BILATERAL MEETING WITH MINISTER OF FISHERIES AND SEAFOOD - OSLO, NORWAY - MR HARALD NESVIK: MONDAY 25TH NOVEMBER 2019

Date and Time of Engagement	**Monday 25th November 2019** • 09:30-10:15am – Mr Nesvik/Mr Ewing (and Official party) • 10:15-11:30am – Ministerial staff in the Ministry of Trade, Industry and Fisheries (whole Scotland delegation) • 13:00-15:00 (Oslo location tbc) – Meeting with Norwegian Food Safety Authority (and possibly Norwegian Veterinary Institute our fish Health reference lab) • 15:45 Depart for airport. Oslo to Bergen flight Norwegian air Oslo/Bergen – 17:40/18:35
Where	• Ministry of Trade Buildings, Kongens gate 8, Oslo • Meeting location for 13:00-15:00 tbc
Key Message	• The visit will afford an opportunity to build on the Scottish Government's commitments made in the Nordic-Baltic Policy Statement (refreshed in 2017). • The exchange of policies and expertise with Arctic countries in relation to the sustainability of the aquaculture sector is also one of the actions set out in the Arctic Policy Framework we published at the end of September 2019. • SG supports the sustainable growth of the aquaculture sector. It currently employs more than 12,000 people and is worth around £620M of added value to the economy. • Fish processing labour currently stands at 58% (Non UK) EU, rising to 70% (Non UK) EU in Grampian region.
Who	• Mr Harald Tom Nesvik, Minister of Fisheries and Seafood • Mr Richard Wood, British Ambassador to Norway • Ministerial staff in the Ministry of Trade, Industry and Fisheries • Yngve Torgersen to present on pollution and shared responsibilities and laws also under the Ministry of Climate and Environment*/*
Why	• A fact-finding visit exploring the Norwegian consenting regime to consider any potential for application in Scotland. • An opportunity to discuss Aquaculture and Scottish Sea Fishery Policy focussing on areas of mutual interest • Evaluating current Norwegian Government policy and advice governing the fish farming sector, reviewing their plans for future regulatory changes. • Learning about the current outlook for fish farming from relevant Norwegian regulatory delivery departments.
Official Support	**Mike Palmer, Deputy Director, MS: Tel: REDACTED** **Alastair Mitchell: Tel: REDACTED** **Don McGillivray:**
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Annex A
Summary

Purpose of Visit

- A fact-finding visit exploring the Norwegian consenting regime to consider any potential for application in Scotland.
- An opportunity to discuss Aquaculture and Scottish Sea Fishery Policy focussing on areas of mutual interest
- Evaluating current Norwegian Government policy and advice governing the fish farming sector, reviewing their plans for future regulatory changes.
- Learning about the current outlook for fish farming from relevant Norwegian regulatory delivery departments.

Aquaculture issues to be covered:

- The Temporary Suspension of ISA free certification (Ova exports from Norway).
- Potential ban on thermal de-licing technology in Norway'.

Sea Fisheries issues to be covered are:

- Signing of declaration against transnational organised crime in the global fishing industry.
- North sea fishing stocks.

Annex B

Biographies

Minister of Fisheries Harald T. Nesvik

Harald Tom Nesvik was appointed Minister of Fisheries on August 13th, 2018. Nesvik is an experienced politician who was first elected to parliament in 1997, where he served as a parliamentary representative for Møre og Romsdal County for two decades, until 2017.

From 2005 to 2009 Nesvik chaired the Standing Committee on Health and Care Services in Parliament, and from 2009 to 2013, he was the second deputy chairman of the Standing Business and Industry Committee. He has also been a member of the Standing Committee on Foreign Affairs and Defense, and the Standing Committee on Labour and Social Affairs.

He began his political career in the Progress Party Youth in the 1980s, and has since held many political positions. From 2013 to 2017, he was the parliamentary leader of the Progress Party.

Harald Tom Nesvik was born in the city of Ålesund in Møre og Romsdal county, where he studied fisheries export marketing, at the Technical Fisheries College in Møre og Romsdal.

From 2017 and until he was appointed Minister of Fisheries, he was head of public affairs and government relations in Sølvtrans, the world's largest wellboat company for transport of live salmon and trout.

Biography
Mr Richard Wood was appointed Her Majesty's Ambassador to the Kingdom of Norway in August 2018.

British Ambassador to Norway
The Ambassador represents Her Majesty The Queen and the UK government in the country to which they are appointed. They are responsible for the direction and work of the Embassy and its Consulates, including political work, trade and investment, press and cultural relations, and visa and consular services.

