The Director-General

Brussels, MARE/A2/EL (2023)

Subject: AAC Recommendation on the decarbonisation of finfish farming facilities

Dear Mr Brian Thomsen,

I refer to your letter of June 2023 in which you recommend to the European Commission and the Member States to take various actions for the decarbonisation of finfish farming facilities.

Decarbonisation efforts in finfish farming are contributing to the wider EU policy objectives, notably food security, of which food sustainability is an integral part. Indeed, sustainability of food systems is a prerequisite for their resilience to crises. In implementing the necessary transitions set out in the Farm to Fork and Biodiversity strategies, the Commission aims at ensuring that the overall productivity of the EU food system is not undermined.

Sustainable aquaculture can reduce the dependence on imports of fish and seafood and provide a source of food with a low carbon and environmental footprint. It is of utmost importance for sustainability to find alternatives and raw materials for feed and fuel. Reducing dependence on fossil fuels is a key element to enhance the resilience of aquaculture.

Regarding **EU-wide mechanisms to reduce the cost of electricity from renewable and low-carbon sources as well as its price volatility**, the European Commission, following Russia's aggression against Ukraine, resulting in gas and electricity prices reaching record levels in 2022, has reacted in May 2022 with the REPowerEU plan. This initiative contains a comprehensive set of actions and resources aimed at promoting energy conservation, encouraging clean energy production and diversifying our energy supplies.

Additionally, the EU heads of government called on the Commission to work on a structural reform of the electricity market, with the dual objective of securing European energy sovereignty and achieving climate neutrality. The Commission presented a proposal on 14 March 2023 to revise the rules for electricity market design. The proposal aims at making the EU energy market more resilient and the energy bills of consumers and companies more independent from the short-term market price of electricity.

On funding research and technology for energy transition, Horizon Europe, including through the EU Mission Restore our Ocean and Waters and relevant partnerships, is

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supporting a number of projects focused exclusively on aquaculture. Those projects cover areas such as: (i) low impact marine aquaculture and multi-purpose use of marine space, (ii) targeting the digital transition enabling resilient and sustainable aquaculture, (iii) ensuring the resilience, circularity and resource efficiency of aquaculture systems and the resilience of aquaculture vis-à-vis climate change related challenges, notably to ensure food and water security. Knowledge and tools will be made available to the aquaculture sector to foster its sustainability performance.

The Commission also adopted a Communication on the *Energy Transition in EU fisheries* and aquaculture (COM(2023)100 final), identifying research and innovation as one of its main areas of action for the energy transition of the sectors. This initiative recalls that existing EU funds and frameworks, including Horizon Europe and EMFAF, already offer a wide range of opportunities to fund research projects and test and demonstrate new technologies and methods.

In the first quarter of 2023, the Commission also launched a *Techno-economic study on the available technologies for the energy transition in the fisheries and aquaculture sector*, which will evaluate their technical and financial feasibility. Its results are expected by the end of 2023. The Commission will also release a guidance document on EU funding opportunities relevant for bringing forward the energy transition in the EU fisheries and aquaculture sector.

The Commission recognises the importance of knowledge sharing on best practices for bringing forward the decarbonisation of finfish farming facilities.

The newly established *Energy Transition Partnership for EU fisheries and aquaculture* serves as a platform for a broad range of stakeholders to cooperate on topics regarding the energy transition in the sector. This platform aims to find solutions for the current barriers, including in the areas of technology, research, finance and skills. As a first deliverable, the Partnership will work towards a roadmap for the energy transition in the fisheries and aquaculture sector by 2024.

Moreover, as part of the implementation of the *Strategic Guidelines for a more sustainable and competitive EU aquaculture* (COM(2021)236 final), the Commission is working on guidance on environmental performance. Work on this guidance will most probably be delivered in two packages as it covers a wide range of subjects. The second package of this guidance will include good practices at governmental and industry level on energy efficiency and reduction of carbon footprint of aquaculture activities. As indicated in your recommendation, this package will also identify environmental indicators and voluntary targets for environmental performance, including a reference method to determine the carbon footprint and impact on ecosystems of aquaculture production. Following the publication of this guidance, the Aquaculture Assistance Mechanism will provide training to facilitate its implementation.

In addition, the <u>EU Aquaculture website</u> will allow to continue sharing good practices and knowledge as well as facilitating networking on these and other issues in the future.

We take note of your suggestion to request Member States to take decarbonisation into consideration in the spatial planning of finfish farms. As you know, the Strategic Guidelines already indicate that spatial planning should take into account the adaptation of aquaculture to climate change, as well as the potential of certain types of aquaculture to mitigate the impact of climate change (e.g. carbon capture or preservation of ecosystems that provide for protection against extreme weather events).

I agree that **consumers should be aware of the benefits** of aquaculture (recognised in the Strategic Guidelines) as a source of protein for food and feed with a low-carbon footprint. This will be part of the Commission's work on developing an **EU-wide communication campaign.** This campaign should bring more attention to the aquaculture sector and inform citizens about the benefits of EU aquaculture, which would also help them make informed choices as consumers about the products they purchase.

It is a priority for the Commission to improve transparency for consumers and operators in the supply chain on the sustainability of food products. In order to compare carbon footprints of food products, a coherent and consistent approach across all food categories is important. The introduction of a general food sustainability labelling as part of a legislative framework for a Union Sustainable Food System would contribute to better information of consumers allowing them to compare sustainability characteristics across all food categories, including fisheries and aquaculture products.

On the **financial support** from the Member States through the European Maritime, Fisheries and Aquaculture Fund (EMFAF) for the decarbonisation of aquaculture facilities, indeed the EMFAF can be used to reduce the carbon footprint of fisheries and aquaculture, including the shift to energy-efficient aquaculture production (e.g. use of renewable energy). The standard maximum rate of public aid is 50%, but Member States can grant a higher rate for projects supporting sustainable aquaculture implemented by SMEs (60%) and for projects supporting innovative products, processes or equipment in aquaculture (75%).

The Fisheries Local Action Groups (FLAGs) can also support aquaculture projects, including the decarbonisation of the operation of facilities, through Community-Led Local Development.

Additionally, Producer Organisations (POs) may also include measures aiming at accelerating the energy transition of their operations in their Production and Marketing Plans (PMPs). This is consistent with the objectives set by the CMO Regulation to aquaculture POs.

I am looking forward to our continued fruitful cooperation. Should you have any further questions on this reply, please contact Ms Julia Rubeck, our Advisory Councils coordinator, via the functional mailbox MARE-AC@ec.europa.eu.

Yours sincerely,

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