

Seafood Task Force

INTERIM REPORT – JUNE 2021

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1 FOREWORD

The Task Force was established to examine and address the implications arising from the EU-UK Trade and Cooperation Agreement (TCA) for the Irish Fishing Industry and the coastal communities, from Donegal to Louth, that have been sustained by it over many generations.

Since it commenced its deliberations on 10th March 2021, the Task Force has met on seven occasions and received 30 submissions from its members as well as a further 27 submissions through public consultation.

There is a shared recognition that the impact of BREXIT, which is a once in a generation geo-political shift, falls heavily on the €1 billion Irish seafood economy. It is apparent to the Task Force that Ireland was hardest hit by the quota transfers to the UK from the EU under the TCA, contributing around €43m of the total estimated €199m of quotas transferred. This amounts to a 15% reduction compared to the overall value of the 2020 Irish quotas which compares unfavourably with other EU Member States which, proportionally, contributed far less. Notwithstanding a deep sense of grievance at its impact, there has been a positive sense of engagement from the outset and a commitment by all members to meet the challenges presented by the agreement, and to chart a new future for the seafood sector.

At its opening meeting, there was strong support in respect of three key priorities identified by members and flowing from the TCA, that will be fundamental to informing future outcomes. These are:

1. The issue of ‘burden sharing’ arising from the disproportionate transfer of quota share by Ireland compared with that from other EU member states to the UK, and the mechanisms that hold potential to address the loss of quota arising.
2. The funding streams available to finance initiatives, the rules governing how funds are to be allocated, and the sectoral priority of seafood to access available funding; and
3. The opportunity presented by the forthcoming review of the Common Fisheries Policy (CFP) due to be finalised by the end of 2022, to renegotiate Ireland’s quota allocation post-TCA.

It is apparent that any transfer of quota share under the TCA will lead to an imbalance between fleet capacity and resource availability and, without conceding the sector’s ambition for future prosperity, a consequent need to consider the short and/or medium-term development and restructuring of the fleet.

Based on the quota transfers to the UK under the TCA, the Task Force has determined that approximately 220 Irish vessels spread across eight fisheries will be the most impacted. Some 1,500 inshore vessels which target mostly non-quota shellfish species will not be directly impacted by quota transfers as they have only minimal catches of quota stocks but have nevertheless felt the impacts of BREXIT and disruption to export market access.

In its terms of reference, the Task Force was in the first instance charged with producing an interim report within two months of its establishment that would focus on arrangements for - should the members so choose - a temporary voluntary cessation scheme. Such a scheme would aim to counter the impact of the reduction in quotas due to begin to occur from April.

The need for short-term financial support for such a scheme and the principles informing it therefore became the principal subject of members' attention at its most recent meetings and a key focus of the recommendations in this first report.

It is equally clear that up to two thirds of the losses sustained by the fleet in 2021 will be incurred by the Refrigerated Seawater (RSW) segment of the fleet and the Taskforce will examine any proposals brought forward by industry and seek to develop appropriate measures

Similarly, The Taskforce will also consider any appropriate measures to support the inshore sector, whose losses due to Brexit relate to logistics and route to market difficulties. In the meantime, the Task Force has begun to consider proposals, prepared by the representative organisations and state agencies, for strategic onshore and offshore initiatives that have the capacity to sustain coastal communities by providing jobs and economic activity. The Task Force has been encouraged by the scope, vision and emergence of new concepts in these proposals around the circular economy, marine clusters and coastal investments that can benefit multiple sectors. The broad spectrum of Task Force membership, including State agencies, local authorities and development groups, will add impetus and insights to the shaping of these programmes. A wide range of measures will be considered across categories of activity, including investment in infrastructure to support the fishing fleet, aquaculture, adding value to the seafood sector and marine support industries in coastal regions.

The over-riding focus of the Task Force, as it continues its work towards producing a full report, will be to recommend measures that can ensure a profitable and sustainable fishing fleet that is supported in turn by vibrant and sustainable coastal communities.

The scale of investment needed to support such measures over immediate and extended timeframes, to effectively address the impact of the direct and indirect losses occasioned by the TCA, requires urgent priority and will be significant. The overall additional funding required, although not yet full determined by the Task Force, is likely to be of a magnitude that is perhaps likely to be greater than the total funding that was available under the current EMFF programme. Areas of investment that are likely to require increased funding include seafood processing, marine support industries, community led local development, harbour infrastructure development and aquaculture.

The seafood sector and dependent coastal communities are amongst the areas most negatively impacted by the EU/UK Trade & Co-operation Agreement. The impacts are significant, immediate and long lasting. The impacts of the TCA on the Seafood Sector and Coastal Communities need to be addressed. The objective of the EU Brexit Adjustment Reserve is *"to provide support to counter the adverse consequences of the withdrawal of the United Kingdom from the Union in Member States, regions and sectors, in particular those that are worst affected by that withdrawal, and to mitigate the related impact on the economic, social and territorial cohesion"*. The Recommendations that the Task Force is making in this Interim Report and in its final Report will give rise to substantial public expenditure. The Task Force is conscious of the various demands on the Exchequer. Accordingly, the Task Force Recommends that during the 2021- 2023 period, the measures necessary to implement the Task Force recommendations should, to the greatest extent possible, be funded from the allocation of the EU Brexit Adjustment Reserve funding provided to Ireland. The voluntary temporary cessation scheme recommended in the Interim Report and any fleet support and restructuring measures to be recommended in the final Task Force Report, together with other onshore initiatives that may be recommended in the Final Report, are all seen by the Task Force as eligible measures to be funded as a matter of priority in the period 2021 - 2023 under the BAR funding allocation available to Ireland. Other elements which require funding subsequent to 2023 may be eligible to be funded under Ireland's European Maritime and Fisheries Fund Operational Programme, once finalised. This

funding will provide the impetus that will reinvigorate the seafood sector and the coastal communities dependent on seafood, allowing it to restructure, reconfigure, retrain and diversify to flourish again post Brexit.

1.1 TERMS OF REFERENCE

The Task Force will examine the implications arising from the EU/UK TCA for the Irish Fishing industry and coastal communities particularly dependent upon it. It will, in particular, outline initiatives that could be taken to provide supports for development and restructuring so as to ensure a profitable and sustainable fishing fleet and to identify opportunities for jobs and economic activity in coastal communities dependent on fishing. The Task Force will consider how all available funding streams could be used to address, to the extent possible, the initiatives identified and the State agencies to support those initiatives. The Task Force will also consider and recommend constructive actions that would help to alleviate the inequitable relative contribution of quota share by Ireland in the EU/UK Trade and Cooperation Agreement.

The examination and initiatives identified will relate to:

- The Irish fishing fleet,
- The Irish seafood processing industry,
- Other marine support industries, and
- Coastal communities particularly dependent on the seafood industry.

The Task Force will be charged with producing an interim report within two months of establishment. This will focus on arrangements for a temporary voluntary fleet tie up scheme, to counter the impact of the reduction in quotas which will begin to occur from April. The Task Force will also be charged with producing a full report within four months. This will cover the arrangements for a voluntary decommissioning scheme or other initiatives to address the implications of the TCA and outline other developmental strategies to strengthen and enhance coastal communities especially dependent on the seafood industry. It will also review the options and recommend actions that may be pursued which would assist in reducing the burden on Ireland from the transfers of quota shares to the UK.

In producing the reports, the Task Force will take account of the possibilities created by all available funding streams.

1.2 PROGRESS OF TASK FORCE TO-DATE

The Task force has held 7 meetings during the period March – early June and principally discussed the following issues:

- The burden imposed by TCA and how to address losses, necessary funding arrangements and the role of the Common Fisheries Policy Review.
- Short-term supports including a possible Voluntary Temporary cessation scheme.
- The potential need for specific schemes for the inshore and RSW fleet segments as alternatives to a voluntary cessation scheme.

A public consultation was launched on 22 March and was open for one month. It was advertised in 12 papers (1 National, 2 Trade Papers, 9 Local Papers) and on the DAFM and BIM websites as well as BIM Social Media platforms. In total, 27 submissions were received from around the country representing the primary seafood producers and coastal community stakeholders.

Based on submissions from the Task Force members, initial discussions on developing strategic onshore and offshore initiatives have also been held. These will be further developed and included in the final Task Force report due to be submitted to the Minister by the end of July. The final report will also deal with longer-term restructuring measures for the fleet, including a possible decommissioning scheme.

2 SUMMARY RECOMMENDATIONS

Based on the work of the Task Force since its inception, the following recommendations including the areas of Burden Sharing and a voluntary temporary cessation scheme have been agreed. The Task Force will also consider any appropriate measures to support the inshore sector, whose losses due to Brexit relate to logistics and route to market difficulties. The Task Force is also evaluating how the issues affecting the RSW Pelagic segment can be best addressed given the significant impact on this segment from the TCA and the difficulties with accommodating their inclusion under the voluntary temporary cessation scheme.

2.1 FUNDING PROVISION

The seafood sector and dependent coastal communities are amongst the areas most negatively impacted by the EU/UK Trade & Co-operation Agreement. The impacts are significant, immediate and long lasting. The impacts of the TCA on the Seafood Sector and Coastal Communities need to be addressed. The objective of the EU Brexit Adjustment Reserve is *“to provide support to counter the adverse consequences of the withdrawal of the United Kingdom from the Union in Member States, regions and sectors, in particular those that are worst affected by that withdrawal, and to mitigate the related impact on the economic, social and territorial cohesion”*. The recommendations that the Task Force is making in this Interim Report and in its final Report will give rise to substantial public expenditure. The Task Force is conscious of the various demands on the Exchequer. Accordingly, the Task Force recommends that during the 2021- 2023 period, the measures necessary to implement the Task Force recommendations should, to the greatest extent possible, be funded from the allocation of the EU Brexit Adjustment Reserve (BAR) funding provided to Ireland. The voluntary temporary cessation scheme recommended in the Interim Report and any fleet support and restructuring measures to be recommended in the final Task Force Report, together with other onshore initiatives that may be recommended in the Final Report, are all seen by the Task Force as eligible measures to be funded as a matter of priority in the period 2021 - 2023 under the BAR funding allocation available to Ireland. Other elements which require funding subsequent to 2023 may be eligible to be funded under Ireland’s European Maritime Fisheries and Aquaculture Fund Operational Programme (EMFAF), once finalised.

2.2 BURDEN SHARING

The Task Force considered proposals submitted by members to alleviate the loss of quota share suffered by Ireland. The recommended actions, after further consideration by the Task Force, will be set down in detail in the main report. The report will set out the specific challenges arising and how the actions may be progressed. The Task Force recommends that all options to alleviate the loss of quota share be pursued at every available opportunity and treated as a matter of urgency. This should involve a whole of Government approach supported by a lobbying exercise by industry and Government at all EU levels.

The Task Force recommends the following specific actions. These are divided between actions targeted at pelagic quotas and actions targeted at demersal quotas.

Actions targeted at pelagic quotas

- i. As the largest EU shareholder, Ireland must lead the case, working with other EU Member States, for an increased share of mackerel quota for the EU and specifically for the Northwestern Waters component in the negotiations with Norway, Faeroes, Iceland and the UK under the Coastal States agreement.
- ii. Continue to work with other EU Member States for the EU to seek a larger share of Blue Whiting in the upcoming negotiations at Coastal States negotiations.
- iii. Work for the EU to reduce further the transfer of blue whiting to Norway and to reduce the impact of this transfer by including the Southern Component of Blue Whiting in the transfer in the context of the EU/Norway bilateral negotiations.
- iv. As part of the EU/UK consultations under the TCA pursue all opportunities that encourage and facilitate swaps for Northwestern Waters mackerel to the EU.
- v. Use any available opportunity to seek a re-distribution of the mackerel quota transfer under the TCA across the four management areas (i.e. Northwestern waters, North Sea, southern component and Norwegian waters).
- vi. Consider within the CFP review a “surplus plus” model whereby when the mackerel combined TACs for all areas exceeds an agreed set level, a higher percentage would be allocated to the Northwestern Waters TAC area.
- vii. Consider within the CFP review a proposal to increase Ireland’s Hague preference for mackerel based on allocating the UK’s Northwestern Waters and North Sea preferences to Ireland’s existing preference.
- viii. Ireland leads the EU in seeking to leverage greater quota share in mackerel and blue whiting from Iceland and Norway in exchange for market access.

Actions targeted at demersal quotas

- i. At a national level, complete a review of the benefit accruing to certain Member States from the non-application of The Hague Preferences to the UK and use this as a basis for adjusting relative stability shares for certain stocks at EU level within the CFP review.
- ii. Seek an EU Review of quota utilisation with a view to rebalancing the quota shares for *Nephrops* and other key quota stocks and seek that this is integrated into the review of the CFP.
- iii. Set as a priority, efforts to copper fasten the annual application of Irish Hague Preferences as a permanent binding legal requirement under the CFP under the CFP Review or in advance where an opportunity may arise.
- iv. Seek a complete review of all existing relative stability shares as part of the CFP Review process taking specific account of quota share loss under the TCA and utilisation.
- v. Within the CFP Review, seek beneficial changes in management areas.

2.3 VOLUNTARY TEMPORARY CESSATION SCHEME

The Task Force recommends a voluntary temporary cessation scheme should be put in place for the approximately 220 polyvalent vessels and beam trawlers directly impacted by quota transfers under the TCA with the following conditions:

1. This scheme should operate over the period September – December 2021 with each vessel having an opportunity to tie-up for a period of one calendar month.
2. The vessel payments should be calculated based on average gross earnings (2017-2019) aggregated by Length Overall (LOA) excluding the cost of fuel and food. This should be based on official data on turnover of vessels in each of the length categories and reflect the loss of income incurred as a direct consequence of the TCA-induced quota reductions.
3. Beneficiaries must have carried out fishing activities at sea for at least 120 days in total over the calendar years 2018 and 2019 and have made a first sale of quota fish covered by the TCA to a minimum value of €5,000 in the calendar year 2019 or 2018, by reference to the Irish Sales Note System administered by the Sea Fisheries Protection Authority.
4. Beneficiaries must cease all fishing activities for the calendar month concerned and must surrender their sea fishing boat license for that period.
5. Beneficiaries must ensure that a percentage (to be agreed) of the payment is distributed amongst the crew members of the vessel. This will be based on verifiable evidence that all the listed crew members have been paid. Crew members availing of the Scheme must not take up alternative employment or claim unemployment benefits/assistance, PUP, etc. during the period of voluntary temporary cessation.

2.4 INSHORE VESSELS

The Task Force recognises the difficulties in accessing the market that is being faced by vessels targeting non-quota species (i.e. inshore vessels less than 12m, viver crabbers, bivalve mollusc dredgers). Such vessels while not directly impacted by the quota transfers under the TCA have suffered losses resulting from logistics and route to market issues arising from Brexit

The Task Force is actively exploring short-term support measures for the inshore sector with a view to submitting a reasoned case for such support measures to the Minister.

