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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

On the implementation of Regulation (EC) No 1007/2009, as amended by Regulation (EU) 2015/1775, on the Trade in Seal Products

1. Introduction

The EU seal regime

Regulation (EC) No 1007/2009[1] of the European Parliament and of the Council on trade in seal products (the Basic Regulation) prohibits the placing on the EU market of seal products.

The trade ban applies to seal products produced in the EU and to imported seal products. The Basic Regulation was amended by Regulation (EU) 2015/1775[2] in order to reflect the outcomes of World Trade Organization (WTO) rulings in the EC-Seal products case[3]. As a result, the current EU seal regime provides for two exceptions to the ban:

1) It allows the placing on the market of seal products where those products come from hunts conducted by Inuit or other indigenous communities, provided the specific conditions set out in Article 3(1) of the Basic Regulation, as amended, are fulfilled.

   Article 3(1a) of the same Regulation, as amended, also provides that, at the time of its placing on the EU market, a seal product shall be accompanied by a document attesting compliance with the conditions set out for benefiting from the "Inuit or other indigenous communities exception". The attesting document should be issued by a body recognised for that purpose by the European Commission, in accordance with Article 3 of Commission Implementing Regulation (EU) 2015/1850[4] (the Implementing Regulation).

2) It also allows the import of seal products where it is of an occasional nature and consists exclusively of goods for the personal use of travellers or their families (Article 3(2) of the Basic Regulation, as amended).

Reporting obligations under Regulation (EC) No 1007/2009, as amended

Article 7 of the Basic Regulation, as amended, stipulates that Member States shall submit to the Commission, by 31 December 2018 and every four years thereafter, a report outlining the actions taken to implement this Regulation.

The Commission shall then submit to the European Parliament and to the Council a report on the implementation of the Regulation within 12 months of the end of each reporting period. The first report shall therefore be submitted by 31 December 2019.

The above reports and the Commission report should assess the functioning and effectiveness of the Regulation in achieving its objective. The reports should also assess the impact on the socioeconomic development of the Inuit or other indigenous communities. For the sake of completeness, the reports also address the impact on the seal population.

2. Background

In 1983, in response to widespread concerns about the annual killing of certain seal pups, the EU adopted Council Directive 83/129/EEC[5] to prohibit the import of products from two seal

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009R1007
[2] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.262.01.0001.01.ENG
[3] http://trade.ec.europa.eu/wtodispute/show.cfm?id=475&code=2
[4] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015R1850
[5] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31983L0129

pup species, harp seals ('whitecoats') and hooded seals ('blue-backs'), into the EU. It initially applied until 1 October 1985. Directive 85/444/EEC[6] extended the validity of Directive 83/129/EEC until 1 October 1989. In 1989, the indefinite extension of the Directive was adopted through Council Directive 89/370/EEC[7].

Seals are hunted within and outside the EU and used for obtaining products as diverse as Omega-3 capsules and garments incorporating processed sealskins and fur. Given the nature of those products, which are sold commercially on different markets, including the EU market, it is difficult or impossible for consumers to distinguish them from similar products not derived from seals.

Citizens and consumers expressed concerns as to the possible presence on the market of products obtained from animals killed and skinned in a way that causes suffering. In response, several Member States adopted legislation regulating trade in seal products by prohibiting the import and production of such products, while no restrictions were placed on trade in these products in other Member States.

Those differences between national provisions governing the trade, import, production and marketing of seal products adversely affected the operation of the internal market and constituted barriers to trade in such products. Therefore, the EU adopted Regulation (EC) No 1007/2009[8] of the European Parliament and of the Council (the Basic Regulation), taking into account the principles of subsidiarity and proportionality. The Basic Regulation introduced a prohibition on the placing on the market of seal products.

At the same time, the EU recognised that seal hunting was an integral part of the socio-economy, nutrition, culture and identity of the Inuit or other indigenous communities, making a major contribution to their subsistence and development, providing food and income to support the life and sustainable livelihood of the community, preserving and continuing the traditional existence of the community. The EU also noticed that seal hunts traditionally conducted by Inuit or other indigenous communities did not raise the same public moral concerns as seal hunts conducted primarily for commercial reasons. Moreover, it was broadly recognised that the fundamental, economic and social interests of Inuit or other indigenous communities should not be adversely affected, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples of 2007.

Therefore, by way of exception, the Basic Regulation allowed the placing on the market of seal products which resulted from hunts traditionally conducted by Inuit or other indigenous communities, as long as due regard was paid to animal welfare and suffering was reduced to the extent possible. The exception was limited to hunts that contribute to the subsistence of those communities.

The Basic Regulation also allowed, by way of exception, the placing on the market of seal products where the hunt was conducted for the sole purpose of the sustainable management of marine resources.

In 2010, Canada and Norway launched dispute settlement proceedings at the World Trade Organization against the Basic Regulation and its initial Implementing Regulation (EU) 737/2010. In 2013, the WTO concluded that, by allowing certain seal products to enter the EU

[6] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31985L0444
[7] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:31989L0370
[8] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009R1007

market through the Inuit and the marine resource management exceptions, the EU seal regime was producing a detrimental impact on the competitive opportunities of Canadian and Norwegian products vis-à-vis Greenlandic imported and EU domestic like products. Indeed, at the time, only Greenland had officially applied for the recognition of an attesting body.

In order to bring its regime in line with the rulings of the WTO, the EU adopted Regulation (EU) 2015/1775, which modified the EU seal regime by removing the exception for marine resource management.

Nevertheless, the removal of that exception was without prejudice to the right of Member States to continue regulating hunts conducted for the purpose of the sustainable management of marine resources. It, however, prevented Member States from allowing the placing on the market of the products derived from such hunts, unless they would fall under the "Inuit or other indigenous communities" exception, which remained in force. The amended Regulation also strengthened coherence with the objective of the Basic Regulation by explicitly adding animal welfare considerations as a condition for the use of the exception.

Article 3(3) of Regulation (EC) No 1007/2009 required the Commission to issue technical guidance notes[9], setting out an indicative list of the codes of the Combined Nomenclature, which may cover seal products, to facilitate enforcement operations by the relevant national authorities.

