

Ms Charlina Vitcheva Director-General, DG MARE Rue Joseph II 99, 1049 Brussels

Brussels, 4 March 2025

Subject: Classification of non-profit organisations with a least 50% of the funding originating from a certification scheme / label

Dear Ms Vitcheva,

According to Article 45 of the Common Fisheries Policy Regulation<sup>1</sup>, the Advisory Councils shall be composed of "organisations representing the fisheries and, where appropriate, aquaculture operators, and representatives of the processing and marketing sectors" and by "other interest groups affected by the CFP (e.g. environmental organisations and consumer groups)".

According to point c) of paragraph 3 of Article 4 of Commission Delegated Regulation (EU) 2015/242², the General Assembly of the Advisory Council shall "decide on the classification of the members of the Advisory Council under the categories 'sector organisations' or 'other interest groups' using the criteria laid down in Annex I and based on objective and verifiable information, such as the provisions of the statutes, the list of the members and the nature of the activities of the organisation concerned".

The mentioned Annex of Commission Delegated Regulation (EU) 2015/242, which lists "criteria for classifying members of the Advisory Councils under the categories sector organisations or other interest groups", was introduced by an amending delegated regulation in 2022. For the classification of an organisation as "sector organisation", it is sufficient to meet one of the criteria listed in paragraph 1 of the Annex.

In the context of Market Advisory Council (MAC) and of the Aquaculture Advisory Council (AAC), questions have emerged on the interpretation of point d) of paragraph 1, which reads "at least 50% of the organisation's funding originates from undertakings active in the field of commercial fishing, aquaculture, processing, marketing, distribution or retail of seafood". It is understood that the aim of this provision is to prevent "astroturfing", such as the establishment of non-governmental organisations to allegedly represent interests in the fields mentioned in point a) of paragraph 2 (environment, consumers and humans rights, health, promotion of equality,

<sup>&</sup>lt;sup>1</sup> Regulation (EU) No 1380/2013 on the Common Fisheries Policy

<sup>&</sup>lt;sup>2</sup> <u>Commission Delegated Regulation (EU) 2015/242 of 9 October 2014 laying down detailed rules on the functioning of the Advisory Councils under the Common Fisheries Policy</u>



animal health/welfare, recreational/sport fishing) but that are actually financed by donations or membership fees from industry representatives.

For several years, the MAC has included one member whose financing mostly originates from the provision of a certification scheme/label in the context of standards for sustainable fishing. Due to the legal registration as a non-profit organisation and the pursuance of environmental interests, this organisation was classified as part of the "other interest groups" college. Following the recent admission of a new member whose financing similarly mostly originates from the provision of a certification scheme/label in the context of standards for sustainable aquaculture practices, plus the entrance into force of the previously mentioned Annex, the MAC would like to know the legal interpretation of point d) of paragraph 1 followed by your services.

During an exchange of views held under a General Assembly meeting of the MAC, two diverging interpretations on the applicability of the mentioned point d) emerged. On the one hand, the income generated by the certification schemes/labels provided by these organisations<sup>3</sup> could be interpreted as originating "from undertakings active in the field of commercial fishing, aquaculture", as the royalties are paid by industry undertakings (mostly retailers selling products with their labels). On the other hand, the income could be interpreted as "own income", as it is not direct donations and/or membership fees from industry undertakings. It also remains unclear whether, through the amendment to Commission Delegated Regulation (EU) 2015/242, the Commission explicitly aimed to cover non-profit organisations with a least 50% of the funding originating from a certification scheme/label.

In the context of the AAC, following interest in becoming a member expressed by the abovementioned organisation with a certification scheme/label in aquaculture, the Executive Committee held a preliminary exchange on the appropriate classification. The members concluded that, due to the majority of the funding originating from undertakings active in the field of commercial aquaculture, the organisation should be classified as a "sector organisation". The members further argued that, through the provision of a certification scheme, the organisation also met the criteria of point a) of paragraph 1, as it held a direct or indirect economic interest in the sector of commercial aquaculture. After these discussions, the organisation retracted their interest in becoming a member of the AAC.

In the MAC, the certification scheme Marine Stewardship Council (MSC) was classified as part of the "other interest groups", given the registration as a charity with a mission to incentivise sustainable/responsible practices for wild caught fisheries. The perspectives brought by the MSC and the Aquaculture Stewardship Council (ASC) are based on their expertise as global assurance programmes with partnerships across the entire fisheries and aquaculture value

<sup>&</sup>lt;sup>3</sup> Both organisations are legally registered as charities.



chain. Both organisations have communicated that, if classified as part of the "sector organisations", they would reconsider their future membership status.

Considering the above, the MAC and the AAC would kindly ask for the <u>clarification of the legal interpretation of points a)</u> and d) of paragraph 1 of the Annex of Commission Delegated Regulation (EU) 2015/242 followed by your services. Your reply will assist us in the appropriate classification of our member organisations, ensuring full compliance with the Common Fisheries Policy Regulation and with the detailed rules on the functioning of the Advisory Councils, plus consistency in the classification of member organisations across the various Advisory Councils.

We remain available to discuss the above-described matter in more detail.

Yours sincerely,

Yobana Bermúdez Chair of the Market Advisory Council

Brian Thomsen
Chair of the Aquaculture Advisory Council

Brian Thomas