2.5 RSW PELAGIC

The Task Force recognises the RSW pelagic segment of the fleet has been subject to the largest TCA related quota reductions for their main target species of mackerel in the order of €15.6 million in 2021. However, due to the seasonal nature of the pelagic fisheries and the way this fleet segment operates, accommodating these vessels under a voluntary temporary cessation scheme would be problematic.

The Task Force is actively exploring as a matter of priority, in the context of the need for adjustment and rebalancing in the longer term, possible short-term supports to prepare for the changed situation will seek to submit a reasoned case for such support measures to the Minister.

3 VESSELS AND FISHERIES IMPACTED BY THE QUOTA TRANSFERS UNDER THE EU-UK TRADE & COOPERATION AGREEMENT

3.1 BACKGROUND

Based on the preliminary analysis of available data carried out by the Department of Agriculture, Food and the Marine (DAFM) with the assistance of the Marine Institute and BIM, under the TCA, Ireland

will lose 26,412 tonnes of quota valued at around €43m over the period 2021-2026. These figures are estimated on the mean fish price per species in 2019 from Irish Sales Notes data, 2020 Irish quotas and assumes 100% quota uptake. While there may be some re-adjustment in the medium to longer term through possibly quota swaps, the TCA represents a significant and permanent loss of quota. Table 1 shows the reduction in Irish quota value by stock group. Pelagic stocks account for 67% of the total loss in quota value, with *Nephrops* making up 20%. Whitefish and deepwater stocks combined make up for the remaining 13%.

Table 1 Reduction in Irish Quota Value (€1) due to quota transfer from EU to the UK

Stock Group	2021	2022	2023	2024	2025	2026
Pelagic (oily fish)	17.188	20.039	22.864	26.290	28.565	28.565
<i>Nephrops</i> (prawns)	4.931	5.753	6.575	7.557	8.218	8.218
Celtic Sea whitefish	2.020	2.357	2.694	3.099	3.368	3.368
Irish Sea whitefish	0.318	0.372	0.424	0.488	0.531	0.531
W Scotland Whitefish	1.349	1.573	1.798	2.068	2.248	2.248
Deepwater	0.004	0.005	0.006	0.007	0.007	0.007
Total	25.810	30.099	34.360	39.510	42.937	42.937

3.2 VESSELS AND FISHERIES IMPACTED

Based on the quota transfers under the TCA, approximately 220 Irish vessels across eight different fisheries are identified as being the most impacted given their respective catch composition. These are described below:

3.2.1 RSW Pelagic Segment

There are currently 23 RSW vessels targeting pelagic species such as mackerel, horse mackerel, blue whiting, herring and boarfish during Q1 and Q4. These vessels typically tie-up for Q2 and Q3 and fish less than 100 days per year. Based on sales notes data the catch composition of these vessels by value is made up as follows:

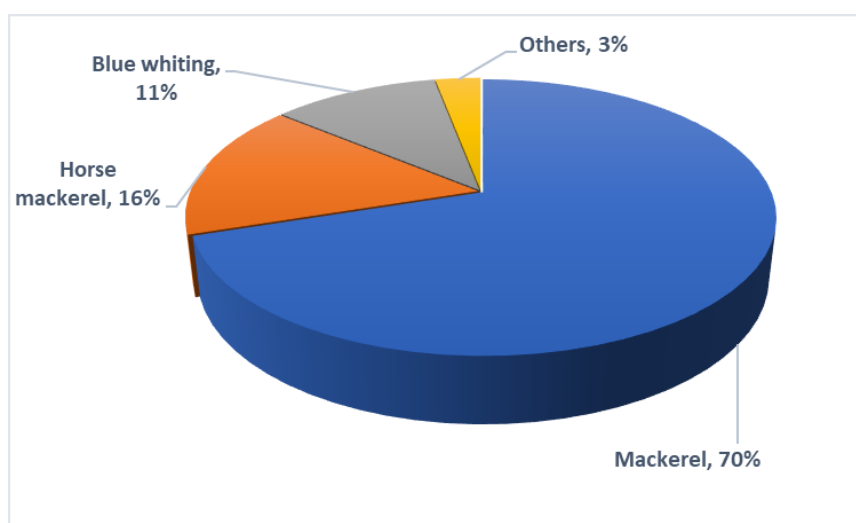


Figure 1 Species catch composition of RSW Pelagic segment by value (€)

Under the TCA, the transfers of Irish pelagic quota to the UK are estimated at €17.2 million in 2021, increasing to €28.6m by 2026. Of these transfers, reductions in mackerel quota amount to €16.5m in 2021, increasing to €27.5 million by 2026. The RSW Pelagic segment vessels land around 87% of the total Irish mackerel quota. Therefore, assuming 100% quota uptake, the impact of the TCA on these vessels from loss of mackerel quota is estimated to be €15m in 2021, increasing to €25m by 2026. The quota shares for other pelagic stocks - blue whiting, Irish Sea herring, Atlanto-Scandian herring and West of Scotland herring – that are impacted under the TCA, in terms of overall value are less significant. They are estimated to amount to a reduction in quota value of €0.26m in 2021, increasing to €0.36m by 2026. The quota shares for western horse mackerel, Celtic Sea herring and boarfish are not changed under the TCA. **Therefore, the total impact on the RSW pelagic segment from quota transfers under the TCA is estimated at €15.3m in 2021, increasing to €25.4m by 2026.**

3.2.2 *Nephrops* vessels

There are approximately 76 vessels with landings of *Nephrops* making up more than 50% of their total landings value. The *Nephrops* vessels are made up of 2 vessels less than 12m; 13 vessels between 12-18m; 36 vessels between 18-24m; and 25 vessels greater than 24m. Typically, these vessels target *Nephrops* all year round, fishing 180-200 days annually. The fleet segment comprises vessels landing fresh *Nephrops* as well as freezer trawlers landing frozen-at-sea *Nephrops*. Based on the 2019 sales notes data the average catch composition of these vessels by value is made up as follows:

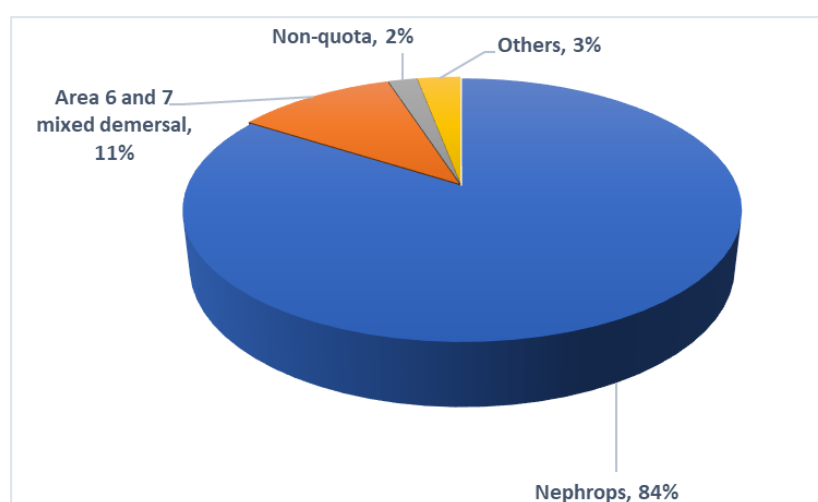


Figure 2 Species catch composition of *Nephrops* vessels by value (€)

Collectively these vessels account for close to 80% of the total landings of *Nephrops*. Based on the total quota transfer of *Nephrops* under the TCA of €4.9m in 2021, rising to €8.2m by 2026, these vessels will be impacted in loss of *Nephrops* quota by around €3.9m in 2021, increasing to €6.6m by 2026. These vessels will also be impacted to a limited extent by reductions of quota available for bycatch species such as hake, monk, megrim, haddock and whiting caught as bycatch. **Factoring, in the loss in quota value for these bycatch species, the estimated impact from the TCA is estimated at €4.2m in 2021, increasing to €6.8m by 2026.**

3.2.3 Tier 1 Polyvalent Vessels

There are 15 Tier 1 polyvalent vessels that target pelagic stocks mainly mackerel, albacore tuna, horse mackerel, blue whiting, herring (Irish Sea, Celtic Sea and West of Scotland) as well as mixed whitefish

and *Nephrops* in the Irish Sea, Celtic Sea and West of Scotland. There are currently 15 vessels with Tier 1 authorisations. The catch composition of the Tier 1 vessels varies quite significantly with a small number having a much higher dependence on *Nephrops* and mixed demersal species compared to others that concentrate almost solely on pelagic species. This latter group (around 6 vessels) fish small pelagics (mackerel, horse mackerel, blue whiting and herring) during Q1 and Q4, tying-up in Q2, and targeting Albacore tuna during Q3. The other 9 vessels switch to *Nephrops*, mixed whitefish and albacore tuna in Q2 and Q3. On average, the Tier 1 vessels fish 120-150 days per year, although several fish more than 200 days. Based on the sales notes data the average catch composition by value is made up as follows:

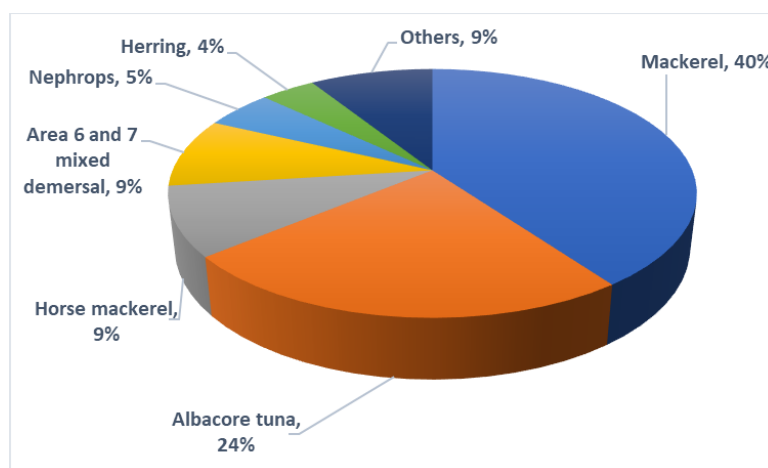


Figure 3 Species catch composition of polyvalent vessels by value (€)

Like the RSW pelagic segment, the Tier 1 vessels will be impacted mainly by the reduction in mackerel quota. The Tier 1 vessels take around 8% of the total mackerel quota resulting in an estimated quota loss of €1.4m in 2021, increasing to €2.3m in by 2026 based on the transfers in the TCA. The other pelagic quota of importance to these vessels, significantly reduced under the TCA, is Irish Sea herring. The estimated reduction is €0.3m in 2021, increasing to €0.5m by 2020. Other pelagic stocks such as albacore tuna, horse mackerel and Celtic Sea herring are subject to only minimal or no transfers under the TCA so the quota shares for these species will be largely unaffected. Reductions in quotas for *Nephrops* and other whitefish quotas will also impact some of the Tier 1 vessels. **Factoring in transfers of Irish Sea herring, demersal species and *Nephrops*, the quota losses to the Tier 1 vessels are estimated at €1.9m, increasing to €3.1 million by 2026.**

3.2.4 Polyvalent whitefish trawlers targeting mixed demersal in area 7

There are approximately 40 whitefish trawlers greater than 12 metres reliant on mixed demersal stocks and that operate in a range of fisheries in the Celtic Sea. Of these vessels, 19 are between 12-18m; 16 between 18-24m; and 5 between 24-40m. Around 22 of these vessels, which operate along the shelf edge in the Celtic Sea are reliant on landings of hake, megrim and monkfish. The remaining 15 vessels have landings from a range of fisheries in the Celtic Sea and West of Scotland, with haddock, monkfish, megrim and whiting the main species. Many of these vessels also land pelagic species (mackerel, horse mackerel and albacore tuna) seasonally. These vessels fish on average 180 days at sea. Based on the 2019 sales notes data the average catch composition by value is made up as follows:

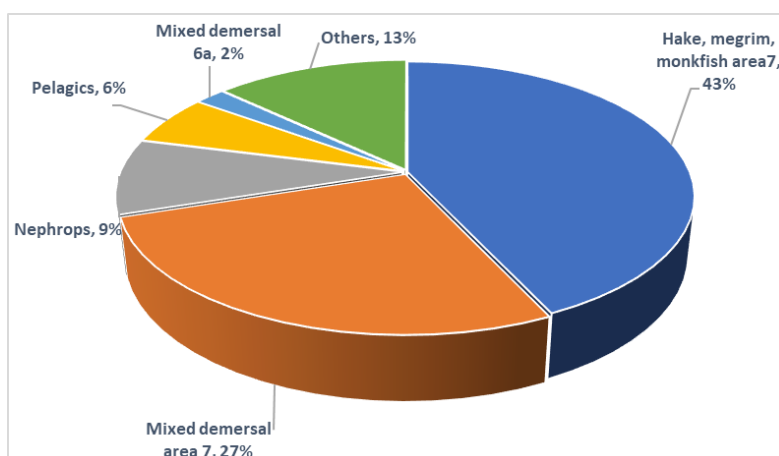


Figure 4 Species catch composition of Polyvalent whitefish trawlers targeting mixed demersal in area 7 by value (€)

The quota transfers for monkfish, megrim, hake, haddock and whiting in area 7 combined are estimated at €2.7m, increasing to €4.5m by 2026. Given these vessels land approximately 70% of the total whitefish landings by the Irish fleet in area 7, the estimated loss of quota for these stocks is around €1.6m in 2021, increasing to €2.7m by 2026. **Factoring in transfers of bycatch species such as *Nephrops*, pelagic stocks (mainly mackerel and herring), pollack, ling, plaice, skates and rays in areas 6 and 7 from these vessels, the estimated loss of quota is estimated at €2.2m in 2021, increasing to €3.1m by 2026.**

3.2.5 Polyvalent whitefish trawlers targeting mixed demersal in area 6

There are approximately 12 whitefish trawlers greater than 12 metres reliant on mixed demersal stocks and that operate in a range of fisheries in the West of Scotland. Of these vessels, 2 are between 12-18m; 4 between 18-24m; and 6 between 24-40m. Around 9 vessels, fish at Rockall for haddock, squid and other mixed demersal species for part of the year. Most also fish in the Celtic Sea for mixed demersal species, with several targeting *Nephrops* or pelagic species seasonally. These vessels fish on average 200-220 days at sea. Based on the 2019 sales notes data the average catch composition by value is made up as follows:

