Greenland Delegation: NAPA Proposal for a future sharing arrangement

1 October2025

NORTH ATLANTIC PELAGIC ADVOCACY GROUP

NAPA Proposal - Purpose of today

NORTH ATLANTIC PELAGIC ADVOCACY GROUP

- Steering Committee has explored how to ‘construct’ a sharing agreement
- Opportunity to share and discuss findings
- Seek views to inform proposal before it is finalised
- **AIM** to deliver a **proposal** for a comprehensive sharing arrangement to Coastal State Ministers in time for the Autumn meetings.

NAPA Steering Committee

- Robert Wiltshire - Vice Chair and LDH Ltd
- Dave Robb – Chair of Blue Whiting and Cargill
- Leif Kjetil Skjaeveland – Deputy Chair of Blue Whiting and Skretting
- Chris Shearlock – Chair of Mackerel and Thai Union
- Hector Martin Fernandez – Deputy Chair of Mackerel and Bolton Foods
- Anne Mette Baek – multi species and EFFOP
- Anders Hogberg – Herring/mackerel interests and Orkla.
- NAPA Exec (Rob and Aoife)

NAPA Proposal - Context

NORTH ATLANTIC PELAGIC ADVOCACY GROUP

- Year 5 of the herring/mackerel FIP & Year 4 of blue whiting
- Continued engagement with Coastal States but very little has changed
- Perception – limited capacity for decision makers to reach an agreement – blame culture, credibility of engagement (blue whiting proposal June 2025)
- Mackerel stock in crisis, herring under pressure and blue whiting in decline
- Mediation is needed – also recognised by parts of the catching sector
- Time is running out and unclear if impact on supply chain businesses is fully understood

NAPA Proposal - Our response

- Opportunity for NAPA to take a different approach
- NAPAs non-partisan status is a benefit - not affiliated to any one Coastal State (unlike catching sector)
- NAPA takes a ‘supply chain’ perspective so we understand the full impacts of **No Agreement**
- Potential to provide a circuit breaker by proposing an independent solution

NAPA Proposal - Our approach

- Desk based analysis: assess how to structure an agreement under a range of scenarios
- Focused on the three species as a collective
- Recognises the past but also the present reality
- Informed by four principles
    - ✓ Recognition that concession and compromise is required by all – including NAPA.
    - ✓ Must be seen to be fair to all and clear where parties have gifted (compromised) and where they have gained. No extreme gains or losses.
    - ✓ Should be replicable across all three species.
    - ✓ Can be supported by the ‘whole’ supply chain.

NAPA Proposal - Analysis

- **Approach 1 – Weighted share**: Based on weighted relative shares of the total catch for each Coastal State for two periods – the historic period when there was comprehensive agreement (Period 1), and period since the end of agreement (Period 2). Historic weighting of 30% and 50% selected as options.
- **Approach 2 – Reference Period:** Compared relative catch shares as a % of the total catch for each Coastal State (last 10 and 20 years). For each species, timeframes reflect periods with and without agreement to different extents.
- **Approach 3 – Declared TAC:** Analysed annual declared TAC by Coastal State, as a % of the total TAC, over the last 5 and 10 years. Recognises Coastal State aspirations / expectations and that declared TACs are an asset used to access other fisheries.
- **Approach 4 – Aggregated Option:** Aggregated outputs from Approaches 1 – 3 to take account of historic catches, current catches, and declared TACs – recognises the validity of Approaches 1 – 3.

NAPA Proposal - Approach 1 Findings

Approach 1: Future shares based on weighting of catch shares for the historic period.

- Any historic weighting from 0-100% possible, but chose 30% and 50% as these recognise the historic situation without it being dominant.
- Compared to Status Quo period (2020-2024 – last five years), 30% weighting for the historic period delivers maximum swing between winners and losers of 10.8% (MAC), 9.1% (BW) and 4.5% (ASH).
- 50% weighting for the historic period delivers a larger swing between winners and losers, maximum 14.6% (MAC), 13.1% (BW) and 6.5% (ASH). Russian Fed. gains most overall on ASH and BW.
- Unlikely to address perceptions of fairness and equity because of the variability, challenge over selecting the 'right' weighting, and perception of Russian Fed. as a key beneficiary is challenging.

