



COVID-19 The single greatest threat to global stability

KFO Calls for an Urgent Suite of Measures to Support the Fishing Industry

The respiratory disease known as COVID-19 is caused by a newly evolved coronavirus which first appeared in the Chinese city of Wuhan late last year. As a new, or novel, organism, COVID-19 spreads very rapidly through the human population which has had no previous exposure and thus no built-up resistance. As yet there is no vaccine or pharmaceutical remedy available; the elderly and those with underlying medical conditions are particularly susceptible. The effects of this virus vary from very mild flu-like to severe respiratory disease symptoms and, for a percentage of the population, result in death.

Fisheries Sector Measures

The fisheries sector has been particularly hard hit by the COVID-19 pandemic with major market disruption generated by a significant drop in demand. The closure of sales venues, markets, outlets and distribution channels has seen prices and volumes drop substantially. The drop in demand and prices combined with the vulnerability and complexity of the supply chain made the operations of fishing fleets and seafood production loss-making. Consequently, some fishermen are forced to stay in port while others that go to sea have seen prices for certain species collapse.

The long-term fallout from the COVID-19 pandemic will be felt at many levels including, unexpectedly, management of fisheries. At this time of year industry and regulators usually receive fishery management advice on a number of important stocks from the ICES. This service will not operate as usual in 2020, though the organisation will endeavour to maintain as much of normal service as possible. A recent statement from ICES warned that the effects on the advisory process will reach beyond spring 2020 as ongoing and future surveys will be affected with disruption of work likely to start impacting the advice from June onwards and into the 2021 advice round.

The EU has recognised the serious disruption with the adoption of some significant amendments to the EMFF regulation covering temporary cessation, storage aid and additional support for producer organisations under their production and marketing plans but no additional funding has been provided. Over the coming weeks, EUMOFA, the European Market Observatory for Fisheries and Aquaculture Products, will release a regular bulletin (<https://www.eumofa.eu/covid-19>) in order to inform the sector as quickly as possible on the evolution of the markets along the entire supply chain.

The KFO has been at the forefront from the start in calling for and supporting the Minister's request for the continuation of the fishing activities to secure seafood supply to both Irish and European markets during this unprecedented crisis. It was very clear from the start that the industry required

urgent financial assistance to remain viable. In this regard there is an urgent need for Minister Creed to implement a suite of national measures covering all the EMFF amendments, the *di-minimis* and providing additional funding.

National Measures of Importance for Seafood Sector

In Ireland, basic supplies such as food, including fish, medicines and fuel, are prioritised and the government has implemented a series of measures to mitigate the initial financial shock to the domestic economy. A number of these measures are specifically tailored to supporting vessel owners and crew members and involve concerted action and cooperation between several government departments. Here is a listing of these support measures.

COVID-19 Pandemic Unemployment Payment

COVID-19 Pandemic Unemployment Payment of €350 per week for crew members (employees) and vessel owners (self-employed) who are unemployed due to COVID-19 pandemic

Application forms can be downloaded online and submitted by post to Free Post, PO BOX 12896, Dublin 1. Those people with a registered MyGovID account can make their claim online.

Contact: Department of Employment Affairs and Social Protection.

COVID-19 Wage Subsidy Scheme

Crew members (employees) whose employers (vessel owners) are affected by the COVID-19 pandemic can receive significant supports directly from their employer. The operation of the Temporary Wage Subsidy Scheme will be available to impacted employers across all sectors who keep employees on the payroll throughout the COVID-19 pandemic, meaning employers can retain links with employees for when business picks up after the crisis.

Up to May 4, 2020, the subsidy scheme will refund vessel owners (employers) up to a maximum of €410 per each qualifying crew member. From May 4, 2020, the subsidy payment will move to a system based on the previous net weekly pay

for each crew member. The scheme applies both to vessel owners (employers) who top up crew members' wages and those that are not in a position to do so.

Contact: the Revenue Commissioners.