The BNCC and the Embassy share a common goal of encouraging stronger trading links between the UK and Norway in trade and investment through the tools of partnership and collaboration. So I am delighted that the BNCC has launched an online presence to provide practical information and contact for those involved in UK/Norway trade.

Annex C
Agenda

Monday 25th November 09:30-10:15

Agenda

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Annex D
Suspension of exports of ova from Norway

Lines to Take

- You will recall that we discussed the temporary suspension of ova exports from Norway at our meeting during AquaNOR in August. At that time you were confident that the situation would soon be resolved.

- There were some serious shortfalls found by EFTA during their audit. **The lack of verification and assurance regarding ISA free status is unacceptable**, and may have put countries which are free from ISA at risk. That is of great importance to Scotland.

- We support Norway's significant efforts to rectify the situation and your response to the audit. The protection of fish health is essential and we must be able to trade knowing that the fish health regulations have been fully implemented.

- I am aware that this was discussed at a recent Commission meeting of the Standing Committee on Plants, Animals, Food and Feed (PAFF Committee) on 21 November where it was confirmed the Norwegian Food Safety Authority was still working on establishing a list of ISA free compartments.

- Grateful for an update on progress towards re-establishing that list. When do you expect to share that list with EFTA, and **will you agree to share it with us when it is submitted?**

- I would be concerned if the suspension is not lifted soon, with regard to potential economic impacts on the Scottish salmon industry, which is heavily reliant on imports of ova from Norway. I am hopeful for some reassurance on that point today.

- **What assurance can you give me that there will be no further delays to the submission of the ISA free list, given initial advice was that trade would resume within a matter of weeks?**

- Given the significant interests of Scottish producers, many of which are Norwegian owned **I would be grateful for regular updates from your officials.**

Background

- In June the Norwegian authorities imposed a temporary suspension of exports of salmon and rainbow trout ova from Norway. This was the result of an internal audit by EFTA. The objective of the audit was to verify that official controls related to animal health of aquaculture animals were carried out in compliance with European Economic Area (EEA) legislation.

- There were some serious findings in the final audit report;

    - It could not be confirmed whether Commission Implementing Decision (EU) 2015/1554 of 11 September 2015 laying down rules for the application of

Directive 2006/88/EC as regards requirements for surveillance and diagnostic methods has been fully or properly made part of the Norwegian legal order.

- At the time of the mission there was no reliable system in place in Norway enabling identification of farms which have been granted ISA-free status. Moreover, in the majority of cases, such status has been granted without or with very limited involvement of the NFSA staff prior to the stage when the formal application is forwarded to the NFSA. The lack of official verification by the NFSA of surveillance activity undertaken to prove freedom from ISA casts significant doubt on the reliability of the statements included in the declarations of free status for compartments submitted by the NFSA since it is not in a position to ascertain the accuracy of the information being certified or ensure that no conflict of interest compromises the process.

- Norway has submitted several declarations for dependent Infectious Salmon Anaemia (ISA)-free compartments; i.e. sites which are dependent on the health status of the surrounding waters. However, in these cases Norway does not apply additional disease surveillance activities to confirm that the sea waters surrounding elements of the dependent compartment (e.g. neighbouring salmon farms or susceptible species of wild fish) can also be considered free of ISA. The mission team considers that due to the lack of surveillance in surrounding waters and the absence of any additional measures to prevent introduction of ISA to sea sites declared free of ISA, such dependent compartments should not be declared and certified for intra-EEA trade and export to third countries as ISA-free compartments.

- Current certification arrangements attesting the free status of aquaculture production businesses from Bacterial Kidney Disease lack transparency regarding the disease surveillance programme and which entities are considered by the NFSA as compliant with the relevant requirements.

- As a result of the serious short comings, particularly in relation to the reliability of ISA disease freedom, EFTA recommended that trade was suspended until an appropriate assurance system was identified.

- Scotland is free from ISA, no imports from Norway can be accepted unless an attestation of disease freedom can be signed by Norwegian Authorities.

- At first authorities advised that the suspension would be lifted in a matter of weeks, however there has been significant delay and the suspension remains in place. **The latest deadline suggested for resolution has passed, 1 November, which would have been the start of Norway's peak ova export season.**

- Norway is working towards providing a list of confirmed ISA free compartments to EFTA. EFTA will need to be assured that the requirements for the list provided have been met.
- At a meeting of the Standing Committee on Plants, Animals, Food and Feed on 21/22 November Norway confirmed that it was still working on pulling together the proposed list of ISA free compartments. It is likely that the final list will be smaller than that basis of which Norway was previously trading on, so there may still be some impacts on ova

supply when restrictions are finally lifted. **It is important that we get an understanding of what the submitted list looks like as soon as possible in order to allow industry to put contingency plans in place where necessary.**

Risks and Stakeholder Views

- Scottish salmon production is heavily reliant upon the import of Norwegian ova ~ 90% of ova imports come from Norway. Until now, the industry has adapted by importing additional ova from Iceland and Ireland.