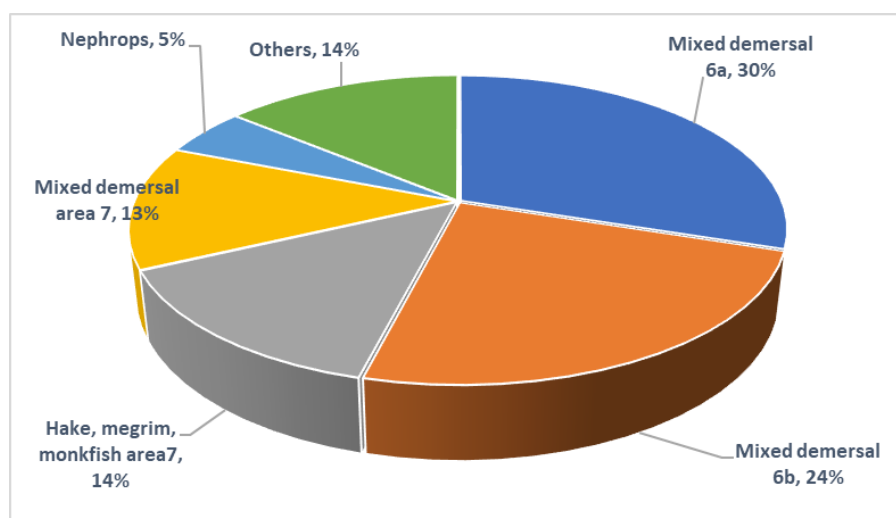


Figure 5 Species catch composition of Polyvalent whitefish trawlers targeting mixed demersal in area 6 by value (€)

The quota transfers for monkfish, megrim, haddock and other demersal stocks in area 6 are estimated at €1.4m, increasing to €2.3m by 2026. Given these vessels land approximately 80% of the total demersal landings by the Irish fleet in area 6, the estimated loss of quota for these stocks is around €1.1m in 2021, increasing to €2.2m by 2026. **Factoring in transfers of catches from mixed demersal fisheries and *Nephrops* in area 7 as well as a limited catch of pelagic stocks, the estimated impact for these vessels is estimated at €1.4m in 2021, increasing to €2.7m by 2026.**

This assumes access inside the 12-mile limit around Rockall, which is currently in dispute with the UK. If access was lost permanently, then the resulting impact would be far greater. The total squid fishery valued at around €6.6m (based on 2019 landings) and up to 60% of the total Rockall haddock quota, valued €1m (based on 2020 Irish quota), could potentially be lost (see figure 1 below). This would not only impact on the 9 of these 12 vessels that fish at Rockall but also an additional 16 vessels, mostly *Nephrops* freezer vessels that target squid seasonally. **When factoring in catches of other species – monk, megrim, ling, saithe - caught inside 12 miles from Rockall, the total impact of the loss of these fisheries is estimated at €7.7m.**

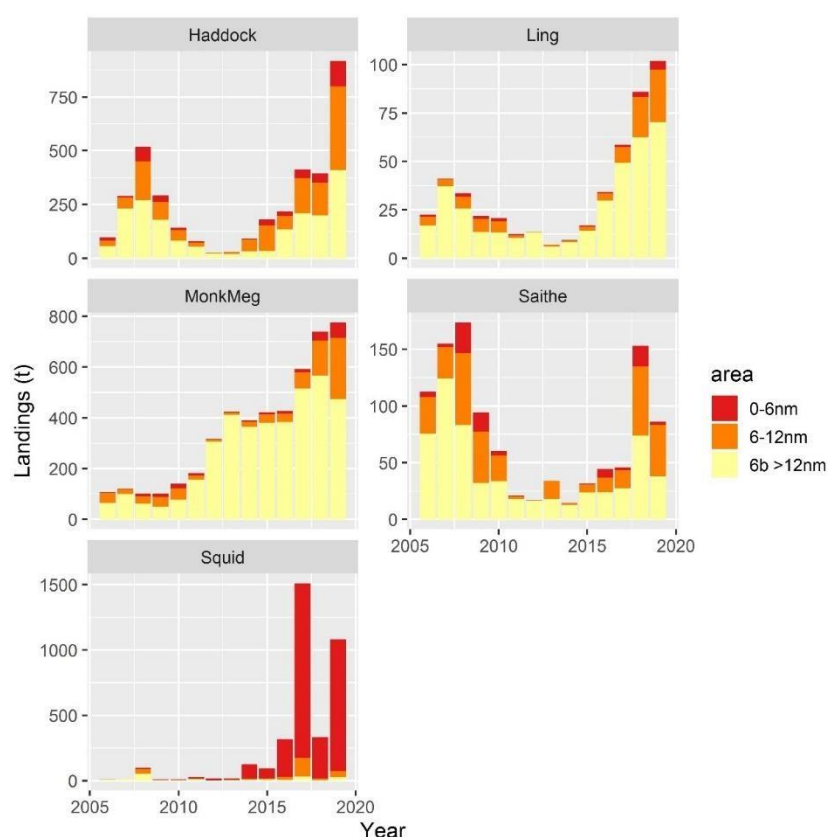


Figure 6 Irish catches from 0-6miles, 6-12 miles and outside 12 miles in area 6b, Rockall. (Source: Marine Institute)

3.2.6 Seiners

There are 9 Seine net vessels which fish mainly in the Celtic Sea and Irish Sea targeting haddock, hake and whiting with a bycatch of monkfish and megrim. They fish all year round for upwards of 220 days per year on average. Based on the 2019 sales notes data the average catch composition by value is made up as follows:

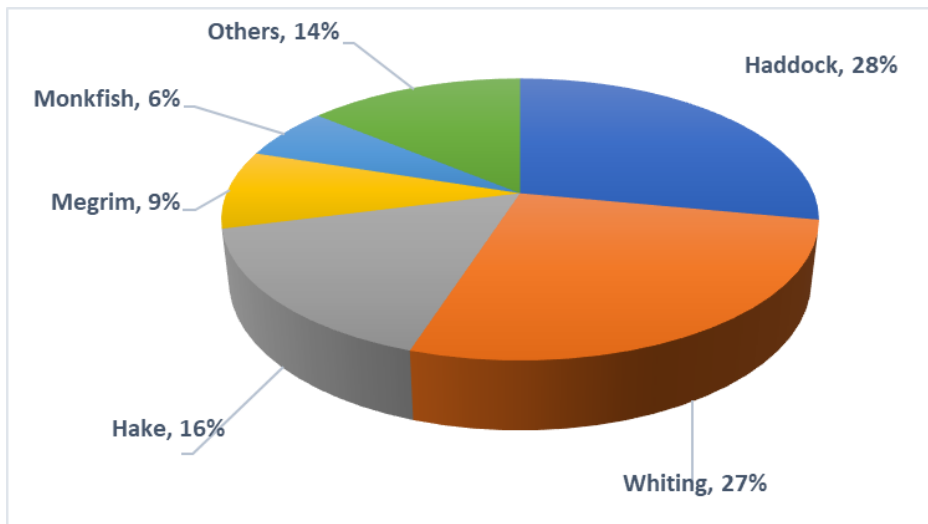


Figure 7 Species catch composition of Seiners by value (€)

These vessels will be impacted through the reduction in the quota transfers of haddock, whiting and hake in the Irish Sea and Celtic Sea. The total quota transfers for these stocks are €0.86 m in 2021 increasing to €1.4m by 2026. In 2021, this is made up of €0.59m haddock and €0.26 m hake and €0.02m whiting. Typically, the landings by seiners of these three stocks make up around 25% of the total landings by all vessels, resulting in estimated reduction in quota available to the seiners of haddock, hake and whiting of €0.22m in 2021, increasing to €0.35m in 2026. **With landings of other quota species factored in, the estimated loss of quota for the seine net vessels would increase to €0.26m in 2021, rising to €0.36m by 2026.**

3.2.7 Beam Trawlers

The beam trawl fleet (11 vessels) is based in the south-east and principally operate in the Irish Sea and Celtic Sea, targeting megrim, monkfish and plaice with bycatch of a wide range of quota and non-quota species. This is a 12-month fishery with the vessels switching between the Celtic Sea and Irish Sea, fishing on average around 220-240 days per year. Based on the 2019 sales notes data the average catch composition by value for the beam trawl vessels is made up as follows:

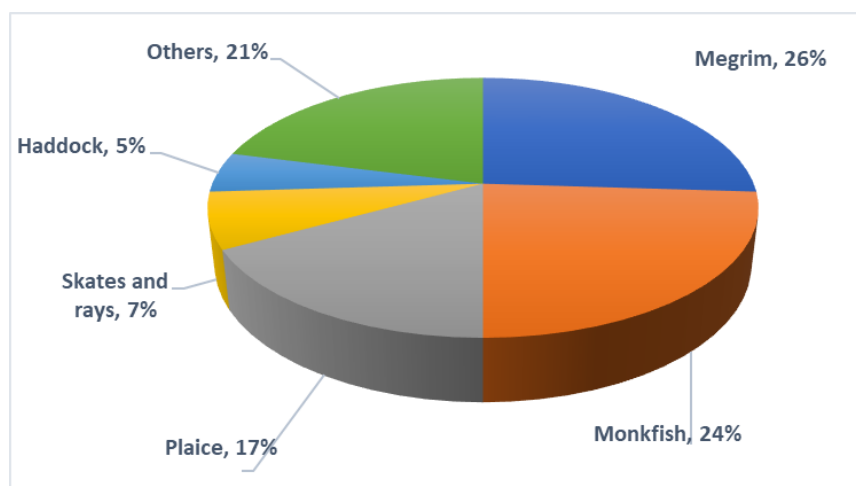


Figure 8 Species catch composition of Beam Trawlers by value (€)

As with the mixed demersal vessels, the beamers will be impacted mostly from the reductions in monkfish and megrim quotas in the Celtic Sea. The total transfers for these two stocks are €1.1m in 2021, increasing to €1.7 million by 2026. Landings of megrim and monkfish by the beam trawl fleet are approximately 15% of the total landings by Irish vessels of these two species. Based on the quota transfers, this will result in an estimated loss of quota under the TCA of €0.17m in 2021, increasing to €0.26m by 2026. **Considering bycatch of other species such as plaice, haddock and skates and rays, the total loss of quota is estimated at €0.29m in 2021, increasing to €0.34m by 2026.**

3.2.8 Hake gillnetters

There are approximately 14 vessels greater than 12m with landings of hake representing more than 30% of their total landings value. Most of these vessels target hake for much of the year with the remainder of the time spent gillnetting for other demersal species such as saithe, pollack, ling and monkfish or trawling for mixed demersal species. Based on the 2019 sales notes data the average catch composition by value for these vessels is made up as follows:

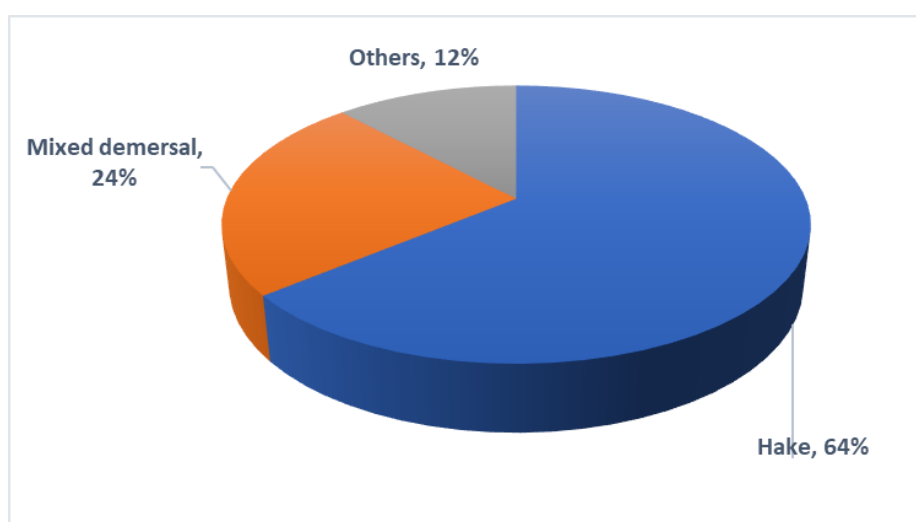


Figure 9 Species catch composition of Hake Gillnetters by value (€)

Collectively, these vessels account for approximately 25% of the total Irish hake landings. Based on the total quota transfer of hake of around €0.26m in 2021, which increases to €0.43m by 2026, the estimated losses of hake quota are estimated at €0.07m in 2021 and €0.11m by 2026. **These vessels will also be impacted to a limited extent by reductions of quota available for bycatch species such as saithe, pollack, ling and monkfish, which when factored in, the total estimated losses would be in the region of €0.11m in 2021, rising to €0.13m by 2026.**

3.3 INSHORE FISHERIES

Landings of quota stocks by the approximate 1,500 inshore vessels less than 12m, while minimal are nonetheless an important component for some inshore vessels, particularly landings of mackerel, herring and pollack. It should be possible to maintain such fisheries given the volumes landed are small and the impact on the overall national quota situation limited. Most inshore vessels are not significantly impacted directly by the quota transfers because they principally fish for non-quota shellfish species, and the access arrangements are maintained under the TCA. Inshore vessels though

may be impacted indirectly from displacement of larger vessels from offshore quota fisheries into inshore waters due to the reduction in demersal quota shares and available fishing opportunities resulting from the TCA. There is a danger of vessel owners choosing to diversify into fisheries for these non-quota species or transfer vessel ownership from larger vessels into smaller inshore vessels. This will lead to increasing fishing effort in the medium to longer term resulting in overexploitation of inshore stocks. Effort in the inshore sector is already high and while difficult to quantify the scale and impacts of displacement and diversification by vessel owners, it is important that reduced quota availability does not inadvertently incentivise such effects. Therefore, in discussing potential restructuring of the wider fleet, such issues needed to be considered. Fleet re-structuring also provides an opportunity to consider the inshore sector and assess whether measures are needed to re-balance effort in this sector, regardless of the TCA.

3.4 CONCLUSIONS

Based on the quota transfers to the UK under the Trade and Cooperation Agreement (TCA), approximately 220 Irish vessels spread across eight fisheries will be the most impacted as follows:

Table 2 Vessels and Fisheries impacted by the TCA

Fishery	Number of vessels	Impacts	
		2021 (€millions)	2026 (€millions)
RSW Pelagic segment	23	€15.3m	€25.4m
<i>Nephrops</i> vessels	76	€4.2m	€6.8m
Tier 1 Polyvalent vessels	15	€1.9m	€3.1m
Mixed demersal vessels targeting mixed demersal in area 7	40	€2.2m	€3.1m
Mixed demersal vessels targeting mixed demersal in area 6¹	12	€1.4m	€2.7m
Seiners	9	€0.26m	€0.36m
Beam trawlers targeting mixed demersal in area 7	11	€0.29m	€0.34m
Hake Gillnetters	14	€0.11m	€0.13m

¹ Does not include potential losses if access inside 12-miles of Rockall is lost, which are estimated to be in the region of €7.7m

- Landings of quota stocks by inshore vessels less than 12m, while minimal are nonetheless an important component for some inshore vessels, particularly landings of mackerel, herring and pollack.
- Most inshore vessels are not significantly impacted directly by the quota transfers because they principally fish for non-quota shellfish species, and the access arrangements are maintained under the TCA.
- Inshore vessels though may be impacted indirectly from displacement of larger vessels from offshore quota fisheries into inshore waters due to the reduction in demersal quota shares and available fishing opportunities resulting from the TCA.
- Fleet re-structuring provides an opportunity to consider the inshore sector and assess whether measures are needed to re-balance effort in this sector, regardless of the TCA.