Other Income Supports for crew members during a COVID-19 related absence or temporary lay-off from work:

- If you have been diagnosed with COVID-19, or are medically certified to self-isolate as a result of COVID-19, you can apply for Illness Benefit for COVID-19 absences which is higher than the standard rate. You can apply for this whether you are a crew member or if you are a vessel owner (self-employed).
- If you have been temporarily placed on a shorter working week, you may qualify for Short Time Work Support.
- workers who are not diagnosed with COVID-19 but who self-isolate
- workers whose employers do not supplement/top-up the State Illness Benefit payment (COVID-19)
- workers who are requested to stay at home by their employer (COVID-19)
- workers who need to take time off work to care for a person affected by COVID-19

Contact: The Department of Employment Affairs and Social Protection.

Support for Business

Fishers are eligible for funding under the Future Growth Loan Scheme. This scheme provides access to long-term strategic investment loans for eligible businesses in the seafood sector. Further information is available from the Strategic Banking Corporation of Ireland (SCBI). See further on: [SBCI - Future Growth Loan Scheme](#) and [Microfinance Ireland COVID-19 Business Loan FAQs](#) or local Enterprise Office.

Government supports for seafood processors

- The Future Growth Loan Scheme provides access to long-term strategic investment loans for eligible businesses in the seafood sector. Further

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information is available from the Strategic Banking Corporation of Ireland ([SCBI](#))-[Future Growth Loan Scheme](#)

- The [Credit Guarantee Scheme](#) supports loans up to €1 million for periods of up to seven years. Applications can be made to AIB, Bank of Ireland and Ulster Bank. Eligibility criteria apply. [Credit Guarantee Scheme for COVID-19 FAQs](#)

- Microenterprises can access COVID-19 loans of up to €50,000 from MicroFinance Ireland. Loans are available at an interest rate of between 6.8% and 7.8%. Businesses can apply through their Local Enterprise Office or directly at [microfinanceireland.ie](#). Eligibility criteria apply. [Microfinance Ireland COVID-19 Business Loan FAQs](#)

- The €200m SBCI COVID-19 Working Capital Scheme for eligible businesses will be available within the next week. Maximum loan size will be €1.5 million (first €500,000 unsecured) and the maximum interest rate will be 4%. Applications can be made through the SBCI website at [sbc.gov.ie](#). Eligibility criteria apply. [SBCI COVID-19 Working Capital Scheme FAQs](#)

- A €200m Package for Enterprise Supports including a Rescue and Restructuring Scheme is available through [Enterprise Ireland](#) for vulnerable but viable firms that need to restructure or transform their business.

Contact: The Department of Business Enterprise and Innovation.

OTHER CROSS-SECTORAL MEASURES

Banking and Credit Measures

If you are concerned about the impact of COVID-19 on your business or personal finances, you should talk to your bank about the COVID-19 banking measures that have been introduced:-

- Payment break up to three months for business and personal customers affected by COVID-19, to be followed by ongoing reviews depending on the scale and extent of the situation. Customers wishing to avail of a payment break should contact their respective bank.

- In addition, applications for payment breaks as a result of COVID-19 will not affect credit records.

- The banks agree there is a need for a simplified application process to make it as easy as possible for businesses and personal customers impacted by COVID-19 to receive support from their banks.

- Banks will also defer court proceedings for three months.

- The banking system stands ready to provide working capital support.

- The main non-bank lenders also confirmed their intention to support the range of measures announced by the country's main retail banks.

Taxation Measures

Revenue has posted specific advice for businesses experiencing trading difficulties as a result of COVID-19 including information on tax returns, the application of late payment interest, debt enforcement, tax clearance and customs.

Measures to Facilitate the Functioning of Fishery Harbour Centres

The Department of Transport, Tourism and Sport issued Marine Notice No. 06 of 2020, including updates, amendments and detailed annex documents to clarify the requirements needed for the safe continuation of the vitally important functioning of the fishing industry through the major Fishery Harbours.

The requirements were devised in conjunction with the HSE with the safety of fishermen and port workers being paramount. Designated areas, zoning for different activities, safe provisioning and full washing facilities for crew and hauliers are provided to minimise exposure to COVID-19. As with all other sectors, "social distancing" must be observed.

