

Report of Stakeholder Meeting

COWI A/S
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Title	Possible implementing measures for the Regulation on Trade in Seal Product
Date	18 November 2009
Place	Brussels
Participants	Hugo-Maria Schally (Commission DG Environment) Dorothee Convens (Commission DG Environment) Stakeholders and other Commission services: See attached list Birgitte Holt Andersen (COWI A/S) Floor Smakman (ECORYS)
Distribution	Meeting participants, COWI/ECORYS

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1. List of participants
2. PowerPoint presentation of study findings and main issues
3. Statements of participants

1. Welcome by Commission and introduction round

2. Background and policy context of the Regulation

The Chair explained how the legislative process resulted in the current Regulation, which makes the placing on the EU market of seal products conditional upon fulfilling certain conditions¹ relating to Inuit and other indigenous communities, with two additional derogations². The Regulation necessitates implementing measures that may need to include some form of a traceability system for products made of, or containing seal.

The Chair further stressed that the purpose of the meeting was not to discuss the Regulation as such, but to focus on issues and practical solutions related to a proper and efficient implementation such as the identification of products eligible to benefit from the exemptions and derogations of the regulation, records and record keeping as well as the traceability of the products. Participants were invited to reflect on these key issues and possibly highlight other issues.

¹ Products from hunts traditionally conducted by Inuit and other indigenous communities and which contribute to their subsistence.

² 1) Seal products imported for personal use and 2) by-products of hunting that is regulated under national law and conducted for the sole purpose of sustainable management of marine resources, however only on a non profit basis.

3. Presentation by Consultant:

The Consultant outlined the objective of the workshop and progress of the study so far. The Consultant presented their proposed approach, which started with a first screening on the qualification of affected communities based on working definitions of the key concepts of the Regulation. In addition, products containing or possibly containing seal derivatives had been identified and estimations of markets, trade flows and their directions had been made. Finally, the minimum requirements for a traceability system were outlined, including identification, records and record keeping and the ability to produce a traceability report.

Presentations were made on these topics (see slides in annex). The participants were invited to comment and to suggest practical solutions for a traceability system and possible existing systems to build on. It was underlined that solutions should allow for a meaningful implementation of the Regulation.

4. Statements by participants

ICC Canada

ICC Canada highlighted feasibility and cost considerations. The exemptions are there to exempt Inuit, while the briefing note circulated in preparation for this meeting seemed to focus primarily on how to stop products from entering the market (negative approach). He proposed a positive approach, looking forward at ways for Inuit to actually make use of the exemption. This would require flexibility in the implementing measures and a continued dialogue with the Inuit Communities.

See attached statement of ICC Canada

ICC Greenland

ICC Greenland stressed that the Inuit have practiced an eco-system based approach for thousands of years, long before scientists used the term. If one species is treated differently in such an eco-system, i.e. the seals, the system is distorted. He expressed concern that the Regulation would have this effect.

ICC Greenland made suggestions for how the EU could fulfil its commitment under the Regulation with regard to the Inuit exemption:

- Initiate an information campaign to illuminate the EU public on the Inuit communities in relation to the hunt;
- Initiate a programme for (re)education of the hunters, whose income derives mainly from the products in question (need for a socio-economic impact analysis for this group);
- Set up a programme for compensation, which should be done immediately, as hunters are already feeling the effect of the ban.

See attached statement of ICC Greenland

Commission (COM):

COM clarified that this dialogue is part of the overall ongoing process lead by the Directorate-General for External Relations. Under the Partnership Agreement with Greenland, the EU already provides 25 million in assistance annually.

In terms of implementing measures and level of flexibility, a great deal will also depend on the assurances that e.g. Greenland can give in terms of product identification. In other words, it should make it credible that non-compliant product will not enter the market.

KNAPK (Greenland Hunters and Fishermen Association)

The KNAPK stated that seal hunting is a means for living in Greenland, which has been conducted for millennia. Especially the ringed and the harp seal are an important part of the every day life of many people. Thus the Greenlandic Government has established facilities to collect seal skins in all inhabited areas and market these, since it sees the importance of upholding the seal hunt and trade as a matter of tradition and culture.

See attached statement of KNAPK Greenland

International Fur Trade Federation (IFTF)

The IFTF raised five main issues of concern with regard to the implementing measures:

- 1) *Stocks* that are currently in EU warehouses and which have been legally imported (before the Regulation came into place). IFTF urged the Commission to foresee “ex-post” transit papers to be issued to these companies.
- 2) *Labeling*: Considering recital 12 of the Regulation (related to labeling), IFTF urged the Commission to keep any labeling scheme as simple and as transparent as possible. Issues such as the requirement of only one label and proportionality should be taken into account and the Commission should consider *de minimis* rules.
- 3) *Traceability*: To avoid high compliance costs for Inuit, traders should be allowed to provide all necessary information on the invoice; export invoices could then be certified by a competent body appointed by the government of the sealing country concerned.
- 4) *Inspection*: Seal skins are easily identified and if a clear label or mark exists the consignment is easily checked at customs. EU labeling laws are strict so once a label or mark for eligible seal products has been agreed, it will be covered by EU rules, without need for new additional legislation on inspection, supervision, etc.
- 5) *Transshipment*: Since goods are not “being placed on the market” in the Community in case of transshipment, existing practice of allowing goods to pass through the Community via Helsinki or Frankfurt etc.

should be allowed to continue without undue interference. In addition value adding activities such as tanning should be considered acceptable.

