financial management regime of the compensation scheme may prove less flexible than its predecessor[24], deterring small operators from using it.

A derogation to increase maximum intensity of public aid from the 50% general baseline[25] to 85% for all operations located in the ORs. The previous fisheries structural fund (European Fisheries Fund[26]) also included increased intensity of public aid in the case of ORs, but with a higher contribution expected from projects beneficiaries compared to current situation. As an example, modernisation of OR vessels under EFF requested at least 50% financing by the beneficiary, as opposed to at least 15% under EMFF.

However, **there is one notable exception** that could impact ORs operators. For eligible operations concerning replacement of main or ancillary engines (Article 41 of the EMFF Regulation), Annex 1 to the EMFF Regulation foresees a reduction of intensity of public aid of 20%. According to the Commission Implementing Regulation (EU) 771/2014[27] establishing rules for cumulating increased or decreased percentage points, maximum aid intensity for beneficiaries in ORs for engine replacement is 30%, similar to maximum aid intensity applying to beneficiary in Mainland regions for this type of operation.

[24] Regional Authorities of French and Portuguese ORs, personal communications.
[25] Notwithstanding exemptions for specific measures as detailed in Article 95 and specific prescriptions for intensity of public aid of certain measures listed in Appendix I.
[26] Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund. OJ L 223, 15.8.2006, p. 1–44.
[27] Commission Implementing Regulation (EU) No 772/2014 of 14 July 2014 laying down the rules on intensity of public aid to be applied to the total eligible expenditure of certain operations financed under the European Maritime and Fisheries Fund. OJ L 209, 16.7.2014, p. 47–48.

Table 4: Comparison between the main features of the current compensation scheme and the main features of the previous compensation scheme

Main features	New compensation scheme (Regulation (EU) 508/2014)	Previous compensation scheme (Regulation (EC) 791/2007)
Geographical coverage	Increased scope: all ORs are eligible	Limited scope: only Canary Islands, Azores, Madeira, Réunion and French Guiana were eligible. All others (Martinique, Guadeloupe and Mayotte) were left out
Species coverage	To be defined by Member States in the compensation plans called for under art. 72	To be defined by Member States in their compensation plans called for under art. 7
Unit amount of compen-sation		
Compensation coverage	Aims at offsetting all additional costs incurred along the whole production chain, including for products placed on the domestic markets (art. 70)	Previous instrument focused on aid to offset costs of transport to Mainland (recital 5; art. 5.3), although this has been challenged by some ORs
Financial envelope	EUR 27.5 million / year	EUR 15.6 million / year
Financial rules	Financial rules governing ESI funds (EU funds are streamlined)	Financial rules governing the financing of the Common Agricultural Policy[28]

Source: Own analysis of relevant regulations

2.6.2. State aid

Like Mainland regions, ORs can benefit without prior notification to the Commission from *de minimis* State aid complying with Regulation (EU) 717/2014[29] (EUR 30 000 per undertaking over any period of three years) or from aids covered by the fisheries block exemption Regulation[30] which are in line with support schemes foreseen in the EMFF Regulation.

For aid schemes not falling under the two previous categories, State aid may be granted pending authorisation from the Commission for intervention compatible with the guidelines for the examination of State aid to the fishery and aquaculture sector published by the Commission[31]. These guidelines authorise in principle operating aids in ORs with a view to alleviating the specific constraints in those regions as a result of their specific handicaps

[28] Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy. OJ L 209, 11.8.2005, p. 1–25

[29] Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector. OJ L 190, 28.6.2014, p. 45–54.

[30] Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union. OJ L 369, 24.12.2014, p. 37–63.

[31] Communication from the Commission - Guidelines for the examination of State aid to the fishery and aquaculture sector (2015/C 217/01). OJ C 217, 2.7.2015, p. 1-15.

(Paragraph 5.6 of the Guidelines) providing they comply with some basic principles, one of those being that aids mechanisms specifically excluded by EMFF (*inter alia* aids for the construction of new fishing vessels or aids to increase the fishing capacity of a vessel) shall not be authorised.