In order to ensure a uniform implementation of the Basic Regulation, Commission Implementing Regulation (EU) 2015/1850 was adopted to specify the requirements for the import of seal products for the personal use of travellers or their families. It lists the criteria for the recognition of bodies responsible for issuing documents attesting to the compliance with the "Inuit or other indigenous communities" exception. It also specifies the role of the Member States' Competent Authorities for the control of the attesting documents and the recording of data included therein.

3. EU Member States' reports

For the current exercise, the EU Member States were given until 30 June 2019 to provide their national reports to the Commission, through answering an online questionnaire. For the 28 EU Member States, the reporting period was from 18 October 2015 (date of application of Regulation (EU) 2015/1775) to 31 December 2018.

All but four EU Member States (France, Greece, Luxembourg and Malta) provided their national report. The present report is based on the inputs received. The mention "all the Member States" should therefore be understood as "all but the four Member States that did not provide their report".

a) Competent Authority

According to Article 6 of Commission Implementing Regulation (EU) 2015/1850, each Member State shall designate one or several competent authorities responsible for the verification, upon request of the customs authorities, of attesting documents for imported seal products; control of the issuing of attesting documents by recognised bodies established and active in that Member State, and preservation of a copy of attesting documents issued for seal products originating from seal hunts in that Member State. Member States shall notify the

[9] https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1560955112627&uri=CELEX:52010XC1229(04)

Commission of the designated competent authorities, and the Commission shall make the list of designated competent authorities[10] available on its website[11] and update it on a regular basis. Member States were asked to update their details in the published list if needed.

The national legislation of the Member States officially designates a competent authority and defines its role: inspection, verification of the attesting documents issued by the recognised bodies, cooperation with other public administrations (such as the Ministry of Finance or of Agriculture) and the customs authorities, including the provision of guidance for border control. In Portugal, the import of seal products is covered through the licenses issued by the Management Authority under the Convention on International Trade in Endangered Species (CITES).

In the margins of their reply to the questionnaire, Denmark questioned the need for Article 6.1 (b) and (c) in Implementing Regulation (EU) 2015/1850 and for the fourth copy of the attesting document in its Annex as, in their understanding, the Member States cannot appoint recognised bodies. The Commission replied that some Member States have peoples who meet the definition of "Inuit or other indigenous communities" and would therefore be allowed to hunt seals for their subsistence and to put seal products on the EU market. Those Member States could apply for one of their bodies to be officially recognised for issuing attesting documents. In that case, Articles 6.1 (b) and (c) would be relevant, as well as the fourth copy of the attesting document which should be submitted to the competent authority according to Article 6.1 (c).

b) "Inuit or other indigenous communities" exception

Denmark was the only Member State to report that seal products were placed on its market based on the conditions set out in the "Inuit or other indigenous communities" exception provided for in Article 3(1) of the Basic Regulation, as amended. During the reporting period, the Danish Customs recorded seal product imports from Greenland for a total value of 2,626,128 Danish Krone and a total volume of 10,502 kg.

None of the Member States were contacted by the customs authorities or other enforcement bodies to decide on the measures to be taken in case of doubts relating to the authenticity or correctness of an attesting document, or for further advice. None of them had to refuse the placing on their market of seal products covered by the "Inuit or other indigenous communities" exception. Only Portugal required, once, the translation of an attesting document (covered by Article 4 of the Implementing Regulation) into its national language. In Croatia, national legislation requires attesting documents to be translated into the national language.

c) Personal use of travellers or their families

Four Member States (Czech Republic, Germany, Poland and Spain) reported cases where customs authorities notified the competent authority of a problem with the import of seal products for personal use by travellers or their families, as provided for under Article 3(2) of the Basic Regulation, as amended.

[10] https://ec.europa.eu/environment/biodiversity/animal_welfare/seals/pdf/comp_authorities.pdf
[11] https://ec.europa.eu/environment/biodiversity/animal_welfare/seals/seal_hunting.htm

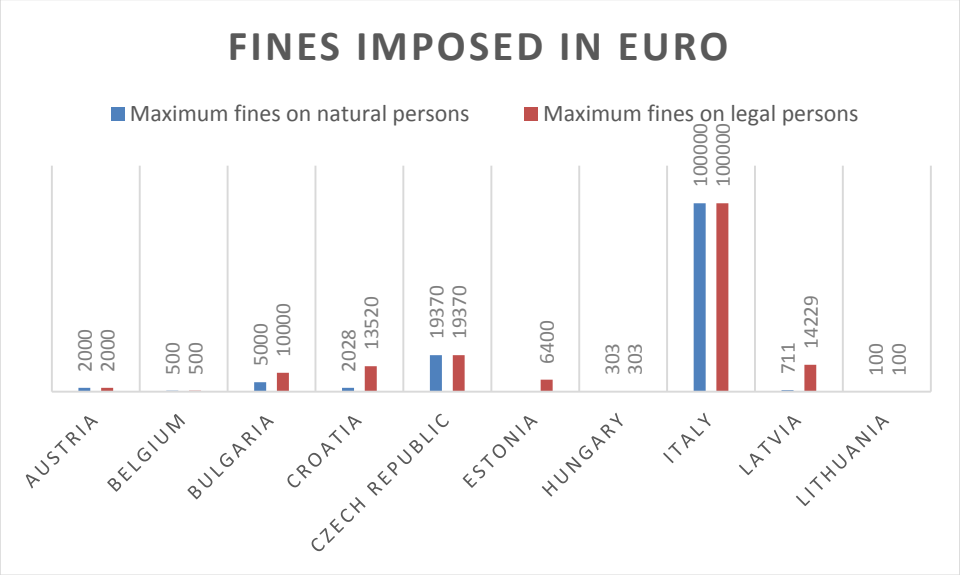
d) Placing on the market on another basis

The placing of seal products on the EU market on another basis than the two above-mentioned exceptions is not allowed. Only Estonia and Portugal were notified of a request for placing seal products on the market for reasons other than the "Inuit or other indigenous communities" exception or the personal use of travellers and their families. In Estonia, tanned sealskins (1,700 pieces in 2016; 1,988 in 2017 and 2,418 in 2018) were imported for inward processing by a shoe manufacturer who then re-exports all the processed goods. Portugal refused an application for the import of seal products for trade.

e) Penalties

In accordance with Article 6 of the Basic Regulation, Member States are required to lay down rules on effective, proportionate and dissuasive penalties applicable to infringements of the provisions of the Regulation, and to ensure that these rules are implemented.

