This paper is intended to stimulate a discussion on the identification of common objectives and targets for the strategic guidelines on sustainable aquaculture that the Commission plans to adopt in February 2013 – First ideas and possible topics to address

European aquaculture has a high level of environmental sustainability and offers high quality fish, produced with the highest animal health and consumer protection standards. These standards are at the heart of the high-quality production of EU aquaculture and constitute a major competitive advantage for EU aquaculture.

The CFP reform builds upon these high standards and calls on national governments to translate into multiannual national plans the common objectives contained in the strategic guidelines put forward by the Commission and endorsed by Parliament and the Member States.

The guidelines aim to assist the Member States in defining their own national targets taking account of their relative starting positions and national circumstances, and according to their national decision-making procedures.

This discussion paper was prepared based on the outcome of consultations with national administrations, industry and stakeholders, and taking into account the analysis of the baseline scenario that was conducted by the Joint Research Centre.

It remains open for discussion whether the guidelines should contain an overall growth objective for EU aquaculture, which can be expressed for example in terms of reducing the dependency on imports of farmed fish, or in terms of meeting the projected growth in internal demand for seafood through aquaculture. Available data show a growing gap between the level of consumption of seafood in the EU and the volume of captures from fisheries. In a status-quo scenario, this gap – which amounted to more than 4.8 million tons in 2009 – will be filled mostly by seafood imports from third countries. Through the sustainable promotion of aquaculture it is possible to define a target to ensure that this gap is filled, at least partly, by EU aquaculture. The actual balance between these two sources of seafood will depend on our actions. The EU market is currently supplied for 25% from EU fisheries, 65% from imports and 10% from EU aquaculture;[1] our total seafood consumption is around 12 million tonnes.[2] Based on current labour productivity and level of investment, each percentage point of current EU seafood consumption produced internally through sustainable aquaculture would help us create around 2.000 full-time jobs and mobilise investment in the range of 30-50 million €. These would substantially contribute to the quality of life in costal and rural areas and to ensure better food security for EU citizens.

The following objectives could be considered for the strategic guidelines:

Objective 1: Simplify administrative procedures, in particular regarding licenses

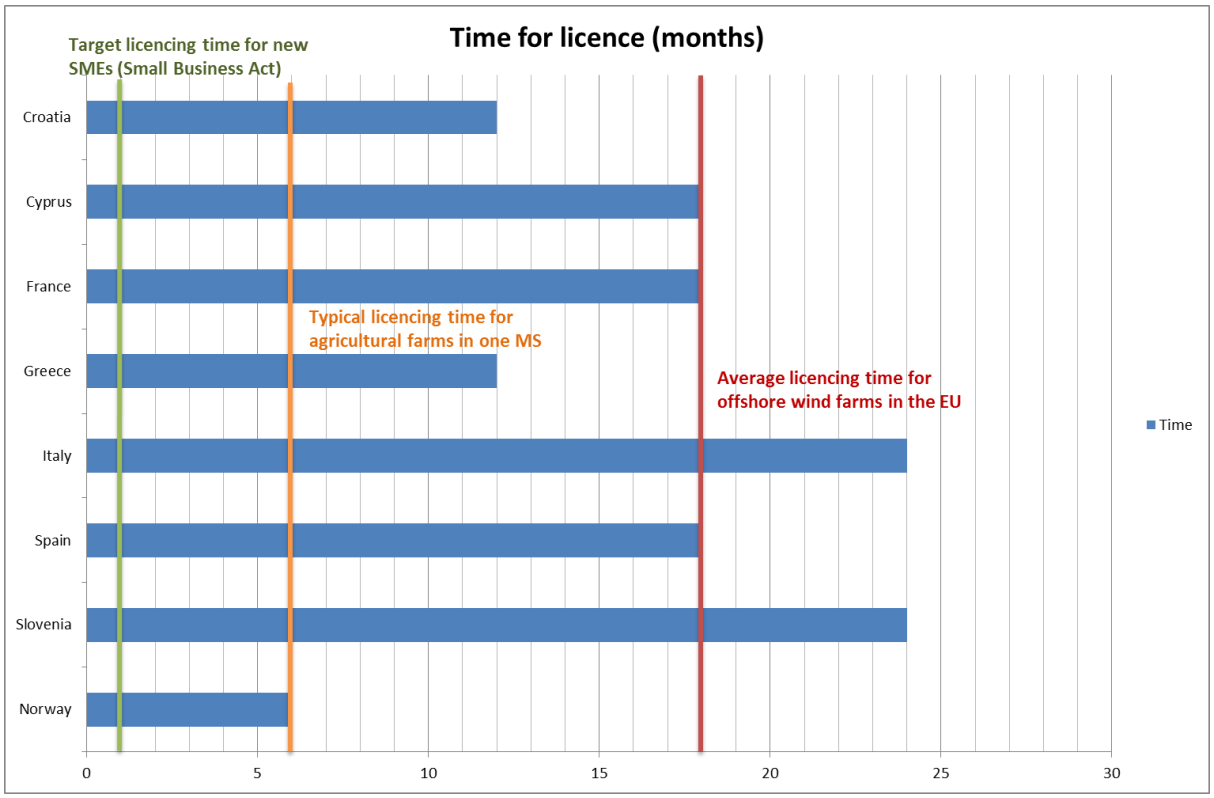
High costs and lead time can hinder the development of an economic sector, and play an important role in determining the overall competitiveness of a given economy. At the moment, only limited information seems to exist on delays and costs connected to the