Concerned Member States have implemented specific State aid schemes for ORs. To our knowledge, there are at least:

- Aids for fuel in Canary Islands, Azores and Madeira (Oceanic Développement *et al.*, 2012). The cheaper prices of fuel been taken into account in the compensation plans submitted by the two Member States as part of the EMFF operational programme for the 2014-2020[32].
- Specific tax arrangements[33] to encourage investments in fishing vessels in the French ORs with as a result, significantly decreased invested amounts requested from fishermen for acquisition of new vessels. As an example, 17 new fishing vessels have been launched in Guadeloupe in 2016 using this mechanism[34]. The longliner segment in Réunion as well as the shrimp trawler segment in French Guiana would has also largely benefited from this incentive tax scheme (Oceanic Développement *et al.*, 2012)
- State aid schemes to compensate Guadeloupe and Martinique fishermen from the long-lasting chlordecone pollution of coastal waters[35].

[32] See Compensation plans annexed to Portugal and Spain operational programs at http://ec.europa.eu/fisheries/cfp/emff/country-files_en
[33] Known as *défiscalisation*.
[34] Source: *Le Marin* dated 16.09.2016.
[35] See for example http://www.guadeloupe.developpement-durable.gouv.fr/plan-chlordecone-r929.html (accessed 14.10.2016).

3. CONCLUSION: THE WAY FORWARD

KEY FINDINGS

- Due to the global economic crisis and to other externalities, **ORs could not take full advantage of past derogations** to Union fleet management rules. ORs fleet modernisation **remains a stringent need** to be addressed.
- A **new derogation to fleet management rules** established under the CFP could support further development of those **ORs fleet segments that are not nearing established capacity limits**.
- In the longer term, the current **CFP reform process could envisage increases of certain fleet segment capacities** if it can be scientifically demonstrated that **exploitation rate** of certain fisheries resources **can** be increased **without compromising the CFP MSY objective**. Alternatively, or in complement, **reorganisation of ORs fleet segmentation** could provide development possibilities for some ORs segments without the need to increase capacity limits.
- Another proposal is to **increase aid intensity for operations concerning engine replacement in the ORs**. Under current EMFF rules, aid intensity for such operations applies uniformly, irrespective of the Union region considered.
- While re-introduction of **Union aids for construction would be a leverage to modernise ORs fleet**s given the specific handicaps of the regions, the decision is sensible and has to be coherent with recent Union initiatives in the WTO context.
- As far as procedural aspects are concerned, jurisprudence indicates that **the role of the European Parliament is limited to a consultative role** when Union legislative initiatives use Article 349 of the TFEU as legal basis.

3.1. Main lessons from the previous CFP

ORs fishing fleets have been granted a specific regime for fleet modernisation in 2004 with derogation from the entry-exit scheme and extended use of public aid for construction of new vessels or increase in fishing capacity of existing vessels implemented through Regulation (EC) 639/2004. However, according to indicators detailed in sections 1.1 and 1.2, this opportunity has not been taken up by all ORs. In particular, Canary Islands and Madeira fishing fleets appear to have remained at previous levels and even decreased, while in French ORs and in Azores, to a lesser extent, fishing fleets have been modernised through a shift from small vessels of less than 7 m lightly powered to 7-12 m vessels with increased engine power.

A likely reason is that the derogatory regime for fleet management in ORs has been implemented over a difficult time period. The 2004-2011 period coincides with the onset (2008) and the development of the global financial crisis that hit Europe with severe adverse impacts on the economies of Spain and Portugal[36]. The Sovereign debt issues cut public funds

[36] As well as Ireland, Greece and Cyprus. See DG ECFIN explanations at http://ec.europa.eu/economy_finance/explained/the_financial_and_economic_crisis/why_did_the_crisis_happen/index_en.htm (accessed 15.10.2016).

available for fleet support. The situation was probably different for the French ORs, with no Sovereign debt crisis to address and availability for fisheries operators of State mechanisms for investment in fishing vessels (*défiscalisation* - see section 2.6.2).

