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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004
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REGULATION (EU) 2021/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

establishing the European Maritime, Fisheries and Aquaculture Fund
and amending Regulation (EU) 2017/1004

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42, Article 43(2), Article 91(1), Article 100(2), Article 173(3), Article 175, Article 188, Article 192(1), Article 194(2), Article 195(2) and Article 349 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 110, 22.3.2019, p. 104.

² OJ C 361, 5.10.2018, p. 9.

³ Position of the European Parliament of ... (not yet published in the Official Journal) and position of the Council at first reading of ... (not yet published in the Official Journal).
Position of the European Parliament of ... (not yet published in the Official Journal).

Whereas:

- (1) The European Maritime, Fisheries and Aquaculture Fund (the ‘EMFAF’) should be established for the period from 1 January 2021 to 31 December 2027 in order to align its duration with that of the multiannual financial framework (the ‘MFF 2021-2027’) laid down in Council Regulation (EU, Euratom) 2020/2093¹. This Regulation should lay down the priorities of the EMFAF, its budget and the specific rules for providing Union funding, complementing the general rules applicable to the EMFAF under Regulation (EU) 2021/... of the European Parliament and of the Council²⁺. The EMFAF should aim to channel funding from the Union budget to support the Common Fisheries Policy (CFP), the Union’s maritime policy and the Union’s international commitments in the field of ocean governance. Such funding is a key enabler for sustainable fisheries and the conservation of marine biological resources, for food security through the supply of seafood products, for the growth of a sustainable blue economy and for healthy, safe, secure, clean and sustainably managed seas and oceans.

¹ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

² Regulation (EU) 2021/... of the European Parliament and of the Council of ... laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L ...).

⁺ OJ: please insert in the text the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)), and in the footnote the number, the date and the OJ reference of that Regulation.

- (2) As a global ocean actor and one of the world's largest producers of seafood, the Union has a strong responsibility to protect, conserve and sustainably use the oceans and their resources. Indeed, preserving seas and oceans is vital for a rapidly growing world population. It is also of socio-economic interest for the Union as a sustainable blue economy boosts investments, jobs and growth, fosters research and innovation and contributes to energy security through ocean energy. Moreover, efficient border control and the global fight against maritime crime are essential for safe and secure seas and oceans, thereby addressing citizens' security concerns.

- (3) Regulation (EU) 2021/...⁺ has been adopted in order to improve the coordination and harmonise the implementation of support from Funds under shared management (the ‘Funds’), with the main aim of simplifying policy delivery in a coherent way. That Regulation applies to the part of the EMFAF under shared management. The Funds pursue complementary objectives and share the same management mode. Therefore, Regulation (EU) 2021/...⁺ sets out a series of common general objectives and general principles such as partnership and multi-level governance. It also contains the common elements of strategic planning and programming, including provisions on the Partnership Agreement to be concluded with each Member State, and sets out a common approach to the performance orientation of the Funds. Accordingly, it sets out enabling conditions, a performance review and arrangements for monitoring, reporting and evaluation. Furthermore, it sets out common provisions with regard to eligibility rules, and special arrangements are established for financial instruments, for the use of InvestEU established by Regulation (EU) 2021/523 of the European Parliament and of the Council¹, for community-led local development (CLLD) and for financial management. Some management and control arrangements are also common to all the Funds. Complementarities between the Funds, including the EMFAF, and other Union programmes should be described in the Partnership Agreement, in accordance with Regulation (EU) 2021/...⁺.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