[1] Impact assessment accompanying the proposal for a Regulation on the common organisation of the markets in fishery and aquaculture products, SEC(2011)883

[2] Source: FAO

development of a new aquaculture farm, and no comprehensive mapping exercise seems to have been performed to identify where bottlenecks are and what factors have the highest impact in terms of administrative burden. The available information suggests that in some Member States authorisation procedures for new aquaculture farms can take up to 2-3 years to complete.

For comparison, anecdotal evidence suggests that the average time for completing the authorisation procedure for aquaculture farms in Norway was 12 months and has been reduced to 6 months with the introduction of the "single contact point" approach; a new agricultural farm in France seems to need 4-6 months to be authorised. The authorisation procedure for a new offshore wind farm in the EU takes on average 18 months. There is evidence that countries that implemented Maritime Spatial Planning manage to offer the fastest authorisation procedures.



Sources: own elaboration based on data from project SHoCMed[3] and from the report "Regulatory and legal constraints for EU aquaculture" (European Parliament, 2009)[4]

SMEs represent a substantial part of the aquaculture sector, and they are disproportionately affected by red tape and regulation: the relative weight of regulatory and administrative costs compared to turnover and number of employees can be up to ten times higher for SMEs than for large companies.

- **Target for the Member States: to collect information on existing administrative costs and length of procedures to obtain a licence by the end of 2013.** Indicators include:
  1. Total number of new licences granted in the period 2007-2013 (n.)
  2. Success rate of applications for licence/authorisation (%)
  3. Average time to complete authorisation/licence procedure (months)

[3] http://www.faosipam.org/?pag=content/_ShowPortal&Portal=SHOCMED
[4] http://www.europarl.europa.eu/committees/en/studiesdownload.html?languageDocument=EN&file=29819

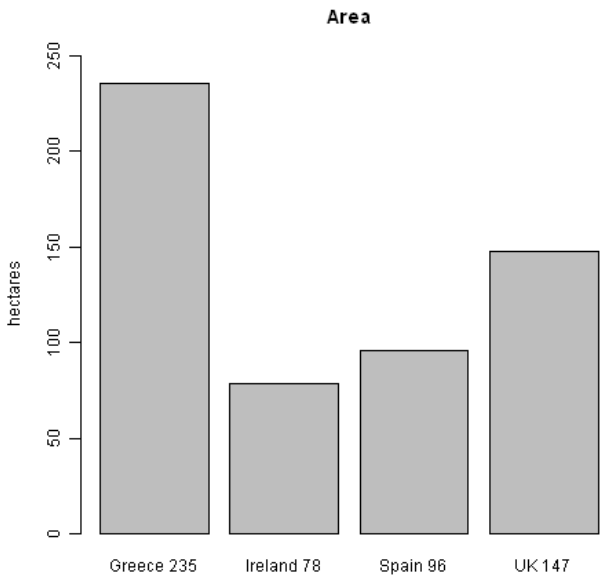
4. Number of different public bodies involved in authorisation procedure (n.)
5. Average costs of licence/authorisation procedures for new business (€)

- **Targets for the Commission**: To work with the Member States to identify best practices and margins for improvement through the support of the Commission high-level group of independent experts on reducing administrative burdens linked to its legislation. The Commission proposes that the high level group selects aquaculture as a priority area in its 2013/2014 work programme. To propose the inclusion of the above-mentioned indicators in the new Data Collection Framework.
- **Target for Aquaculture Advisory Council**: to perform by the end of 2014 a screening of administrative procedure and a mapping exercise of the main administrative burdens in terms of time and costs in different sectors and Member State, in order to clearly identify the main bottlenecks and potential for improvement.