The 2004-2011 period also witnessed record fuel prices which triggered a specific intervention by the Union through Regulation (EC) 744/2008[37], with economic effects on fishing enterprises, compounded by depressed market prices for fisheries products. Arguably, fisheries operators of ORs and Mainland regions were neither in a position to invest nor sufficiently confident in the future to borrow money over a long period, assuming banks were prepared to take the risks given the macroeconomic context.

The impacts of these adverse economic conditions have been compounded by unexpected externalities affecting fishing opportunities available. Examples include decreased fishing opportunities for Canarian trawlers in the waters of third countries, the near collapse of shrimp stocks off French Guiana, or the status of deep-sea resources available for Azores and Madeira fishing fleets. These externalities triggered decommissioning plans affecting reference capacity levels for ORs fishing fleet.

As a result of the influence of external factors, ORs fleets may have missed the opportunities offered by the specific fleet management scheme implemented through Regulation (EC) 639/2004.

In some ORs, in particular in Canary Islands and in Madeira, the small-scale fleet is dangerously aging, with vessels nearing obsolescence (40 years + old on average). Aging vessels are less secure, less efficient and provide less attracting working conditions for fishermen compared to modern vessels. In addition, the limited potential of inshore stocks as well as increased usages of the coastal zones by other industries in ORs makes that virtually only offshore resources can support further developments. For safely accessing offshore fishing areas, modern vessels are needed.

3.2. Possible opportunities

3.2.1. A derogation to CFP fleet management rules established by Regulation (EU) 1380/2013 for ORs

The precedent of Regulation (EC) 639/2004 shows that it could be envisaged to derogate from common fleet management rules under the current CFP to take into account the specific handicaps of ORs on the basis of Article 349 of the TFEU. The option could authorise ORs to include new capacities without the withdrawal of an equivalent capacity up to the applicable capacity ceilings. As discussed in section 2.1, such derogation will provide opportunities to those fleet segments that are not currently nearing capacity ceilings, but will have little impacts on those fleet segments currently close to their capacity limits i.e. all fleet segments in Azores and Madeira, and the segment of small-scale vessels less than 12 m in Guadeloupe and Saint-Martin.

3.2.2. A revision of capacity limits and segmentation for certain fleet segments ORs

For those segments which are currently nearing established capacity ceilings, the Union could consider revising capacity limits if resources targeted prove to be exploited below MSY levels.

[37] Council Regulation (EC) No 744/2008 of 24 July 2008 instituting a temporary specific action aiming to promote the restructuring of the European Community fishing fleets affected by the economic crisis. OJ L 202, 31.7.2008, p. 1–8.

Revision of segmentation and of applicable capacity ceilings should not derogate from the overarching Union commitment of establishing a balance between fleet capacities and fishing opportunities available. In this respect, the Union could invite relevant Member States to submit ORs fleet development plans, including revised fleet segmentation basis; detailing *inter alia*:

- The status of the resource that will be exploited by the fleets segments to be developed.
- The capacity developments that could be envisaged over time to exploit identified untapped potential bearing in mind the MSY objective and the precautionary principle.
- The measures Member States intend to implement to ensure that concerned fishing vessels will concentrate their activities on identified stocks without increasing fishing efforts on other resources, in particular in inshore areas. The measures should include at least specific fishing authorisation regimes for licensed vessels.

The Commission, with scientific advice from STECF, would assess Member States submissions.

Note that at present, the perspectives for sustainable increases of ORs fishing capacities appear to be limited for all ORs to highly migratory species and associated species of the pelagic ecosystem (e.g. wahoo, mai mai, dolphinfish) or to specific situations like for example a willingness of French Guiana operators to exploit deep-sea snappers stocks currently exploited by Venezuelan vessels, entailing the development of a specific fleet segment.

Alternatively, the revision could address current fleet segmentation basis which are a legacy from the past[38] through a mere suppression of fleet segmentation, like for Mainland fleets, or through a re-design of the current segmentation. Under this option, capacity limits set out by the current CFP Basic regulation may not need to be revised.

3.2.3. Adaptation of Union financial instruments to ORs

EMFF takes into consideration the specific handicaps of ORs, in particular through authorised higher public aid intensity. However, for replacement of main or ancillary engines, which is relevant to modernise ORs fleets, the maximum aid intensity is set at 30% for all relevant interventions without specific considerations of ORs specific handicaps.