¹ Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

- (4) Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council¹ (the ‘Financial Regulation’) applies to the EMFAF. The Financial Regulation lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts.
- (5) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. Those rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, prizes, indirect management, financial instruments, budgetary guarantees, financial assistance and the reimbursement of external experts and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget.
- (6) Under direct management, the EMFAF should develop synergies and complementarities with other relevant Union funds and programmes. It should also allow financing in the form of financial instruments within blending operations implemented under Regulation (EU) 2021/523.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (7) Support under the EMFAF should have a clear European added value, inter alia, by addressing market failures or suboptimal investment situations in a proportionate manner, and should not duplicate or crowd out private financing or distort competition in the internal market.
- (8) Articles 107, 108 and 109 TFEU should apply to the aid granted by Member States to undertakings in the fishery and aquaculture sector under this Regulation. Nevertheless, given the specific characteristics of that sector, those TFEU provisions should not apply to payments made by Member States pursuant to this Regulation and falling within the scope of Article 42 TFEU.
- (9) The types of financing and the methods of implementation under this Regulation should be chosen on the basis of their ability to achieve the priorities set for the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden, and the expected risk of non-compliance. This should include consideration of the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as referred to in Article 125(1) of the Financial Regulation.

- (10) The MFF 2021-2027 provides that the Union budget is to continue to support fisheries and maritime policies. The EMFAF budget should amount, in current prices, to EUR 6 108 000 000. EMFAF resources should be split between shared management and direct and indirect management. EUR 5 311 000 000 should be allocated to support under shared management and EUR 797 000 000 to support under direct and indirect management. In order to ensure stability, in particular with regard to the achievement of the objectives of the CFP, the definition of national allocations under shared management for the 2021-2027 programming period should be based on the 2014-2020 shares under Regulation (EU) No 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund¹ (the ‘EMFF’). Specific amounts should be reserved for the outermost regions, for control and enforcement, and for collection and processing of data for fisheries management and scientific purposes, while amounts for certain investments in fishing vessels and for permanent and temporary cessation of fishing activities should be capped.

¹ Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council (OJ L 149, 20.5.2014, p. 1).

- (11) Europe's maritime sector employs over 5 million jobs generating almost EUR 750 000 000 000 in turnover and EUR 218 000 000 000 in gross added value per year, with a potential to create many more jobs. The output of the global ocean economy is estimated at EUR 1 300 000 000 000 today and this could more than double by 2030. The need to meet CO₂ emission targets, increase resource efficiency and reduce the environmental footprint of the blue economy has been a significant driving force for innovation in other sectors such as marine equipment, shipbuilding, ocean observation, dredging, coastal protection and marine construction. Investment in the maritime economy has been provided through Union structural funds, in particular the European Regional Development Fund (ERDF) and the EMFAF. New investment tools such as InvestEU could be utilised to meet the growth potential of the maritime sector.
- (12) The EMFAF should be based on four priorities: fostering sustainable fisheries and the restoration and conservation of aquatic biological resources; fostering sustainable aquaculture activities, and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union; enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities; strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed. Those priorities should be pursued through shared, direct and indirect management.

- (13) The EMFAF should be based on a simple architecture without predefining measures and detailed eligibility rules at Union level in an overly prescriptive manner. Instead, broad specific objectives should be described under each priority. Member States should therefore prepare their programmes indicating therein the most appropriate means for achieving those objectives. A variety of measures identified by the Member States in those programmes might be supported under the rules set out in this Regulation and Regulation (EU) 2021/...⁺, provided they are covered by the specific objectives identified in this Regulation. However, it is necessary to set out a list of ineligible operations so as to avoid detrimental impact in terms of fisheries conservation. Moreover, investments and compensation for the fleet should be strictly conditional upon their consistency with the conservation objectives of the CFP.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (14) The United Nations 2030 Agenda for Sustainable Development (the ‘2030 Agenda’) identified conservation and sustainable use of oceans as one of the 17 Sustainable Development Goals (SDGs), namely SDG 14 (‘Conserve and sustainably use the oceans, seas and marine resources for sustainable development’). The Union is fully committed to that goal and its implementation. In that context, it has committed to promote a sustainable blue economy which is consistent with maritime spatial planning, the conservation of biological resources and the achievement of a good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council¹, as well as to prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, to eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing and to refrain from introducing new such subsidies. The latter outcome should result from the negotiations within the World Trade Organisation (WTO) on fisheries subsidies. In addition, in the course of the WTO negotiations at the 2002 World Summit of Sustainable Development and at the 2012 United Nations Conference on Sustainable Development (Rio+20), the Union has committed to eliminate subsidies contributing to fisheries overcapacity and overfishing.