Objective 2: Securing allocation of water and space for freshwater and marine aquaculture in coordinated spatial planning

Different studies have shown the positive impacts of having Spatial Planning in place in terms of facilitating investment and speeding up the development of sectors such as aquaculture or offshore renewable energy production.[5] The lack of space often cited as hindering factor for the expansion of EU marine aquaculture can be overcome by identifying through integrated spatial planning the most suitable sites allowing aquaculture production while minimising its environmental impacts. The computation of the spatial properties of existing aquaculture sites shows that the surface and coastline occupation by aquaculture is extremely limited. For example, in Greece, marine cage aquaculture occupies a surface of around 235 hectares (equivalent to 1/3 of the surface of the Athens airport) while the portion of coastline that could potentially host cage aquaculture farms is 4.3% of the total Greek coastline. The graph below shows a comparison between Greece and three other Member States.

Area occupied by marine cage aquaculture in four MSs

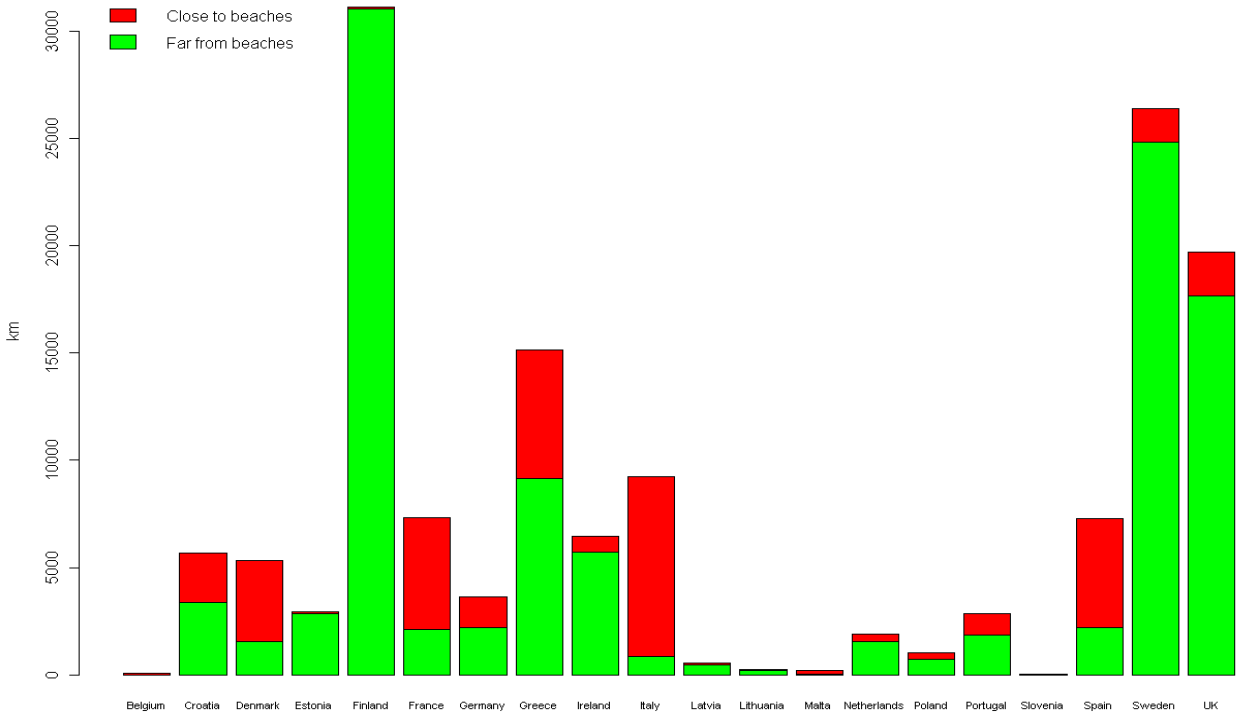


Source: JRC Report "European Aquaculture Performance Indicators"

[5]"Study on the economic effects of Maritime Spatial Planning – Final report" http://ec.europa.eu/maritimeaffairs/documentation/studies/documents/economic_effects_maritime_spatial_planning_en.pdf "Windbarriers - Final report" http://www.windbarriers.eu/fileadmin/WB_docs/documents/WindBarriers_report.pdf

The management of data for onshore planning is usually more advanced compared to maritime planning, due e.g. to the existence of cadastre systems ensuring that data is provided in a standardised format, making information easily accessible to all relevant institutions. In most cases, the needs of the aquaculture sector alone will not justify carrying out such a complex exercise – although there are some exceptions, such as e.g. the Irish experience with CLAMS.[6] Existing planning exercises can be exploited: for example, plans focusing on offshore wind platforms siting have been developed for several areas, and can be used as a starting point.