An option would be to allow the 35 percentage point increase for such operations in ORs regions, increasing maximum aid intensity to 65% for engine replacement. This could be introduced through a revision of Commission Implementing Regulation (EU) 771/2014 before the end of EMFF if agreeable to all parties concerned.

Should this modification be formally approved, concerned Member States will have the opportunity to adjust their operational plans accordingly during the revision process established in the EMFF regulation.

3.2.4. Aids for construction

Aids for construction or increase of fishing capacity could support modernisation of ORs fishing fleets. If not generalised across ORs, Mayotte fleet could be a candidate, having never benefited from Union funding for this type of operation so far, as opposed to other ORs.

[38] For French ORs, the current segmentation is a legacy from Multi-annual Guidance Programmes implemented until 2001.

Aids for construction or increase of fishing capacity have been phased out under the previous 2003-2013 CFP with effect as from 31/12/2004 for Mainland regions and as from 31/12/2006 for Outermost Regions.

The decision to re-install construction aids for ORs vessels in the CFP framework on the basis of Article 349 of the TFEU is sensible. In particular, it has to be coherent with the recent Union initiative taken within the WTO context on a ban of harmful subsidies in the fisheries sector[39]. However, the Union initiative foresees flexibility for developing countries and intends to take account of the needs of fishing communities in least developed and developing countries, which could be possibly extendable in the case of ORs on the basis of Article 349 of the TFEU. Seeking coherence with this initiative may now be premature given the early stages of the international debate.

3.3. Procedural aspects

The Council has adopted Regulation (EU) 1385/2013[40] in order to amend several EU regulations, including the CPF Basic regulation and the so called "control" Regulation[41], following the amendment of the status of Mayotte, which became an OR as of January 1st, 2014. The Regulation adopts specific measures in the field of fisheries and animal health, providing that the above-mentioned EU regulations, among others, are amended.

The Commission and the Parliament have jointly filed a suit before the CJEU against the Council seeking the annulment of Regulation (EU) 1385/2013, owing to the legal basis upon which the Council has based the regulation, namely Article 349 of the TFEU, which differs from the legal basis of the original Commission's proposal, namely Articles 43(2) of the TFEU regarding fisheries issues and 168(4) TFEU regarding health issues[42]. The main argument from both institutions relies on the fact that the measures at stake fall into the scope of sectoral policies, including the CFP, for which decisions have to be taken following the ordinary procedure[43]. Actually, the dispute relies on the role of each institution in the legal process: Article 43(2) sets the ordinary procedure where the EP and the Council conjointly take decisions. Article 349 introduces a derogative procedure where the final decision relies solely in the Council's hands.

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[39] See DG TRADE information at http://trade.ec.europa.eu/doclib/press/index.cfm?id=1561 (accessed 19.10.2016).

[40] Council Regulation (EU) No 1385/2013 of 17 December 2013 amending Council Regulations (EC) No 850/98 and (EC) No 1224/2009, and Regulations (EC) No 1069/2009, (EU) No 1379/2013 and (EU) No 1380/2013 of the European Parliament and of the Council, following the amendment of the status of Mayotte with regard to the European Union, OJ L 354, 28.12.2013, p. 86–89.

[41] Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006. OJ L 343, 22.12.2009, p. 1–50.

[42] Since the EC and the EP did not contest the content of the regulation itself, they requested the annulment of the Regulation but asked the Court to maintain its effects until a new Regulation is adopted.

[43] According to the Commission, Article 349 only applies to derogations to the Treaty and not to secondary law, and the Council cannot define these derogations based on secondary law, plus, there is no need in this case to apply a specific legal procedure since it falls into the scope of a sectoral policy (CFP) which relies on the ordinary procedure. Like the Commission, the EP explains that Article 349 cannot have supremacy over sectoral legal basis and that the derogation should concern the full application of EU law. Moreover, the reasons put forward by the Council, i.e. to protect fragile marine ecosystems » is not a "structural social and economic situation" but a situation that may arise everywhere in the EU so there is no need to adopt measures outside the scope of the CFP. The fact that some measures are temporary was also used to exclude them from the scope of Article 349.