- During the Farmed Fish Health Steering Group on 5 November the industry stated they would be concerned if the suspension was still in place for **Q1 2020**. At that meeting we discussed that the industry may be required to open old broodstock sites, which would allow them to source fish to produce additional ova in Scotland. If required. **Depending on feedback from the Norwegian Fisheries Minister, we will take those discussions forward with the industry.**

- The Scottish fish farming industry is accepting that these measure are being taken in order to protect fish health. The industry does not want to see another outbreak of Infectious Salmon Anaemia in Scotland.

- We must apply pressure that the suggested list of ISA free disease free compartments is finalised as soon as possible, whilst respecting that the ban must continue until assurance can be provided regarding the ISA free compartments. To allow producers to plan for the different scenarios, **we need to know the compartments which will be put forward to EFTA and when.**

Annex E
Potential ban on thermal de-licing technology in Norway

Lines to Take

- I am aware of research by the Norwegian Veterinary Institute and the Institute of Marine Research which shows a pain response, or an immediate nervous system response, when placed in water at 28 Celsius and above.

- I understand a 2 year evidence gathering period has been announced to inform whether the Thermolicer should be banned in Norway.

- The timelines involved might affect investment in lice removing technologies. Grateful if you could give more information regarding that process and any milestones?

- You may be aware that both the Thermolicer and Optilicer are in use in Scotland. We have found the Thermolicer to be extremely successful at lice removal. Our industry has established specialist teams well trained in the use of the equipment and have worked hard to ensure optimal fish health and welfare. We have also found that there can be post treatment mortality, something which is common with any fish handling event.

- It is essential that the industry continue to innovate and maintain a sea lice management tool box, particularly where the effectiveness and number of medicines available is decreasing.

- It is also essential that animal welfare obligations are met. That means that our farmed fish should not face unnecessary suffering – this is a fine balance between the positive removal of lice for welfare purposes vs the mechanisms used to do so.

- The Scottish Aquaculture Innovation Centre will start a study to gather additional evidence on the impacts on fish health and welfare through use of thermal de-licing technology in Scotland.

- Grateful if you could keep us up to date with your considerations and for knowledge to be shared between Norway and Scotland as part of the evidence gathering process.

Background

- New research by the Norwegian Veterinary Institute and the Institute of Marine Research has concluded that salmon suffer pain, or an immediate nervous system response, at 28 degrees Celsius and above.

- The Norwegian Food Safety Authority has stated its intention to phase out use of the thermolicer in Norway over two years, unless new knowledge proves that it can be used in a well-justified manner.

- Campaigners are calling on the Scottish Government to ban the use of thermic delicing (thermolicer) machines at salmon farms in Scotland.

- The Scottish industry find the thermolicer to be extremely effective at removing sea lice. Large investments have been made into the technology, including Scottish Government funding via the European Maritime and Fisheries Fund.

- The Scottish Aquaculture Innovation Centre is working to establish a new field-based project in Scotland, acting in consultation with Norwegian stakeholders, to help bridge the knowledge gaps on current health and welfare effects of the Thermolicer and to devise improved protocols for thermal delicing, with the aim of completing the project by August 2021, aligning with a potential moratorium of Thermolicer use in Norway.

- In Scotland fish are recognised as sentient beings and protected from unnecessary suffering by the Animal Health and Welfare (Scotland) Act 2006. It places a duty on the person responsible for the fish to ensure that their needs are met. In Scotland the Animal and Plant Health Agency is responsible for overseeing the requirements of the Animal Health and Welfare (Scotland) Act 2006.

- Management of sea lice on farmed fish is necessary for their health and welfare and the decisions taken in farmed fish health and welfare management are complex.

Stakeholder Views

- The Scottish fish farming industry considers the Thermolicer to be an important part of the sea lice management tool box. They have invested significantly in new lice removing technologies, sharing knowledge and ensuring that there are experienced operatives are maintained and available to deploy equipment in Scotland.

THE INTERNATIONAL DECLARATION ON TRANSNATIONAL ORGANIZED CRIME IN THE GLOBAL FISHING INDUSTRY

Norway and twenty-four other ocean nations have recently adopted a joint declaration against transnational organised crime in the global fishing industry. Mr. Nesvik wishes Scotland to join the declaration which has not yet been signed by the UK government.