Space availability for marine aquaculture along the MSs coastlines



Source: JRC report "European Aquaculture Performance Indicators"

- **Target for the Member States**: to put in place coordinated spatial planning to ensure that the potential and the needs of aquaculture are taken into account in the elaboration of spatial planning, and to secure an adequate allocation of space in waters and land for sustainable aquaculture development.

- **Target for the Commission**: make available and disseminate studies and experiences to help Member States in their planning, including indicators to assess the level and quality of planning to identify margins for improvement in relation to:

- Policy and legal framework;
- Information management;
- Permitting and Licensing;
- Consultation;

[6] http://www.bim.ie/media/bim/content/BIM_CLAMS_Explanatory_Handbook.pdf

- Sector conflict management;
- Cross-border cooperation.

Objective 3: Promote business diversification to provide additional sources of income and sustainable aquaculture growth

The major cost components in farming fish products include stocking costs, feed costs, energy costs, labour costs, and post-harvest handling costs. Some of these costs may be reduced by handling many of them inside the farm. In addition of having the potential to minimise costs, diversification may also provide additional sources of income to businesses and meet new demands, opportunities and challenges.

Lack of market knowledge and analysis and of marketing strategy leads to sub-optimal valorisation of EU production. An improved structuring of aquaculture producer organisations is a priority for the reform of the Common Market Organisation and for the new EMFF. Production and marketing plans, together with the EU Market Observatory should help aquaculture producers to identify business opportunities and to adapt their marketing strategies.

The growing expectations from consumers for quality and diversity of food products especially for those that are produced and distributed locally can open up new possibilities to give value to the assets of coastal and rural areas.

Coordinated action at local level between entrepreneurs, public authorities, research institutes, associations, education and training organisations can help stimulating local economies and meet the growing demand for locally, sustainable produced aquatic products.

Business diversification can also be promoted by supporting R&D for identifying new species with good market prospects, non-food aquaculture (blue biotechnology, algae) exploitation of niche markets, multi-trophic aquaculture and multi-use maritime platforms (i.a. combination of aquaculture farms with offshore wind farms) encouraging research and development investments. Improving the links between R&D and the industry, especially SMEs, can improve market-driven research priorities, evidence-based products and services, and efficient knowledge transfer.

- **Target for the Member States:** To support business growth through adequate allocation of funds to aquaculture including for production and marketing plans and to improve the links between R&D and the industry (especially SMEs) in order to promote a more sustainable and diversified exploitation of available resources. To promote local development actions.
- **Target for the Commission:** To exploit all possible synergies between EU funds to support investments in research and to promote knowledge transfer and innovation. To help Member States make the best use of new market instruments for aquaculture.

