



WORKING GROUP 2 – EU MARKET

Pierre Commère

Chair

Online (Zoom)

Tuesday, 25 January 2022

AGENDA (CET TIME ZONE)

- 14:30 Welcome from the Chair, Pierre Commère
- 14:35 Adoption of the agenda and of the last meeting's minutes (20.09.21)
- 14:40 Actions points
- 14:45 Sustainable Corporate Governance
- 15:00 European Market Observatory for Fisheries and Aquaculture (EUMOFA)
- 15:40 EU Market Supply
- 16:10 Trade Agreements & Trade Policy Instruments
- 16:50 Sustainable Fisheries Partnership Agreements (SFPAs)
- 17:20 Illegal, Unreported and Unregulated (IUU) Fishing & Global Governance
- 17:40 Technologies for the Transmission of Data in the Supply Chain
- 17:50 AOB
- 17:55 Summary of actions points
- 18:00 End of the meeting

ACTION POINTS (20 SEPTEMBER 2021)

Trade:

- Questionnaire to be circulated to the members on market access conditions under the EU-Ukraine FTA
- Based on the replies to the questionnaire, draft advice to be prepared and considered under urgente written procedure
 - Circulation of questionnaire: 23 to 30 September 2021
 - Adoption by Executive Committee: 18 October 2021

Fisheries Control Regulation:

- Advice on the Fisheries Control Regulation to be sent to the Slovenian presidency, and to be translated and sent to the French delegation of the Council
 - Advice sent to Slovenian Presidency and to French Presidency (via email)

TRACES.NT System:

- Written question to be submitted to DG MARE by email, on behalf of Bundesverband der deutschen Fischindustrie und des Fischgrosshandels e.V
- Written question submitted on 11 October 2021 + reminder on 7 January 2022

ACTION POINTS (20 SEPTEMBER 2021)

Technologies for the Transmission of Data in the Supply Chain:

- Secretariat to work with the NSAC and NWWAC secretariats, to reflect the working group's amendments in the final terms of reference of the webinar
 - Webinar's Terms of Reference amended accordingly

Illegal, Unreported and Unregulated (IUU) fishing:

- Agreed draft on flags of convenience to be put forward to the Executive Committee for adoption through written procedure
 - Adoption by Executive Committee: 8 October 2021
 - Reply from European Commission: 30 November 2021

SUSTAINABLE CORPORATE GOVERNANCE

➤ Presentation of the initiative

- Roadmap: 30 July 2020 – 8 October 2020
- Public Consultation: 26 October 2020 – 8 February 2021
- Commission adoption: Pending

▪ Context:

- UN Sustainability Goals
- European Green Deal
- Circular Economy Action Plan
- Biodiversity Strategy
- Farm to Fork Strategy
- Strategy of Financing Sustainable Growth

SUSTAINABLE CORPORATE GOVERNANCE

■ **Problems tackled:**

- Pressure on companies to generate financial return in short timeframe and redistribute a large part of the income to shareholders
- Hampering of investment for sustainability transition, into productive facilities, innovation, upgrading and employee retraining, upskilling and reskilling
- Income inequality due to pressure to depress non-executive wages
- Impact on resilience of companies
- Companies not properly identifying and addressing climate change and other environmental, social and human rights – sourcing supplied from entities based in countries with lesser social, human rights or environmental standards
- Failure to integrate potential new opportunities for investment / resilience
- Market failure – Lack of coverage of the interest of other stakeholders
- Regulatory failure – Legal framework lags behind development of global value chains and corporate structures in the responsibility of limited liability companies for identifying and preventing harm in group-wide operations and production channels. Differing requirements among Member States.

SUSTAINABLE CORPORATE GOVERNANCE

■ Objectives and policy options:

- Aims: Embed sustainability in corporate governance framework. Establish longer-term time horizons in corporate decision-making, strengthen resilience, reduce adverse impacts. Legal certainty and level playing field.
- Baseline scenario (no policy change at EU level): Continuation of different MS solutions. Short-termism is unlikely to decrease. Not sufficient integration.
- EU-level initiative:
 - Companies to take measures to address adverse sustainability impacts (climate change, environmental, human rights, due diligence duties) + performance standards.
 - Directors to take into account all stakeholders' interests relevant for longer-term sustainability (employees, environment, other stakeholders). Directors to define and integrate stakeholders' interests and corporate sustainability, risks, impacts and opportunities in the corporate strategy (measurable, time-bound, science-based targets, risk management, impact mitigation procedures).
 - Facilitating, enforcement and implementation mechanism, including remediation.
 - Other possible corporate governance arrangements, e.g., directors' remuneration.

SUSTAINABLE CORPORATE GOVERNANCE

■ **Preliminary assessment of expected impacts:**

- Economic: Set up due diligence procedures (very low impact). Mitigation of adverse impacts and implementation of sustainability targets would have costs, depending on the sector and company size. Positive contribution to productivity, profitability and attractiveness of EU businesses. Improvement of resilience. Better level-playing-field in the EU market. Increased investment in innovation, research and technology. (there would be exemptions/simplifications for SMEs)
- Social: Better quality of jobs, wages, work conditions, ending child labour, respect for human rights. Impact on employment levels in high CO₂-emission sectors. Initiatives to incentivise retraining and support. Reduced inequality.
- Environmental: Positive for fighting climate change, loss of biodiversity, use of resources, preventing pollution, reduce and managing waste, fighting deforestation.