Lines to take

- Very pleased to sign this declaration on behalf of the Scottish Government.
- It is an important initiative that recognises numerous challenges that are unfortunately ingrained in the global fishing industry.
- Applaud the Norwegian government on promoting an approach to tackling these difficult issues on the international stage.
- Look forward to continuing to engage with Norway and other nations on these very difficult but important challenges.

Background

- This is a non-legally binding declaration which encourages countries to recognise the following issues (non-exhaustive) happening within the international global fishery industry:
  - recognise the existence of transnational organized crime in the global fishing industry;
  - recognise that this transnational activity includes crimes committed through the whole fisheries supply and value chain;
  - recognise further the inter-continental flow of illegal fish products, illicit money and human trafficking victims in transnational organized crime cases.
- To date the declaration has been signed by Benin, Chile, Costa Rica, Faroe Islands, Fiji, Ghana, Greenland, Indonesia, Kiribati, Liberia, Maldives, Marshall Islands, Mexico, Mozambique, Myanmar, Namibia, Nauru, Norway, Palau, Philippines, São Tomè and Principe, Solomon Islands, South Africa, Sri Lanka and Timor Leste.
- Signatories also recognise the need for continuous support at the highest level and the necessity for awareness raising on these issues through events such as the period '*International FishCRIME Symposium*' (www.fishcrime.info).

EU-NORWAY NEGOTIATIONS

The annual EU/Norway talks are vitally important for Scotland, establishing fishing opportunities worth around £54 million in 2019 for some of the fleet's most important North Sea stocks including cod, haddock, whiting, saithe and herring. This year's talks are particularly challenging in light of the 61% cut advised for North Sea cod in 2020, the risk that it may impact the TACs for other stocks in the mixed fishery, and the need to develop an international response to

Lines to take

- This year's scientific advice for cod presents a significant and complex challenge. A cut of this scale would have major socio-economic impacts on offshore and onshore sectors and would create a choke risk under the EU landing obligation.

- It is important that in round 2 of this year's negotiations we continue to work towards a multi-national response to this challenge comprising two elements, it should be a 2 stage approach with technical measures being developed with the involvement of all industry. Important to us that Norway are part of that. Scotland has offered to host a workshop to that end in January.

- I personally believe the commission is taking too rigid an approach and not using available flexibilities.

- **To be absolutely clear, REDACTED But my personal view is a period of 4 years is the right amount of time and we should secure a TAC in line with the ranges that forecasts predict would take us back to btrigger – even if that target is highly unlikely to be achievable, another issue we need to address.**

- **This would mean a TAC in the region of between 23000 and 20000 tonnes. Thereafter our energies should be on reviewing the appropriateness of targets and distribution of various cod stocks within the North Sea.**

- Second, and related, a significant accompanying package of spatial, temporal and technical measures that will constrain catches to the level of the TAC and allow the fleet to stretch it through the full year and avoid choke.

- My officials have been instrumental in developing the EU's thinking on such a package. I also very much welcome the informal parallel conversations they have had with your own officials during preparation of this year's negotiations to ensure a shared understanding of respective views. This shared understanding should help us to identify a mutually agreeable outcome in Bergen next week.

Background

- The EU/Norway talks are vitally important for Scotland as they establish fishing opportunities and management arrangements for some of the fleet's most important North Sea stocks in 2019. As usual the talks comprise two main elements: (1) TAC setting for the six North Sea stocks jointly managed with Norway (cod, haddock, whiting, saithe, herring and plaice); (2) establishing exchanges of quota between the parties across a range of other stocks, and setting up mutual access arrangements to each other's waters.

- In 2019 the EU/Norway agreement delivered around £54 million worth of quota for Scotland (£60 million from Scotland's share of the TACs set minus £6 million net loss from the exchanges - based on 2018 prices).

- The North Sea Regional Group is developing a recovery plan for cod in light of the advice evidencing that the stock is in a poor condition. We hope that a finalised recovery plan can be agreed with Norway alongside setting fishing opportunities for 2020.

- We are faced this year with a particularly challenging set of scientific advice for a number of North Sea demersal stocks – both jointly-managed and some that are not jointly managed (e.g. hake, monkfish). These challenges are increased given mixed fisheries and landing obligation / choke risk considerations. 2020 will clearly be a difficult year across the board.

Jointly managed stock	**ICES Scientific Advice** (% change from 2019 TAC)
Cod	-61%
Haddock	+23%
Whiting	-13%
Saithe	-15%
Plaice	+17%
Herring	+9%

- Scottish officials and their Norwegian counterparts have had a number of informal discussions ahead of this year's EU/Norway talks to understand each other's positions on both TAC setting and additional management measures.
- Round 1 of this year's talks took place in London on 18-22 November. Round 2 resumes in Bergen on 2-6 December.