All the Member States but Finland have rules in place on penalties applicable to infringements of the Basic Regulation. Finland is in the process of amending relevant legislation to incorporate such rules. These penalties range from fines, confiscation and destruction of the goods (in place in all the Member States but Finland), up to imprisonment (in some of them only). The amount of the fine usually differs if the offence was committed by a natural person or by a legal person. The table below shows the maximum amount of the fines (in Euro) in the Member States that communicated this information in their national report. The table is not exhaustive but it nonetheless shows significant differences in the fines imposed by the various Member States.



None of the Member States that provided a report imposed such penalties during the period of reference, and the customs did not confiscate seal products in any of those Member States because these did not comply with the Regulation.

f) Processing of data

Only Croatia, Finland, the Netherlands, Portugal and Spain are using an electronic system for the exchange and recording of data contained in the attesting documents, in accordance with Article 7 of the Implementing Regulation. None of the Member States had anything to report

with regard to the protection of personal data when processing attesting documents, covered under Article 8 of the Implementing Regulation.

g) Information through a QR code label

To ensure the proper functioning of the "Inuit or other indigenous communities" exception and to improve the information on the EU seal regime, the recognised bodies referred to in Article 3 (4) of the Regulation, as amended, may place a QR code label on the seal products that they certified . This QR code is linking to a EUROPA webpage[12] providing relevant information on the seal regime.

Only nine Member States (Denmark, Estonia, Finland, Ireland, Italy, Latvia, Poland, Portugal and Slovenia) are aware of the existence of this QR code, and none of the Member States has been contacted by the customs authorities or other enforcement bodies for advice in relation to this QR code.

h) Seal hunt

During the reporting period, seal hunt took place on the territory of Denmark, Estonia, Finland and Sweden.

In their report, these four Member States briefly described the purpose of the hunt, the conditions in which it was conducted, the killing method applied, how animal welfare was given due regard, and the impact of this hunt on the seal population, on ecosystems and on human activities. The text below illustrates the views expressed in the four national reports.

In Denmark, seals may not be hunted freely, but a derogation may be asked for shooting seals within a radius of 100 meters from the fishing gear when the purpose is to avoid damages to it, and this exclusively outside the breeding and moulting periods. From 2018, derogations have also been granted for shooting seals in streams, with a positive impact on brood stocks of fish populations under pressure. Derogation shooting is subject to using a rifle of approved calibre, passing a specific rifle test and having a Danish hunting license. In Bornholm, grey seals may be shot throughout the year, as there are no breeding grounds in that area, but hunters need to follow a specific seal-hunting course. Seal populations are monitored in Denmark with yearly counting. It appears that the small number of seals that have been hunted during the reporting period (78 harbour seals and 1 grey seal) has had no impact on the size of the population, on the behaviour of seals in general, on the marine eco-system or on seal watching opportunities.

In Estonia, seals may be hunted to ensure a sustainable management of marine resources and the subsistence of the hunters and families from the local communities of Estonia's small islands, to keep their cultural heritage and traditions alive. The seal hunt is strictly regulated, according to the "Hunting Rules", and animal welfare is fully considered. It may only take place in designated hunting areas, during the hunting season (from 15 April to 31 December), and after having passed a shooting test. There are special requirements for the type of weapon and ammunitions used, and hunting from watercrafts with engine is prohibited. The annual hunting quota is limited to 1% of the seal population, and the impact on the seal population and on the ecosystems is marginal. In 2015, 10 seals were hunted for a hunting quota of 53. It was 10 for 42 in 2016, 9 for 45 in 2017 and 19 for 37 in 2018. Since 2015, the hunt of grey

[12] https://ec.europa.eu/environment/biodiversity/animal_welfare/seals/eu_seal_regime.htm

seals is again permitted in Estonia, reviving an old tradition, as their population has increased over the years. Estonia reported that this small-scale hunt is necessary to reduce damages to fishery, but it is not permitted in areas where the grey seal is protected.

In Finland, seal hunt is governed by national and relevant EU legislation through sustainable hunting quotas, a time-limited hunting season, and specific technical characteristics for guns and ammunitions. Licence-based seal hunt is carried out, both on island and islets, for sustainable management of marine resources, but also to prevent damage to commercial fisheries. In recent years, hunting on ice has been possible only in the Northern Baltic Sea. Many hunters have special modern rifles for the seal hunt, and they must pass an examination, with a prior course on hunting ethics, before hunting is allowed. For a number of years, the Finnish Wildlife Agency has also been training hunters in the coastal areas to apply a lethal killing method. The Ministry of Agriculture and Forestry is responsible for setting the maximum number of grey seals and ringed seals that can be sustainably hunted, based on the best scientific data collected by the Natural Resource Institute. No hunting is allowed on weak seal populations (e.g. ringed seal in the Gulf of Finland). As there are only a few hundreds of seal hunters - because hunting is expensive and suitable days for hunting are limited -, only a few hundreds of seals are shot annually. The estimated yearly increase of the seal population is higher than the number of hunted seals. Seals are opportunistic feeders. There is evidence from Finland and Sweden that seals eat fish from fishing gears unless gears are seal proof. In reality, only traps, fykes (long bag-shaped fishing nets held open by hoops) or similar gear can be partly made seal proof while maintaining viable commercial fishing. Studies suggest that seals take a vast number of fish from gear without leaving evidence, whereby the impact of seals to fish populations is difficult to quantify. Seals eat 3 to 5 kilos fish per day, which may jeopardise fish species or populations protected by EU or national legislation. Recreational and commercial fishing with gill nets decreased by 30-40% over the last decades in the outer archipelago and even completely stopped in certain areas due to seal predation. Seal hunt is conducted mainly in sea areas in the outer archipelago where interaction with other human activities is negligible. Finland's report highlights that the ban on the trade in seal products reduces the possibilities to develop seal-based sustainable activities such as tourism. The positive effect of a hunt close to fishing gear is only temporary as new seals emerge within a few days or even hours. In general, seal hunt cannot be considered the only way to mitigate the problems caused by seals.