4 PROJECTED QUOTA UPTAKE FOR KEY WHITEFISH AND *NEPHROPS* STOCKS IN 2021

4.1 BACKGROUND

The quota transfers under the TCA between the EU and the UK will impact on the management of quotas in 2021 and up until 2026 when the transition phase of the TCA expires. For certain key stocks, regardless of the TCA, quota annually is limited and requires careful management year-on-year to ensure fisheries remain open. Further reductions in quota associated with the TCA will worsen this situation for these stocks.

This analysis considers historic catch patterns over the period 2018-2020 and projects quota uptake for 2021 based on these historic monthly catches. This analysis is designed to highlight key whitefish and *Nephrops* stocks where fishing at historic levels will lead to early exhaustion of the quota before the end of the year. In most cases it is clear it is not the quota transfers under the TCA alone that create quota shortages, rather changes in scientific advice, both positive and negative. In most cases, changes in the scientific advice are more significant to the overall quota levels than the reductions under the TCA, nonetheless the TCA reductions are the tipping point for some specific quotas.

4.2 METHODOLOGY

The analysis is based on the 2021 quotas agreed at the EU Fisheries Council of 25 March 2021¹ for a 7-month period, raised up to 12-month quotas; historic monthly landings for the period 2018-2020 provided by DAFM'S Quota Management Unit based on figures provided to the Commission by the SFPa through the FIDES system; reported landings for January and February 2021; and quota carryovers from 2020 under the interannual quota flexibility mechanism allowed for under Article 15 para. 9 of the Common Fisheries Policy (Regulation (EU) 1380/2013²) and Article 4 of Regulation (EC)

¹ Proposal for a COUNCIL REGULATION amending Regulation (EU) 2021/92 as regards certain fishing opportunities for 2021 in Union and non- Union waters. COM (2021) 111 final.

² Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and

847/96³. Ireland's ability to attain swaps has been very slow at the beginning of the year arising from uncertainty relating to the provisional TACs and quotas set up to end March. However, swaps are now progressing with Member States in a more normal pattern and will be expected to continue apace as 12 months TACs and quotas are set following agreement between the EU and the UK. This will help to offset losses under the TCA, noting it will be challenging during 2021 to attain the same level of swaps as in previous years.

4.3 STOCK ANALYSIS

The stocks considered are as follows:

- Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14
- Anglerfish 7
- Haddock Union and international waters of 6b, 12 and 14
- Haddock Union and international waters of 5b and 6a
- Haddock 7a
- Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1
- Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14
- Megrim Union and international waters of 5b; 6; international waters of 12 and 14
- Megrim 7
- *Nephrops* 7 (including FU16)

The analysis shows the projected monthly quota uptake based on historic landings and assuming no quota swaps are attained. For some stocks it highlights a critical point in the year when the quota is projected to be excess of the total quota available. In this regard, for several stock's including Anglerfish in areas 6 and 7, Haddock in the area 7b-k, *Nephrops* in area 7 and *Nephrops* in FU16, bringing in extra quota through swaps are of vital importance to ensure fisheries for these stocks can remain open. Pelagic quotas for mackerel, horse mackerel, blue whiting and boarfish as well as smaller quantities of a range of demersal species are the main species used in exchange for these swaps.

The results by stock are as follows:

4.3.1 Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14

Table 3 Summary of quota transfers under TCA and projected uptake for 2021 for Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14

Quota 2021 (Initial)	562 tonnes
Quota 2021 (Adjusted)	679 tonnes (carryover of 117 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-30%
Average Uptake 2018-2020	79%
% Transfer under the TCA to UK for 2021	8.2%
Irish quota transferred under the TCA	66 tonnes
Increase/reduction in quota due to scientific advice	-169 tonnes
Projected uptake for 2021 based on 2018-2020 catches	105%

repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC. OJ L 354, 28.12.2013, p. 22.

³ Council Regulation (EC) No 847/96 of 6 May 1996 introducing additional conditions for year-to-year management of TACs and quotas. OJ L 115, 9.5.1996, p. 3.

The reduction in quota for 2020 is largely due to the scientific advice. The transfer under the TCA equates to around 1-month of catches. Quota uptake has averaged 79% in the last three years, and Ireland has been reliant on annual swaps to maintain landings of around 60-100 tonnes per month. In 2021, based on average monthly catches, the quota would be exhausted by the end of the year, without swaps being acquired (Figure 1).

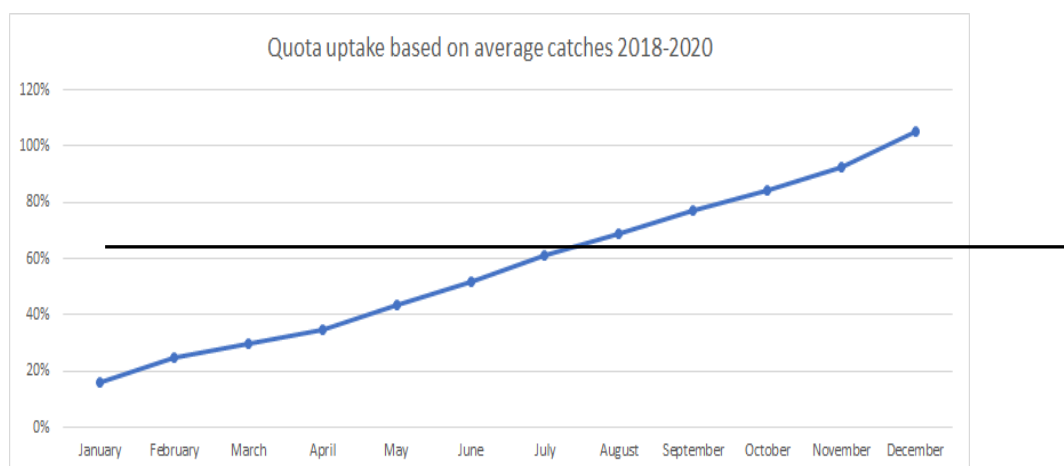


Figure 10 Quota uptake Anglerfish 6 based on average catches 2018-2020

Vessels and Fleets Impacted

There are approximately 12 whitefish trawlers greater than 12 metres reliant on mixed demersal stocks, including anglerfish operating in area 6. Approximately 75% of catches are taken in 6a with the remaining 25% at Rockall. Additionally, there are a further 26 vessels that recorded catches of anglerfish in area 6 in 2020. If this quota were to be exhausted as projected this would effectively close other mixed demersal fisheries in area 6, leading to displacement of effort into the Celtic Sea hake, megrim and anglerfish fishery, Celtic Sea mixed demersal and *Nephrops* fisheries and possibly the Irish Sea *Nephrops* fisheries. This would impact on the quotas for other stocks where quota is limiting (e.g. Rockall haddock, hake, anglerfish in area 7, *Nephrops* in area 7 and haddock in area 7b-k). The numbers of vessels by length with landings of anglerfish in area 7 and the total landings for each length range are shown below.

Table 4 Summary of total landings and numbers of vessels by vessel length categories for Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	-	-
10-12m	-	-
12-18m	2	7 tonnes
18-24m	16	236 tonnes
24-40m	20	656 tonnes
Total	38	899 tonnes

4.3.2 Anglerfish 7

Table 5 Summary of quota transfers under TCA and projected uptake for 2021 for Anglerfish 7

Quota 2021 (Initial)	2877 tonnes
Quota 2021 (Adjusted)	3304 tonnes (carryover of 427 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	+7.6%
Average Uptake 2018-2020	89%
% Transfer under the TCA to UK for 2021	3.2%
Irish quota transferred under the TCA	118 tonnes
Increase/reduction in quota due to scientific advice	+84 tonnes
Projected uptake for 2021 based on 2018-2020 catches	106%

The quota transfers under the TCA are cancelled out by the increase in the overall TAC. Quota uptake has averaged 89% in the last three years and Ireland is heavily reliant on annual swaps to maintain monthly landings of around 300-350 tonnes. Without swaps, the 2020 quota would have been exhausted in September. In 2021, based on average monthly catches, the quota is projected to be exhausted in December. By the end of 2021, would be 6% over quota without swaps (Figure 2).

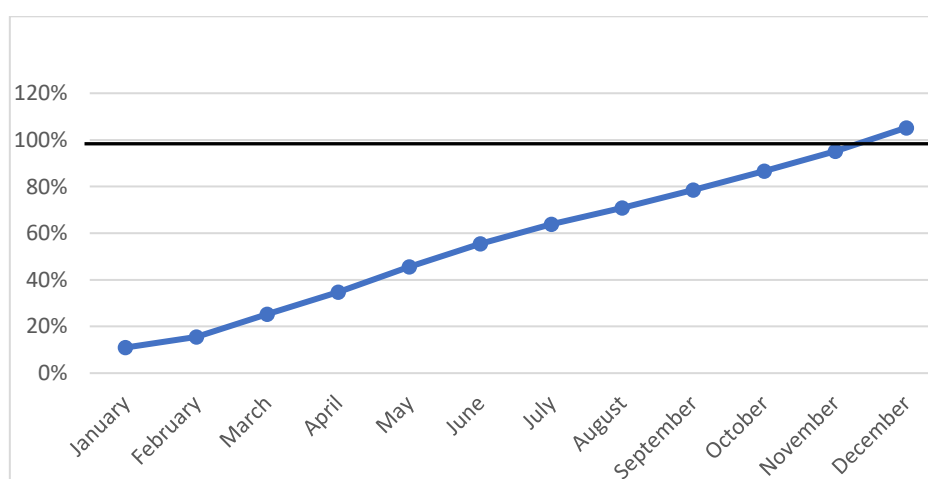


Figure 11 Quota uptake for Anglerfish, 7 based on average catches 2018-2020

Vessels and Fleets Impacted

There are approximately 40 whitefish trawlers greater than 12 metres reliant on mixed demersal stocks, including anglerfish, operating in area 7. Additionally, 8 inshore vessels, 11 beam trawlers, 9 seine net vessels and a further 20 whitefish trawlers have recorded catches of anglerfish in area 7 in 2020. Like anglerfish in area 6, this is an important quota for many vessels and full uptake of the quota before the end of the year would have knock on displacement effects on other mixed demersal in areas 6 and 7 as well as the *Nephrops* fisheries in area 7. The numbers of vessels by length with landings of anglerfish in area 7 and the total landings for each length range are shown below.

Table 6 Summary of total landings and numbers of vessels by vessel length categories for anglerfish in area 7

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	3	1 tonne
10-12m	5	17 tonnes

12-18m	19	293 tonnes
18-24m	32	1747 tonnes
24-40m	28	1676 tonnes
Total	87	3734 tonnes

4.3.3 Haddock Union and international waters of 6b, 12 and 14

Table 7 Summary of quota transfers under TCA and projected uptake for 2021 for Haddock Union and international waters of 6b, 12 and 14

Quota 2021 (Initial)	423 tonnes
Quota 2021 (Adjusted)	520 tonnes (carryover of 97 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-49%
Average Uptake 2018-2020	81.9%
% Transfer under the TCA to UK for 2021	2.6%
Irish quota transferred under the TCA	66 tonnes
Increase/reduction in quota due to scientific advice	-335 tonnes
Projected uptake for 2021 based on 2018-2020 catches	127%

Quota uptake has averaged 82% in the last three years, and generally, Ireland does not swap in Rockall haddock. The quota for 2021 has been 2020, catches would not have exceeded the initial quota. However, in 2021, based on average monthly catches, the quota would be exhausted in July. The early exhaustion of the quota is mainly due to the significant reduction in the overall TAC based on the scientific advice. The transfer under the TCA reduces the catches by a further half month. By the end of 2021, monthly catches would be 27% over quota without any quota being swapped in, noting that landings from this fishery normally tail off in Q4 (Figure 3).

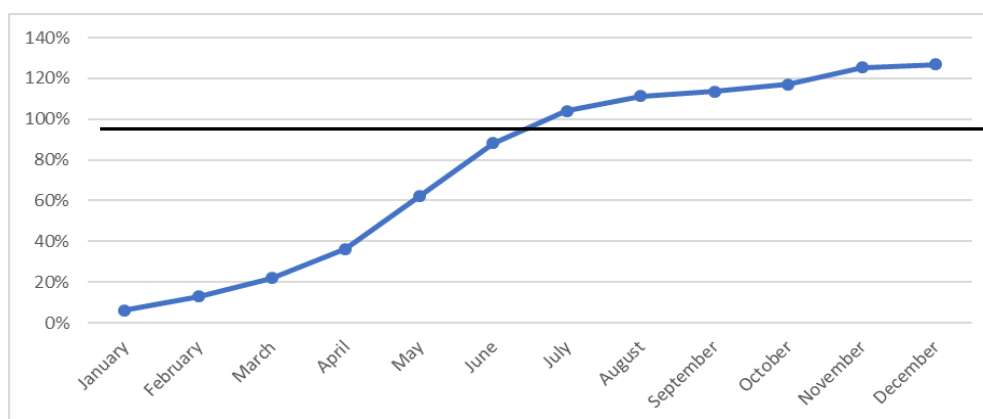


Figure 12 Quota uptake Rockall Haddock (Area 6b) based on average catches 2018-2020

Vessels and Fleets Impacted

There are around 9 vessels with significant landings from Rockall, of which 7 have significant landings of haddock. Additionally, there are 15 vessels that target mixed anglerfish, hake as well as squid seasonally at Rockall. If the haddock quota was fully caught by June, this would effectively close the lucrative squid fishery which usually occurs in the period May-July in the same area as the haddock fishery, as well as the mixed demersal in the deeper waters around Rockall in which haddock is a bycatch. The closure of these fisheries would lead to displacement into the mixed demersal fisheries

in area 6a, as well as in area 7. The numbers of vessels by length with landings of haddock in area 6b and the total landings by length range are shown below.

Table 8 Summary of total landings and numbers of vessels by vessel length categories for Haddock Union and international waters of 6b, 12 and 14

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	-	-
10-12m	-	-
12-18m	-	-
18-24m	5	84 tonnes
24-40m	19	596 tonnes
Total	24	680 tonnes

4.3.4 Haddock Union and international waters of 5b and 6a

Table 9 Summary of quota transfers under TCA and projected uptake for 2021 for Haddock Union and international waters of 5b and 6a

Quota 2021 (Initial)	650 tonnes
Quota 2021 (Adjusted)	717 tonnes (carryover of 67 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	No change
Average Uptake 2018-2020	83%
% Transfer under the TCA to UK for 2021	No change
Irish quota transferred under the TCA	131 tonnes (linked to Hague Preference)
Increase/reduction in quota due to scientific advice	+131 tonnes
Projected uptake for 2021 based on 2018-2020 catches	80%

This quota is not subject to a quota transfer under the TCA as the UK relative stability share does not change. However, there is a reduction linked to The Hague Preference, whereby part of the benefit of The Hague Preference for Ireland is negated. This is further complicated due to the sharing arrangement with the North Sea for this stock. Quota uptake has averaged 83% in the last three years and Ireland generally does not swap in haddock. In 2021, based on average monthly catches, the quota uptake would be 80% by the end of 2021, which is comparable to previous years (Figure 4).