Annex G
Meeting with Norwegian Officials

Draft Agenda

- Exploring the Norwegian consenting regime to consider any potential for application in Scotland.
- The role of discharge controls in the context of wider consenting including the auction system and 'traffic light' regime.
- Evaluating current Norwegian Government policy and advice governing the fish farming sector, reviewing their plans for future regulatory changes.

As well as these agenda items, we're keen to explore strategies on how Norway manages environmental/ community body policy e.g. groups that take issue with impacts of chemicals/ medicines (from aquaculture) on the environment and interactions between farmed and wild salmon.

Norway Licensing Regime – (Taken from 2016 report of the independent review of Scottish aquaculture consenting)

Background

- In Norway the regulation of aquaculture is predominately achieved through the Aquaculture Act (2005), which establishes a licensing system that covers environmental standards, land utilisation, registration, transfer and mortgaging of licences, as well as control and enforcement. The express purposes of the Aquaculture Act are to "promote the profitability and competitiveness of the aquaculture industry within the framework of sustainable development and contribute to the creation of value on the coast". This indicates the desire to create a permanent industry activity which is supported by the legal status of Norwegian aquaculture sites.

Benefits and challenges

The Aquaculture Act establishes a licensing system for aquaculture, and allows the Ministry to limit the number of licences allocated for aquaculture of salmon, trout and rainbow trout . Accordingly, the Ministry may prescribe:

- The number of licences to be allocated.
- Geographic distribution of licenses.
- Prioritisation criteria.
- Selection of qualified applications in accordance with the prioritisation criteria, including the drawing of lots etc.
- Licence fees

- Following the introduction of the Aquaculture Act, a 'single-window' system was established for the processing of aquaculture licence applications, whereby the aquaculture operator submits their application to the appropriate regional office of the Directorate of Fisheries, who will forward the application to the relevant authorities to obtain all the required licences (Figure 0.1). These authorities are: The Food Safety Authority, the County Governor, the National Coastal Administration and the Water Resources and Energy Directorate. The Act prescribes that the different

authorities administrating the different Acts, as well as the municipality, are obligated to undertake an efficient and coordinated processing of applications.

- For fresh water aquaculture in Norway's inland counties, where regional Fisheries Directorate offices are not present, the County Governor adopts the same coordinating role for aquaculture applications.

- This single-window enables a coordinated process, so that consents/licences are granted at the same time or in an appropriate sequence. The overall purpose of the scheme is to facilitate and simplify the process for applicants, by enabling applicants to deal with one public agency, and to make the processing of the applications more efficient and more expedient.

- The introduction of Norway's 'single-window' approach is considered to have reduced the average licencing time by half, from 1 year to 6 months; this is in comparison to aquaculture authorisation procedures in other EU Member States lasting on average 2-3 years (Figure 0.2, EC, 2013). However, it should be noted that applicants in Norway will have undertaken the majority of pre-application, assessment and surveys prior to submitting their application, so these elements are

Annex H
Aquaculture Briefing including Country Comparisons

Lines to Take

- We already collaborate with Norway through the Quadrilateral agreement 2015 and we look forward to continuing this relationship as countries seek to make progress on known and indeed shared challenges.
- Aquaculture affords one of the most matured economic links between the Arctic region and Scotland.
- The aquaculture sector directly employs more than 2,000 people and contributes around £436M (2017 estimates) in gross value added to the economy, with significant wider impacts across the supply chain (previously estimated to be around £620M in GVA and 12,000 jobs across the Scottish economy).
- During the debate on 6 February there was broad cross chamber support for the sector but with an emphasis that progress must be made on key issues.
- In early 2019 we provided a comprehensive response the RECC report on 'Salmon Farming in Scotland'.
- We carefully considered each of the 65 recommendations and identified actions already underway through current initiatives overseen by SG, such as the Farmed Fish Health Framework, the Salmon Interactions Working Group and SEPA's Aquaculture Sector Plan.
- We committed to making progress on the issues raised by the Committee and in July 2019 we updated Parliament on initial actions to tighten sea lice compliance and improving public transparency.
- HMRC statistics show that in the first six months of 2019, Atlantic salmon (farmed in Scotland) exports from the UK were valued at around £319 million, an increase of 25% (£63 million) compared to the same period last year.
- Many of the known Scottish aquaculture challenges are shared with other aquaculture producing nations, including Norway.
- Scotland is open to doing business with the rest of the world and it is an attractive place for investors to put their money.

International Memorandum of Understanding

- In August 2015 Scottish Government signed a joint statement with Norway, Canada and Chile on aquaculture cooperation - recognising the worldwide importance of sustainable aquaculture growth delivered through enhanced co-operation and joint working. We recognize the importance of seafood from aquaculture as a contributor to global food security and as a safe, nutritious, and healthy food source around the world; we also recognize that demand for food will increase as the world's population is predicted to grow to 9 billion by 2050, and that seafood production must increase substantially to meet the needs of this expanded population.