In Sweden, seal hunt is allowed and strictly regulated by the Swedish Environmental Protection Agency in areas where the growing seal population is causing serious damages to fishing gear and eating the catches. The hunting quota and ammunitions to be used are strictly regulated too. Decisions by the Swedish Environmental Protection Agency imply that the killing method used must cause immediate death, avoiding unnecessary suffering, and that hunting seals from a boat requires the hunter to have followed a course with a hunters' association in Sweden or Finland, and the boat to stand still. The Swedish Hunting Act too stipulates that the hunt cannot cause unnecessary suffering. Research is ongoing in Sweden to develop seal proof fishing equipment. The number of seals hunted to protect the fishing sector, the only type of hunt allowed, only represents a very small share of the seal population. Therefore, Sweden reported that the impact on the seal population and on the ecosystems is minimal.

i) Overall assessment

Member States were asked to provide an overall assessment of three aspects of the Regulation on their territory: its functioning (ability to perform its regular function), effectiveness

(capacity to produce a desired result) and impact (for example, changed market for seal products).

Some Member States (Belgium, Bulgaria, Czech Republic, Ireland, Italy, Lithuania and Slovakia) mentioned that there is no trade in seal products on their territory and that they are therefore unable to assess the functioning, effectiveness and impact of the Regulation. Others (Cyprus, Germany, the Netherlands, Romania and Slovenia) did not provide any assessment, supposedly for the same reason.

Others (Austria, Croatia, Denmark, Estonia, Finland, Hungary, Latvia, Poland, Portugal, Spain, Sweden and the United Kingdom) consider that the Regulation is fit for purpose and they have not experienced any problem so far with it. Procedures are in place at their customs authorities to implement the Regulation properly. Denmark, Estonia, Finland and Sweden made some concrete comments which are reflected below.

Denmark raised the fact that seal hunting is of great importance in Greenland and that the Danish Government sees the need to promote the understanding of Greenland's seal hunting as a sustainable legitimate profession and to strengthen the export of seal products from Greenland, including to the EU. However, Denmark and Greenland claimed that, although products from seals hunted by Inuit or other communities are not covered by the import ban, the ban has led to a large drop in the sales of Greenlandic sealskins to the EU market. Denmark would like the EU to better inform the public on Greenland's right to export sealskins (under certain conditions).

Estonia is of the opinion that seals hunted for marine resource management purposes should be fully utilised and that small-scale sale as handicraft by local communities should be allowed, in order to compensate for the expenses of the hunt and to showcase the creativity and traditions of these communities. For Estonia, the legal inability to sell even a minor amount of seal products affects the tourism, the development of the local communities and the preservation of traditions in certain areas.

According to Finland, the impact of the Regulation has gone beyond its intended purpose. The ban has contributed to the present poor state of coastal fishing and significantly downgraded the value of seals as a game species. With the ban, hunted seals can be used solely by the hunters, reducing the willingness to hunt seals close to fishing gears, and forcing seals and resigned fishermen to cohabit. Seal populations are on a growing curve in the Baltic Sea and are found everywhere at the Finnish coast. Finland reported that a seal hunt carried out to sustainably manage marine resources, with full respect of animal welfare and with all parts of the caught animal being used instead of wasted, should not raise public moral concerns. Seals can be killed rapidly, without causing avoidable suffering, using methods that destroy the sensory brain functions. For Finland, considering seals as a valuable resource, through allowing a well-framed trade in seal products, would enhance the sense of ownership and commitment to sustainably using these resources. Trade in seal products has never been a large sector with significant economic turnover. However, in the coastal areas, trade has the potential to contribute as a source of income and nurture cultural values. An enquiry conducted in 2018 shows that 50% of Finnish citizens have a positive attitude towards small-scale trade in seal products. According to Baltic Sea counts, the total grey seal population is of 40,000-54,000 individuals, with an annual population growth of 2,300 to 3,000 seals. 254 grey seals were caught in the Baltic Sea between 1 October 2018 and 31 July 2019. The ringed seal population is of at least 20,000 individuals, with an annual increase of 1,000 individuals. The grey seal used to occupy only the northern Baltic Sea areas but its growing

population is now expanding to the whole Baltic Sea, infesting the eastern cod stock with parasites, thereby increasing cod mortality. For Finland, the EU should seriously consider amending the Regulation banning the trade in seal products to reduce the significant negative socioeconomic effects of the ban on fisheries and on the hunting culture.

Swedish authorities and non-governmental organisations raised the following comments regarding the impact of the Regulation. Seal hunt has always been part of the Swedish culture and history, and a way for the small-scale coastal fisheries to get an extra income from the sale of the meat, skin and bones used for tools, jewellery and weapons. With the ban, fewer people hunt for seals, while the increasing seal population reaches beyond the Safe Biological Level and is causing parasite infections of fish stocks, competition for the fish and the destruction of fishing gear. A key concern highlighted by the Swedish Environmental Protection Agency is that the trade ban of the current seal regime prevents the use of the seal as a resource, as well as the effective management of the increasing seal population causing serious damages to catch and equipment. Sweden has committed to ensure a favourable conservation status for the grey seal. For the Swedish Agency for Marine and Water Management, the public may therefore accept the measures necessary to implement the required management of the increasing seal population if trade in seal products was authorised again for the above reasons. For Sweden, in order to justify the reimbursement for damage caused by seals, allocated to fishermen under national legislation, the grey seal should be valued as a resource. The economic value of hunting tourism and the sale of seal products should be analysed in comparison with the cost of reimbursing damages caused by seals. The Swedish Board of Agriculture considers as a guiding principle that all species naturally occurring in Sweden should be managed in a long-term sustainable manner that does not negatively impact on their conservation status. The amended EU Seal Regime made it illegal to make commercial use of seals hunted for the sustainable management of marine resources. Thus, while seals are being legally hunted in the Baltic Sea, the catch can only be used in the hunter's own household or it ends up as waste in landfills, which could be seen as non-sustainable from an environmental as well as ethical perspective. That is why Sweden reports that small-scale trade in seal products should be allowed. The National Board of Trade reminded that Sweden had asked for an exception to the trade ban on seal products in previous negotiations. The Swedish fishers' associations raise the fact that seals are causing more and more damages to the small-scale coastal fishery sector and that they will continue hunting them for resource management reasons in the Baltic Sea. They deplore that such a valuable resource is turned into waste, since most of the catches end up on dump sites, where the hunters must even pay in order to dispose of their catch. According to the Hunters' Association, seal hunting is part of the cultural heritage and a way to protect the biological diversity of fish stocks. The currently practised protective hunt is governed by strict rules but the real issue is that the legally caught seals cannot be used or sold because of the trade ban. For the Swedish Hunters' Association, protective hunt requires important investments in knowledge and equipment and becomes the domain of a few specialised experts whose interest in hunting decreases when their own personal needs for meat and skin are met.