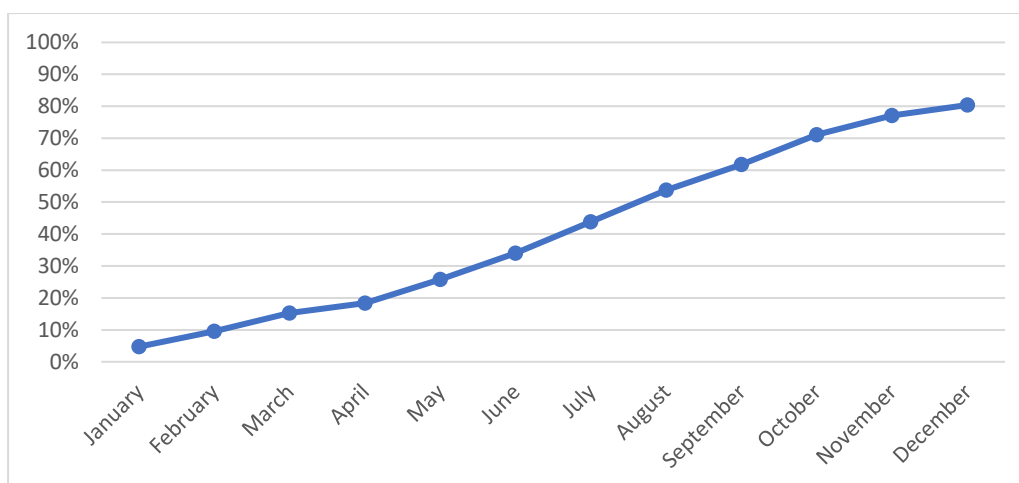


Figure 13 Quota uptake West of Scotland Haddock (Area 6a) based on average catches 2018-2020

Vessels and Fleets Impacted

There are approximately 12 whitefish trawlers greater than 12 metres reliant on mixed demersal stocks, including haddock, operating in area 6a. Additionally, there are two vessels less than 12m with small landings of haddock as well as a further 29 vessels that recorded catches of haddock in area 6a in 2020. The issues with this stock are related with anglerfish, megrim and hake in 6, where full uptake of those quotas before the end of the year would have knock-on effects for haddock in area 6a, given the association with anglerfish, megrim and hake. The numbers of vessels by length with landings of haddock in area 6a and the total landings by length range are shown below.

Table 10 Summary of total landings and numbers of vessels by vessel length categories for Haddock Union and international waters of 5b and 6a

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	1	< 1 tonne
10-12m	1	< 1tonne
12-18m	3	11 tonnes
18-24m	16	70 tonnes
24-40m	20	344 tonnes
40m+	2	15 tonnes
Total	43	440 tonnes

4.3.5 Haddock 7a

Table 11 Summary of quota transfers under TCA and projected uptake for 2021 for Haddock Union and international waters of 7a

Quota 2021 (Initial)	1322 tonnes
Quota 2021 (Adjusted)	1476 tonnes (carryover of 154 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-3%
Average Uptake 2018-2020	65%
% Transfer under the TCA to UK for 2021	4.9%
Irish quota transferred under the TCA	137 tonnes

Increase/reduction in quota due to scientific advice	+93 tonnes
Projected uptake for 2021 based on 2018-2020 catches	63%

The transfer under the TCA represents about one and a half months of catches. Quota uptake has averaged 65% in the last three years and is not limiting. In 2020, uptake was 49%. In 2021, based on average monthly catches, the quota uptake would be 63% by the end of 2021 (Figure 5).

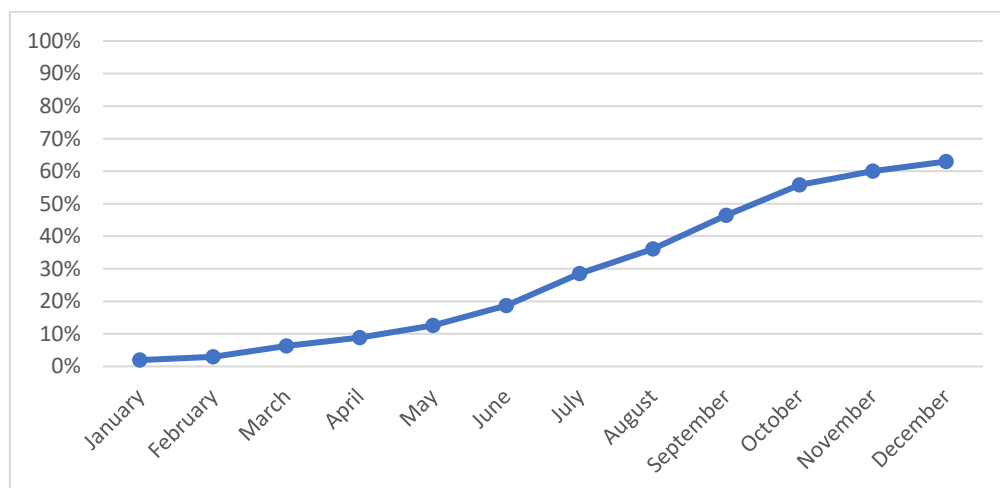


Figure 14 Quota uptake Irish Sea Haddock (Area 7a) based on average catches 2018-2020

Vessels and Fleets Impacted

There are only around 4 vessels that target haddock in the Irish Sea which include 3 whitefish trawlers and 1 seiner. Additionally, haddock are caught as a bycatch in small volumes from 34 *Nephrops* trawlers, 2 beam trawlers and 2 inshore vessels. There are no major displacement effects seen for this stock. The numbers of vessels by length with landings of haddock in area 7a and the total landings by length range are shown below.

Table 12 Summary of total landings and numbers of vessels by vessel length categories for Haddock Union and international waters of 7a

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	1	< 1 tonne
10-12m	1	< 1 tonne
12-18m	8	5 tonnes
18-24m	13	318 tonnes
24-40m	19	394 tonnes
Total	42	717 tonnes

4.3.6 Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1

Table 13 Summary of quota transfers under TCA and projected uptake for 2021 for Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1

Quota 2021 (Initial)	3110 tonnes
Quota 2021 (Adjusted)	3376 tonnes (carryover of 266 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	+29%

Average Uptake 2018-2020	98%
% Transfer under the TCA to UK for 2021	6%
Irish quota transferred under the TCA	254 tonnes
Increase/reduction in quota due to scientific advice	+503 tonnes
Projected uptake for 2021 based on 2018-2020 catches	92%

Quota uptake has averaged 98% in the last three years and is generally limiting, and swaps are difficult to achieve as quotas are also limiting for most other Member States. However, due a significant increase in the overall TAC based on the scientific advice, the quota for 2021 is 30% higher than in past years and is nearly double the quota in 2018. The transfer under the TCA represents about a month and a half of historic catches. In 2020, catches exceeded the initial quota with uptake in November 2020, with final uptake of 110% of the quota. In 2021, based on average monthly catches, quota uptake would be 92% by the end of 2021 reflecting the significant increase in quota for 2021.

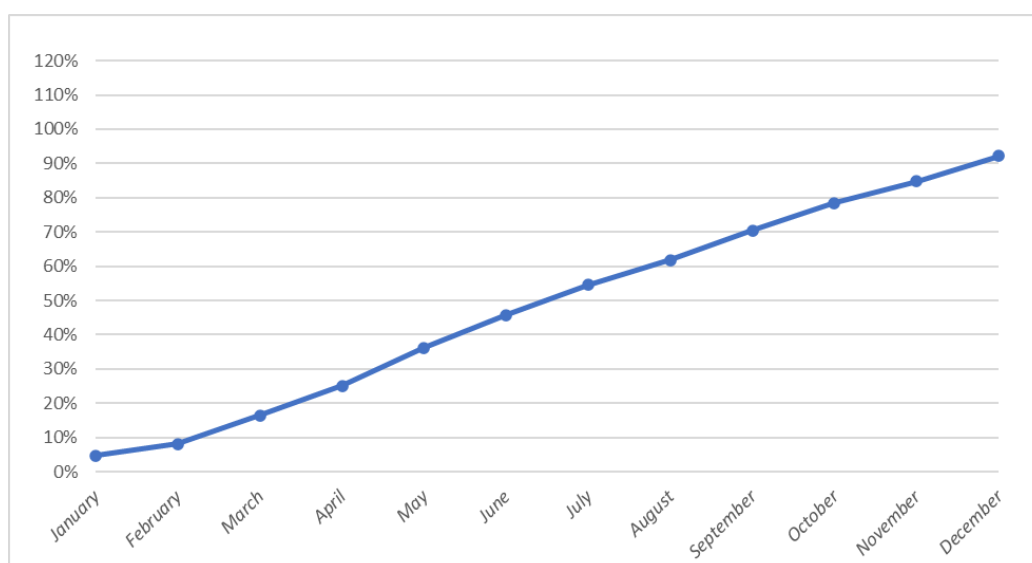


Figure 15 Quota uptake Irish Sea Haddock (Area 7b-k) based on average catches 2018-2020

Vessels and Fleets Impacted

Haddock in the Celtic Sea is caught by many vessels both as a target species and as a bycatch in different mixed demersal fisheries. Based on the 2020 sales notes data there were 92 vessels with haddock catches comprising 66 trawlers, 9 seiners, 10 beam trawlers and 7 inshore vessels. This quota may come under significant pressure depending on the level of uptake of the anglerfish, hake and *Nephrops* quotas by the end of Q3. Effort displacement from these fisheries leading to increased effort on Celtic Sea haddock would put serious pressure on this quota later in the year. The numbers of vessels by length with landings of haddock in area 7b-k and the total landings by length range are shown below.

Table 14 Summary of total landings and numbers of vessels by vessel length categories for Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	2	1 tonne
10-12m	5	19 tonnes
12-18m	13	201 tonnes
18-24m	42	1266 tonnes
24-40m	30	1158 tonnes

Total	92	2645 tonnes
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4.3.7 Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14

Table 15 Summary of total landings and numbers of vessels by vessel length categories for Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14

Quota 2021 (Initial)	2986 tonnes
Quota 2021 (Adjusted)	3372 tonnes (carryover of 386 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-15%
Average Uptake 2018-2020	84%
% Transfer under the TCA to UK for 2021	1.7%
Irish quota transferred under the TCA	73 tonnes
Increase/reduction in quota due to scientific advice	-434 tonnes
Projected uptake for 2021 based on 2018-2020 catches	113%

The reduction in the TAC combined with the quota transfer under the TCA result in a reduction of the quota of 15%. Quota uptake has remained relatively stable over the period 2018-2020, averaging 84%. Quota is generally limiting towards the end of Q4 and without carryover and swaps, in 2020 the initial quota would have been exhausted in November. A similar situation pertained in 2019. Swaps for hake are traditionally difficult to attain given most other Member States are quota limited. In 2021, based on average monthly catches, the quota would be exhausted in October. By the end of the year, catches would be 13% above the quota. The projected exhaustion of this quota in October would have knock-on impacts given the association of hake with other quota stocks such as haddock, anglerfish and megrim.

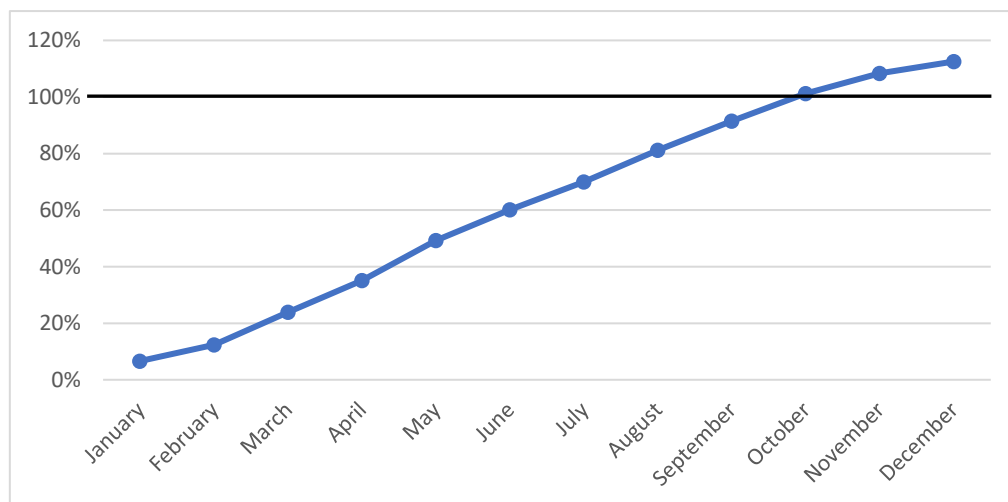


Figure 16 Quota uptake Hake (Area 6 and 7) based on average catches 2018-2020

Vessels and Fleets Impacted

This is an important quota for many vessels both as a target species and as a bycatch. Approximately 95% of catches are taken in Area 7 with 5% from Area 6. There are approximately 14 gillnetters greater than 12m with landings of hake representing more than 30% of their total landings value. Additionally, there are around 62 whitefish trawlers between 12-40m with catches of hake either as a target species or as a bycatch in other fisheries. There are also 16 inshore vessels less than 12m (mostly gillnetters),

9 seiners and 11 beam trawlers with catches of hake. The seine net vessels in particular target hake at certain times during the year. In 2020, two large pelagic vessels also reported small landings of hake (< 5 tonnes in total). Full uptake of this quota before the end of the year would create significant difficulties across a whole range of fisheries, given the importance of hake as a target catch and bycatch. The numbers of vessels by length with landings of hake in area 6 and 7 and the total landings by length range are shown below.

Table 16 Summary of total landings and numbers of vessels by vessel length categories for Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	2	9 tonnes
10-12m	14	165 tonnes
12-18m	22	321 tonnes
18-24m	47	1741 tonnes
24-40m	29	1353 tonnes
40m+	2	5 tonnes
Total	116	3594 tonnes

4.3.8 Megrim Union and international waters of 5b; 6; international waters of 12 and 14

Table 17 Summary of total landings and numbers of vessels by vessel length categories for Megrim Union and international waters of 5b; 6; international waters of 12 and 14

Quota 2021 (Initial)	603 tonnes
Quota 2021 (Adjusted)	698 tonnes (carryover of 95 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-21%
Average Uptake 2018-2020	83%
% Transfer under the TCA to UK for 2021	7.8%
Irish quota transferred under the TCA	81 tonnes
Increase/reduction in quota due to scientific advice	-80 tonnes
Projected uptake for 2021 based on 2018-2020 catches	109%

The combination of a reduction stemming from the scientific advice along with the quota transfer under the TCA means the quota is reduced by 21% in 2021. The quota transfer represents a month and a half of catches. Quota uptake has averaged 83% in the last three years and in 2020, quota uptake was 75% reflecting an increased quota. In 2018 and 2019, uptake was much higher. In 2021, based on average monthly catches, the quota is projected to be exhausted in November. By the end of the year catches would be 9% above the quota. As with anglerfish, early exhaustion of the quota would have knock-on effects for vessels operating in area 6 fisheries (Figure 8).