In its judgment pronounced on December 15th, 2013, the Court decided[44] that in that case regarding an OR, i.e. Mayotte, specific measures could be taken and that Article 349 TFEU was the right legal basis. Regulation (EU) 1385/2013 remains therefore into force[45].

This judgment will set a precedent regarding the procedure to follow when adopting measures related to fisheries, and in particular the implementation of the CFP, that have a specific impact on ORs. In particular, it will give only a consultative role to the EP on forthcoming legal initiatives based on Article 349.

[44] Judgment of the Court (Grand Chamber), European Parliament and European Commission v Council of the European Union, 15 December 2015, ECLI:EU:C:2015:813

[45] According to the Court, the wording of Article 349 is clear so that the scope of derogations concern as much primary law as secondary law. Moreover, Article 349 doesn't set up an exhaustive list. Plus, it is clear that the measures adopted by the Regulation (EU) 1385/2013 take into account the structural social and economic situation of Mayotte, notably to protect its local fleet, and therefore are derogations to the sectoral policy (CFP).

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ANNEX 1: DISCUSSION ON SPECIFIC QUESTIONS IN RELATION TO ORS FISHING FLEETS

The following sections discuss some specific questions on specific conditions of ORs fleets included in the terms of reference of this in-depth analysis, to which we added a point on past CFP treatments of ORs fishing fleets.

1. Geographical conditions

KEY FINDING

- Geographical conditions in ORs impose development of **fishing activities in offshore areas** entailing use of adapted fishing vessels.

With the exception of French Guiana, all ORs are islands with narrow shelf areas. As a consequence, fisheries resources available near the coast have limited potentials which have to be shared between professional and recreational fishermen. This latter sector can represent a significant source of fishing mortality in ORs regions with developed touristic infrastructures (i.e. Canary Islands, Guadeloupe, Saint-Martin, Martinique and Réunion).

Probably more than their Mainland counterparts, ORs fishermen have to diversify their activities away from the coastal zones, to exploit highly migratory species and, in the case of Azores and Madeira, deep-sea species. In Guadeloupe or Martinique, small-scale vessels can sail up to 40 nautical miles offshore in the same day to fish around the networks of anchored FADs (IFREMER, 2015a; IFREMER, 2015b).

Safe diversification towards offshore activities requires appropriate fishing vessels with improved sea-worthiness and powerful engines. This has bearings on the level of investments to be supported by ORs fishermen compared to their Mainland counterparts.

2. Possible impacts of SFPAs

KEY FINDING

- **SFPAs** are evaluated to have a **positive impact on fishing fleets** based in some ORs. **Additional SFPAs in the Western Central Atlantic** may support operations of Guadeloupe, Saint-Martin and Martinique fleets.

As outlined in section 2.4, relevant evaluation reports have concluded that fishing opportunities negotiated by the Union under SFPAs are relevant to address the needs of ORs, and are effective in protecting the interests of ORs fleets and of the ancillary industries dependant on the activities of those vessels.

Indirect benefits of SFPAs differ according to the OR considered. For Canary Islands, the SFPAs concluded with Mauritania and Morocco contributes to attract economic activities benefiting to shore industries, in particular in Las Palmas. Mainland vessels utilising fishing opportunities use port services for vessels servicing, and local downstream industries for commercialisation / distribution of catches. However, those indirect impacts have decreased over the past few years with i) the decreased fishing opportunities over time, and ii) the

progressive implementation of landing / transhipping obligations in the ports of the third countries concerned at their request. For French ORs of Réunion and Mayotte, there are few if any indirect economic impacts from SFPAs. Mainland vessels, like ORs vessels, utilising fishing opportunities available in the Indian Ocean use primarily Seychelles port for their operations (Poseidon *el al.,* 2014). No catches from Mainland vessels transit through these two regions. The reasons are that Réunion is far from the fishing grounds, and it would be uneconomical for Mainland vessels to use Réunion ports in lieu of Seychelles. For Mayotte, fishing grounds are close to tuna fishing grounds during the fishing season in the Mozambique Channel (March-May). However, there are no port services available in Mayotte that could provide an alternative to those used by the fleet in Seychelles or in Madagascar. In addition, domestic markets in ORs are small (Oceanic Développement *et al.*, 2012). Additional local landings from Mainland fleets in ORs would probably have negative impacts on prices as a consequence of increased supply, with adverse economic impacts for local producers.