NAPA Proposal - Approach 2 Findings

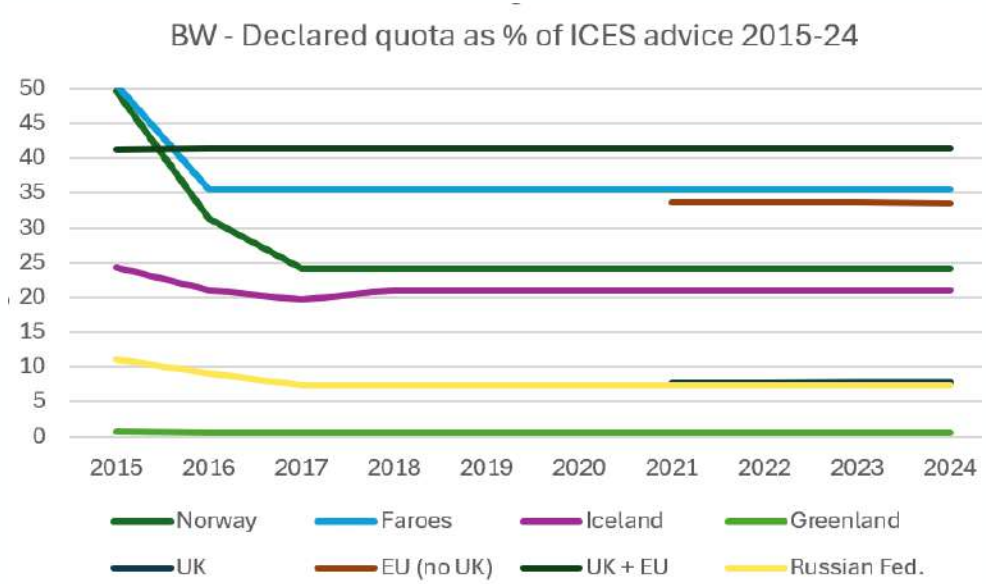
Approach 2: Future shares based on average catch shares over defined period.

- Any reference period (up to 20 years) possible, but 10 years reflects period with no agreements for any species, 20 years includes periods with agreements for each.
- Compared to Status Quo period (2020-2024 – last five years), under the 20-year option the Russian Fed benefits most across all species (max 8% BW) while the Faroes loses significantly for all species (-4.7% ASH, -1.2% MAC, -4.6% BW).
- 10-year option presents the least variability overall, with a max. swing of 4.8% (BW)
    - Relative to the Status Quo, most differences are ≤1% for each species
    - Norway has gain of 2.8% BW but loss of 2.6% MAC and 1.2% ASH
    - EU has gain of 1.9% MAC and 0.5% ASH, but loss of 2.0% BW
    - But analysis based on landings only.

NAPA Proposal - Approach 3 Findings

Approach 3: Future shares based on TACs declared over 5 years and 10 years compared to the total declared TAC.

- Consistency in BW TACs surprising. In effect a sharing arrangement already in place (NB. Total = 130%).
- But ASH is slightly less consistent over time, and less again for MAC in recent years.



- Compared to the Status Quo catches, consistently higher TAC declarations were concentrated in only a few Coastal States – Faroes (BW, ASH, MAC), Greenland (MAC, ASH) and EU (BW) – so unlikely to be seen as 'fair to all'.
- Relying on TAC declarations alone risks embedding historic inflated TAC setting.

NAPA Proposal - Approach 4

- Approaches 1 – 3 resulted in considerable variability in terms of perceived winners and losers (compared to the Status Quo – mean catch share for 2020-24).
- Perceived winners and losers change depending on the Approach and the model run within each Approach.
- **But** each approach has merit - based on actual data (catch and declared TAC) so can't be easily discounted.
- Basis for Approach 4 - calculating the average of the model runs under Approaches 1 – 3.