- The "quad" meets annually in whichever country has the secretariat responsibility for that year. In 2018 it met in Chile and in **2019, the quad met at Aqua Nor**.

Links to Norway

- Like many other sectors which are invested by overseas interests, the salmon farming industry here benefits enormously from high Scottish production standards and provenance.

- There are clear opportunities for both of our countries – with Scotland looking to maintain a target market for higher value niche products, generally a point of difference from Norwegian exports to overseas markets.

- We recognise the majority of farmed salmon production in Scotland is by businesses with close links to Norway and would encourage further investment in Scotland as we increase sustainable salmon production; and an exchange of knowledge and regulatory expertise.

Known Challenges – (shared with Norway and Internationally)

- Just like other farming sectors, the fish farming sector has the potential to impact upon the environment through discharges from organic waste and medicine use and indeed from sea lice.

- The Scottish Government has been working together with the sector and others to tackle the known issues and are making good progress on commitments and actions to improve the management and regulation of salmon farming, including;

    - ❖ The publication of Scotland's 10 Year Farmed Fish Health Framework.
    - ❖ The creation of a Salmon Interactions Working Group, which will make recommendations for a future approach to managing farmed and wild fish interactions.
    - ❖ A review of Scotland's farmed fish sea lice policy which concluded this month, Indeed I announced on 5 June that we are reducing sea lice intervention levels to improve health and welfare and placing sea lice reporting on a statutory basis from 2020.
    - ❖ The introduction by the Scottish Environment Protection Agency of a strengthened finfish regulatory regime, including a revised standard for organic waste depositions, enhanced environmental monitoring and a new enforcement unit.

Lines to take

- One 1st of June this year, SEPA implemented a new regulatory framework and following consultation are launching their new Finfish Aquaculture Sector Plan with proposals on how it will work with the salmon farming sector to ensure any impacts on the water environment are minimised.

- Recently I announced in Parliament a strengthening of Scotland's farmed fish sea lice compliance policy, which includes the introduction of reporting legislation for sea lice and a lowering of the intervention thresholds currently set.

Farmed Fish Health Framework

Our 10 year Farmed Fish Health Framework aims to significantly improve the health of farmed fish in Scotland.

- Produced in partnership with industry and other stakeholders to ensure that progress is made in tackling biological challenges, including those from sea lice and gill health.
- Next year we will introduce sea lice reporting legislation so that Scottish Government receives a weekly sea lice report from fish farms, weekly in arrears.
- The sector has invested significantly to develop strategies to reduce sea lice, investing around £53.5 million between 2015-18 on new and innovative lice removing technologies.
- The focus is increasing the non-medicinal tools available such as the use of cleaner fish and the deployment of innovative technologies which contain waste and emissions.
- This industry is also publishing site level mortality information – a leading example in the wider farming community.
- A Farmed Fish Health Framework subgroup will conduct research into *causes of fish mortality* at fish farms with a view to prioritising work on this area.

Sea Lice Review

- A priority action for Scottish Government, and included in Scotland's 10 Year Farmed Fish Health Framework, was a review of Scotland's farmed fish sea lice compliance policy.
- That review looked at the operation of the policy in Scotland, considered the recommendations of the committee enquiries, looked to international comparisons and gave consideration to the application of the Code of Good Practice for Scottish Finfish Farmers and recent lice levels in Scotland in both the trout and salmon farming sectors.

Outcomes;

- The introduction of legislation in 2020 that will require all marine salmonid farms to report a weekly sea lice number to Scottish Government, one week in arrears
- Reduction from next week of the current reporting and intervention thresholds from 3 and 8 average female lice per fish to 2 and 6 respectively
- A commitment, unless there is compelling evidence to the contrary, to a further reduction 12 months following the introduction of reporting legislation to reporting and intervention thresholds of 2 and 4 average adult female lice per fish.
- explore the establishment of independent sea lice count checks
- It is vital that any system for reporting and publication is fit for purpose. We will continue to work with stakeholders, to make sure that all user requirements are met.
- We will provide regular updates to stakeholders on progress, including any publication timing considerations.

Salmon Interaction Working Group

- It is true that fewer salmon are returning to Scottish rivers in recent years. Best estimates based on international advice show that there continues to be a downward trend in the number of returning salmon.
- Our overall salmon population had declined by over 50% from around 1.25 million in the 1960s to some 600,000, as at end of 2016.
- There is no single cause for the decline in salmon numbers and, working with Fisheries Management Scotland and its member Boards and Fisheries Trusts, we have identified a number of high level pressures impacting salmon.
- Established in June 2018 and independently chaired by John Goodlad, a salmon interactions working group is looking at how we move forward the dialogue on the interaction between wild and farmed salmon.

