

PLAN

FOR ACTION FOR FLEET SEGMENTS WITH ESTABLISHED IMBALANCE



This plan is prepared in accordance with Art. 22, para. 4 of Regulation (EU) № 1380/2013 of the European Parliament and of the Council of 11 December, 2013 on the Common Fisheries Policy and sets out the actions that the Bulgarian administration intends to take to implement measures to adapt fishing capacity to for fishing in order to achieve a stable and lasting balance. The plan presents actions, aimed at reducing the fishing fleet in the segments where a structural surplus has been identified and adapting the segments in order to achieve maximum sustainable fisheries.

According to Art. 34 of Regulation № 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund, a number of measures have been developed to redirect fishing vessels to non-commercial activities and to support the sector with various financial instruments. The support through financial instruments under the PMAF 2014-2020, aims to provide credit resources for the implementation of projects, that meet the objectives of the program, which are financially viable and which finance eligible activities under the relevant measures of the PMAF 2014-2020. The financial instruments have been developed in order to facilitate the financing for the implementation of projects of final recipients under the PMAF 2014-2020, as well as to provide a financial source for financing part of the costs of beneficiaries of grants under the Program. The planned indicators for the implementation of the planned financial investments include a period of validity until 31 December, 2023, and the first projects are expected to be financed by the end of 2021.

Analysis of the balance between fishing capacity and fishing opportunities.

The analysis is based on the overall assessment and comparison of technical, economic and biological indicators for 2019, 2020 and 2021. The analysis is based on annual data in the report on Bulgaria's efforts in 2021 to achieve a sustainable balance between fishing capacity and fishing opportunities in accordance



with Regulation (EU) № 1380/2013 of the European Parliament and of the Council of 11 December, 2013 on the Common Fisheries Policy and examines the individual segments of the fishing fleet categorized in terms of the length of fishing vessels and fishing gear (according to the Data Reference Collection Program).

This analysis is based on the conclusions for 2019, 2020 and 2021 for the fishing fleet segments, which identified an imbalance in the available indicators for 2021, which were taken into account in determining the trend in the development of the segments.

Segment from 0 to 6 meters

In 2021, the total number of fishing vessels in this segment is 431, maintaining the level of the previous 2020. In 2021, the percentage of inactive vessels compared to active ones remains unchanged.

According to the segmentation used in the Data Collection Reference Framework (DCRF) for active vessels with a length of 0 to 6 m, the following segments will be preserved in 2021: DFN, PS, PMP, FPO, HOK and PGP. There has been a decline in the number of vessels in the HOK segments and the polyvalent PMP segment (vessels that have fished with several fishing gears and none of them has used more than 50% of the fishing time). There is an increase in the number of fishing vessels in the DFN segment (fishing nets gear) compared to the previous year. In the overall perspective, there is a continuing trend towards the selective use of passive fishing gear.

Segment DFN / VL 0006

Approximately 77% of the active vessels with a length of 0 to 6 m are in this segment, which shows that gillnets are the most used fishing gear in small-scale fishing, increasing by 1% compared to last year's levels.

The data from the technical indicator, calculated for the period 2019-2021, show that the usability of fishing vessels in this segment is extremely low, respectively there is a technical overcapacity. From the point of view of economic indicators, there is a significant increase in the values of the return on investment indicator, and that of the Ratio between Current Revenues and Break-even Revenues (CR / BER) marks a significant increase compared to 2019 and 2020. Based on this, it can be concluded that the segment is profitable in the short term. The values calculated for the biological indicator for sustainable catch made by the segment remain high. The overall analysis shows that the DFN / VL 0006 segment remains unbalanced in the short term in 2021.

Segment PS / VL 0006

The number of fishing vessels in this segment varies between 8 and 13 for the period 2019 - 2021, with the smallest (8 vessels in total) being in 2020. The calculations of the technical indicator show that in this segment there is a good usability of fishing vessels. Regarding the economic indicators in 2021 there is an increase compared to the previous 2019 and 2020. In the biological indicator as well as in the economic indicator there is a decrease in values compared to previous years. Taking into account the values of the indicators, it can be concluded that the segment is balanced in the short term.