NAPA Proposal - Approach 4 Findings

Approach 4: Average of all modelled runs in Approaches 1-3.

- Compared to any individual option, changes overall are less pronounced for each Coastal State compared to the Status Quo period (2020-2024).
    - MAC showed the most change, reflecting the greater variability in the fishery over time. Max. swing was 5.7% (+3.6% EU, -2.1% Norway).
    - BW swing was smaller, max. 3.8% (+2.4% Norway, -1.4% Iceland).
    - ASH swing was smallest, max. 2.2% (+0.8% Greenland, -1.4% Faroes).
- Under Approach 4, almost all nations win and lose across the three species. Iceland is the exception – loss across all species, but relatively small (BW -1.4%, MAC -0.6%, ASH -0.1%) especially when compared to recent activity.
- Results reflect the extended history in each fishery.

NAPA Proposal - Assessing Economic Impact

- Preliminary assessment of the economic impact of proposal by Coastal State (Approach 4), compared to the Status Quo (2020-2024).
- Focus on the **loss/gain in total landing values only**, based on ICES advice for 2025 and the 2022-2024 mean first-sale price (*€, Seafish data*).
- Estimated total annual first-sale value, all three species = €1.52B.
- Impacts on wider supply chain out of scope (see later updates).
- Recent price of MAC is a key driver for difference (1% MAC TAC = €8.5M, versus €2.8M for ASH, €3.9 M for BW).

Coastal State	Norway	Faroes	Iceland	Greenland	UK	EU	Russian Fed.
Total catch value (status quo)	450.9M	215.0M	211.7M	29.6M	198.5M	248.5M	164.7M
Approach 4 – First sale value change (€Millions)	-10.5 M	-16.9M	-10.8M	+5.6M	+0.4M	+27.9M	+1.1M
First sale value change (% from status quo)	-2.4%	-7.9%	-5.1%	+19.0%	+0.2%	+11.2%	+0.7%

NAPA Proposal - Why Approach 4?

NORTH ATLANTIC PELAGIC ADVOCACY GROUP

Steering Committee preferred approach:

- Best reflects the reality of the last 20 years
- Closest fit to the principles - the swing between gains and losses is small
- There are economic impacts – mackerel is key but largely driven by recent high prices – although less problematic when compared to significant TAC cuts.
- Benefits of **business certainty** and **security of tenure re quota shares**.