These measures assist the safe functioning of the fishing industry as much as possible and allow for vital food supplies at a time of uncertainty.

Advisory Councils Active on Marine Plastics Strategy in a Circular Economy

In January 2018, the EU adopted its Plastics Strategy in a Circular Economy in order to help European businesses and consumers to use resources in a more sustainable way. Two Directives adopted in 2019 contain measures that address the fishing sector, the Single Use Plastics (SUP) Directive and the Directive on Port Reception Facilities (PRF) .

To address the pressing issues surrounding marine plastics, the North Western Waters Advisory Council (NWWAC) set up its Focus Group Marine Plastics in July 2019 with the objectives to organise two workshops to explore operational aspects linked to the implementation of the SUP and PRF Directives, as well as the Fishing for Litter Scheme in greater detail, and to develop specific recommendations to the European Commission on the identified issues.

A first workshop "Plastics and the Seafood Supply Chain" was held in Brussels on November 7, 2019 and was jointly organised between the NWWAC and the Market AC. It brought together members of several Advisory Councils, experts and scientists to explore the impact of plastics on fisheries.

Participants heard from the European Commission outlining future policies stating that sustainability is a first priority for the EU Commission which is reflected in EU President Ursula von der Leyen's political agenda.

Experts from the FAO and OSPAR identified that plastic is the most widely used material on the planet. Nearly 80 per cent of plastics entering the oceans comes from land-based sources. However, microplastics from food products and beverages likely only constitute a minor exposure pathway for plastic particles and associated chemicals to

humans with consumption of seafood representing a miniscule part (Prof Brian Quinn, University West of Scotland).

A detailed report was produced and published by the NWWAC.

The second workshop "Re-imagining Gear in a Circular Economy" was held in Brussels on January 28, 2020 in conjunction with the Baltic Sea Advisory Council, North Sea Advisory Council and Pelagic Advisory Council. Discussion at the workshop focused on the fishing gear component of recently introduced EU legislation, specifically the design, monitoring, collecting and disposal of fishing gear.

Clear recommendations from the workshop include the need for a full lifecycle analysis of the various types of fishing gear, as well as a complete supply chain analysis in order to arrive at a clear picture of the scale of the issue. While communication and awareness raising within the sector are paramount, it is vital that all stakeholders at local, national and EU policy level come together to coordinate their approach, as this issue falls within a number of policy areas, namely fisheries, waste management and circular economy.

The full report is due for publication shortly.

In February 2020, DG MARE facilitated two

workshops exploring the implementation of EU legislation related to waste fishing gear and passively fished waste in ports, as well as the circular design of fishing gear. Recommendations developed at these workshops include, amongst other, calls for funding via the EMFF Blue Economy or similar to support R&D for dismantling of gear, and research and innovation for design for recyclability. It was identified that durability into design and development and material for longer performance and reuse/recycling should be promoted. Further recommendations relate to collection, logistics and practicalities for recycling.

A summary report is available on the DG MARE website: <https://webgate.ec.europa.eu/maritimeforum/en/node/4486>

Fishers are part of the solution and their enthusiasm and involvement, not only in voluntary Fishing for Litter schemes, but also in finding practical solutions for design, collection and disassembly must be acknowledged and applauded.

The seafood industry along its entire supply chain is not only fully aware of the issues relating to plastic pollution in the marine environment, but is part of the solution. Prevention and removal of marine litter are vital with awareness raising and education being key to solving the pollution problem.



Maria Walsh, MEP for Midlands and North-West Visits Killybegs Fishermen's Organisation (Front L – R) Sean O'Donoghue, CEO, KFO; Maria Walsh, MEP; Michael Cavanagh, Chair, KFO. (Back L - R): Ciaran Doherty, Ted Breslin, Norah Parke, Pete McBride, Eamon McHugh, Padraig Connelly, Jens Bach, Tony Byrne, Cathal Boyle, Eamon McGuinness and John Boyle, FG.