Segment PMP / VL 0006

In 2020, almost the same number of operating vessels remains in the segment. The indicators of the technical indicator remain low and indicate the presence of overcapacity. The return on investment in the segment remains positive in 2020. The high levels achieved in the ratio between Current Revenues for the segment and Break-even Revenues in 2019 marked a significant decline due to the dependence of fishing vessels in the segment on mussel and rapan exports. With regard to the biological indicator, there is no



increase in the impact of the segment compared to 2019. The indexes of the three indicators show that the PMP / VL 0006 segment is unbalanced in terms of fishing capacity and fishing opportunities.

Segment FPO / VL 0006

In 2019 and 2020, a small number of vessels operate in the segment. In view of this, no data are provided for these years required for the calculation of the indicators, due to the unrepresentativeness of the sample. In 2021, the segment does not exist.

Segment HOK / VL 0006

The number of fishing vessels in this segment remains approximately the same as in the previous 2020. The calculations of the technical indicator show that the usability of vessels in the segment is increasing. Regarding indicators of Return on Investments and Break-even Revenues in 2021 are again negative values, declining compared to 2020. High values of the biological indicator remain in 2021. The overall assessment of the indicators shows that the segment is unbalanced in short-term and long-term.

Segment PGP / VL 0006

As in the HOK / VL 0006 segment, the number of fishing vessels remains relatively the same as in previous years. According to the data from the technical indicator, there is a significant increase in the usability of vessels. The high values of the economic indicators remain high in 2021. The values of the biological indicator for 2021 are declining and approach 1.00. According to the presented data, the segment is considered balanced in terms of fishing capacity and fishing opportunities.

Segment from 6 to 12 meters

Approximately 57% of fishing vessels fall into this segment. In 2021, their number is 1,032 vessels, of which 672 are active. The percentage of inactive vessels in relation to the total number in the segment remains high in 2021.

According to the segmentation of DCRF in active vessels with a length of 6 to 12 m in 2021 the following segments are observed: DFN, PS, FPO, HOK, PGP, PMP, TM and TBB. PS and TBB segments are not included in the analysis due to the small number of vessels in them.

Segment DFN / VL 0612

Segment DFN / VL 0612 includes 71% of active fishing vessels between 6 and 12 m in length. The values of the technical indicator indicate the presence of technical overcapacity and significant unusability of fishing vessels in the segment. In 2021 there is a slight increase in economic indicators compared to 2020, reaching positive levels for two consecutive years. The return on investment increased from -1.03% in 2019 to 1.70% in 2021. Growth is also observed in the ration between Current Revenues for the segment and Break-even Revenues. The low values of the biological and technical indicators indicate that the DFN / VL 0612 segment is unbalanced in the short term with the need to take action.

Segment FPO / VL 0612

Regarding the data from the technical indicator, the segment is in imbalance. The values of the indicator are low, indicating the poor usability of fishing vessels. Economic indicators are negative in 2019, but in 2020 and 2021 are already positive, maintaining the upward trend. The segment is cost effective in the short term. The values of the sustainable catch indicator in this segment increased compared to previous years. Currently, the segment is unbalanced in the short term.



Segment HOK / VL 0612

The calculations of the technical indicator show a balanced use of fishing vessels. The data on the economic indicators are heterogeneous for the observed period. For 2021, the values of the return on investment indicator are higher than in 2020, but still remain negative. There is an increase in the level of the indicator in the ratio between Current Revenues for the segment and Break-even Revenues. In 2021, lower values of the biological indicator are observed compared to previous periods. The segment is unstable and unbalanced in the short term.

Segment PGP / VL 0612

The usability of the vessels in this segment has increased according to calculations. For the economic indicators - Return on Investment and the ratio between Current Revenues for the segment and Break-even Revenues, a positive trend remains for the values for the entire period 2019 - 2021. The both economic indicators have positive values. Sustainable catch indicators have dropped significantly from 2.419 in 2019 to 1.502 in 2020 and 1.195 in 2021, but still remain slightly above the thresholds. The segment is balanced in the short term.

Segment PMP / VL 0612

Approximately 20% of the active fishing vessels with a length of 6-12 m operate in this segment. Here again the values of the technical indicator are low and indicate insufficient usability of the fleet despite a slight increase compared to 2019 and 2020. The level of the indicator of return on investment in 2021 marked a slight decline, but remains very high. According to the calculated data on the ratio between Current Revenues for the segment and Break-even Revenues, there is again a slight decline in 2021 compared to 2020. The values of the biological indicator are slightly higher than 2020 and are still above the thresholds. Overall, the segment is unbalanced in the short term.