¹ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p. 19).

- (15) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement, and the commitment to the United Nations Sustainable Development Goals, the actions under this Regulation should contribute to the achievement of a 30 % target of all expenditure under the MFF 2021-2027 spent on mainstreaming climate objectives and should contribute to the ambition of providing 7,5 % of annual spending under the MFF 2021-2027 to biodiversity objectives in 2024 and 10 % of annual spending under the MFF 2021-2027 to biodiversity objectives in 2026 and 2027, while considering the existing overlaps between climate and biodiversity goals.
- (16) The EMFAF should contribute to the achievement of the environmental and climate change mitigation and adaptation objectives of the Union. That contribution should be tracked through the application of Union environmental and climate markers and reported regularly in accordance with Regulation (EU) 2021/...⁺.
- (17) In accordance with Article 42 of Regulation (EU) No 1380/2013 of the European Parliament and of the Council¹, Union financial assistance under the EMFAF should be conditional upon compliance with the rules of the CFP. Applications from operators that have committed serious infringements of the rules of the CFP should not be admissible.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

¹ Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22).

- (18) In order to address the specific conditions of the CFP referred to in Regulation (EU) No 1380/2013 and to contribute to compliance with the rules of the CFP, provisions additional to the rules on interruption, suspension and financial corrections as set out in Regulation (EU) 2021/...⁺ should be laid down. Where a Member State has failed to comply with its obligations under the CFP, or where the Commission has evidence that suggests such lack of compliance, the Commission should, as a precautionary measure, be allowed to interrupt payment deadlines. In addition to the possibility of interruption of the payment deadline, and in order to avoid an evident risk of paying out ineligible expenditure, the Commission should be allowed to suspend payments and impose financial corrections in cases of serious non-compliance with the rules of the CFP by a Member State.
- (19) Steps have been taken over the last few years towards bringing fish stocks back to healthy levels, towards increasing the profitability of the Union's fishing industry and towards conserving marine ecosystems. However, substantial challenges remain to fully achieve the socio-economic and environmental objectives of the CFP, in particular the objectives of restoring and maintaining populations of harvested species above levels which can produce the maximum sustainable yield (MSY), of eliminating unwanted catches and of establishing fish stock recovery areas. Achieving those objectives requires continued support beyond 2020, particularly in sea basins where progress has been slower.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (20) The EMFAF should contribute to achieving the environmental, economic, social and employment objectives of the CFP, as set out in Article 2 of Regulation (EU) No 1380/2013, in particular the objectives of restoring and maintaining populations of harvested species above levels which can produce MSY, of avoiding and reducing, as far as possible, unwanted catches and of minimising the negative impact of fishing activities on the marine ecosystem. Such support should ensure that fishing activities are environmentally sustainable in the long term and are managed in a way that is consistent with the objectives set out in Article 2 of Regulation (EU) No 1380/2013, with a view to achieving economic, social and employment benefits, contributing to the availability of healthy food supplies and contributing to a fair standard of living for those who depend on fishing activities, bearing in mind coastal fisheries and socio-economic aspects. That support should include innovation and investments in low-impact, selective, climate-resilient and low-carbon fishing practices and techniques.

- (21) Fisheries are vital to the livelihood and cultural heritage of many coastal communities in the Union, in particular where small-scale coastal fishing plays an important role. With the average age in many fishing communities being over 50, generational renewal and diversification of activities remain a challenge. In particular, the creation and development of new economic activities in the fisheries sector by young fishers is financially challenging and constitutes an element that should be considered in the allocation and targeting of funds under the EMFAF. Such development is essential for the competitiveness of the fisheries sector in the Union. Consequently, support for young fishers starting up fishing activities should be made available in order to facilitate their establishment. In order to ensure the viability of new economic activities supported under the EMFAF, support should be made conditional upon the acquisition of adequate experience or qualifications. Where support for business start-up is granted for the acquisition of a fishing vessel, it should only contribute to the acquisition of the first fishing vessel or of a controlling share thereof.