Killybegs Fishermen's Organisation was pleased to welcome Maria Walsh MEP to meet Board members and staff on February 26 last. Sean O'Donoghue, gave a presentation outlining the major issues for the seafood sector which are currently focused around BREXIT, climate change and the EMFAF. When this meeting took place these were the three most important items. A month later they had been completely displaced by the COVID-19 pandemic unprecedented crisis but they remain as vital issues for the Irish seafood industry in the future.

Based on the most recent statistics compiled by Bord Iascaigh Mhara, 2019 data shows the Irish seafood industry is worth €1.22 billion with exports of €640 million and more than 16,000 people employed in coastal areas. Killybegs is the largest port in Ireland with fish landings of almost 158,000 tonnes worth €122 million, of which 85 per cent was attributable to Irish vessels.

BREXIT is the most critical concern for the Irish fishing industry; KFO is a member of the European Fisheries Alliance (EUFA) which represents the nine

Member States which would be most affected if BREXIT results in loss of access to United Kingdom (UK) waters. EUFA represents 18,000 fishermen, 3,500 vessels and a €20.7 billion turnover. This constitutes a very considerable lobby group and has enabled the European fishing industry, including Ireland, to wield considerable influence with EU negotiators.

Key issues for Ireland in the fishery negotiations are: access to traditional fishing grounds in the UK zone, a share of quota which would be in line with current share and a linkage of a Fisheries Agreement to the wider Free Trade Agreement. The EU mandate to Michel Barnier makes this linkage very clear.

Recently, access to the fishing grounds around Rockall, which is located within the UK EEZ, was denied to Irish vessels. This is not in accordance with 12-mile EEZ established under the terms of the Common Fisheries Policy as it has not been listed as such in the annex. Neither is it in accordance with international law, as no country has the right to

establish a 12-mile exclusion zone around an island which is not capable of sustaining human habitation or economic life. It is essential that the existing access arrangements to Rockall are maintained and in any future agreement with the UK.

Quota shares are also likely to be problematic post-BREXIT. Currently, Ireland shares 47 out of 50 TAC and Quota stocks with the UK, including mackerel and *Nephrops* which are two of our most valuable fisheries and fished to large extent in the UK EEZ. Other complications will arise such as maintaining our Hague Preferences top-up and our non-quota species such as brown crab. The fallout if the negotiations are not successful will be more than financial with possible conflict at sea with control authorities not in a position to maintain order in the face of the large sea areas and angry fishermen.

Maria Walsh was urged to use her influence as an MEP to ensure favourable outcomes to negotiations to avoid some of the possible disastrous consequences of a "No Deal" BREXIT.

Climate Change poses quite different challenges to the fishing industry but no less a threat. There are two categories: those posed by the physical effects of climate change, such as less productive seas, changes in fish distribution and huge uncertainty on future fishing opportunities and those posed by the actions of regulatory and lobby groups to increase protected areas, restrict fishing, eliminate certain types of fishing and EU financial support mechanisms. All these must be resisted when possible, and alternative, eco-friendly replacements sought.

The EU financial support programme, the EMFAF, will replace the current EMFF to cover 2021-2027. There needs to be more emphasis on markets utilising the expertise of the existing Producer Organisations. To enable better marketing, all stages of the supply chain, from vessel to market-place, including alternative species, processing and large scale marketing projects, funding is needed to bring seafood on a level with land-based food.

Environmental Issues

Wide-ranging EU Environmental Strategies Add Additional Stressors to Fishing Industry

In response to real threats to the environment the European Union has continued a process of developing a number of strategies to prevent, repair and re-develop damaged ecosystems. In many cases such actions are long overdue and eventually will improve opportunities for those depending on fishing and the fish-based supply chain for their livelihood. However, there is a fear that the speed with which these actions are being implemented may destroy existing well-managed fishing activities and their downstream production, wealth creation and well-being in traditional fishing communities.