Segment TM / VL 0612

In 2019 and 2020, no indicators were calculated for the segment due to the small number of vessels and the unrepresentativeness of the sample. In 2021, according to the calculations of the technical indicator, there is a good and balanced operation of fishing vessels. The both economic indicators have high and positive values. The biological indicator has a value close to 1.00. The TM / VL 0612 segment is balanced in the short term.

Segment from 12 to 18 meters

In 2021, this segment includes a total of 65 fishing vessels, of which 53 are active. Thus, the percentage of inactive vessels is approximately 18%, which means an increase in the ratio from the previous 2020. According to the segmentation of DCRF in active vessels with a length of 12 to 18 m in 2021 the following segments are observed: DFN, PMP and TM.

Segment DFN / VL 1218

Regarding the values of the technical indicator, there is still insufficient usability of the fishing vessels in the segment. The positive value of the Return on Investment indicator remains in 2021. The same trend is observed in the ratio between Current Revenues for the segment and Break-even Revenues, as in 2019, 2020 and 2021 operators were able to cover their costs (CR / BER > 1). The values of the biological



indicator remain high. Given this, as well as the underutilization of the fleet in this segment, it can be concluded that there is an imbalance between fishing capacity and fishing opportunities in the short term.

Segment PMP / VL 1218

The values of the technical indicator in this segment for 2021 show a decrease in the usability of fishing capacity compared to the previous year. The values of the economic indicators show an increase compared to 2019 and 2020. The Return on Investment has increased from 9.13% to 16.69%. The percentage of the indicator reduced by the interest rate on long-term investments with low risk remains positive in 2021. The values of the ratio between Current Revenues for the segment and Break-even Revenues also increase in 2021. Operators of fishing vessels in this segment were able to generate enough income to cover their costs in 2021. The maintaining of these results indicate that it would be profitable to invest in the segment in the long term. The results of the calculations of the sustainable catch indicator show a slight decline - from 1.385 in 2020 to 1.234 in 2021. The data show that the segment is currently cost-effective in the long term. Despite the positive economic indicators, the PMP / VL 1218 segment is unbalanced in the short term.

Segment TM / VL 1218

In this segment there are still low values of the technical indicator. The Return on Investment as well as the indicators of the Current Revenues ratio remain positive in all three years, with a significant increase compared to 2020. The calculations of the biological indicator for sustainable catch in 2020 show that it remains relatively low with a slight decrease from 1.184 to 1.118. In the indicator for at-risk stocks, the opposite trend is observed, with a value of 1 in 2020 in the reference year 2021 already is 2.00. It can be judged that the segment faces an imbalance between fishing capacity and fishing opportunities. The segment is unbalanced in the short term.

Segment from 18 to 24 meters

The number of fishing vessels in the segment in 2021 remains the same as in the previous 2019 and 2020. According to the DCRF segmentation, the following segments were registered for active vessels with a length of 18 to 24 m: DFN, PMP, TBB and TM. Due to the small number of vessels in the segments and the variations in the fishing gear being used, an analysis can only be made for the - TM segment.

Segment TM / VL 1824

According to the calculations of the technical indicator, the usability of fishing vessels is good. The economic indicators are positive and increase is gained compared to 2020. In 2021 the return on investment is 23.23%. The ratio between Current Revenues for the segment and Break-even Revenues is 10.56. Therefore, the operators have generated enough income to cover their costs. In the case of the biological indicator, the values show a slight increase and still do not fall within the permissible limits for sustainable catch. Based on the presented data, it can be maintained that the segment is balanced in the short term.

Segment over 24 meters

During the period 2019 - 2021 the number of fishing vessels in this segment is constant. There are also no vessels that have been inactive all year round. According to the DCRF segmentation, two segments are considered - TM and DFN. The DFN segment will not be taken into account as it includes a single fishing vessel.



Segment TM / VL 2440

In 2021, there is a preservation of the values of the technical indicator, which is calculated based on the theoretical maximum effort. The usability of fishing vessels is good. The economic indicators remain positive. This is also the case for sustainable catch indicators and Stocks at Risk. Based on this, it can be concluded that the segment is balanced. The segment will continue to be monitored with a view to achieving a sustainable balance between fishing capacity and fishing opportunities.