From a general perspective, SFPAs concluded with third countries can be estimated to contribute to a level playing field for all fishing fleets (OR, Mainland and third countries fleets) as SFPAs typically include transparency and non-discriminatory clauses that raise the standards to be complied with by all fishing vessels active in the area under concerned third countries jurisdictions. Note that so far, SFPAs have not concerned fishing fleets based in Azores and Madeira, or fishing fleets registered in ORs in the Western Central Atlantic (French Guiana, Guadeloupe, Martinique and Saint-Martin). If at all possible, fishing opportunities in the waters of neighbouring third countries may support Guadeloupe and Martinique fleet operations targeted on highly migratory species.

In the case of French Guiana and Mayotte, foreign fleets are granted fishing opportunities in the waters of these two ORs. For French Guiana, fisheries resources concerned are not targeted by the local fleet and mandatory landings in Cayenne provide socio-economic benefits for the local industry. For Mayotte, the situation is different. Fisheries resources concerned (highly migratory species) are also targeted by the local artisanal fleet, and there are no prescriptions for interactions between the Mayotte fishing sector and foreign fleets authorised in the absence of relevant infrastructures on the islands (see above).

3. Possible impact of climate

KEY FINDING

- It is **not possible** to objectively **establish whether ORs climate is a specific handicap** that would need to be addressed through CFP measures

Most ORs are subject to a tropical / equatorial climate. Estimating the impacts of the climate on ORs fleet is rather subjective, in particular to identify if ORs climate is a specific handicap that would need to be addressed through the CFP. However, it can be noted that:

- ORs small-scale fishing vessels construction generally follows local traditions and know-how (i.e. *yoles, saintoises, and tapouilles*). Arguably, ORs vessel types are the best adapted to their local context.
- In Mainland coastal regions bordering the English Channel, the North Sea, the Baltic Sea and the North-West Western waters, the level of humidity is equally high throughout the year, exceeding 80% most of the year.

- Compared to ORs regions where temperature is relatively constant throughout the year, some Mainland regions are exposed to significantly wider air temperature variations according to the season. For example, average air temperature varies between 22°C and 30 °C in Fort-de-France (Martinique), while in Burgas (Bulgaria) for example, average air temperature varies between 0°C and 27 °C (source : Météo France[46]). Arguably, wide air temperature variations can be estimated to have more negative effects on fishing vessels life-expectancy than relatively stable air temperatures.
- On the other hand, the location of some ORs in the inter-tropical band makes that fishing vessels may receive more damaging ultraviolet radiations than their counterparts in Mainland regions, although fishing vessels operating on the Mediterranean Sea are also highly exposed. However, modern resins or paint products are anti-UV treated to alleviate this problem.

4. Impact of remoteness

KEY FINDING

- While remoteness is a reality for some ORs, **its consequences are believed to be adequately addressed** through specific CFP and EMFF measures

As shown in the next table, the ORs are in different situations regarding remoteness from the Mainland, some (e.g. Madeira) being closer from Mainland than other (e.g. Réunion).

Table 5: Distance from continental Europe of some ORs and transit time to/from continental Europe

	MAD	AZO	GUY	RUN	CAN
Distance from continental Europe (km)	1 000	1 500	7 000	9 200	1 700
Flight time (hours)	1.5	2.5	8.5	11	2.5
Maritime transit time (days)	1.0	1.5	10-15	25-30	1.5

Source: Oceanic Développement *et al.* (2012)
Note: MAD: Madeira; AZO: Azores; GUY: French Guiana; RUN: Réunion; CAN: Canary Islands

According to Oceanic Développement *et al.* (2012), remoteness has a direct impact on costs borne by private operators for *i)* the purchase of goods and services required to run the vessels and *ii)* the shipment of catches to external markets, and in particular the Union Mainland market. These additional costs, as a result of remoteness, are precisely what the compensation scheme included in EMFF (Article 70), and previously in specific regulations, aims at offsetting. The three Member States concerned have taken up the instrument and developed detailed compensation plans annexed to the EMFF Operational Programmes.