The current environmental policies are centred around sustainability, biodiversity, climate change and pollution; sometimes the approaches are blurred which make the purpose of some proposals difficult to rationalise. Others make complete sense such as reducing plastic pollution with re-use and re-cycle schemes which the Irish fishing industry has supported for many years through the BIM Responsible Sourced Seafood (RSS) and Fishing for Litter schemes. (See also "Advisory Councils Active on Marine Plastics Strategy in a Circular Economy" page

two). Likewise, sustainability, the practice of maintaining fish stocks at a level which enables the fishing fleet to harvest a financially viable catch year after year, is the basis of managed fisheries in Ireland.

The EU Green Deal – one plan to protect biodiversity and mitigate climate change

Following a surge in MEPs with Green credentials being elected to the European Parliament last year, the European Union (EU) has developed a very ambitious plan – The European Green Deal – to convert the entire EU from a high- to a low-carbon economy, without reducing prosperity but improving quality of life, through cleaner air and water, better health and a thriving natural world. The Green Deal is based on a major overhaul of every aspect of the European economy from energy generation to food consumption, from transport to manufacturing and construction. This will incorporate existing efforts over recent years, such as directives mandating renewable energy and cutting air pollution.

The Green Deal will work through a framework of regulation and legislation setting clear overarching targets – a bloc-wide goal of net zero carbon emissions by 2050, and a 50-55

per cent cut in emissions by 2030 (compared with 1990 levels) are at the core and supported by incentives to encourage private sector investment and action plans for key sectors with goals such as halting species loss, cutting waste and better use of natural resources. All of the EU's budget will be subject to checks to ensure it is spent in ways that support these goals.

The details of the Green Deal proposal are itemised in the "Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions" (COM(2019) 640 final). Farmers and fishermen are identified as key figures in the transition to an environmentally friendly, low-carbon economy aimed at restoring biodiversity and halting climate change. The Commission's proposals for the 2021–2027 Maritime Fisheries Fund, which will support the revised Common Fisheries Policy, has already ear-marked 30 per cent of funding for climate action measures which, taken in conjunction with the aim of developing seafood as a source of low-carbon food, indicates adoption of efforts such as power reduction for engines and refrigeration in fishing vessels and fish processing (see Editorial page four). Work will continue under the common

Editorial



by Sean O'Donoghue

CHIEF EXECUTIVE, KFO



It is with great sadness that I start this editorial to inform you that Malcolm Parke passed away on April 3rd in Letterkenny hospital from the COVID-19 virus. On behalf of all the KFO staff, the Board and all KFO members I wish to offer sincere condolences to Norah and her two sons Ian and Francis. Be assured Norah the organisation is there to offer support and help in this very difficult time for you and your family. Go ndéana Dia trócaire ar a anam uasal.

The COVID-19 pandemic is now the single greatest threat to our economy, welfare, health and future. In the space of a few short weeks it has completely changed the pattern of life we enjoyed for many decades and will be remembered as a one of the darkest times in modern history.

It is obvious that the economic effects of the COVID-19 pandemic on the fishing industry from the catching sector to the processors and distributors, the restaurant, supermarket and humble "fish 'n chipper" will haunt us for the foreseeable future. This is why we must insist that the Government avails of every possible opportunity to use the mechanisms available, such as storage aid, support for temporary cessation of fishing and any other measures which might reduce the long term impact of this disastrous pandemic. I am disappointed that the Minister is only advocating the use of the storage at this point in time. This is a totally inadequate response to this unprecedented COVID-19 crisis. A suite of measures is urgently required particularly all the EMFF amendments, the *di-minimis* and additional funding. I do however, recognise and thank Minister Creed for the national measures that have already been put in place such as the COVID-19 payments and keeping our fishery harbours open.

The effects of COVID-19 on the fishing industry takes many forms and the full extent of the damage may not be apparent for some time. In our lead article (page one,) we refer to the ICES (International

Council for Exploration of the Seas) not being able to carry out its planned programme of surveys and assessments. This is very apparent to us in Killybegs as the annual survey of the Blue Whiting stock, one of our key fisheries, has been cancelled which could have serious consequences for 2021 calculation of allowable catches. The ICES predicts the uncertainty will affect delivery of scientific advice for 2021 at least.

