

# OPEN LETTER TO COMMISSIONERS HOEKSTRA AND KADIS

## SUBJECT: STRENGTHENING OCEAN RESILIENCE AND FISHERIES SUSTAINABILITY, AND ELIMINATING FOSSIL FUEL SUBSIDIES

Dear Commissioners Hoekstra and Kadis,

Congratulations on your appointments. Our NGOs BLOOM, ClientEarth, Oceana and Seas At Risk look forward to collaborating with you and supporting your efforts to advance the goals outlined in your mission letters. Together, we work for the elimination of fossil fuel subsidies in fisheries, fair financial and fishing opportunities for coastal, artisanal and small-scale fishing communities, and a shift toward low-impact fishing practices.

**Our vision is of a fair and just transition that not only decarbonises the fisheries sector but also shifts practices toward lower energy-intensity and lower impacts on already severely depleted fish populations and the ocean.** This transition is crucial for achieving climate objectives, ensuring the long-term viability of our ocean resources, and promoting the resilience of EU fisheries, fish populations and the wider marine environment, while promoting social justice within the sector at the EU level and between EU fishers and third countries fishers.

On 8 October 2024, through the 2024 state of the climate report<sup>1</sup>, leading climate and environmental scientists delivered a brutal truth: **the world as we have always known it is disappearing. The ocean is a vital ally in facing this crisis.** It absorbs almost a third of our CO<sub>2</sub> emissions and regulates the global climate. Yet all indicators are in the red. Ocean temperatures are soaring, causing unprecedented storms and deadly floods. Biodiversity is collapsing due to industrial fishing and carbon sinks are in danger. Every year, industrial bottom trawlers scrape millions of square kilometres of seabed, releasing up to 1 gigaton of carbon into the marine environment. The European Union is directly involved in this by channelling millions of euros of public subsidies into fuel tax exemptions, allocating fishing quotas to destructive fishing practices, and hesitating to ban bottom trawling, the most devastating fishing technique, even inside of marine protected areas.

The EU fisheries sector alone produces over 7 million tons of CO<sub>2</sub> just from burning fuel for fishing at sea, excluding processing, transport and cooling. Since 2020, we have closely monitored the revision of the Energy Taxation Directive (ETD) and the implementation of the Common Fisheries Policy, and witnessed the adoption by the Commission of an Action Plan for the energy transition of the fisheries sector in February 2023. While the European Advisory Board on Climate Change urges decision-makers to finalize the ETD revision process to eliminate fossil fuel subsidies and effectively reduce greenhouse gas emissions, the current revised compromise text at the Council is stalled by Member States and undermines the commitments made under the Paris Agreement and the EU's climate neutrality objective by 2050, which is enshrined in the European Climate Law. At the same time, the Commission has not issued a roadmap for the decarbonisation of the fisheries sector and Member States continue to fall short on implementing and promoting transparent and sustainable fishing opportunities under the Common Fisheries Policy. While fishers still benefit from fossil fuel subsidies, access to fishing and financial resources remains in the hands of destructive vessels, and there is no plan for decarbonisation. **Business as usual is still going on in fisheries while climate change effects are stronger, more violent, more frequent, and more eloquent in showing us that things need to change NOW.**

Fossil fuel subsidies in the form of the tax exemption in the current ETD represent the largest part of fisheries subsidies identified as harmful and that foster over-capacity of fishing fleets and the overexploitation of fish populations. In 2021, only in France, fuel tax exemptions accounted for €206 million representing 63% of total estimated subsidies. **More polluting industrial fleets benefit the most from indirect fuel subsidies, while fishing and financing opportunities in Europe remain concentrated among wealthier owners of industrial, high-impact fishing vessels.** Without these fuel tax exemptions, they would struggle to remain competitive in the market.

From a competitiveness perspective, we cannot afford for this market distortion to further support an economically inefficient fleet, which depletes fish stocks at the expense of small-scale fisheries and coastal communities. Reliance on fossil fuel subsidies hinders the emergence of sustainable energy alternatives, which will leave the EU perpetually reliant on fossil fuels, most of which are imported. In addition, the loss in public income resulting from the continuation of these tax exemptions for another two decades would be substantial: in the fisheries sector alone, uncollected revenue due to tax breaks on fuel is estimated between €700 million and €1.3 billion per year. Low-impact, artisanal fisheries create more jobs and generate greater value per liter of fuel, all while causing less environmental harm compared to industrial, high-impact fishing. Despite this, small-scale coastal and artisanal fishers have been the least recipients of fishing opportunities and financial support for decades, undermining the resilience of European fishing communities. **Eliminating fossil fuel subsidies and ensuring fair fishing opportunities to low-impact fishers under Article 17 of the Common Fisheries Policy is therefore crucial for paving the way to fair and sustainable fisheries in EU waters and beyond.** As discussed in the recent hearing for Commissioner Kadis, it is essential to establish a fairer and more transparent system for allocating quotas. Additionally, as Commissioner Hoekstra highlighted, there is an urgent need to conclude negotiations on the ETD and to eliminate fossil fuel subsidies in the EU and at national level.

Moving away from fossil fuels and phasing out destructive fishing practices is no longer just an environmental priority; it has become a matter of energy security and resilience. Establishing a fair taxation framework on fossil fuels in the maritime and fisheries sectors can enhance our resilience and energy independence, by incentivising the use of sustainable, locally-sourced energy alternatives and less energy-intensive fishing practices.

**Commissioner Hoekstra**, your mission letter entrusts you with the responsibility of guiding Europe towards climate resilience, including through the phasing out of fossil fuel subsidies and ensuring a socially just transition. Taxation is part of your portfolio and we urge you, as Commissioner and through your services, to **take a stronger position in the negotiation of the revision of the ETD**. We call on you to **challenge the regressive position of some Member States** that, irresponsibly, continue to defend the status quo, wanting to maintain the exemptions for fossil fuel subsidies in the fisheries and maritime sectors until 2035 and beyond.

**Commissioner Kadis**, your mission letter assigns you the responsibility of developing a vision for the fisheries sector with a 2040 perspective, which must be aligned with the sector's energy transition. We urge you to **prioritise and commit to a vision for a just, fair and less impactful fisheries sector**. This vision should foster sustainability, fairness, job creation, and long-term economic resilience in the fishing sector, particularly by supporting low impact artisanal and small-scale fishers and shifting away from energy-intensive and environmentally damaging fishing methods. We therefore call on you to **accelerate the release of the roadmap** for the energy transition of fisheries. It is essential that this roadmap promotes the transparent allocation of fishing opportunities by Member States to enhance support for low-impact fishers and ending support to fossil fuel subsidies. We call upon you to **collaborate with Commissioner Hoekstra** to oppose any outcome that falls short of the original proposals from the European Commission on the revision of the ETD, supporting a reasonable phasing in of taxation and a differentiated approach for small-scale coastal and artisanal low impact fishers.

Faithful that you will both hear this call, we wish you a successful mandate and we look forward to supporting you in this endeavour.

Your sincerely,