Marine Planning including fish farms

- Scotland's first statutory National Marine Plan was adopted and published in 2015. It provides a comprehensive overarching framework for all marine activity in our waters, to enable sustainable development and use of our marine area in a way which will protect and enhance the marine environment whilst promoting both existing and emerging industries.
- Local authorities (LAs) deal with each new fish farm planning application on its merits through the terrestrial planning process, with advice provided by statutory consultees (including Scottish Environment Protection Agency, Marine Scotland and Scottish Natural Heritage) and consideration of representations from other interested parties and the general public.
- A fish farm also needs up to 4 further consents to operate, issued by Marine Scotland, SEPA and Crown Estate Scotland.
- Local Development Plans set the context for determining planning applications and should set out the issues that will be considered when assessing specific proposals.
- In coming to a decision for a spatial planning consent for a finfish farm, LAs consider a wide range of issues including considering potential environmental consequences prior to granting planning permission (including potential effects on coastal and marine species).
- In 2018 , a regulator's Technical Working Group was tasked with developing a practical framework for assessing the sea lice loading and management requirements taking account of the best available scientific understanding and the precautionary principle.
- This process is ongoing but the framework is intended to underpin future finfish planning advice.

<u>Interim Planning Advice- EMPs</u>

- The Scottish Government's response to the Rural Economy and Connectivity Committee report on Salmon Farming in Scotland (29 January 2019) included, as part of any future request for planning advice that now Marine Scotland will expect a condition requiring an Environmental Management Plan (EMP) to be delivered for any consents for marine aquaculture planning applications (when there is/or there is potential for wild/farmed interaction).

- In July we updated that Marine Scotland's Screening and Scoping responses will include that should the applicant go on to submit a planning application, that we would expect EMPs to include, as a minimum:

- be able to report on the level of lice released into the environment (i.e. both farmed fish numbers and adult female lice numbers);
- identify the likely area(s) of sea lice dispersal from the farm;
- details how and what monitoring data will be collected to assess potential interaction with wild fish;
- and details how this monitoring information will feed back to management practice.
- This plan should also include a regular review process to ensure that it remains fit for purpose.

- Consultation responses also confirm whether these areas have been included in an EMP.

- This applies to all new applications (when there is/or there is potential for a wild/farmed interaction).

- Where the application does not involve an increase in biomass, but is related to a change in cage size/ cage numbers, then our (MSS planning) response will suggest that an EMP is considered <u>if biomass increases in the future</u>.

- The points outlined regarding the minimum requirements for monitoring are not prescriptive to the methods used.

<u>Longer- term Planning Advice</u>

- In the longer-term, a regulator's Technical Working Group, are working in parallel with the Salmon Interactions Working Group and are tasked with development of a practical framework for assessing the level of risk posed to wild salmon and sea trout by farmed fish developments.

Annex I
USMMPA

Top Lines

- The US market for farmed salmon is extremely important to Scotland, in 2018 it was the second largest destination for exports worth around £139M.

- We are regularly engaging with the UK Government, the EU, other salmon producing nations and US officials to discuss the Act. Those discussions will continue and every effort will be made to ensure that Scotland can continue to export quality Scottish salmon to the US.

- In January 2020, Scotland will join Norway and other North Atlantic countries to discuss MMPA implications at a meeting in Copenhagen and to share proposed approaches.

Background

- The aim of the US Marine Mammal Protection Act (MMPA) is to reduce marine mammal mortality and injury associated with international commercial fishing operations (including aquaculture). In practice, this will require nations exporting fish and fish products to the United States to be held to the same standards as US commercial fishing operations.

Issue

- The US has made their position clear that our licensing regime (for shooting seals) is not comparable with the US approach.

Lines to take

- We will consider this matter as part of the statutory review of the seal licensing regime which place a duty on Scottish Ministers to review and publish a report on the operation of the seal licensing regime in September 2020.

- We have also been discussing the regulations and their potential impact on Scottish seafood exports with Scotland's aquaculture sector, along with a suite of work into non-lethal anti-predator methods.

USMMPA – International Implications

- The US Marine Mammal Protection Act (MMPA) aims to reduce marine mammal bycatch associated with international commercial fishing operations (including aquaculture) and this will require nations exporting fish and fish products to the United States to be held to the same standards as US commercial fishing operations.