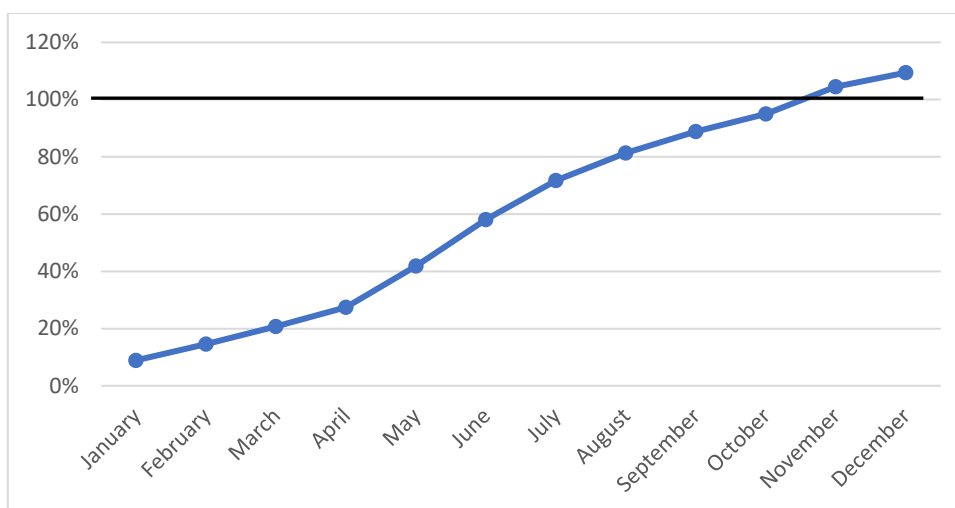


Figure 17 Quota uptake West of Scotland megrim (Area 6) based on average catches 2018-2020

Vessels and Fleets Impacted

The same vessels that target anglerfish and haddock in area 6 also target megrim in the same fisheries. Therefore, the same displacement effects and fisheries impacted from full uptake of this quota before the end of the year would be similar. Around 65% of the quota is caught in area 6b with 35% taken in area 6a. The numbers of vessels by length with landings of megrim in area 6 and the total landings for each length range are shown below.

Table 18 Summary of total landings and numbers of vessels by vessel length categories for Megrim Union and international waters of 5b; 6; international waters of 12 and 14

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	1	< 1 tonne
10-12m	1	< 1 tonne
12-18m	4	9 tonnes
18-24m	16	85 tonnes
24-40m	20	622 tonnes
Total	42	716 tonnes

4.3.9 Megrim 7

Table 19 Summary of total landings and numbers of vessels by vessel length categories for Megrim Union and international waters of 7

Quota 2021 (Initial)	2880 tonnes
Quota 2021 (Adjusted)	3222 tonnes (carryover of 342 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-7%
Average Uptake 2018-2020	74%
% Transfer under the TCA to UK for 2021	4.3%
Irish quota transferred under the TCA	248 tonnes
Increase/reduction in quota due to scientific advice	+27 tonnes
Projected uptake for 2021 based on 2018-2020 catches	65%

Quota uptake has averaged 74% in the last three years and the quota has not been limiting in any of the last three years. In 2020, quota uptake was 55% reflecting an increased quota and lower catches

than in previous years. In 2018 and 2019, quota uptake was much higher. In 2021, based on average monthly catches, quota uptake is projected at 65% by the end of the year.

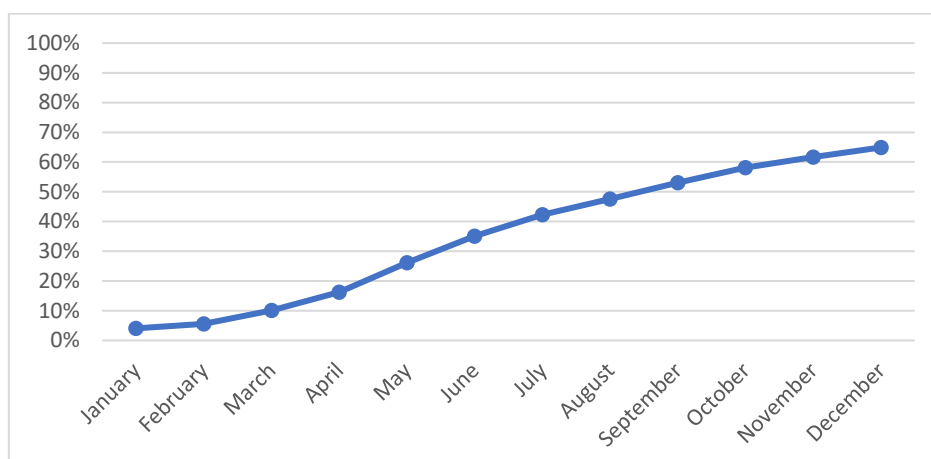


Figure 18 Quota uptake megrim (Area 7) based on average catches 2018-2020

Vessels and Fleets Impacted

The same vessels that target anglerfish and haddock in area 6 and 7 also target megrim in the same fisheries. Therefore, the same displacement effects and fisheries impacted from full uptake of this quota before the end of the year would be similar. The numbers of vessels by length with landings of megrim in area 7 and the total landings for each length range are shown below.

Table 20 Summary of total landings and numbers of vessels by vessel length categories for Megrim Union and international waters of 7

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	3	1 tonne
10-12m	5	17 tonnes
12-18m	19	227 tonnes
18-24m	32	767 tonnes
24-40m	28	848 tonnes
Total	87	1860 tonnes

4.3.10 Nephrops 7

Table 21 Summary of total landings and numbers of vessels by vessel length categories for Nephrops area 7

Quota 2021 (Initial)	6098 tonnes
Quota 2021 (Adjusted)	6814 tonnes (carryover of 717 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	-2%
Average Uptake 2018-2020	76%
% Transfer under the TCA to UK for 2021	6%
Irish quota transferred under the TCA	545 tonnes
Increase/reduction in quota due to scientific advice	+442 tonnes
Projected uptake for 2021 based on 2018-2020 catches	90%

Despite a 7% increase in the overall TAC, Ireland's quota for 2021 is reduced by 2% due to the transfer under the TCA. The transfer represents one month of catches. Quota uptake has averaged 76% in the last three years and the quota has not been limiting in any of the last three years. However, there is a separate quota for FU16 (Porcupine Bank) which is consistently under pressure annually and requires close management with the fishery closed at certain times of the year. Quota swaps are sought every year, particularly for FU16. In 2020, quota uptake was 77% reflecting lower catches than in previous years. In 2019, quota uptake was much higher. In 2021, based on average monthly catches, quota uptake is projected to be 90% by the end of the year. Without the carryover from 2020, the quota would be exhausted in November (Figure 10).

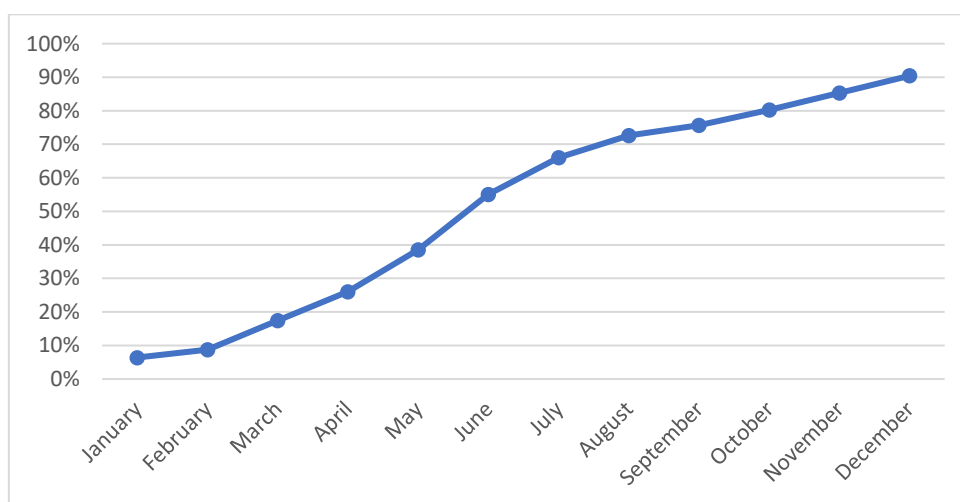


Figure 19 Quota uptake *Nephrops* (Area 7) based on average catches 2018-2020

Vessels and Fleets Impacted

This is an important quota for many Irish vessels, some of which also target whitefish in area 6 and 7 or are involved in pelagic fisheries seasonally. Based on sales notes data for 2020, there are around 76 vessels targeting *Nephrops* year-round and where *Nephrops* make up more than 50% of their gross earnings. There are a further 21 vessels which fish seasonally for *Nephrops* or have bycatch of *Nephrops* in their landings. Given the importance of this fishery, further increases in effort from other fisheries will put additional pressure on this quota, which is traditionally close to 100% uptake. The numbers of vessels by length with landings of *Nephrops* in area 7 and the total landings for each length range are shown below.

Table 22 Summary of total landings and numbers of vessels by vessel length categories for *Nephrops* area 7

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	2	21 tonnes
10-12m	3	45 tonnes
12-18m	16	525 tonnes
18-24m	46	3272 tonnes
24-40m	30	1805 tonnes
Total	97	5668 tonnes

4.3.11 *Nephrops* FU16

Table 23 Summary of total landings and numbers of vessels by vessel length categories for *Nephrops* FU16

Quota 2021 (Initial)	1193 tonnes
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Quota 2021 (Adjusted)	1351 tonnes (carryover of 158 tonnes)
Differences in quota 2021 vs 2020 (initial quotas)	+25%
Average Uptake 2018-2020	91%
% Transfer under the TCA to UK for 2021	No change
Irish quota transferred under the TCA	No change
Increase/reduction in quota due to scientific advice	+236 tonnes
Projected uptake for 2021 based on 2018-2020 catches	100%

Nephrops in FU16 is managed through an “of which” clause under the *Nephrops* TAC for area 7, which sets a limit of the overall area 7 quota that can be caught in FU16. There is no quota transfer for FU16 under the TCA. Uptake has averaged 91% in the last three years and the quota is limiting with swaps sought every year. In 2021 based on average monthly catches, and assuming the fishery is closed during May (EU Regulation) and June and July (industry closure) quota uptake is projected to be 100% by the end of the year (Figure 11).

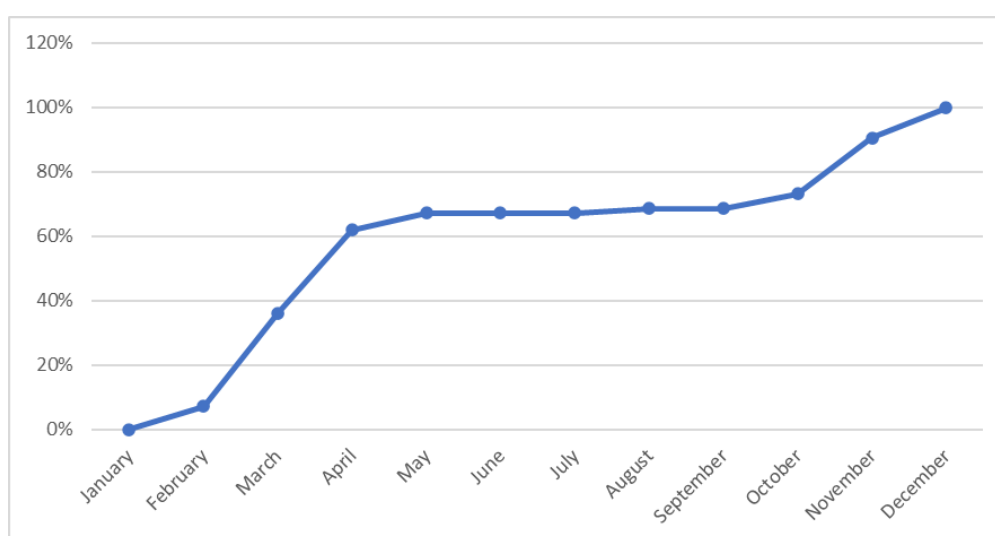


Figure 20 Quota uptake *Nephrops* FU16 based on average catches 2018-2020

Vessels and Fleets Impacted

Based on sales notes data for 2020, there are around 52 freezer vessels targeting *Nephrops* in FU16 seasonally. Full uptake of this quota will lead to displacement mostly into other *Nephrops* fisheries in area 7. Conversely, full uptake of quotas for stocks such as anglerfish and hake in area 6 and 7 may lead to increased effort in the FU16 fishery, which would put further pressure on a quota which is already limiting. The numbers of vessels by length with landings of *Nephrops* in FU16 and the total landings for each length range are shown below.

Table 24 Summary of total landings and numbers of vessels by vessel length categories for *Nephrops* FU16

Length Range	Number of Vessels	Total Landings 2020 (tonnes)
<10m	-	-
10-12m	-	-
12-18m	-	-
18-24m	26	710 tonnes
24-40m	26	805 tonnes
Total	52	1515 tonnes

4.4 CONCLUSIONS

An analysis of projected uptake of available quota in 2021 against monthly historic catches over the period 2018-2020 for 10 key whitefish and *Nephrops* stocks, shows the following:

- For 5 stocks – anglerfish in area 6 and 7, Rockall haddock, hake in areas 6 and 7 and megrim in area 6 - based on historic catches, the quota would be exceeded before the end of the year leading to potential displacement into other fisheries and early closure of other fisheries.
- This is most pronounced for Rockall haddock and hake in area 6 and 7 where uptakes of 127% and 113% respectively would result. For the other three stocks - anglerfish in 6 and 7 and megrim in 6 - the overshoot of the quota is projected to be 105%, 106% and 109% respectively.
- For *Nephrops* in area 7, the projected quota uptake is 90% and without a carryover from 2020 the quota would be exhausted by November. Under the *Nephrops* quota, there is a separate allocation for FU16 (Porcupine Bank). Annually, this quota comes under pressure towards the end of Q3 and based on average monthly catches, and assuming the fishery is closed during May to July, quota uptake is projected to be 100% by the end of the year. Any further increases in effort into this fishery will increase the pressure on this quota which is limiting presently.
- For Celtic Sea haddock the projected quota uptake is 92% even with a significant increase in quota. Without a carryover from 2020 the quota would be exhausted before the end of the year. Full uptake of this quota before the end of the year would potentially impact many vessels operating in a range of mixed demersal and *Nephrops* fisheries.
- For the remaining 3 stocks – Haddock in area 6a, haddock in the Irish Sea and megrim in area 7 – it is projected there is significant quota to allow fishing at historic catch rates. However, given these stocks are associated with stocks where quota is limiting (e.g. anglerfish, hake, *Nephrops*) there is a high likelihood these quotas will not be fully utilised due to uptake of the quotas for these other species.