- (22) Avoiding unwanted catches is one of the main challenges of the CFP. In that respect, the legal obligation to land all catches has entailed significant and important changes in fishing practices for the sector, sometimes with an important financial cost. It should therefore be possible for the EMFAF to support innovation and investments that contribute to the full implementation of the landing obligation, as well as the development and implementation of conservation measures contributing to selectivity. It should be possible to grant a higher aid intensity rate to investments in selective fishing gear, in the improvement of port infrastructures and in the marketing of unwanted catches, than the one that applies to other operations. It should also be possible to grant a maximum aid intensity rate of 100 % to the design, development, monitoring, evaluation and management of transparent systems for exchanging fishing opportunities between Member States ('quota swaps'), in order to mitigate the 'choke species' effect caused by the landing obligation.

- (23) It should be possible for the EMFAF to support innovation and investments on board Union fishing vessels. That support should include actions which aim to improve health, safety and working conditions, energy efficiency and the quality of catches. It should not include the acquisition of equipment that increases the ability of a fishing vessel to find fish. Such support should also not lead to an increase in fishing capacity of any individual vessel, except if it directly results from an increase in gross tonnage of a fishing vessel that is necessary for improving safety, working conditions or energy efficiency. In those cases, the increase in fishing capacity of the individual vessel should be compensated for by the prior withdrawal of at least the same amount of fishing capacity without public aid from the same fleet segment or from a fleet segment where the fishing capacity is not in balance with the available fishing opportunities, in order not to lead to any increase in fishing capacity at fleet level. Moreover, support should not be granted simply for complying with requirements that are obligatory under Union law, with the exception of requirements imposed by a Member State to give effect to optional provisions under Council Directive (EU) 2017/159¹ and in relation to the purchase, installation and management of certain equipment for control purposes. Under an architecture without prescriptive measures, it should be up to Member States to lay down the precise eligibility rules for those investments. With regard to health, safety and working conditions on board fishing vessels, a higher aid intensity rate than the one that applies to other operations should be allowed.

¹ Council Directive (EU) 2017/159 of 19 December 2016 implementing the Agreement concerning the implementation of the Work in Fishing Convention, 2007 of the International Labour Organisation, concluded on 21 May 2012 between the General Confederation of Agricultural Cooperatives in the European Union (Cogeca), the European Transport Workers' Federation (ETF) and the Association of National Organisations of Fishing Enterprises in the European Union (Europêche) (OJ L 25, 31.1.2017, p. 12).

- (24) It is necessary to establish specific eligibility rules for certain other investments supported by the EMFAF in the fishing fleet, so as to prevent those investments from contributing to overcapacity or overfishing. In particular, support for the first acquisition of a second-hand vessel by a young fisher and for the replacement or the modernisation of the engine of a fishing vessel should also be subject to conditions, including that the vessel belongs to a fleet segment which is in balance with the fishing opportunities available to that segment and that the new or modernised engine does not have more power in kilowatts (kW) than that of the engine being replaced.
- (25) Investment in human capital plays an essential role in the competitiveness and economic performance of the fishery, aquaculture and maritime sectors. Therefore, it should be possible for the EMFAF to support advisory services, cooperation between scientists and fishers, professional training, lifelong learning, as well as the promotion of social dialogue and the dissemination of knowledge.

- (26) Fisheries control is of the utmost importance for the implementation of the CFP. Therefore, the EMFAF should support, under shared management, the development and implementation of a Union fisheries control system as set out in Council Regulation (EC) No 1224/2009¹. Certain obligations established in that Regulation justify specific support from the EMFAF, namely compulsory vessel tracking and electronic reporting systems, compulsory remote electronic monitoring systems and the compulsory continuous measurement and recording of propulsive engine power. In addition, investments by Member States in control assets could also be used for the purposes of maritime surveillance and cooperation on coast guard functions.