Remoteness may also hamper networking between ORs stakeholders owing to distance between ORs and from the Mainland decision centres. However, the creation of an OR Advisory Council and associated financial dispositions (*inter alia* reimbursement of travel expenses, compensation for foregone income) will provide opportunities to offset this specific handicap.

[46] www.meteofrance.com/climat/ (accessed 17.10.2016).

5. High level of unemployment and the low levels of education

KEY FINDING

- High levels of unemployment **provide opportunities to recruit in the fisheries sector** in the ORs. The Union has adopted a **range of measures to support human capacities development** that remain to be fully utilised by ORs.

There are dedicated training centres for seamen including fishermen, in all French ORs and in Canary Islands[47]. According to information available, Portuguese ORs would be in the process of developing dedicated training facilities for aspiring seamen in Azores[48].

High employment levels in ORs can be assumed to have two implications for the fishing sector:

- Positive in that unemployed people may find jobs opportunities in the fishing sector should working conditions be attractive to them. In this case, job seekers may follow the specific training schemes available in their regions and engage as crew as a first step.
- Negative in that unemployed people may find alternative livelihoods from illegal fishing in the coastal waters of ORs. In addition to increased fishing pressure on inshore stocks, illegal fisheries products placed on the domestic markets distorts competition at the expense of registered fishermen. According to the French EMFF Operational Plan, illegal fishing (called informal fishing) has still a high incidence in Guadeloupe and Saint-Martin.

Through EMFF, ORs have access to a variety of measures detailed under Article 29 on promotion of human capital, job creation and social dialogue, with preferential aid intensity for ORs regions compared to their Mainland counterparts.

Support from EMFF for community-led local development (Chapter III of Title V of EMFF regulation) is also aiming at creating jobs and at attracting young people in the fisheries and aquaculture sectors. However, few ORs have taken up this opportunity so far. While Canary Islands created 6 FLAGs under EFF, possibly carried over under EMFF, only Azores consider creation of 3 FLAGs under EMFF (none have been created under EFF)[49]. The French and Portuguese EMFF Operational programmes do not specify whether FLAGs will be created in Madeira or in any of the French ORs. For CLLD measures, the EMFF regulation authorises Member States to apply between 50% and 100% of aid intensity, with preferential aid intensity treatment for ORs applying.

[47] http://www.formation-maritime.fr/choisir-un-etablissement.html (France) http://www.gobiernodecanarias.org/agricultura/pesca/formacion/ (Spain). Accessed 17.10.2016.

[48] http://www.azores.gov.pt/Portal/pt/novidades/Nova+Escola+do+Mar+ficar%C3%A1+ao+servi%C3%A7o+do+progresso+do+Faial+e+dos+A%C3%A7ores+afirma+Vasco+Cordeiro.htm?lang=pt&area=ct (accessed 17.10.2016)

[49] See FARNET website https://webgate.ec.europa.eu/fpfis/cms/farnet/ (accessed 18.10.2016).

6. Past CFP treatments of ORs fishing fleets

KEY FINDING

- **Past CFP treatments vary dramatically according to OR** considered. This is **equally true for Mainland** regions in certain Member States.

The working document published by the European Parliament on the management of the fishing fleets in ORs[50] states that ORs fishing fleets did not benefit from EU funds to modernise their fleets and to increase fishing capacity during the 1970's and the 1980's, while Mainland fleets would have benefited from EU funding for aided development of its fishing capacity. Whilst this may reflect the reality, this statement probably needs to be balanced.

Between ORs, the situation is contrasted. The Spanish and Portuguese ORs have a more recent CFP history than French ORs and therefore never received Union fleet aids until full adhesion in 1986. Mayotte, which has been included in the Treaty scope only recently (2014) has never received any Union aid for the development of the capacities of the domestic fishing fleet so far.