- In Scotland, the Marine (Scotland) Act 2010 permits only very limited shooting of strictly controlled numbers of seals under licence in order to protect the health and welfare of farmed fish or to prevent serious damage to fisheries. There is no record of businesses involved in the commercial sea fisheries sector applying for such licences and incidental by-catch is generally considered very low.

- Discussions with Canada, Chile and Norway (through the international MoU) have been ongoing and the general understanding from regular engagement with US officials in the National Oceanic and Atmospheric Administration (NOAA), is that the process of granting a licence to shoot seals in Scotland is deemed not compatible with the US approach, meaning that if Scottish producers wish continue to export to the US they will no longer be able to shoot or intentionally harm seals.

Timing

- The US MMPA do not come into force until 2022, allowing time to develop, as appropriate, comparable regulatory programmes, but there is an expectation for all nations to demonstrate compliance or working towards compliance by the end of 2019.

Scottish Position

- In 2018, the United States was Scotland's second largest destination for exports of farmed Salmon (worth around £139M). With the potential for further exports, it is of vital importance that we work together with the sector on an approach that ensures future trading opportunity post 2022.

- Given that the US have made their position clear that the Scottish licensing regime is not comparable with the US approach, rather than continuing to make that case, we will consider this matter as part of the statutory review of the seal licensing regime which places a duty on Scottish Ministers to review and publish a report on the operation of the seal licensing regime by 1 September 2020.

- **The sector is aware of this position and is content.**

Annex J
Readout of Ms Cunningham's recent visit to Norway

Ms Cunningham Visited Norway in 2018

The key components of the visit in relation to aquaculture were as follows:

- A meeting with the Norwegian State Secretary with responsibility for fisheries, Roy Angelvik and senior officials
- A visit to the Norwegian institute for Marine Science in Bergen
- A visit to Marine Harvest in Bergen to meet their CEO Alf Helge Aarskog and other senior executives. A visit to see one of their sites had to be cancelled because of poor weather.

- Taken together, these visits provided a very strong insight into the approach Norway is taking to aquaculture and some of the similarities and differences in relation to the situation in Scotland. The Norwegian aquaculture sector is significantly larger than in Scotland and several of the main operators here are Norwegian owned, including Marine Harvest.

- We learned that the Norwegian approach to regulating the environmental impacts of the sector focuses on escapes, effluent, disease/parasites, spatial planning and use of resources for feed. The sea lice issue is the most prominent aspect of the regulatory regime at present because of the level of impact it is having, similar to the issues that have arisen in Scotland. The situation in Norway is that there has been no significant growth in the sector since 2011 as a result of the challenges that have arisen.

- Norway has statutory protection for certain areas of its coastline and has 29 dedicated areas where no aquaculture is allowed. These encompass the drainage areas for salmon rivers that cover 80-90% of wild salmon stocks.

- Norway has divided the coastline into different production areas and each has a traffic light assessment applied to it, based on a scientific assessment of the sea lice risk, based on measuring fish mortality. Green areas have <10% mortality and are allowed to grow at 6% per annum, amber areas with 10-30% mortality Have no growth and red areas with >30% mortality are required to reduce the biomass of fish being produced. Some of the production areas have a number of different farms and operators within them, and experience to date has been that this is starting to drive a level of cooperation to address problem areas. One area where it was clear Scotland is ahead of Norway is that they currently have no environmental standard for sea lice treatment products.

- We learned a great deal about innovation in the sector. Some approaches, such as keeping fish longer in onshore facilities before putting them in sea cages, and use of wrasse cleaner fish, are already being tried in Scotland. However, there is a further wave of innovation based on closed containment systems being developed. From discussion it was clear that these systems are still very much in the experimental phase and most are still 3-5 years from being ready to be widely deployed. One of the ways that Norway is driving innovation is through development licences, where producers are given a free licence in exchange for trialling different development systems (normally there is a bidding process that means licences cost large amounts of money). Development licenses are granted to the operators proposing the most useful and interesting developments.

- The Marine Harvest visit provided the opportunity to understand the industry perspective. It was interesting to learn that they are working with WWF in Norway to try to achieve a level of external validation of their environmental performance. They also made much of their significant investment in the Kyleakin feed plant (Euro 100m-120m) and Rosyth processing facility. Their priorities for development of the Scottish industry were around long-term predictability of the regulatory regime and the quality of local infrastructure in fish-farming areas.

  Keu outcomes from the visit were:

  - Understanding the common challenges around mortality arising from sea lice and protecting wild salmon stocks
  - Understanding the state of science and modelling in Norway for modelling sea lice and other impacts. It was interesting that there was still some scepticism from Marine Harvest as to the robustness of the science underpinning the models.
  - Learning about the state of innovation in the sector and how the Norwegian Government is incentivising this.