¹ Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006 (OJ L 343, 22.12.2009, p. 1).

- (27) The success of the CFP is dependent on the availability of scientific advice for the management of fisheries, and hence on the availability of data on fisheries. In the light of the challenges and costs of obtaining reliable and complete data, it is necessary to support Member States' actions to collect and process data in line with Regulation (EU) 2017/1004 of the European Parliament and of the Council¹ and to contribute to the best available scientific advice. That support should allow synergies with the collection and processing of other types of marine data.
- (28) The EMFAF should support an effective knowledge-based implementation and governance of the CFP under direct and indirect management through the provision of scientific advice, regional cooperation on conservation measures, the development and implementation of a Union fisheries control system, the functioning of Advisory Councils and voluntary contributions to international organisations.
- (29) In order to strengthen economically, socially and environmentally sustainable fishing activities, it should be possible for the EMFAF to support operations for the management of fisheries and fishing fleets in accordance with Articles 22 and 23 of, and Annex II to, Regulation (EU) No 1380/2013, as well as efforts by Member States to optimise the allocation of their available fishing capacity, taking into account the needs of their fleet, and without increasing their overall fishing capacity.

¹ Regulation (EU) 2017/1004 of the European Parliament and of the Council of 17 May 2017 on the establishment of a Union framework for the collection, management and use of data in the fisheries sector and support for scientific advice regarding the common fisheries policy and repealing Council Regulation (EC) No 199/2008 (OJ L 157, 20.6.2017, p. 1).

- (30) Given the challenges of achieving the conservation objectives of the CFP, support for fleet adaptation remains sometimes necessary with regard to certain fleet segments and sea basins. Such support should be tightly targeted to better fleet management and to the conservation and sustainable exploitation of marine biological resources, and aimed at achieving a balance between the fishing capacity and the available fishing opportunities. Therefore, it should be possible for the EMFAF to support the permanent cessation of fishing activities in fleet segments where the fishing capacity is not balanced with the available fishing opportunities. Such support should be a tool of the action plans for the adjustment of fleet segments with identified structural overcapacity, as provided for in Article 22(4) of Regulation (EU) No 1380/2013, and should be implemented either through the scrapping of the fishing vessel or through its decommissioning and retrofitting for other activities. Where the retrofitting would lead to an increased pressure of recreational fishing on the marine ecosystem, support should only be granted if it is in line with the CFP and with the objectives of the relevant multiannual plans.

- (31) In order to contribute to the conservation objectives of the CFP or to mitigate certain exceptional circumstances, it should be possible for the EMFAF to support compensation for the temporary cessation of fishing activities caused by the implementation of certain conservation measures, by the implementation of emergency measures, by the interruption, due to reasons of *force majeure*, of the application of a sustainable fisheries partnership agreement (SFPA), by a natural disaster, by an environmental incident or by a health crisis. Support in the event of temporary cessation caused by conservation measures should be granted only where, based on scientific advice, a reduction of fishing effort is needed in order to achieve the objectives set out in Article 2(2) and point (a) of Article 2(5) of Regulation (EU) No 1380/2013.
- (32) Given that fishers are exposed to increasing economic and environmental risks, inter alia due to climate change and price volatility, it should be possible for the EMFAF to support actions that strengthen the resilience of the fisheries sector, including through mutual funds, insurance instruments or other collective schemes which enhance the capacity of the sector to manage risks and respond to adverse events.