See attached statement of IFTF

Federation of Associations for Hunting & Conservation of the EU (FACE) and the Swedish Hunters Association

FACE is in favour of the approach taken by the Marine Resources Protection Directive and argues that in the EU all hunt is sustainable, humane and not profitable by definition.

The Swedish Hunters Association stressed that any complicated system would not work for situations such as the hunt in Sweden and Finland, as those hunts are very small scale and highly dispersed (less than 500 seals last year from Sweden and Finland altogether), there are no collecting stations, tanneries or refineries. The identification of hunters through their hunting licenses would also pose a problem, as this was connected to licenses for firearms and this is sensitive (and private) information. The identification should be linked to the product. Inspection will be difficult, but hunters have reporting requirements, which may provide useful for a traceability system.

FACE stresses that it is not in favour of a one-size-fits-all solution as it sees this as not feasible.

See attached statement of FACE and the Swedish Hunters Association

Humane Society International (HSI)

The HSI stressed that it was opposed to any system that would be based on self regulation by industry or trade associations. Such systems would pose a danger that products from the commercial hunt will be 'disguised' as falling under the exemptions. Consumers need cast iron guarantees that their products fulfil the intent of the Regulation and any implementing measures would have to include a strong and independent certification scheme. The HSI therefore proposed an externally audited and accredited full chain of custody traceability system.

Examples of such systems can be found with the Marine Stewardship Council (MSC) and the Forestry Stewardship Council (FSC). There are other practical examples, e.g. pre-shipment inspections by an external auditor that could be useful for formulating the implementing rules.

Certification should be done by third parties, funded by the EC. The public needs to be satisfied with the results, since they asked for this Regulation.

With respect to article 3.2b, the HSI argued that any system should include assurances that the hunt and trade is non-profit based.

See attached statement of HSI

Eurogroup for Animals

The implementing measures, hence the traceability system put in place, should reflect the legislative intent of the Regulation.

With respect to article 3.2b) the non-profit clause posed two problems: 1) difficult to enforce from an administrative perspective; 2) What happens to second placing on the market? This could violate the non-profit base.

See attached statement of Eurogroup for Animals

International Fund for Animal Welfare (IFAW)

IFAW stressed that implementing rules should be harmonised and stringent. Requirements for identification should be based on clear criteria, e.g. species, location, identification of hunters, and a standard form of record should be developed. In addition the implementing rules should stipulate the minimum time of retention of records. Crucial is the independence of the system.

IFAW referred to CITES as a useful comparison. It has dedicated customs officers specialised in identifying and tracing trade in wildlife (products).

See attached statement of IFAW

European Bureau for Conservation and Development (EBCD)

EBCD argued that the study should consider the effect on prices and how this may affect Inuit / indigenous communities. The exemptions should be seen in a positive way, meaning the Commission should reflect on what could be put into place to support Inuit and a clear recognition of their products (how to get a higher price?)

EBCD further feels that there is a need for further clarification regarding the eco-based management system approach (article 3.2b). For instance, what is the difference between an acceptable and an unacceptable system? Where will the burden of proof lie?

Finally EBCD stresses that the burden to indigenous communities should be kept to a minimum and that they should be included in the process.

5. Q&A and Closing Remarks

COM asked ICC Canada / Greenland how they could assure the EC / the European consumer that the products and hunt can be traced to legitimate sources that comply with the Regulation.

It also requested Canada and Greenland to reflect on what could be a cost-effective and feasible traceability system for Inuit in Greenland and Canada? There is a need for practical inputs and solutions to make the exemptions meaningful.

ICC Greenland, Canada, and KNAPK confirmed that the various issues would be discussed in their constituencies and that they were willing to look at how they could cooperate in arriving at a feasible solution.

HSI indicated the crucial issues were trust and transparency. It stressed it didn't not questioned or distrusted Inuit, but rather expressed the fear that the commercial sector would misuse the exemptions.

FACE stresses that even if the purpose of the hunt should be non-profit, this should not imply that no payments can be made to the hunter. Otherwise it fears that the product would be wasted as it expected the hunt to continue anyway.

Consultant: The study was still in progress and different options were still assessed with regard to their efficiency, effectiveness and consistency, trying to find a balance between assurances for the European consumer and flexibility for the Inuit / exempted hunters.

The Chair closed the meeting thanking the participants for their contributions. He reiterated his request that statements/contributions should also be provided in electronic/written form and explained that they together would the report from the meeting would be made publicly available on the dedicated Commission website.