Before the full impact of COVID-19 brought normal activities to a standstill, we were delighted to welcome our new MEP, Maria Walsh, to our headquarters in Killybegs (see page three). We took the opportunity to give her an overview of the challenges our industry was facing both internationally and on the home front. At that time, February 26, we had identified Brexit as our major concern, followed by climate change and the implications of the upcoming European Maritime Fisheries and Aquaculture Fund (EMFAF) which will cover support for fishery activities from 2021-2027.

Despite the chaos of COVID-19 which we are now dealing with, Brexit still remains a major concern with our original demands regarding access to traditional fishing grounds, quota sharing assurances and the vital linkage with the Free Trade Agreement still being sought. Considering how long and difficult the negotiations have been so far, it seems unlikely that a satisfactory conclusion can be reached in 2020 but the UK still remain steadfast that they will not seek an extension to the transition period.

Similarly, 2020 was shaping up to being a critical year for environmental issues with both positive and negative implications for the fishing industry. A number of high-level meetings were scheduled but it is unlikely that they will be held this year. The EU's

Green Deal was estimated to cost €1 trillion but there must now be a big question mark over its schedule, having already missed some important milestone dates, and the funding which will be diluted, if not wholly transferred, to battling COVID-19 and its fallout. The consequences for our fishing industry regarding climate change adaptation actions could be very threatening as reduction in fossil fuels is a major objective. We have already made our views on any reduction of support for vessels in this regard known at the highest levels. KFO has supported the stance taken by EAPO and other European bodies in their protest to the World Trade Organisation regarding its intention to remove taxation benefits for fuel used by fishing vessels. There is ample evidence to show this action would not increase sustainability but would, in fact, benefit less responsible fishers globally.

BIM launched its annual "Business of Seafood" report at the beginning of April. This was another victim of COVID-19 as it was to be delivered at the Skipper Expo in mid-March which was very rightly cancelled. However, it still meets the high standard we have come to expect with a very clear format attractive and informative to both professional seafood operators and the wider public. Landings to Irish ports were valued at €434million in 2019, which was a 15 per cent increase, which can be attributed to a combination of prime whitefish and the strong demand for mackerel due to the reduction in quota for 2019.

This edition of the KFO Newsletter does not include an "Important Dates" section as it is impossible to predict what meetings can take place, and if they do, what format they will take and on this occasion we are confining publication of the KFO Newsletter to the on-line version you have received. The KFO AGM has been scheduled for Friday, June 5, 2020 but it is more than likely that it will have to be postponed.

Can I take this opportunity to remind you of the collection we are making, which is of course entirely voluntary, and will be donated to the frontline COVID-19 workers who are doing extraordinary work for the entire community during these dark days. Thank you to those who have already displayed extraordinary generosity in this regard. Stay safe.

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fisheries policy to reduce the adverse impacts that fishing can have on ecosystems, especially in sensitive areas. The Commission will also support more connected and well-managed marine protected areas (MPAs).

The Blue Economy has also been identified as a key pillar of the Green Deal and Commission proposals suggest lasting solutions to climate change would benefit from tapping into the growing potential of offshore renewable energy. There will also be a strong position taken to ensure a toxin-free marine environment which is welcomed by the fishing industry.

The Green Deal has been estimated to cost around €1 trillion which would be made up from the EU budget – around 50 per cent - with Member State contributions and private investments in "green" projects guaranteed by the European Investment Bank making up the remainder. Many in the financial sector feel this estimate is very optimistic and does not allow for some of the obstacles such a programme will inevitably encounter. In addition, not all Member States are in favour of the Green Deal and several have already indicated their wish to see a much more modest approach with a much lower budget.

When the Commission's proposal was published it was accompanied by a Roadmap of Key Actions and an Indicative Timetable. Many of the important goals were planned for launch in March 2020 and the remainder throughout 2020 and 2021. This timetable has been largely put on hold due to the COVID-19 pandemic whose timescale is impossible to estimate. Those initiatives which are expected to be completed by the third Quarter in 2020 are the Renewed Sustainable Finance Strategy, the 2030 Climate Target Plan and the "Renovation Wave" which is considered to be vital to economic recovery post-COVID-19.