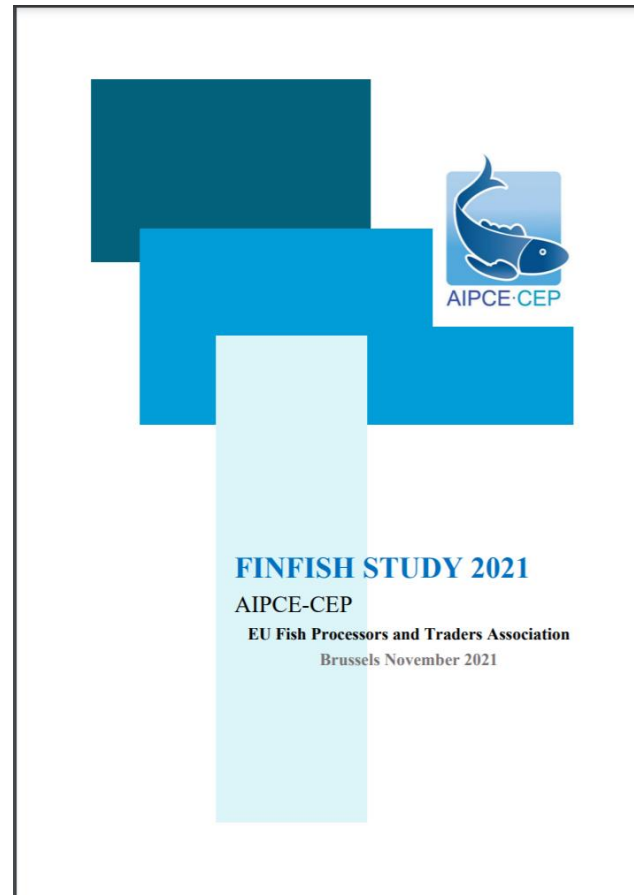
EUROPEAN MARKET OBSERVATORY FOR FISHERIES AND AQUACULTURE (EUMOFA)

- Presentation of “The EU Fish Market” (2021 edition) by Commission representative
 - Christophe Vande Weyer (MARE A4)
- Exchange of views



EU MARKET SUPPLY

- **Presentation of AIPCE-CEP's Finfish Study 2021**
 - **Mike Turenhout (Visfederatie)**
- **Exchange of views**



TRADE AGREEMENTS & TRADE POLICY INSTRUMENTS

- **Update on latest trade developments by Commission representatives**
 - WTO negotiations on fisheries subsidies – João Nunes (MARE B3)
 - Revision of GSP Regulation – Kristiyana Kalcheva (TRADE C3)
 - EU-Ukraine Deep and Comprehensive Free Trade Agreement – Pawel Szatkowski (MARE B3)
 - Decision of CJEU on Morocco's trade preferences and SFPA – Marta Moren Abat (MARE B3)
- **Presentation of report of Initial Focus Group on Trade**
 - Poul Melgaard Jensen, FG Chair
- **Exchange of views & way forward**
 - Drafting of advice based on report? Additional exchanges? Additional reports?

SUSTAINABLE FISHERIES PARTNERSHIP AGREEMENTS (SFPAS)

➤ Presentation of evaluation report by Commission representative

- **Marta Moren Abat (MARE B3)**
- Evaluation exercise – Features, content, implementation, results, impacts and support for future improvement
- MAC Advice on Roadmap: 9 March 2021

➤ Exchange of views & way forward

- Under WP of Y6, commitment to produce advice on evaluation report and Staff Working Document
- Way forward: Drafting of new advice? Monitor developments?

ILLEGAL, UNREPORTED AND UNREGULATED (IUU) FISHING & GLOBAL GOVERNANCE

➤ Proposal of collaboration concerning entry of IUU products in Outermost Regions

- Daniela Costa, CCRUP Secretary General

➤ Exchange of views & way forward

- Under WP of Y6, commitment to produce advice on ad hoc basis when significant cases of IUU fishing products are known or when actions take place under the COM's carding system
- Participation in drafting? Endorsement of CCRUP advice?

TECHNOLOGIES FOR THE TRANSMISSION OF DATA IN THE SUPPLY CHAIN

- **Reporting on joint MAC/NSAC/NWWAC webinar on blockchain and other new technologies for the transmission of traceability information and other data in the seafood supply chain (2 December 2022)**
 - Public officials – FAO, Slovenian Presidency of the Council
 - Experts – Nofima, Thunen-Institute, Trace Labs Group, Verifact
 - Panel – IS&WFPO, Kavroy, Nueva Pescanova, METRO AG

- **Exchange of views & way forward**
 - Drafting of advice? Joint advice?

AOB, ACTION POINTS, END OF MEETING

- **AOB**
- **Summary of action points**
- **End of meeting**