- (33) Small-scale coastal fishing is carried out by marine and inland fishing vessels of an overall length of less than 12 metres and not using towed fishing gear, and by fishers on foot, including shellfish gatherers. That sector represents nearly 75 % of all fishing vessels registered in the Union and nearly half of all employment in the fisheries sector. Operators from small-scale coastal fisheries are particularly dependent on healthy fish stocks for their main source of income. With the aim of encouraging sustainable fishing practice, the EMFAF should therefore give those operators preferential treatment, through a maximum 100 % aid intensity rate, except for operations relating to the first acquisition of a fishing vessel, the replacement or modernisation of an engine and operations that increase the gross tonnage of a fishing vessel for the purposes of improving safety, working conditions or energy efficiency. In addition, Member States should take into account in their programme the specific needs of small-scale coastal fishing and describe the types of actions considered for the development of small-scale coastal fishing.
- (34) The maximum EMFAF co-financing rate per specific objective should be 70 % of the eligible public expenditure, with the exception of compensation for additional costs in the outermost regions, for which it should be 100 %.
- (35) The maximum aid intensity rate should be 50 % of the total eligible expenditure, with the possibility, in certain cases, to set derogatory rates.

- (36) The outermost regions face specific challenges linked to their remoteness, topography and climate as referred to in Article 349 TFEU and also have specific assets on which to develop a sustainable blue economy. Therefore, for each outermost region, an action plan for the development of sustainable blue economy sectors, including sustainable fisheries and aquaculture, should be attached to the programme of the Member States concerned, and a financial allocation should be reserved to support the implementation of those action plans. It should also be possible for the EMFAF to support compensation for the additional costs which the operators from the outermost regions face due to the location or insularity of those regions. That support should be capped as a percentage of that overall financial allocation. In addition, a higher aid intensity rate than the one that applies to other operations should be applied in the outermost regions. It should be possible for Member States to grant additional financing for the implementation of that support. As State aid, such financing should be notified to the Commission, which may approve it under this Regulation as part of that support.

- (37) Under shared management, it should be possible for the EMFAF to support the protection and restoration of aquatic biodiversity and ecosystems, including in inland waters. For that purpose, support from the EMFAF should be available to compensate, inter alia, the passive collection by fishers of lost fishing gear and marine litter from the sea, including *sargassum* seaweed, and for investments in ports to provide adequate reception facilities for lost fishing gear and marine litter. Support should also be available for actions to achieve or maintain a good environmental status in the marine environment as set out in Directive 2008/56/EC, for the implementation of spatial protection measures established pursuant to that Directive, for the management, restoration and monitoring of Natura 2000 areas, in accordance with the prioritised action frameworks established pursuant to Council Directive 92/43/EEC¹, for the protection of species, in particular under Directive 92/43/EEC and Directive 2009/147/EC of the European Parliament and of the Council², as well as for the restoration of inland waters in accordance with the programme of measures established pursuant to Directive 2000/60/EC of the European Parliament and of the Council³. Under direct management, the EMFAF should support the promotion of clean and healthy seas and the implementation of the European strategy for plastics in a circular economy developed in the Communication of the Commission of 16 January 2018, in line with the objective of achieving or maintaining a good environmental status in the marine environment.

¹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

² Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

³ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

- (38) Fisheries and aquaculture contribute to food security and nutrition. However, it is estimated that the Union currently imports more than 60 % of its supply of fishery products and is therefore highly dependent on third countries. An important challenge is to encourage the consumption of fish protein produced in the Union with high quality standards and available for consumers at affordable prices.
- (39) It should be possible for the EMFAF to support the promotion and the sustainable development of aquaculture, including freshwater aquaculture, for the farming of aquatic animals and plants for the production of food and other raw material. Complex administrative procedures in some Member States remain in place, such as difficult access to space and burdensome licensing procedures, which make it difficult for the sector to improve the image and competitiveness of farmed products. Support from the EMFAF should be consistent with the multiannual national strategic plans for aquaculture developed on the basis of Regulation (EU) No 1380/2013. In particular, support for environmental sustainability, productive investments, innovation, acquisition of professional skills, improvement of working conditions, and compensatory measures providing critical land and nature management services should be eligible. Public health actions, aquaculture stock insurance schemes and animal health and welfare actions should also be eligible.

