**Please keep confidential – Note on developments Commission – IUU regulation (28.10.2014)**

What we know:

- **There is no legal requirement to open the IUU regulation, this is a political discussion**
- Commission Communication on the implementation of the IUU Regulation is being drafted, but it will need Mr. Vella's approval for release. The Communication will contain information on state of play of implementation, as well as recommendations (i.e. need to review the Regulation in order to link the Regulation to environmental crime and human trafficking). The Communication is not likely to come out until January.
    - Valerie asked for a low budget for this Communication because she wants to avoid a full evaluation etc. of the Regulation - she does not want to give any reason to anyone to think that the IUU Reg. needs to be reviewed.

Possible timeline:

- January 2015: Commission Communication on implementation of IUU Reg
- Early 2015: decision to start public consultation or not
- If decided to have public consultation: this will last a year before any changes are proposed, which then has a further consultation.
- If decided to open: proposal from Commission in 2016

What we are hearing:

**Ernesto Penas Lado: (head of A directorate)**

- Ernesto Penas Lado: the mandate of the new Commission is clearly centered on administrative simplification. This means the Regulation will certainly be opened up in the near term. He acknowledges the risk of opening Regulation up, but is better for MARE to approach it with a well-defined and ambitious plan to improve the Regulation rather than to simply defend what exists.
- Penas Ernesto Lado would like to introduce:
    - Digitise the catch certificate process, which he believes can be portrayed as an administrative simplification whilst actually making the process much more effective
    - Combine DG Sanco hygiene certificates and DG Mare catch certificates. Much of the information is the same, and if the two documents are aligned it could be more efficient without losing any of the information or controls and be portrayed as administrative simplification.
    - Build synergies (same risk factors, for instance) with the US and Japan so that there is a common approach and markets can be collectively closed.
    - Enlarge scope of listing process to also include human trafficking and other forms of crimes on fishing vessels.
    - Extend to include aquaculture, where there are environmental and human rights issues.

**Valerie Laine (head of unit IUU):**

- Valerie is very concerned about the possible review of the IUU Regulation. She is well aware of the threats, but feels the matter is out of control. She very much implied that it is Lowri Evans (Director General DG Mare) and Ernesto Penas Lado who have interests to open the Regulation for review.
    - Lowri and Ernesto who will likely be briefing the new Commissioner on IUU. Valerie is meeting with Lowri and Ernesto on the 7th of November to discuss the portfolio they will sell to Vella on IUU.

- Lowri asked Valerie to prepare a briefing for Vella to "launch the reflection on the IUU Reg.", where she should define a timeline and a roadmap for the possible review. Valerie said that she would write it as positive as possible to avoid the review but the fact that Evans has already asked for such briefing means that there are clear intentions to review it.

What is at stake if re-opened

- Penas Lado: main risk as being that the changes (he mentioned above) do not satisfy administrative simplification drive. The processing industry has been assertive in calling for reductions in the Regulation (Valerie Laine also mentioned this)
  - CC for single species would not be supported, as IUU fish has been found in almost all species so there would be no logical division to make. There would be no clear alignment in the processing industry to exclude one particular species over another as they all intrinsically have different views on this.
- Penas Lado: does not see significant opposition to the third country listings within the Commission. Rather, the key threat comes from the EU losing a WTO case (this is a medium to long term concern as there are no current cases). The basis they would lose is if the likes of Italy or France fail to control their fleets and a red carded country can show that the EU is applying standards that are stricter than it applies itself. So, lack of control of EU fleet is a bigger danger to listings than EEAS/Trade.

- In Valerie's view, there are two main stars in the Regulation – which in fact allow her unit to fight against IUU fishing – and these are the CCs and the pre-identification of 3rd countries. Curiously, these are the 2 elements that currently receive criticism by industry and some people within the Commission
- Valerie: Concerns on U.S. position on the IUU Regulation, particularly regarding those of the industry. Her sources say that the U.S. and Japan want to move towards a global catch certificate, but only for certain species (bigeye, salmon, swordfish). Valerie believes this is to protect the U.S. industry's cheap sourcing of tuna from Thailand and the Pacific.

What is our position:

**As stressed in our funding proposal we are working to implement the current regulation and we do not want to re-open it. We will lobby for implementing current regulation and against re-opening.**

**In our view the Regulation is working, but we are aware that there could be room for improvements to the Regulation, as outlined in a recent report authored by MRAG. However, we believe many of the recommendations in the report, such as the establishment of a central database of catch certificates that would enable a risk-based approach and streamline administrative burdens, could be established without a risky and time-consuming amendment process for the Regulation.**

What are the next steps:

- Ask meeting with meeting Commissioner Vella to highlight the key risks the review may pose to the Regulation. Valerie's take on Commissioner Vella is that he's interested on IUU, she believes there are opportunities to motivate him to be "on our side".
  - Approach the new Commissioner with clear case studies, strong (economic and political) arguments to say that he should not open this.
- Request urgent meeting with Lowri and Ernesto to understand what direction exactly are they likely to push Vella on the EU IUU Regulation, and to lobby them not to push for a review.
- Spread this message also in EP or Council