4. Reports by the recognised bodies

Under Article 3.1a of the Basic Regulation, as amended, seal products that can be placed on the EU market under the "Inuit or other indigenous communities" exception must be accompanied by an attesting document issued by a body recognised for that purpose by the European Commission, in accordance with Article 3 of Commission Implementing Regulation (EU) 2015/1850 (the Implementing Regulation).

So far, the European Commission has recognised three bodies:

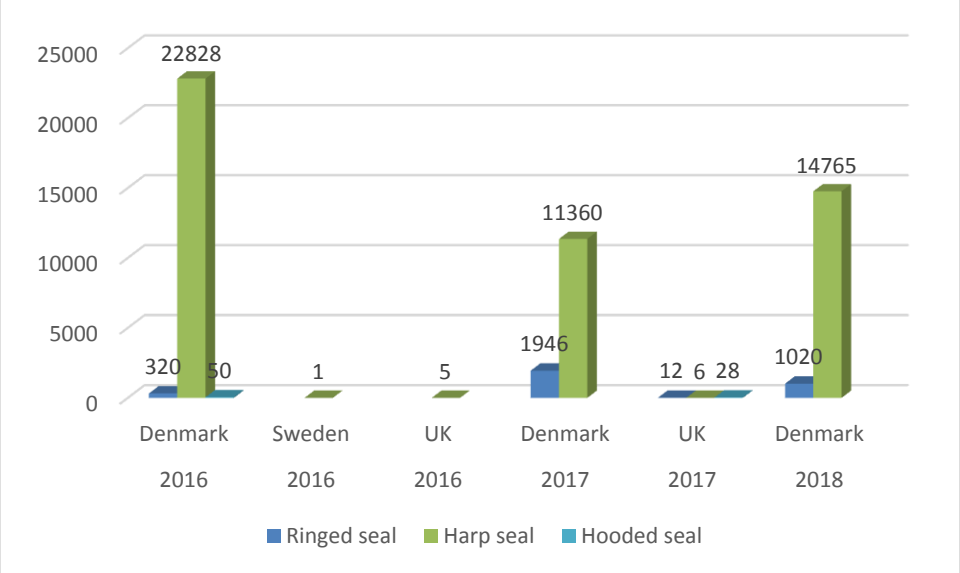
- Greenland Department of Fisheries, Hunting and Agriculture[13]
- Department of Environment, Government of Nunavut (Canada)[14]
- Government of the Northwest Territories of Canada[15]

For the current exercise, the recognised bodies were given until 30 June 2019 to answer an online questionnaire. The reporting period for Greenland and Nunavut was from 26 October 2015 to 31 December 2018, and for the Northwest Territories of Canada, from 14 February 2017 to 31 December 2018.

a) Attesting documents

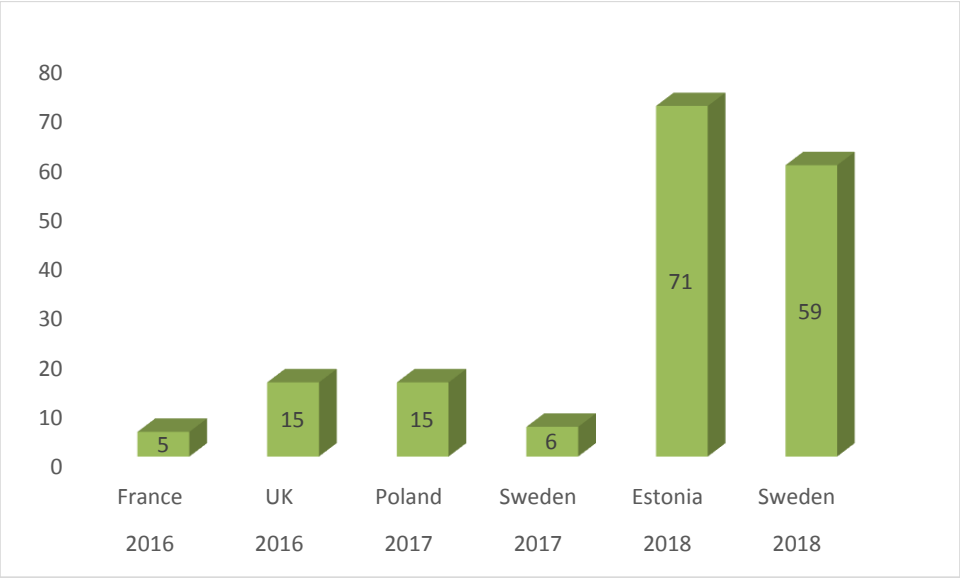
The recognised bodies of Greenland and Nunavut issued an important number of attesting documents over the reporting period, to accompany their seal products so that these could be placed on the EU market. These seals products consisted in dressed/tanned sealskin pelt or leather, of products made from commercially tanned sealskin pelt, but also of accessories made using seal pelt, such as headbands, hats, slippers, hairpins or purses.

The Greenland Department of Fisheries, Hunting and Agriculture issued attesting documents to accompany products originating from ringed, harp and hooded seals, which were put on the EU market in Denmark, Sweden and the United Kingdom. The table below shows the number of units of seal products from a given seal species, imported by these three EU Member States during the three years covered by the reporting period.



The Department of Environment of the Government of Nunavut (Canada) issued attesting documents to accompany products originating from ringed seals only, which were put on the EU market in France, the United Kingdom, Poland, Sweden and Estonia. The table below shows the number of units of ringed seal products imported by these EU Member States during the three years covered by the reporting period.