Table 25 Summary of quota uptake by stocks with projected month of quota exhaustion

Stock	12-Month Projected % Quota Uptake	Projected Month when quota is exhausted
Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14	105%	December
Anglerfish 7	106%	December
Haddock Union and international waters of 6b, 12 and 14	127%	July
Haddock Union and international waters of 5b and 6a	80%	-
Haddock 7a	63%	-
Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1	92%	-
Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14	113%	October

Megrim Union and international waters of 5b; 6; international waters of 12 and 14	109%	November
Megrim 7	65%	-
<i>Nephrops</i> 7 (including FU16)	90%	-
<i>Nephrops</i> FU16	100%	December

5 PRINCIPLES AND PROVISIONS FOR A TEMPORARY CESSATION SCHEME

5.1 BACKGROUND

A Temporary Cessation Scheme is a short-term measure that could be used to mitigate the impacts of the quota transfers under the TCA. However, to develop such a scheme further, there are several issues that need to be resolved relating to prioritisation of fleet segments; duration and cessation period for the scheme; ensuring continuity of supply; basis of premium; and crew costs. In this regard, this chapter describes the following:

- Legal basis and State Aid for a Temporary Cessation Scheme.
- Conditions contained in the EMFAF relating to Temporary Cessation.
- Summary of the proposals submitted by Task Force members, compared to the conditions in the EMFAF; and
- Summary of a French Temporary Cessation Scheme recently announced.

5.2 LEGAL BASIS FOR TEMPORARY CESSATION SCHEME

Article 108(3) of the EU Treaties requires that any proposed measure that entails State Aid must be the subject of a prior State Aid Notification (application) to the European Commission. Some exemptions from this requirement exist, including *De minimis* aid and block exempted aid. Another broader exemption is provided for in article 11 of the European Maritime and Fisheries Fund (EMFF), as it is the draft European Maritime Fisheries and Aquaculture Fund Regulation (EMFAF) that replaces the EMFF. This provision exempts most types of aid provided within a Member State's EMFF/EMFAF Programme from State Aid Notification.

In November 2018, the European Commission published the Consolidated Version of the Guidelines for Examination of State Aid in the fisheries and aquaculture sector. These Guidelines set out the principles that the Commission apply when assessing whether aid to the fishery and aquaculture sector can be considered compatible with the internal market outside of the EMFF or EMFAF State Aid exemption. **Paragraph 34** of these Guidelines provides that an aid measure of the same kind as an operation that is eligible for funding under the EMFF can only be considered compatible with the internal market if it complies with the relevant provisions of the EMFF for that kind of operation (i.e. a temporary cessation scheme funded from outside the EMFF/EMFAF should be in line with the provisions for such a scheme contained in the EMFF/EMFAF). Furthermore, **paragraph 35** of the Guidelines provides that no aid must be granted for activities that correspond to ineligible operations under the EMFF.

The Proposed Regulation on the Brexit Adjustment Reserve (BAR) does not provide for a similar State Aid exemption as in the EMFF/EMFAF and so, any BAR aid must be approved by the Commission

through a State Aid application. It is reasonable to assume that any application for State Aid approval, submitted by Ireland, to implement support schemes under the BAR is more likely to be successful if it complies with the relevant provisions of the EMFAF for that kind of operation. The relevant principles and provisions for Temporary Cessation contained in **Article 18** of the EMFAF are set out in Table 1 below.

Table 26 Relevant provisions for a Temporary Cessation Scheme based on the EMFAF draft Regulation

Issue	Measures in EMFAF
Legal Basis	Article 18
Scope	Support may be granted where, based on scientific advice, a reduction of fishing effort is needed to achieve the objectives referred to in Articles 2(2) and point (a) of Article 2(5) of the CFP and in the case of temporary cessation, contribute to a fair standard of living.
Maximum duration of tie-up	Minimum of 30 days in a calendar year Maximum of 12 months over Programme period
Registration	Registered as active
Days at Sea requirement	120 over previous 2 calendar years
Crew	120 days on board over previous 2 calendar years
Control and Enforcement	To ensure that there will be no overcompensation, Member States must put in place effective control and enforcement mechanisms to validate the vessel concerned has stopped any fishing activity during the period of temporary cessation
EU co-funding rate	Max 70%
Aid intensity rate	100%
Funding available	Full programme budget available, subject to regulatory limits below
Funding limits	15% of EU allocation (15% of €142m = €21m plus national funding, e.g. at 50% = €42m in total) Limit applies to tie-up, decommissioning, & engine replacement
Calculation of the aid	Not specified in the EMFAF
Permanent Cessation links	None

5.3 TASK FORCE SUBMISSIONS

Seven proposals have been submitted to the Task Force outlining potential Temporary Cessation Scheme. These are outlined in Table 2 with initial comments as to how they relate to the provisions in Article 18 of the EMFAF.

Table 27 Summary of proposals for A Temporary Cessation Scheme received from Task Force members

Proposal	Fleet prioritisation	Duration	Cessation period	Continuity of supply	Basis of premium	Crew	Comments
IFPO/ISEFPO	Demersal sector	2021 with review in January 2022	At least one calendar month	Not addressed	75% of gross earnings for a month based on the average monthly grossing for the period 2017-2019	Compensated by vessel owner	Meets the cessation period provisions contained in the EMFAF but not the 120 days fishing requirement. Reflects fleets most impacted by the TCA to some degree and has a premium rate based on turnover.
IFPO/ISEFPO	Pelagic sector	2021	Not specified	Not addressed	Compensated in value terms equating to 15% quota loss at an individual vessel basis or by buying back quota from other countries.	Not specified	This is a specific proposal for pelagic vessels (RSW and Tier 1 Polyvalent). It compensates vessels directly rather than as a tie-up scheme per se.
ISWFPO	All vessels segmented by length	2021	73 days (equal to 20% of the calendar year)	Not addressed	Fixed Daily rate based on length	Assumed to be compensated by vessel owner	Meets the cessation period provisions contained in the EMFAF but not the 120 days fishing requirement. Covers all vessels. Premium rate arbitrarily applied to a defined tie-up period.
Co-operatives	All vessels segmented by GT	June 1 st to December 31 st 2021	30 days	Organised in conjunction with the Co-ops and sales organisations	Fixed Daily rate per vessel based on GTs. A 6% fixed rate of commission for Co-ops and Sales Organisations	Included in daily rate and compensated by vessel owner	Meets the cessation period provisions contained in the EMFAF except for the 120 days fishing requirement. Covers all vessels and includes a fixed rate for commission for sales agencies that is not included in the EMFAF. Premium

							rate arbitrarily applied to a defined tie-up period.
IIMRO	All vessels segmented by length	Not specified	Equivalent to 20% of the calendar year	Timing should be staggered	Not specified but based on length	Not specified	This proposal contains broad principles rather than actual numbers so cannot be compared to the conditions in the EMFAF
NIFA/NIFO	Not clear- Reference to vessels < 18m	Not specified	Weekly/fortnightly	Timing should be staggered	80% of turnover (based on approximate gross profits)	Paid from premium	Probably meets the cessation period provisions contained in the EMFAF except for the 120 days fishing requirement. Not clear whether this applies only to inshore vessels < 18m or all vessels. More flexible approach proposed (weekly/fortnight tie-up). Premium rate based on turnover. Not clear what turnover is based on.
NIFF	All vessels with reference to inshore vessels < 12m	Not specified	Monthly with possible extension to 2 months	Timing should be staggered	Fixed Daily rate based on two length categories	Not specified	Meets the cessation period provisions contained in the EMFAF except for the 120 days fishing requirement. Covers all vessels but proposal specific to inshore vessels < 12m. Premium rate arbitrarily applied to a defined tie-up period

5.4 FRENCH TIE-UP SCHEME

Recently the European Commission approved, under EU State aid rules, three French schemes worth €100 million in total, to support the fisheries sector affected by the Trade and Cooperation Agreement and the consequent quota transfers to the UK under the TCA. These are the first support measures approved by the Commission in the context of inter-institutional discussions on the proposed Brexit Adjustment Reserve ('BAR') and are therefore useful in designing a Temporary Cessation scheme, when the Task Force recommends such a Scheme to be put in place.

While these decisions do not prejudice whether the support measures will eventually be eligible for BAR funding, which will be assessed once the BAR Regulation will have entered into force, they already provide France with legal certainty that the Commission considers them compliant with EU State Aid rules. Again, this is useful in that it provides an indication of the parameters that need to be defined for a Temporary Cessation Scheme.

The first scheme, with a total budget of €80 million, is essentially a **temporary cessation scheme** which aims at partially compensating the fixed costs of vessels forced to tie-up due to the quota reductions envisaged in the TCA, the lack of access to UK waters or to other third country waters due to Brexit. The **temporary cessation scheme** contains the following conditions:

- It applies to the period 1 January 2021 to 30 June 2021 and may be extended until 31 December 2021.
- For a vessel to be eligible it must have had at least 120 days of fishing activity at sea during the last two calendar years prior to the year of submission of the aid application.
- The compensation is contingent on the fact that the vessel has temporarily ceased fishing activity for at least 25 days between 1 January 2021 and 30 June 2021.
- The minimum duration of any tie-up period is five consecutive days.
- The amount of the estimated losses to be compensated will be calculated based on objective criteria, taking as reference the turnover for the year 2019 multiplied by the number of days when the vessel is tied-up and a factor discounting costs not borne by beneficiaries during the period in port, which will not be compensated.
- It includes remuneration of crew members.
- During the tie up period, the vessel must remain moored at the quayside, no fishing activity shall be carried out, no maintenance work can be carried out; and the fishing licence shall be automatically suspended.

In assessing the Schemes, the Commission concluded that the measures are proportionate by limiting support to the loss of revenues resulting from the withdrawal of the United Kingdom from the EU and by being transitional in nature.

5.5 CONCLUSIONS

- Under Article 108(3) of the EU Treaties, any proposed measure that entails State Aid must be the subject of a prior State Aid Notification (application) to the European Commission.
- The Proposed Regulation on the Brexit Adjustment Reserve (BAR) does not provide for a State Aid exemption and so any BAR aid must be approved by the Commission through a State Aid application.
- It is reasonable to assume that any application for State Aid approval, submitted by Ireland, to implement support schemes under the BAR is more likely to be successful if it complies with the relevant provisions of the EMFAF for that kind of operation.

- The relevant principles and provisions for Temporary Cessation are contained in **Article 18** of the EMFAF. These are fairly limited except for the stipulation that an eligible vessel must have fished for **120 days** in the last two years and that vessels must have stopped fishing for at least 30 days.
- Article 18 does not define any specific criteria for calculation of tie-up premium's but to attain State Aid approval, the basis for the premium will need to follow the Commission Guidelines for Examination of State Aid in the fisheries and aquaculture sector.
- Seven proposals were received by the Task Force and compared to the conditions contained in Article 18 of the EMFAF. These are helpful and can be used to further discussion in developing Task force recommendations for a Temporary Cessation Scheme. One proposal is specific to the pelagic sector, while three others are for the inshore sector.
- Recently, France has applied for State Approval for three schemes to support the French fisheries sector affected by the TCA and the consequent quota transfers to the UK under the TCA. These schemes are proposed to be funded from the BAR and provide France with legal certainty that the Commission considers them compliant with EU State aid rules. This provides an indication of the parameters that need to be defined for a **temporary cessation scheme**.
- While not explicit in the EMFAF, based on the French scheme that has received State Aid approval, any **temporary cessation scheme** will need to be clearly linked to the fleet segments directly affected by TCA-induced quota share reductions or lack of access to UK waters or other third country waters due to Brexit. It should help those fleets to re-organise and to adapt to the new situation under the TCA in the short term.

6 SHORT TERM SUPPORT MEASURES FOR THE FISHING FLEET

6.1 BACKGROUND

This chapter provides an outline for a proposed temporary cessation scheme targeted at whitefish vessels impacted by quota transfers to the UK under the TCA. In drafting this outline, cognisance has been taken of the seven submissions relating to a tie-up scheme received from Task Force members as well as three short-term schemes rolled out recently by France. The potential need for specific schemes for the inshore and RSW fleet segments as alternatives to a voluntary cessation scheme are also identified. This reflects the difficulties in justifying the inclusion of these fleet segments under a temporary cessation scheme due, in the case of the inshore fleet, to the stocks they target, and, for the RSW, the seasonality of the fisheries they are involved in.

6.2 WHITEFISH TEMPORARY CESSATION SCHEME PRINCIPLES

A restructuring of the Irish fishing fleet, to align the fleet with the fishing opportunities available post Brexit must be given consideration along with supports for seafood processors, the aquaculture sector and for the coastal communities that are largely dependent on fishing to reconfigure, diversify, retrain and leverage opportunities to prosper again in a post Brexit era. However, there is a more immediate need to implement support measures for the areas of the catching sector that have been directly impacted by the TCA cuts. To make best use of the reduced quota available to the demersal sector and to ensure continuity of supply throughout the remainder of this year the principles of a possible fleet temporary cessation scheme for fishing vessels in the Polyvalent or Beam Trawl segments of the fleet that are subject to loss of quota resulting from the TCA are set out below.

6.3 BREXIT TEMPORARY FLEET CESSATION SCHEME

6.3.1 Objective

The purpose of the proposed scheme is to temporarily mitigate the negative impacts on the white fish sector from:

- A. The reduction in quotas for 2021 arising from the Trade and Cooperation Agreement. The Scheme aims to mitigate losses associated with certain stocks included in Annex FISH.1 and FISH.2 of the TCA.
- B. Difficulties in accessing UK waters or third country waters due to Brexit.

The scheme would support 15% of whitefish vessels (220 vessels out of a total of 1,428 vessels) in the Polyvalent and Beam Trawl segments to temporarily cease all fishing activity in a particular calendar month, thus increasing the quota available for remaining vessels. This includes those vessels less than 12m that fish for quota species covered under the TCA for at least part of the year.

6.3.2 Description of Scheme

The proposed Scheme would operate from September to December 2021. Bord Iascaigh Mhara would invite applications from eligible vessel owners to participate in the proposed Scheme. A defined percentage⁴ of each eligible fleet segment and vessel size category may be accepted to participate in a particular calendar month. A vessel would be able to participate in the Scheme for a maximum of 1 month in 2021.

