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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

**PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND THE
COUNCIL**

**establishing a multi-annual plan for small pelagic stocks in the Adriatic Sea and the
fisheries exploiting those stocks**

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Impact assessment on a proposal for a Regulation of the European Parliament and of the Council establishing a multi-annual plan for the small pelagic stocks and their fisheries in the Adriatic Sea

A. Need for action

1. Background

There are two main problems concerning small pelagic fish (anchovy and sardine) in the Adriatic Sea:

1) they are severely overfished, due to overcapacity in the fleet, environmental factors (outside the scope of this proposal), and inadequate management measures;

2) the governance framework is ineffective due to the inadequate management measures (limiting the effort that goes into the fishery, which is not adapted to the characteristics of these fish and the fishery) and the complexity and instability of the current rules.

If nothing changes, there is a risk the stocks and the fisheries dependent on them will collapse. This will have negative impacts on predatory fish that eat anchovy and sardine, and negative socio-economic impacts for the fisheries sector and secondary sectors such as the processing industry. The most affected stakeholders are the Croatian and Italian fisheries sectors, and to a much smaller extent, those of Slovenia. The processing sector is a major secondary sector, particularly in Croatia and Italy.

2. Objectives and added value of the initiative

The objectives of this proposal are to:

- achieve and maintain maximum sustainable yield for anchovy and sardine by 2020 at the latest;
- achieve a sustainable fisheries sector; to provide an effective management framework which is simpler and more stable;
- provide stakeholders with greater ownership; and
- facilitate the implementation of the landing obligation.

This proposal is expected to ensure recovery of anchovy and sardine stocks by 2020 and to ensure the fisheries sector is sustainable, with improved salaries for fishermen (+4 % on average), and increased profitability for the fishing sector (+8 % on average).

Since anchovy and sardine stocks and the fishing vessels concerned move freely across international boundaries, action at Member State level alone is unlikely to be effective in achieving the abovementioned objectives. For the measures to be effective, these should be taken in a coordinated manner and should apply to the whole area of stock distribution and to all fleets concerned.

B. Solutions

The policy options considered in this impact assessment included:

- using non-legislative instruments (soft law);
- maintaining the status quo as baseline scenario;
- developing an EU Regulation with the objective to have stocks sustainably fished by either 2018 or 2020 (two sub-options); and

- amending the current management framework (national and international legislation).

The **preferred choice proposed** is the development of an EU Regulation laying down a 2020 deadline as it delivers on all the abovementioned objectives.

None of the stakeholders consulted raised soft law as a feasible option. Only one stakeholder considered that the current framework is sufficient. All respondents except Malta felt that amending the current framework would not be sufficient. The Mediterranean Advisory Council (consisting of industry and civil-society representatives), NGOs, Public authorities, scientific institutes, and Croatia, Italy and Slovenia support the development of an EU Regulation, with a strong preference for the sub-option '2020'.

C. Impacts of the preferred option

With respect to **benefits of the preferred option**, the key environmental benefit would be that anchovy and sardine, after years of overexploitation, would be fished sustainably by 2020 and the fishing sector would be healthier and sustainable. The current management framework would also be simpler, more stable and transparent and would provide greater ownership to Member States and fishermen as they could be involved in designing some of the management rules. The increase in sardine and anchovy is also likely to benefit larger and valuable predators such as bluefin tuna.

By 2021, an EU multi-annual plan is likely to result in improved stocks (by around 20 % compared to the status quo) and better working conditions for fishermen (an increase in salary of +/- 5 % and in profitability of +/-10 %).

Regarding the **costs of the preferred option**, it is expected that by 2021, to ensure fishing levels can be sustained in the long-term and that the fishing sector is sustainable and profitable, catches of anchovy and sardine would need to decrease (+/- 25-30 %), which would result in a lower total revenue to the fishing sector (+/- 25 %) and a decrease in employment (+/-10 %). This concerns Croatia, Italy and to a minor extent Slovenian fishermen fishing with purse seiners or pelagic trawlers. As catches decrease, prices at first sale are likely to increase could compensate to some extent the reduced revenues of the fishing sector due to a decline in catches, but would be negative for consumers and the processing sector (in particular in Croatia and Italy), which may need to increase their imports from other countries.

With respect to **impact on SMEs**, it is noted that the common fisheries policy is a policy specifically geared to deal with SMEs, which are the norm within the fishing sector, rather than the exception. In the Adriatic anchovy and sardine fishery, almost all fishing businesses and the vast majority of companies in the processing sector are micro-enterprises or SMEs. There are therefore no grounds to exclude them from the scope of this proposal on the basis of their size or else the vast majority of the sector would be excluded rendering this proposal ineffective. The EU multi-annual plan would therefore apply to all businesses including SMEs and micro-enterprises. All the impacts described above are therefore likely to apply to all enterprises, to a varying degree depending on how Member States will decide to allocate the required reductions in fishing to different fleet segments.

No impact is expected on **national budgets** of Member States as relevant monitoring and data collection already takes place and only frequency would need to increase.

Concerning **other significant impacts**, it is expected that the improved profitability of the fishing sector in the Adriatic will make the sector more competitive and, combined with improved salaries, will make the sector more attractive.

D. Follow up

With respect to the review of this policy, it is noted that the Commission would report to the European Parliament and to the Council on the implementation of the plan five years after the entry into force of the plan and every five years thereafter.