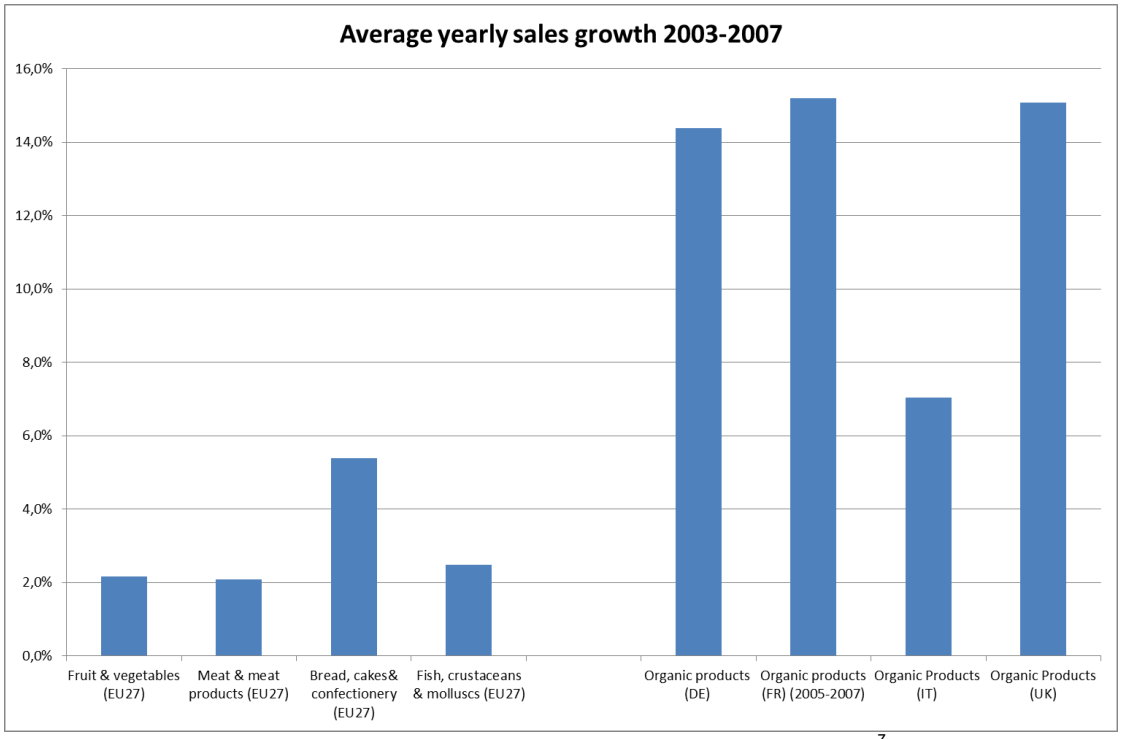
Objective 4: To exploit all competitive factors

The main competitive factors of the EU aquaculture sector are high environmental, animal health and consumer protection standards. The sector has access to very good technologies

and to high-quality research. EU aquaculture can provide high quality and extra fresh products (delivered to shelves within 48 hours). The development of short food circuits would give additional value for proximity and "local production". Markets for organic aquaculture products in the EU have a strong potential for development and added value: according to FAO, organic aquaculture production in Europe increased by close to 30% annually between 1998 and 2007.

Concerns about sustainability and the effectiveness of fisheries management have resulted in demand from NGOs, retailers and consumers for assurances that the food they purchase has been sustainably produced. This has led to the development and implementation of a number of primarily private initiatives (i.a. GAA, Friends of the Sea, Aquaculture Stewardship Council) that have established eco-labels and certification schemes. Their label on fish products tells consumers that the fish they purchase meet the standards set by the labelling organisation, helping consumers make responsible choices when they purchase fish. The existence of different eco-labels in the marketplace raises concerns regarding consumer confusion, which weakens the effectiveness of the labelling effort. EU consumers need to get reliable and clear information to make better informed choices.

The experience in the agricultural sector shows that there is a growing demand for sustainable, high quality food: in the last ten years, the growth rate of organic food retail sales in France, Germany, Italy and the UK (the four largest markets in the EU) has consistently outpaced the overall demand growth for food products in the EU. If the sustainability and low environmental impacts of EU aquaculture products are correctly communicated to the public, this could increase demand and make them more competitive.



Source: own elaboration based on data from Eurostat and European Commission[7]

Retailers play an important role in bringing certified fish products to the marketplace, and often do so as part of their overall corporate social responsibility commitments; the entry of major retailers has been one of the decisive factors leading to the rapid growth of the organic food sector in the last decade.

[7] "An analysis of the EU Organic Sector" http://ec.europa.eu/agriculture/analysis/markets/organic_2010_en.pdf

It is also important to strengthen and improve the **image of aquaculture** on aspects of environmental, animal welfare and food. Communication efforts shall be promoted to improve the image of aquaculture products in the EU.

- **Target for the Member States**: To support the development of producer organisations and interbranch organisations including at transnational level. This would facilitate self-regulatory initiatives between producers, retailers, consumers association and NGOs that have the potential to increase the competitiveness and sustainability of the sector. To support, implement and control labelling requirements and provisions.
- **Target for the Commission**: To support the development of accurate and clear labelling including on freshness and provenance (date of harvest, country of production). To improve markets transparency and disseminate markets information on trends at local and EU levels. To launch by the end of 2013 an EU Communication campaign on the strengths of EU aquaculture (quality, freshness, proximity, food safety, animal health and welfare and environmental and social protection).
- **Target for Aquaculture Advisory Council**: To support structuring of the aquaculture production and marketing including certification and labelling. To contribute to improved market intelligence of the sector and to facilitate self-regulatory initiatives that ensure higher sustainability and quality standard for aquaculture products and help communicating these characteristics to the consumer in a clear and transparent way.