The scheme would potentially offer a payment to eligible sea-fishing vessel owners participating in the Scheme. Participating vessels would cease all fishing activity and remain in port for a calendar month period.

Applicants would indicate on the application form their first, second and third priority choice of tie-up period. If in any one-month period of the scheme is oversubscribed (by reference to the defined percentage per month) for a particular length category, priority would be given to applications by date and time of receipt, subject to their meeting all other requirements of the scheme. Any applicant that is unsuccessful in his/her application because of the defined percentage would be offered priority in another month, subject to availability.

6.3.3 Eligible Beneficiaries

The proposed Scheme would be available to owners of Irish sea-fishing boats licensed in the Polyvalent or Beam Trawl segment of the Irish sea-fishing fleet, and who meet the Terms and Conditions of the Scheme outlined in section 6.

6.3.4 Scheme Payments

The table below outlines the proposed lump sum payment per month for participating vessels.

The payments are calculated by reference to official data on turnover of vessels in each of the length categories, using official DCF data derived from the National Seafood Survey and Sentinel Vessel Programme. Calculations are based on the loss of income incurred as a direct consequence of the TCA-

⁴ This percentage will be defined in consultation with the industry to ensure continuity of supply throughout the tie-up period

induced quota share reductions because of Brexit. It is calculated based on gross earnings averaged for the fleet segment over the period 2017-2019 excluding the cost of fuel and food.

Table 28 Summary of scheme payment per month by vessel size categories

Size of vessel	Calculation based on Income minus variable costs (fuel, provisions)
	Payment over 1-month tie-up period
Under 10m	€4,600
10<12m	€7,100
12 < 15m	€14,200
15 < 18m	€24,500
18 < 21m	€45,400
21 < 24m	€59,000
24m <40m	€88,700

6.4 POSSIBLE ADDITIONAL SCHEMES

Recognising that other fleet segments have also been directly and indirectly impacted by the TCA, additional support schemes may be needed. Specifically, support for the inshore sector and the Refrigerated Seawater Pelagic segment are under consideration by the Task Force as follows:

6.4.1 Inshore Fishing Vessels

Inshore vessels less than 12m registered as polyvalent and fish for quota species covered under the TCA would be eligible for the tie-up scheme. This makes up only a relatively small proportion of the inshore sector < 12m. Most of these vessels fish for non-quota shellfish species and therefore have not been immediately impacted by the TCA. However, management arrangements relating to for non-quota species are included in the TCA. In the ongoing negotiations between the EU and UK, future management including effort limitations for non-quota species, and these may have impacts on the inshore vessels in the longer-term. Additionally, the risk of future knock-on effects from displacement of effort and difficulties accessing the market is recognised and is under review. It is apparent that difficulties with logistics and route to market, particularly for live shellfish, due to Brexit have resulted in losses to the inshore operators, while displacement effects because of larger vessels having access to reduced quotas are seen as a longer-term effect of the TCA.

Further analysis will be carried out on these aspects with a view to exploring the option of implementing a support scheme for those inshore operators who were actively fishing in the period since 1 January 2021 and have experienced losses resulting from Brexit related route to market issues. The Task Force steering group has requested that the representative bodies for the inshore sector, working with BIM and DAFM, submit a reasoned case outlining alternative proposals to the temporary cessation scheme as a short-term support mechanism for inshore vessels to cover losses resulting from logistics and route to market. This may also include vessels greater than 12m that also target non-quota shellfish species (e.g. viver crabbers and bivalve mollusc dredgers). It would be the from

intention that all these vessels would be incorporated into longer-term supports that may be in place such as decommissioning and regional development measures.

6.4.2 Refrigerated Seawater (RSW) Pelagic Segment Fishing Vessels

The RSW Pelagic segment of the fleet suffered the largest TCA related quota reductions for their main target species of mackerel. Other species such as horse mackerel, blue whiting and boarfish were subject to minimal quota transfers or no transfer at all under the TCA. Based on an analysis carried out for the Task Force by BIM, these losses are estimated at around €15.3 million in 2021, representing a reduction in mackerel quota of 9,835 tonnes (87% of the total reduction of 11,305 tonnes) because of the quota transfer to the UK.

However, due to the seasonal nature of the pelagic fisheries and the way this fleet segment operates, implementing a temporary cessation scheme would be difficult to justify. The vessels fish for a short period of time and tie-up once the quota is exhausted. For 2021, the RSW pelagic segment has caught most of their mackerel allocation already this year.

Given the scale of the reduction, it is expected that some level of permanent restructuring of this segment of the fleet may be deemed necessary. In the context of the need for adjustment and rebalancing in the longer term, it is considered that some short-term support to prepare for the changed situation may be justified. The Task Force steering group has requested that the representative bodies for the RSW Pelagic segment vessels, as for the inshore sector, submit, if they considerate it appropriate, a case for such rebalancing going forward and possible short-term state interventions to prepare for same. This should outline alternative proposals to a temporary cessation scheme as a short-term support mechanism for this sector. For reference, the steering committee suggest the representative groups considered the mechanisms set out in the Commission's guidance note on State aid in the fishery and aquaculture sector to mitigate the effects of the withdrawal of the UK from the European Union circulated to the Task Force.

7 APPENDIX 1 - TASK FORCE COMMITTEE

Name	Surname	Organisation
Aidan	Cotter	Chair
Margaret	Daly	Steering Group
Mícheal	Ó Cinnéide	Steering Group
Paul	Boyd	Clogherhead Fishermen's Cooperative
Enda	Conneely	Irish Islands Marine Resource Organisation (IIMRO)
Eamon	Dixon	National Inshore Fisheries Forum (NIFF)
Sean	Griffin	Galway & Aran Fishermen's Cooperative
John	Lynch	Irish South and East Fish Producers Organisation (ISEFPO)
Brendan	Byrne	Irish Fish Processors and Exporters Association (IFPEA)
Theresa	Morrissey	IFA Aquaculture
Patrick	Murphy	Irish South and West Fish Producers Organisation (ISWFPO)
John	Nolan	Castletownbere Fishermen's Cooperative
Sean	O'Donoghue	Killybegs Fishermen's Organisation (KFO)
John D	O'Kane	Foyle Fishermen's Cooperative
John	Ward	Irish Fish Producers Organisation (IFPO)
Andrew	Ward	Irish Local Development Network (ILDN)
Cecil	Beamish	DAFM
Mark	Christal	Enterprise Ireland
Shane	Clarke	Tourism Ireland
Mark	De Faoite	Údarás na Gaeltachta
Michael	Hussey	Bord Bia
Kevin	Flannery	Fisheries Local Action Groups (FLAGs)
Paschal	Hayes	DAFM
Josephine	Kelly	DAFM
Tim	Lucey	Chief Executive Cork Co Co - County & City Management Association (CCMA)
John	McLaughlin	Chief Executive Donegal Co Co - County & City Management Association (CCMA)
Jim	O'Toole	BIM
Dominic	Rihan	BIM

8 APPENDIX 2 – PUBLIC SUBMISSIONS

Reference	Date	Submission Contact	Organisation/Location
TF001	22/03/2021	David Bates	Kilmore Quay
TF002	25/03/2021	Tadhg O'Brien	Dublin
TF003	29/03/2021	Anonymous	Anonymous
TF004	29/03/2021	Anonymous	Anonymous
TF005	31/03/2021	Eamonn Dixon	NIFF

TF006	31/03/2021	Anonymous	Anonymous
TF007	06/04/2021	Terry Power	6 the park, Sevitt hall, Bettystown, Co. Meath
TF008	08/04/2021	Máirín Ní Choisdealbha-Seoige	Forbairt Chonamara Láir Teo
TF009	12/04/2021	Eamonn Ó hEanaigh	FLAGS West Committee
TF010	16/04/2021	Donagh & Denis Good	The Good Fish Co.
TF011	19/04/2021	Kevin Byrne	Fisherman (Engineer) and member of North RIFF
TF012	20/04/2021	Kieran Sheehan	Solas na mara ltd
TF013	20/04/2021	Richard Power	MFV GIRL GERALDINE
TF014	21/04/2021	Alex Crowley	NIFA and NIFO
TF015	21/04/2021	Thomas Pringle T.D.	Donegal Independent TD
TF016	21/04/2021	Alan Bates	Fisherman
TF017	21/04/2021	Seamus Bovaird	FLAGS North
TF018	21/04/2021	Seamus Bovaird	Greencastle Harbour Users' Group
TF019	21/04/2021	Karl Bonner	Killybegs Harbour Development Group (K.H.D.G.)
TF020	21/04/2021	Patricia M. Lee	Inishowen Development Partnership
TF021	22/04/2021	Gary Kennedy	Inver Traditional Inshore Fishermen's Association
TF022	22/04/2021	Karen McCormick & Mary McKenna	Marine Innovation & Digital Hub in Greencastle
TF023	22/04/2021	Séamus Breathnach	MFV Cruach na Cara
TF024	22/04/2021	Padraic de Bhaldrathe	FLAG West
TF025	22/04/2021	Alan and Pat Browne	MFV Ocean Dawn T467
TF026	22/04/2021	Anonymous	Anonymous

9 APPENDIX 3 – QUOTA UPTAKE TABLES

9.1.1 Anglerfish 6; Union and international waters of 5b; international waters of 12 and 14

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	562	562	90	90	16%
February	562	562	49	139	25%
March	562	562	52	191	34%
April	562	562	57	248	44%
May	562	562	92	340	60%
June	562	562	90	430	76%
July	562	562	96	526	94%
August	562	562	81	607	108%
September	562	562	92	699	124%
October	562	562	77	776	138%
November	562	562	92	868	154%
December	562	562	133	1001	178%

9.1.2 Anglerfish 7

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	2877	3304	362	362	11%
February	2877	3304	149	511	15%
March	2877	3304	322	833	25%
April	2877	3304	313	1146	35%
May	2877	3304	361	1507	46%
June	2877	3304	326	1833	55%
July	2877	3304	276	2110	64%
August	2877	3304	233	2342	71%
September	2877	3304	253	2595	79%
October	2877	3304	265	2861	87%
November	2877	3304	283	3144	95%
December	2877	3304	332	3476	105%

9.1.3 Haddock Union and international waters of 6b, 12 and 14

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	423	520	32	32	6%
February	423	520	35	67	13%
March	423	520	47	114	22%
April	423	520	75	189	36%
May	423	520	133	322	62%
June	423	520	136	458	88%
July	423	520	83	541	104%
August	423	520	38	579	111%
September	423	520	11	590	114%
October	423	520	18	608	117%
November	423	520	44	652	125%
December	423	520	7	659	127%

9.1.4 Haddock Union and international waters of 5b and 6a

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	650	717	34	34	5%
February	650	717	34	68	10%
March	650	717	41	109	15%
April	650	717	23	132	18%
May	650	717	53	185	26%
June	650	717	59	244	34%
July	650	717	70	314	44%
August	650	717	72	385	54%
September	650	717	58	443	62%
October	650	717	66	510	71%
November	650	717	43	553	77%
December	650	717	24	576	80%

9.1.5 Haddock 7a

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	1322	1476	29	29	2%
February	1322	1476	16	44	3%
March	1322	1476	48	92	6%
April	1322	1476	38	131	9%
May	1322	1476	55	185	13%
June	1322	1476	90	276	19%
July	1322	1476	145	421	29%
August	1322	1476	112	532	36%
September	1322	1476	153	685	46%
October	1322	1476	137	823	56%
November	1322	1476	63	886	60%
December	1322	1476	44	929	63%

9.1.6 Haddock 7b-k, 8, 9 and 10; Union waters of CECAF 34.1.1

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	3110	3376	158	158	5%
February	3110	3376	117	275	8%
March	3110	3376	281	556	16%
April	3110	3376	293	849	25%
May	3110	3376	371	1220	36%
June	3110	3376	326	1547	46%
July	3110	3376	293	1839	54%
August	3110	3376	248	2087	62%
September	3110	3376	293	2380	70%
October	3110	3376	270	2650	78%
November	3110	3376	214	2863	85%
December	3110	3376	248	3111	92%

9.1.7 Hake 6 and 7; Union and international waters of 5b; international waters of 12 and 14

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	2986	3372	224	224	7%
February	2986	3372	193	418	12%
March	2986	3372	391	809	24%
April	2986	3372	380	1189	35%
May	2986	3372	479	1667	49%
June	2986	3372	369	2036	60%
July	2986	3372	334	2369	70%
August	2986	3372	380	2750	82%
September	2986	3372	348	3098	92%
October	2986	3372	327	3425	102%
November	2986	3372	242	3667	109%
December	2986	3372	142	3809	113%

9.1.8 Megrim Union and international waters of 5b; 6; international waters of 12 and 14

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	603	698	62	62	9%
February	603	698	39	102	15%
March	603	698	43	145	21%
April	603	698	47	192	27%
May	603	698	100	292	42%
June	603	698	113	405	58%
July	603	698	96	501	72%
August	603	698	67	568	81%
September	603	698	52	620	89%
October	603	698	43	663	95%
November	603	698	66	729	104%
December	603	698	34	764	109%

9.1.9 Megrim 7

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	2880	3222	131	131	4%
February	2880	3222	49	180	6%
March	2880	3222	145	325	10%
April	2880	3222	197	522	16%
May	2880	3222	318	840	26%
June	2880	3222	289	1129	35%
July	2880	3222	231	1361	42%
August	2880	3222	171	1531	48%
September	2880	3222	177	1708	53%
October	2880	3222	163	1871	58%
November	2880	3222	115	1987	62%
December	2880	3222	104	2090	65%

9.1.10 Nephrops 7

Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Monthly Catches with FU16 (tonnes)	Cumulative Catches (tonnes)	Cumulative Catches with FU16 (tonnes)	% Quota Uptake	% Quota Uptake with FU16
6814	438	438	438	438	6%	6%
6814	64	159	501	597	7%	9%
6814	204	594	706	1191	10%	17%
6814	232	584	938	1775	14%	26%
6814	780	849	1718	2624	25%	39%
6814	716	1126	2434	3751	36%	55%
6814	443	747	2877	4498	42%	66%
6814	443	450	3320	4948	49%	73%
6814	210	210	3530	5157	52%	76%
6814	132	313	3662	5471	54%	80%
6814	105	341	3767	5811	55%	85%
6814	225	350	3992	6161	59%	90%

9.1.11 Nephrops FU16

Month	Initial Quota (tonnes)	Adjusted Quota (tonnes)	Monthly Catches (tonnes)	Cumulative Catches (tonnes)	% Quota Uptake
January	1193	1351	0	0	0%
February	1193	1351	96	96	7%
March	1193	1351	389	485	36%
April	1193	1351	352	837	62%
May	1193	1351	69	906	67%
June	1193	1351	410	1316	97%
July	1193	1351	203	1519	112%
August	1193	1351	21	1540	114%
September	1193	1351	0	1540	114%
October	1193	1351	60	1600	118%
November	1193	1351	236	1836	136%
December	1193	1351	125	1961	145%