Structural excess established

The establishment of a structural excess is done by comparing fishing opportunities (stocks status) and technical indicators, biological indicators and economic indicators. In total, the indicators that will be evaluated are 5 (five), the evaluation scale is divided into three levels. Level 1 - "green", Level 2 - "yellow" and Level 3- "red". In total, the evaluation criteria are 15 (fifteen, 5 indicators * 3 levels). Each indicator can be in one of three levels: "Green"; "Yellow" and "Red", as described in Table № 1. The types of indicators and the way in which the assessment will be performed are in accordance with the "Guidelines for an improved analysis of the balance between fishing capacity and fishing opportunities" of DG "Fisheries and Maritime Affairs" of the EC. When an indicator is at Level 3-"Red" means that it is worse. Conclusion whether a segment of the fleet has a structural excess or not is made by analyzing the three generalized indicators - technical, biological and economic, as follows:

- For one Level 3 indicator - "Red" - the segment is balanced without the presence of a excess. Conclusion - general Level 1;
- With one Level 3 indicator "Red" and one or more Level 2 indicators "Yellow" - the segment is unbalanced in the short term with the need to take action. Conclusion - general Level 2;
- For two or more than two Level 3- "Red" indicators or more than two Level 3- "Red" indicators and more than one Level 2 indicator "Yellow" - the segment is unbalanced with excess capacity. Conclusion - General Level 3.

Table 1

Indicator	Definition	Level 1 - „Green“	Level 2 - „Yellow“	Level 3 - „Red“
Technical	Average effort/Maximum effort per vessel	>0.9	0.7-0.9	<0.7
Biological 1	$F_{estimated}/F_{target}$	<1	>1	>>1
Biological 2	Catch/Biomass	As defined by species/stocks	As defined by species/stocks	As defined by species/stocks
Economical 1	ROI (Return on Investment)	ROI>target point	0<ROI<target point	ROI<0
Economical 2	CR/BER Current Revenues/Break-even revenues	CR/BER >1	CR/BER Approximately=1	CR/BER <1

Based on the prepared Annual Reports of Bulgaria for the efforts in the period 2016 – 2020, in order to achieve a sustainable balance between fishing capacity and fishing opportunities, the following segments of the fishing fleet have been identified where a structural excess has been identified:



	Métier		Biological indicators		Economic indicators		Conclusion
	Technical indicator		Bio 1	Bio 2	ROI 1	CR/BER 2	
2019	DFN	VL0006					Level 2
	PS	VL0006					Level 2
	PMP	VL0006					Level 2
	HOK	VL0006					Level 2
	PGP	VL0006					Level 1
	DFN	VL0612					Level 2
	FPO	VL0612					Level 2
	HOK	VL0612					Level 3
	PGP	VL0612					Level 2
	PMP	VL0612					Level 2
	DFN	VL1218					Level 1
	PMP	VL1218					Level 1
	TBB	VL1218					Level 1
	TM	VL1218					Level 1
	PMP	VL1824					Level 1
	TM	VL1824					Level 2
TM	VL2440					Level 1	

	Métier		Biological indicators		Economic indicators		Conclusion
	Technical indicator		Bio 1	Bio 2	ROI 1	CR/BER 2	
2020	DFN	VL0006					Level 2
	PS	VL0006					Level 2
	PMP	VL0006					Level 2
	HOK	VL0006					Level 2
	PGP	VL0006					Level 2
	DFN	VL0612					Level 2
	FPO	VL0612					Level 2
	HOK	VL0612					Level 3
	PGP	VL0612					Level 2
	PMP	VL0612					Level 2
	DFN	VL1218					Level 2
	PMP	VL1218					Level 2
	DFN	VL1218					Level 2
	PMP	VL1218					Level 2
	TM	VL1218					Level 2
	TM	VL1824					Level 2
TM	VL2440					Level 1	

	Métier		Technical indicator	Biological indicators		Economic indicators		Conclusion
				Bio 1	Bio 2	ROI 1	CR/BER 2	
2021	DFN	VL0006						Level 2
	PS	VL0006						Level 1
	PMP	VL0006						Level 2
	HOK	VL0006						Level 2
	PGP	VL0006						Level 1
	DFN	VL0612						Level 2
	FPO	VL0612						Level 2
	HOK	VL0612						Level 2
	PGP	VL0612						Level 1
	PMP	VL0612						Level 2
	TM	VL0612						Level 1
	DFN	VL1218						Level 2
	PMP	VL1218						Level 2
	TM	VL1218						Level 2
	TM	VL1824						Level 1
	TM	VL2440						Level 1

Measures to adapt fleet segments where structural overcapacity has been identified.