Also, not all Member States could benefit from Union aids for increasing fishing fleets capacities. The 10 non-landlocked Member States that joined the Union as from 2004[51] never benefited from Union construction aids or from Union aids contributing to increase fishing capacities.

[50] Document PE589.246 dated 14.09.2016.
[51] Cyprus, Malta, Poland, Lithuania, Latvia, Estonia, Slovenia, Bulgaria, Romania and Croatia.

ANNEX 2: FLEET SEGMENTATION OF OUTERMOST REGIONS FISHING FLEETS

Own segment code	Official segment code	ORs	Fleet segment	Length or type of vessel
RUN-SSF	4FC	Réunion	Demersal and pelagic species	< 12 m
RUN-PEL	4FD	Réunion	Pelagic species	> 12 m
GUY-SSF	4FF	French Guiana	Demersal and pelagic species.	< 12 m
GUY-SHR	4FG	French Guiana	Shrimp vessels	
GUY-PEL	4FH	French Guiana	Pelagic species.	Offshore vessels
MAR-SSF	4FJ	Martinique	Demersal and pelagic species	< 12 m
MAR-PEL	4FK	Martinique	Pelagic species	> 12 m
GUA-SSF	4FL	Guadeloupe	Demersal and pelagic species	< 12 m
GUA-PEL	4FM	Guadeloupe	Pelagic species	> 12 m
MAY-PEL	4FN	Mayotte	Seiners	
--	4FO	Mayotte	Mechanical long-liners	< 23 m.
--	4FP	Mayotte	Demersal and pelagic species	< 10 m
MAD-SSF	4K6	Madeira	Demersal species	< 12 m
MAD-DEM	4K7	Madeira	Demersal and pelagic species	> 12 m
MAD-PEL	4K8	Madeira	Pelagic species	> 12 m
AZO-SSF	4K9	Azores	Demersal species	< 12 m
AZO-PEL	4KA	Azores	Demersal and pelagic species	> 12 m
CAN-SSF	CA1	Canary Islands	EU waters	< 12 m
CAN-EU	CA2	Canary Islands	EU waters	> 12 m
CAN-TC	CA3	Canary Islands	International and third country waters	> 12 m

Note 1: ***Own segment code***: segment coding utilised in Figure 4 page 19 for illustrative purpose
Note 2: ***Official segment code***: as per Appendix II to Regulation (EU) 1380/2013 as modified by Regulation (EU) 1385/2013 for the inclusion of Mayotte

ANNEX 3: CURRENT SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENTS UTILISED BY OUTERMOST REGIONS FISHING FLEETS

SFPA	ORs fleet segments utilising fishing opportunities
Morocco	Canary Islands tuna vessels and artisanal vessels. The current SFPA provide also some limited fishing opportunities for Canary large scale vessels
Mauritania	Canary Islands large scale trawlers with substantial reduction applied for access to cephalopod stocks over time (definitively excluded in 2012)
Guinea Bissau	Canary Islands large scale trawlers
Seychelles	Réunion and Mayotte purse seiners
Madagascar	Réunion and Mayotte purse seiners, Réunion and Mayotte (*tbc**) longliners
Mauritius	Réunion and Mayotte purse seiners, Réunion and Mayotte (*tbc**) longliners
Comoros	Réunion and Mayotte purse seiners, Réunion (*tbc**) and Mayotte (*tbc**) longliners

Source: Ex-post evaluations of SFPA available from DG MARE website[52]
Note: *tbc**: to be confirmed whether the designated fleet segments actually use the fishing opportunities negotiated. Information was not found in the relevant SFPAs evaluation reports

[52] Available at http://ec.europa.eu/fisheries/documentation/studies/index_en.htm (accessed 6.10.2016).

CAT: QA-05-16-014-EN-C (paper)
CAT: QA-05-16-014-EN-N (pdf)

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PHOTO CREDIT: iStock International Inc., Photodisk, Phovoir

ISBN 978-92-846-0315-2 (paper)
ISBN 978-92-846-0314-5 (pdf)

doi:10.2861/060414 (paper)
doi:10.2861/60754 (pdf)

Publications Office