

Mr Bernhard Friess
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Date: 16 March 2020
Our reference: 1920/PAC26
Subject: Principles on banking and borrowing provisions

Dear Mr. Bernhard Friess,

On behalf of its members, the Pelagic AC wishes to raise two issues relating to the implementation and sustainable use of banking and borrowing provisions provided in the CFP and the way these provisions are integrated in the design of long term management plans and underlying scientific analysis.

The introduction of general banking and borrowing measures (+/-10%) following the reform of the CFP has been successful in terms of stabilizing markets, optimizing resource exploitation and minimizing the risk for discards. Analysis of the use of banking and borrowing shows that the use has been balanced and dynamic in relation to the use of either banking or borrowing throughout the years. Unfortunately, experience shows that ICES when analyzing the long term effects of banking and borrowing in management strategy evaluations tends to use an extreme interpretation of the use of the inter-annual flexibility tool¹. The consequences of using extreme scenarios with little connection to the actual implementation of the provisions, have in some cases resulted in proposed long-term management strategies being found not to be precautionary e.g. for Norway pout.² The challenges with the current application of banking and borrowing in Management Strategy Evaluation (MSE) were also highlighted by ICES in the recent report on MSE's for North Sea stocks including herring³:

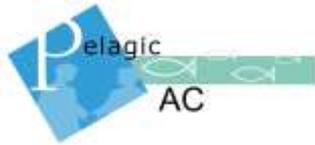
- *“ICES highlights that more active interaction/participation of the requester in the process would aid in deciding upon more realistic management assumptions to implement in the MSE.”*

The Pelagic AC has brought the issue to the attention of ICES at the MIACO and Pelagic AC meetings, but there has been no formal reaction from ICES.

¹ <https://www.pelagic-ac.org/media/pdf/Minutes%20WGI%2025.04.2019.pdf>

² http://www.ices.dk/sites/pub/Publication%20Reports/Advice/2018/Special_requests/eu.2018.19.pdf

³ https://www.ices.dk/sites/pub/Publication%20Reports/Advice/2019/Special_Requests/eu-norway.2019.06.pdf



The banking provisions allow Member States and vessel operators to transfer unused quota from one year to another. However, the EU quota administration with its current procedures does not allow Member States to utilize transferred quota until relevant TAC regulations relating to year to year flexibility have been proposed and agreed. Often this only happens late in the year, and after the key fishing seasons for several stocks including blue whiting, Western horse mackerel and Atlanto Scandian Herring have ended. The system thus works contrary to the intentions of the year to year flexibility mechanism and does not allow fishermen to exploit the benefits of the CFP provisions. There is an urgent need for the EU Commission to speed up procedures on proposing and agreeing on TAC regulations on transferred quotas and to provide for a system that allows Members States and fishermen to access transferred fishing opportunities from early in the year.

The Pelagic AC kindly asks the Commission to consider the two above mentioned aspects with regard to the banking and borrowing and year to year flexibility provisions. Firstly, the Pelagic AC encourages the Commission to discuss with ICES how MSE evaluations and general work deal with banking and borrowing provisions, with the aim to come to a method of analysis that better reflects the reality of their actual use.

Secondly, the Pelagic AC encourages the Commission to develop procedures that secure the implementation of the CFP provisions on year to year flexibility from as early in the year as possible and allow Member States and fishermen to access transferred fishing opportunities before the end of key fishing seasons. Ideally, transferred quota should be accessible no later than 15th of February.

Thanking you in advance for your consideration of the above.

Looking forward to your response,

Kind regards,

A handwritten signature in blue ink, appearing to read 'Jesper Raakjær', is written over a light blue grid background.

Jesper Raakjær
Chairman Pelagic AC