[13] https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1571662742841&uri=CELEX:32015D1027(02)
[14] https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1571662612122&uri=CELEX:32015D1027(01)
[15] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D0265



The table does not show that Estonia also imported one harp seal product in 2018. For information only, as Norway is not covered in this Report, the Department of Environment of the Government of Nunavut issued attesting documents to accompany 377 ringed seal products and 23 harp seal products to be put on the Norwegian market in 2018.

The Government of the Northwest Territories of Canada has not issued any attesting documents during their two-year reporting period, as raw seal pelt sales through auctions have been limited to the domestic Canadian market that does not require verification of origin. According to the recognised body, the lack of EU market/demand is due to the EU seal ban.

The three recognised bodies reported some issues in relation to the attesting documents.

For the recognised body of Greenland, customs clearance at the border for tanned sealskin packages from Great Greenland Furhouse/Kopenhagen Fur to the UK has taken a disproportionately long time at the border. This has meant that some customers do not want to buy sealskin anymore, as they cannot be sure of getting the goods quickly.

The recognised body of Nunavut identified several issues with the attesting documents and asked the EU whether it would be acceptable for them to:

- Issue one single certificate for multiple pelts, as the Nunavut's recognised body system is currently set up to issue certificates for individual pelts only. Once this issue is solved, Nunavut would like to fully automate the issuing of certificates.

- Issue a certificate to Nunavut handicraft workers who attest to only using seal pelts resulting from hunts by Inuit in their work. One seal product can indeed be made of several pelts, or one pelt can be processed into several seal products. Some handicraft workers purchase pelts from other recognised bodies and combine these with Nunavut pelts to make their final products. The Government of Nunavut would commit to tracking these individuals and requiring a traceability element to ensure compliance.

- Not to be obliged to specify the name of the EU Member State where the product will be placed on the market. In some circumstances, the product may enter the EU, exit, and then re-enter; in others, it may be processed in a given Member State but the recognised body does not know where the final product will be placed on the market. The current

certificate format requires the recognised body to include the name of the Member State and this should be changed to a blanket entry into the EU.

- Exploring other means of proving the Inuit origin than a physical certificate, for example a stamp tattooed only on the pelts that have been tracked and attested by the Government of Nunavut, or tags with the QR code and a stamp embossed by the Government of Nunavut, which is nearly impossible to imitate.

The recognised body of Nunavut would also like to know what to do if an individual enters the EU with both products for sale and personal items made of seal pelts.

For the recognised body of the Northwest Territories, the main issue is that their current system can only verify handwritten certificates for whole seal pelts (raw or processed). It is unable to accommodate for individual products made from one or more seal pelts, and therefore certificates need to be created manually for each item. The implementation of the attesting document will require modifications to their system, which implies funding. All seals harvested by Inuit/Inuvialuit in Nunavut and the Northwest Territories should be considered compliant and those pelts should automatically be certified. The mechanisms for ensuring compliance have been well communicated through the attestation body process. Penalties for non-compliance do exist and have not been needed thus far. The recognised body of the Northwest Territories deplores the lack of EU commitment to provide financial or technical support in order to operationalize the exemption, and urges the EU to provide targeted project funding in the field of education and outreach, allowing Inuit/Inuvialuit to advocate amongst consumers and the people of Europe, as they emerge in economic activities.

The recognised bodies were asked to describe how they monitored compliance with Article 3(1) of the Basic Regulation, as amended, which allows the placing on the market only where the seal products result from hunts traditionally conducted by Inuit or other indigenous communities, contributing to their subsistence, and with due regard to animal welfare.

For Greenland, the Department of Fisheries, Hunting and Agriculture referred the Commission to the still valid information provided prior to their recognition as attesting body.

Nunavut attests that Inuit have always harvested seals traditionally and historically in Nunavut, and that all seal harvests in Nunavut are subsistence in nature. There are no commercial licences issued to Inuit on the territory. The Nunavut Wildlife Act provides for humane treatment of hunted seals and is enforced by Conservation Officers. Sealskins are tracked through the Fur Tracking System. The Department of Environment of the Government of Nunavut has issued certificates for all certifiable seal pelts and products that qualify under the Indigenous Communities exemption. Three main principles of sealing guide Inuit and the Government of Nunavut: (1) sustainable harvest, whereby resources are protected from over-harvesting and managed to maintain the place of seals within the global ecosystem; (2) complete use whereby the meat provides food, the pelts are used for clothing and the oil is a rich source of omega-3 acids; and (3) humane harvest, whereby seals must be treated with respect and hunted only for what is needed, and the kill itself is clean and quick.

For the Northwest Territories, the Government of the Northwest Territories and the Inuvialuit Regional Corporation are the only eligible representatives of Northern cultures/communities. A study of the sector and its potential still needs to be undertaken.

None of the recognised bodies encountered any case of non-compliance. In Nunavut, the small group of crafters involved strictly follows the rules to access the EU market. The recognised body of Nunavut has distributed educational materials within the territory and to key groups outside of Nunavut, to provide clarity around the process of certification, together with their contact details.

The three recognised bodies are being audited on an annual basis. In Greenland, this audit does not exclusively address the EU seal regime certification process. In Nunavut, more in-depth audits can be conducted if specific issues arise.

The three recognised bodies draw up regular activity reports. In Greenland, on a yearly basis. In Nunavut, quarterly briefings are provided to the Minister on the status of all programmes, projects, activities and initiatives related to seal pelt use. In the Northwest Territories, regular reports are provided to the Minister on initiatives related to the fur industry, thereby covering seal products, annual sales of raw material, and support to traditional economies. The recognised bodies were not requested to provide any details on the contents of these activity reports.

b) Processing of data

The three recognised bodies are using an electronic system for the exchange and recording of data contained in the attesting documents. Nunavut is using the Fur Tracking System for information on the origin of pelts, and for the issuance of certificates for seal pelts.

None of the recognised bodies had issues to report as regards the protection of personal data at the time of processing the attesting documents. For Nunavut, the Fur Tracking System is in part a financial system, and its contents are therefore confidential.

c) Information through a QR code label

Upon request from Greenland, the Commission agreed with the placing of a QR code label on seal products, with a view to better informing consumers of the existence and legitimacy of the Inuit exception. The placing on the EU market is facilitated for a seal product carrying that specific code and accompanied by its attesting document, issued by one of the recognised bodies. This QR code links to a webpage providing information on the EU seal regime.