The prepared plan has a period of implementation until December 31, 2023.

Administrative measures in the applicable national legislation.

With regard to inactive fishing vessels, EAFA continues to apply national legislation, in particular Art. 18c of the Fisheries and Aquaculture Act, according to which there is a possibility to terminate the validity of the license for commercial fishing and the authorization certificates issued on the basis of it for the right to conduct commercial fishing, if the vessel has not been engaged in fishing activities for two consecutive years. Vessels with suspended licenses on this basis shall be officially removed from the register of fishing vessels, and the released capacity shall remain in favor of the State and shall be subsequently distributed among fishing vessels wishing to be entered in the register of the fishing fleet. EAFA continues to implement national legislation in this direction in order to achieve a balance between fishing capacity and fishing opportunities. The implementation of this measure will be carried out annually.



At the beginning of 2021 a procedure for allocation of free fishing capacity was launched in accordance with the conditions described in Ordinance 8 of 21 November, 2019 on the terms and conditions for management of the fishing fleet of the Republic of Bulgaria. The objectives of these administrative measures are to improve the management of the fishing fleet as well as to achieve better control over the exploitation of fishing capacity.

Measures implemented through the Maritime Affairs and Fisheries Program 2014-2020

Support for fishing vessel owners and fishermen to overcome the economic consequences of the outbreak of COVID-19, due to temporary cessation of fishing activities.

The measure aims to provide compensations for fishing operators for the economic consequences of the COVID-19 outbreak. The purpose of the procedures is to help fishing vessel owners and fishermen due to cessation of fishing activities, to overcome the negative economic consequences and to preserve jobs in the Fisheries sector.

Fishing ports, landing quays, fish auctions and boat shelters. Sector "Investments aimed at construction and / or modernization of boat shelters"

The implementation of the measure contributes to providing appropriate conditions for the development of a competitive fisheries subsector. The construction of new and modernization of the infrastructure of existing berths and the modernization of fishing ports will increase their energy efficiency, contribute to environmental protection, increase the quality of products being landed, and improve the safety and working conditions of the fishermen.

Marketing measures, sector "Establishment of producer organizations"

The implementation of the activities under the measure will contribute to the improvement of the market organization for fishery and aquaculture products.

Production and marketing plans.

The support is aimed at backing the preparation and implementation of plans for the production and marketing of producer organizations and associations of producer organizations in accordance with the provisions, in particular:

- improving the conditions for the placing on the market of fishery and aquaculture products of their members;
- improving economic returns;
- stabilization of the markets;
- contributing to food supply and promoting high food quality and safety standards, while contributing to employment in coastal and rural areas;
- reducing the environmental impact of fishing.

Conservation and restoration of marine biodiversity and ecosystems and compensation regimes in the framework of sustainable fishing activities.

The measure aims to protect and restore marine biodiversity and ecosystems.

The implementation of the measure contributes to the promotion of environmentally sustainable, innovative, competitive and knowledge-based fisheries, characterized by efficient use of resources through the conservation of aquatic biodiversity.



Measures planned to be implemented in 2022 and 2023 through the Maritime, Fisheries and Aquaculture Program 2021-2027.

Permanent cessation of fishing activities

This activity will contribute to the adaptation of the fishing fleet to fish stocks. Disinvestment (asset withdrawal) efforts in the fisheries sector should be encouraged in those segments where the balance between capacity and sustainable exploitation is unstable. The target is to achieve a balanced fleet that exploits the available resources sustainably by cessation the activity of fishing vessels.

Provisionally suspension of fishing activities

The action will contribute to the achievement of a fair living standard for the fishing community through the introduction of compensation for operators during fishing bans and compensation for economic shocks from the political situation and following the COVID-19 pandemic.

