



WORKING GROUP 2 – EU MARKETS

Brexit

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Chair

Online (Zoom)

Friday, 29 January 2021

EU-UK AGREEMENT (11 JAN EP PECH MEETING)

➤ DG MARE's Presentation

- Ambitious fisheries agreement - Key elements:
 - Sustainability (environmental, social and economic)
 - Stability and economic predictability for operators
 - Long-term agreement that provides tools to discipline fishing activities of both parties
 - Stable access to UK waters
- Durable, balanced and sustainable.

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➤ Chapter 1 – Initial Provisions

- Main objectives:
 - Environmental sustainability, economic and social benefits
 - Fishing at rates that allow stock recovery above levels that can produce Maximum Sustainable Yield (MSY)
- Principles: (in line with the meaning and objectives of CFP)
 - Precautionary approach
 - Best available evidence
 - Ecosystem approach
 - Non-discriminatory approach
 - Data collection/sharing
 - Ensuring compliance and combatting IUU
 - Ensuring timely implementation of agreed measures

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➤ Chapter 2 – Conservation and sustainable exploitation

- Fisheries Management:
 - Measures should be based on best scientific advice on the basis of principle of non-discrimination. Timely notification by EU of new measures
- Authorisations, compliance, enforcement:
 - Access is ensured via authorisations.
 - The Parties will communicate lists of vessels and other party issues licences
 - The Parties will take all necessary measures to ensure compliance of vessels

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➤ Chapter 3 – Access to waters and resources

- Fishing Opportunities:
 - Early agenda setting to agree TACs. Written signed records, no later than 10 December
 - Based on scientific advice, socio-economic aspects, multi-year management strategies
- Allocation of quota shares:
 - Agreed sharing (Annex 1)
 - Consultations can cover transfers, prohibited species, new TACs, other measures
 - Limited cuts to the EU's side – approximately $\frac{1}{4}$ of the fish the EU used to fish in the UK waters
 - Annual TACs consultations will cover quota transfers
- Provisional TACs:
 - EU's fall-back position
 - Provisional TAC is set at level advised by ICES and remains in place until TAC is agreed

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➤ Chapter 3 – Access to waters and resources

- Adjustment Period:
 - Until 30 June 2026 – Almost unconditional access to waters
 - As of 1 July 2026 - the Parties shall grant access where TACs have been agreed in relevant ICES subarea (determined in annual consultations)
 - If provisional TACs apply, by default, access to waters is for the first 3 months. After that, each party can announce that access to waters cannot be provided for particular areas. If change occurs, compensatory measures may be applied based on evidence. Suspensions of access to waters and of preferential fishery products tariffs could also be applied. (deterrent objective)
 - Different regimes for crown dependencies
 - Non-bilateral TACs are covered by Annex 2

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➤ Chapter 4 – Governance

- Remedial measures and dispute resolution:
 - For failure to comply
 - Can be suspensions of parts of the agreement
- Data sharing
- Specialised Committee on Fisheries:
 - Forum for discussion and cooperation with UK – to be established
- Termination of Provisions:
 - Possible, but some remedial measures shall apply
- Review Clause:
 - Can be triggered 4 years after adjustment period (10 years from now)
- Agreement shall apply without prejudice to existing agreements

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➤ **PECH Committee MEPs' general reaction:**

- Welcomed the conclusion of the agreement
- Concerned with the newly-established situation
- Concerned with the uncertainty that surround the fisheries sector
- Concerned with the 25% of quotas that will be distributed by the UK after the end of the transition period
- Need to ensure access of EU vessels to UK waters
- Guarantee environmental, social and economic sustainability

BREXIT ADJUSTMENT RESERVE (25 JAN EP PECH MEETING)

➤ DG REGIO's presentation:

- Instrument in the Multiannual Financial Framework – 5 billion EU budget
- Support Member States and sectors to counter the unforeseen consequences of Brexit
- 80% of funding to be paid to Member States in 2021, once adopted by legislators
- Remaining support dependent on specific public expenditure
- Eligibility period of 2 and a half years
- Measures to be identified by Member States, while Commission will ensure that measures clearly relate to counter the adverse impacts of Brexit

BREXIT ADJUSTMENT RESERVE (25 JAN EP PECH MEETING)

- Measures that can be covered by the Reserve:
 - Support to economic sectors, including those dependent on fishing activities in UK waters
 - Support to employment
 - Ensuring the functioning of border, customs, fisheries control, certification and authorisation regimes for products, communication, information and awareness raising for citizens and businesses
- Measures must comply with EU law and national law – including State aid rules
- Pre-financing based on two pillars:
 - EUR 3,400 million based on the economic integration with the UK, measured by value of trade in good and services
 - EUR 600 million based on the importance of fishing activities in UK waters, measured by value of catches, adjusted for dependency on fishing in UK waters
- Timeline: Adoption within the PT Presidency (entry into force by end-June 2021)

UK - ALL-PARTY PARLIAMENTARY GROUP ON FISHERIES

- Transfer of fishing rights:
 - 25% of the EU's fishing rights within UK waters (in terms of value) will be transferred over to the UK between now and June 2026
 - By the end of this period, the UK will have fishing rights to around two-thirds of the stocks in UK waters
 - Substantial TAC increases for hake and sole in North Sea, sprat in English Channel, haddock in the Celtic Sea, horse mackerel in the southern North Sea and Eastern Channel. In volume, for Atlantic mackerel, North Sea herring, Norway pout
- Trade:
 - Tariff-free export of seafood to the EU has been secured, as long as businesses meet rules of origin requirements
 - Increased administrative aspects, such as food safety checks and catch certificates, are being put in place

EXCHANGE OF VIEWS

- MAC Work Programme: Advice to European Commission regarding the implications of the separation of the UK from the EU, particularly for the EU market of fishery and aquaculture products and possible mitigation measures, once the results from the negotiations on the future partnership are known.
1. Do you welcome the agreement reached?
 2. Does it properly take into account the seafood sector, from a trade and market perspective?
 3. How was your sector impacted by the EU-UK agreement?
 4. Does the Brexit Adjustment Reserve provide adequate support?
 5. What other mitigation measures should be undertaken by the EU?