Greenland and Nunavut are using the QR code. Nunavut is placing it on seal pelts and also on product tags, which artisans and craft makers use. The Northwest Territories are not using it yet as it would need to be associated with existing labelling or product branding and this would require modifying registered trademarks to accommodate the QR code.

d) Overall assessment

The recognised bodies provided their assessment of the functioning and effectiveness of the "Inuit or other indigenous communities exception" on their territory.

In Greenland, the Department of Fisheries, Hunting and Agriculture acknowledges EU's commitment to respecting and promoting indigenous peoples' rights, including the right to engage freely in their economic activities. However, in practice, they consider that the EU seal regime is having adverse effects on Inuit or other indigenous communities. The Department sees a need to raise awareness and improve information to European citizens on

the legality of trade in products from seals hunted by Inuit or other indigenous communities, hereby restoring consumer confidence in seal products from Greenland.

For the Government of Nunavut, the "Inuit or other indigenous communities" exception functions properly. Some practical issues in relation to issuing certificates would need to be solved though, in agreement with the EU. Nunavut would like the certificate of a given pelt to be allowed to be used for all products derived from that pelt. They would also like to simplify the certificate itself to reduce the information a manufacturer needs to provide (e.g. country of placing on the market), and perhaps even reduce the certificate to small tags with a QR code. The exemption could be effective in providing a means by which Inuit producers from Nunavut could access the EU market if the challenges noted above were addressed. Certification requirements have imposed an undue burden and disincentive on Inuit producers and EU purchasers. Nunavut would welcome support from the EU to undertake outreach activities with EU manufacturers, museums and retailers as regards the existence and functioning of the exemption. Nunavut wishes to support the EU in ensuring that indigenous rights, food sovereignty and poverty reduction are achievable and addressable by the legislation that has been enacted.

For the Government of the Northwest Territories, the direct benefit of the exception has been very limited. The attestation costs would be higher than the value of the seal products the system is intended to monitor and certify under the EU Regulation and, therefore, these costs would have to be passed on to the Inuvialuit/Inuit themselves. The impact of the Inuit exception would be vastly improved if the EU agreed that all seals harvested by Inuvialuit in the Northwest Territories be considered compliant and therefore automatically certified. A system could be developed, in consultation with the EU, to identify pelts and issue product tags. Otherwise, external funding would be required to create and maintain a system – compliant with the requirements of the EU regulation – that would allow the Inuit to effectively access the EU market. The domestic and local market for seal products and raw materials remains healthy; however, the export market is limited to non-existent. The level of subsistence harvesting remained fairly consistent throughout the years but showed a marked decline starting in 2000, in line with decreased demand and actual volume sold. In 2009, the Government of the Northwest Territories established a programme to mitigate the effects of the EU seal ban to stabilize prices in support of the traditional economy. In the past 10 years, only 16% of the raw pelts have been sold outside Canada, with a potential income loss of 140,000 Canadian Dollars.

The recognised bodies assessed the impact of the Regulation on Trade in Seal Products on the socio-economic development of Inuit or other indigenous communities on their territory.

In Greenland, hunting and trading in seal products is of fundamental socio-economic and cultural importance to Inuit communities. The implementation of the EU seal regime has had a huge impact on sealing, especially on the remote and isolated areas in North and East Greenland. Compared to the period 2005-2008, i.e. before the EU seal regime, the number of seals caught in Greenland in the period 2014-2017 shows a decrease of 35%. The number of seal skins sold to the Great Greenland A/S tannery in 2015-2018 decreased by 66%, while the number of seal skins sold on the international market in the same period decreased by 54% - with the highest drop of 92% in 2010 - and those sold on the national market by 38%. However, the number of seal skins kept for private use in the periods 2005-2008 and 2014-2017 have stayed at the same level. The Ministry of Fisheries, Hunting and Agriculture questions the rationale behind the seal regime and notes that sustainable seal hunting with full respect of animal welfare would have been possible without it. The Ministry is concerned that

no prior assessment was carried out, including on the perceived concerns of today's European citizens as the basic justification for the Regulation, and on possible alternative less trade-restrictive ways of addressing potential concerns. The Ministry is also concerned that the EU seal regime, even with the Inuit exception, is not fulfilling the Blue Economy concept that the EU supports in all aspects of sustainable use of living resources, except for seal species.

In Nunavut and in the Northwest Territories, the year-round harvest, consumption, design and sale of seal products has been a long-standing component of the cultural expression and economic livelihood of the Inuit society. Inuit today depend on seals for food security and income in a territory with the highest prices on store bought food and limited employment opportunities. Seal harvesting enables Inuit to maintain their connections with the land, and pass on traditional knowledge and skills to younger generations. The Governments of Nunavut and of the Northwest Territories work with artisans and arts and crafts associations to promote the sustainable, traditional, and contemporary economy of their territory, towards equal economic independence of both men and women. Inuit women largely market their seal products locally, within their community, and do not export them to the EU, despite being fully compliant with the Regulation. Primary reasons include a fear of being in contravention of the EU Seal Regime, barriers to trade which have resulted from the ban itself (loss of interest from buyers, lack of connections with potential buyers), no experience of international trade, and confusion about certification of pelts vs products from certified pelts. As yet, for Nunavut, the Regulation has not had a positive impact on the socio-economic development of Inuit. The EU seal regime has opened a door, but is seen as a policed instrument. The Government of Nunavut invites the EU to meet with the recognised bodies and other implicated stakeholders to discuss ways to better operationalise the requirements of the Regulation in order to maximize the benefit of the exemption for Inuit in this changing world.