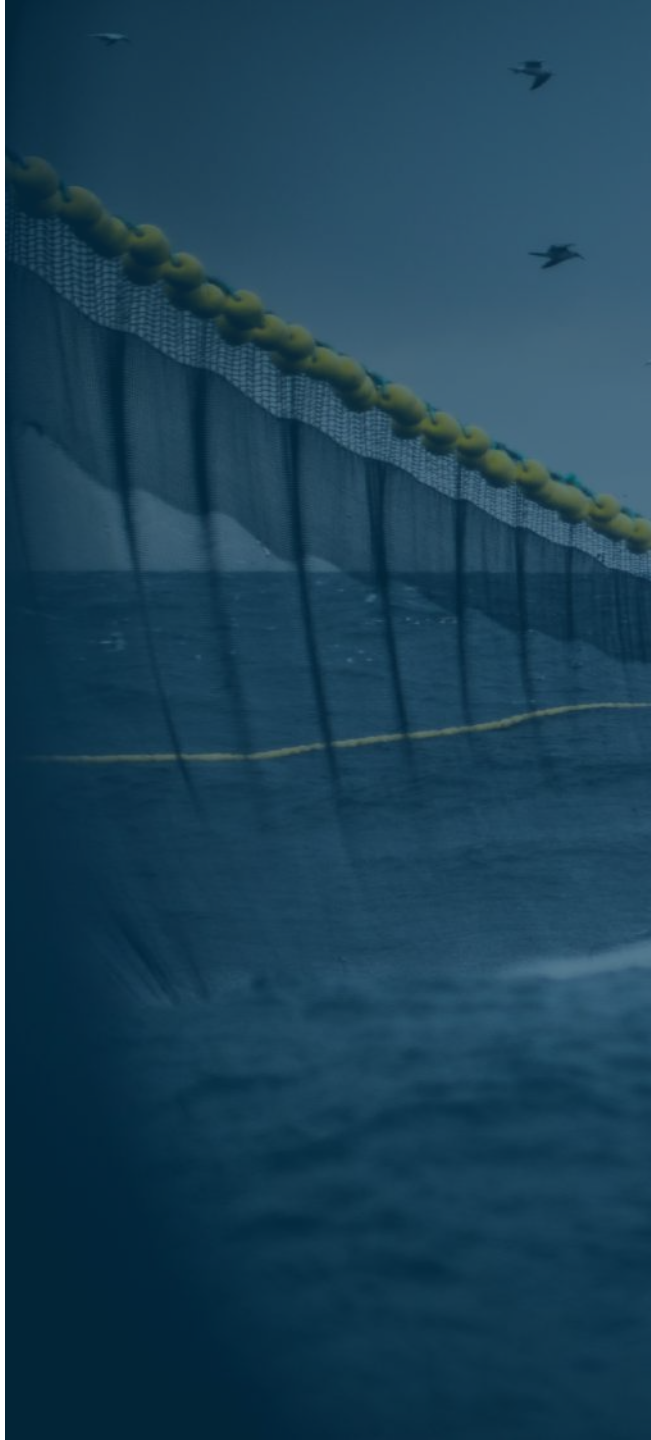
BUT

- Approach is not absolute – further refinement welcome if it helps secure an agreement.
- Access may provide additional leverage to help land an agreement.
- Dispute resolution mechanism is vital.

What would Approach 4 mean for ….

Greenland Share

Species	Current share (% of total catch) i.e., Status Quo	Declared quota share (% of total for all parties)	Approach 4 share (% of total catch)	Change compared to Status Quo Catch	Change compared to Declared quota
MAC	2.5	4.9	3.3	0.8	-1.6
BW	1.6	0.4	0.7	-0.9	0.3
ASH	0.9	2.1	1.7	0.8	-0.4



Approach 4: Collective results

		Status Quo (Catch - mean % share of total for last 5 yrs - 20-24)	Declared quota (Mean % of the total for all parties for last 5 yrs - 20-24)	Approach 4		
				Result - Average of averages across all scenarios	Change compared to Status Quo Catch (mean % 20-24)	Change compared to Declared quota (mean % 20-24)
ASH	Norway	56.5	54.7	**55.9**	-0.6	1.2
	Faroes	13.7	15.9	**12.4**	-1.4	-3.5
	Iceland	13.6	12.9	**13.5**	-0.1	0.6
	Greenland	0.9	2.1	**1.7**	0.8	-0.4
	UK	0.7	1.2	**1.0**	0.2	-0.2
	EU	3.9	3.7	**4.4**	0.4	0.6
	Russian Fed.	10.7	9.5	**11.3**	0.6	1.8
MAC	Norway	24.4	22.7	**22.3**	-2.1	-0.5
	Faroes	10.8	12.3	**9.2**	-1.6	-3.1
	Iceland	12.5	12.2	**11.9**	-0.6	-0.3
	Greenland	2.5	4.9	**3.3**	0.8	-1.6
	UK	20.7	19.8	**21.1**	0.4	1.4
	EU	18.0	16.4	**21.7**	3.6	5.3
	Russian Fed.	11.0	10.8	**10.1**	-0.9	-0.8
BW	Norway	21.5	18.6	**23.9**	2.4	5.3
	Faroes	21.8	27.3	**21.9**	0.1	-5.4
	Iceland	17.3	16.2	**15.9**	-1.4	-0.3
	Greenland	1.6	0.4	**0.7**	-0.9	0.3
	UK	5.3	6.0	**4.4**	-0.9	-1.5
	EU	21.9	25.8	**20.8**	-1.1	-5.1
	Russian Fed.	10.6	5.7	**12.5**	1.8	6.8


NORTH
ATLANTIC
PELAGIC
ADVOCACY
GROUP