The Northwest Territories are still creating the appropriate administrative environment to comply with the exception. The critical first step of identifying local capacity and potential markets/products demand has been postponed indefinitely. The pre-feasibility work was expected to inform strategic investment decisions within the sector and to encourage the sector development in a relevant and sustainable way, but it still needs to be carried out. A promotional event hosted in March 2019 helped identify some new market opportunities amongst local residents and visiting populations. The Northwest Territories acknowledge the fact that the EU recognises the Inuit as a distinct society of cultural importance and the need to equally protect the arctic environment and the Inuit existence. However, for them, the EU Seal Regime has destroyed the EU market for seal products, and its negative impact on local Inuit/Inuvialuit economies is widespread. The Government of the Northwest Territories urges the EU to address the seal ban in a public forum and to issue a communique acknowledging the existence of the Inuit exception, listing the recognised jurisdictions to date. The forum should promote the Inuit right to sell raw or processed seal products within the EU and also the fact that EU citizens can legally possess, wholesale/retail certified merchandise.

The recognised bodies were also asked to assess the impact on the Regulation on the seals on their territory. The Greenland Ministry of Fisheries, Hunting and Agriculture wishes to underline that the trade in seal products is a legitimate and sustainable activity that should not be hampered or stigmatized, and that animal welfare is a concern to Inuit or other indigenous communities. According to Nunavut and the Northwest Territories, there has been no impact on seal populations as a result of the Regulation, nor did the exception increase harvesting. The harvest was and continues to be conducted according to harvest regulations and Inuit values. In the Northwest Territories, subsistence Inuvialuit/Inuit hunters historically harvested

seals using traditional humane methods. Seals are still being harvested sustainably as a healthy and affordable source of protein and of omega 3 mammalian oil. Their pelts are intended for domestic use or represent a valuable source of income.

5. Conclusions

As mentioned above, this report is based on the contributions received by all but four EU Member States (France, Greece, Luxembourg and Malta), and on the reports provided by the three recognised bodies in the provider countries.

a) Implementation by the EU Member States

Although, according to the statistics provided by the recognised bodies of Greenland and Nunavut, several EU Member States imported seal products covered by the "Inuit or other indigenous communities" exception, only Denmark reported having done so.

The majority of Member States has no seal populations on their territory. In the Nordic EU Member States (Denmark, Finland and Sweden) and in Estonia, the expanding seal populations are becoming an issue for fishermen. Seals are perceived as causing serious damages to local fisheries, eating the catches, destroying the fishing gear and contaminating fish stocks with parasites.

Those four Member States authorise seal hunt for marine resource management reasons, provided strict rules are respected as regards hunting quotas/season/areas, training of hunters, animal welfare considerations, killing method used, type of rifles and ammunitions. They deplore that the marine resource management exception was withdrawn from the EU Regulation on Trade in Seal Products, making it illegal for the hunters to put the resulting seal products on the EU market. They consider that the fact that only the hunters themselves can use the seal products for their own needs discourages the hunt, which turns out to be more expensive than the benefits than can be drawn from it. They also claim that the fact that all parts of the caught seals cannot be fully used and that carcasses end up in landfills is against the principle of sustainable resource use. According to Sweden, the seal should be valued as a resource, and the economic value of hunting tourism and the sale of seal products should be analysed in comparison with the cost of reimbursing damages caused by seals to fishermen, which is provided for in the national legislation. The four Member States argue that trade in seal products has never been a large sector with significant economic turnover but that, in the coastal areas, trade has the potential to contribute as a source of income and nurture cultural values. They plea for at least small-scale sale as handicraft by local communities to be allowed, in order to compensate for the expenses of the hunt and to showcase the creativity and traditions of these communities.

Seal populations are closely monitored in these four Member States, and the small number of seals that have been regulated during the reporting period has had an almost insignificant impact on the size and conservation status of the growing populations of grey, ringed and harbour seals. According to these four countries, a seal hunt carried out to sustainably manage marine resources, with full respect of animal welfare and with all parts of the caught animal being used instead of wasted, should not raise public moral concerns. A recent enquiry shows for example that 50% of Finnish citizens have a positive attitude towards small scale trade in seal products.

b) Implementation by the recognised bodies

The recognised bodies acknowledge EU's commitment to respecting and promoting indigenous peoples' rights, including the right to engage freely in their economic activities, and they want to support the EU in ensuring that these rights, but also food sovereignty and poverty reduction, are achievable and addressable by the legislation that has been enacted.

However, for them, the EU Seal Regime is having adverse effects on Inuit or other indigenous communities, and certification requirements have imposed an undue burden and disincentive on Inuit producers and EU purchasers. Greenland underlines that the trade in seal products is a legitimate and sustainable activity that should not be hampered or stigmatized, and that animal welfare is a concern to Inuit or other indigenous communities. The Northwest Territories are still creating the appropriate administrative environment to comply with the exception but, for them, the EU Seal Regime has destroyed the EU market for seal products, and it would be vastly improved if the EU would agree that all seals harvested by Inuit/Inuvialuit be considered compliant and therefore automatically certified. For Greenland, less trade restrictive ways of addressing potential perceived concerns of European citizens, and sustainable seal hunting with full respect of animal welfare, would have been possible without the EU Seal Regime. In Greenland, the number of seals caught and of seal skins sold on the domestic or the international markets in the period 2014-2017 shows a huge decrease compared to the period before the EU Seal Regime.

In Nunavut and in the Northwest Territories, there has been no impact on seal populations as a result of the Regulation, nor did the exception increase harvesting, which continues to be conducted according to harvest regulations and Inuit values. In the Northwest Territories, subsistence Inuvialuit/Inuit hunters are still harvesting seals sustainably, using traditional humane methods, as a healthy and affordable source of food and a valuable source of income.

Greenland urges the EU to raise awareness and improve information to European citizens on the legality of trade in products from seals hunted by Inuit or other indigenous communities, hereby restoring consumer confidence. Nunavut invites the EU to meet with the recognised bodies and other implicated stakeholders to discuss ways to better operationalise the requirements of the Regulation in order to maximize the benefit of the exemption for Inuit in this changing world. The Northwest Territories urge the EU to address the seal ban in a public forum and to issue a communique acknowledging the existence of the Inuit exception and the right of the Inuit to sell seal products to the EU and of EU citizens to legally possess certified seal products.

6. Next steps

Further to the questions raised and concerns expressed by the four EU Member States affected by the increasing seal population and by the three recognised bodies, the European Commission will organise in 2020 a special meeting of the "Group of Experts of the Competent CITES Management Authorities" from the EU Member States, especially dedicated to trade in seal products, and invite the recognised bodies to join the meeting for the agenda items dealing with issues relevant for them.