- (40) Food security relies on efficient and well-organised markets, which improve the transparency, stability, quality and diversity of the supply chain, as well as consumer information. For that purpose, it should be possible for the EMFAF to support the marketing of fishery and aquaculture products, in line with the objectives set out in Regulation (EU) No 1379/2013 of the European Parliament and of the Council¹. In particular, support should be available for the creation of producer organisations, the implementation of production and marketing plans, the promotion of new market outlets and the development and dissemination of market intelligence.
- (41) The processing industry plays a role in the availability and quality of fishery and aquaculture products. It should be possible for the EMFAF to support targeted investments in that industry, provided that they contribute to the achievement of the objectives of the common organisation of the markets. For enterprises other than small and medium-sized enterprises (SMEs), such support should be provided only through financial instruments or through InvestEU and not through grants.

¹ Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L 354, 28.12.2013, p. 1).

- (42) It should be possible for the EMFAF to support compensation to operators of the fishery and aquaculture sector in the case of exceptional events causing a significant disruption of markets.
- (43) Job creation in coastal regions relies on the locally driven development of a sustainable blue economy that revives the social fabric of those regions. Ocean industries and services are likely to outperform the growth of the global economy and make an important contribution to employment and growth by 2030. To be sustainable, blue growth depends on innovation and investment in new maritime businesses and in the bio-economy, including sustainable tourism models, ocean-based renewable energy, innovative high-end shipbuilding and new port services, which can create jobs and at the same time enhance local development. While public investment in the sustainable blue economy should be mainstreamed throughout the Union budget, the support from the EMFAF should specifically be focused on enabling conditions for the development of the sustainable blue economy and on removing bottlenecks to facilitate investment and the development of new markets, technologies or services. Support for the development of the sustainable blue economy should be delivered through shared, direct and indirect management.

- (44) The development of a sustainable blue economy strongly relies on partnerships between local stakeholders that contribute to the vitality of coastal and inland communities and economies. The EMFAF should provide tools to foster such partnerships. For that purpose, support through CLLD should be available under shared management. That approach should boost economic diversification in a local context through the development of coastal and inland fisheries, aquaculture and a sustainable blue economy. CLLD strategies should ensure that local communities in fishing and aquaculture areas better exploit and benefit from the opportunities offered by the sustainable blue economy, capitalising on and strengthening environmental, cultural, social and human resources. Every local partnership should therefore reflect the main focus of its strategy by ensuring a balanced involvement and representation of all relevant stakeholders from the local sustainable blue economy.
- (45) Under shared management, it should be possible for the EMFAF to support the strengthening of sustainable sea and ocean management through the collection, management and use of data to improve the knowledge on the state of the marine environment. That support should aim to fulfil requirements under Directives 92/43/EEC and 2009/147/EC, to support maritime spatial planning and to increase data quality and sharing through the European marine observation and data network.

- (46) Under direct and indirect management, support from the EMFAF should focus on the enabling conditions for a sustainable blue economy through the promotion of an integrated governance and management of the maritime policy, the enhancement of the transfer and uptake of research, innovation and technology in the sustainable blue economy, the improvement of maritime skills, ocean literacy and sharing of socio-economic data on the sustainable blue economy, the promotion of a low-carbon and climate-resilient sustainable blue economy, and the development of project pipelines and innovative financing instruments. Due consideration to the outermost regions' specific situation should be given in relation to the above-mentioned fields.
- (47) 60 % of the oceans are beyond the borders of national jurisdiction. This implies a shared international responsibility. Most problems facing the oceans, such as overexploitation, climate change, acidification, pollution and declining biodiversity, are transboundary in nature and therefore require a shared response. Under the United Nations Convention on the Law of the Sea, to which the Union is a Party under Council Decision 98/392/EC¹, many jurisdictional rights, institutions and specific frameworks have been set up to regulate and manage human activity in the oceans. In recent years, a global consensus has emerged that the marine environment and maritime human activities should be managed more effectively to address the increasing pressures on the oceans.

¹ Council Decision 98/392/EC of 23 March 1998 concerning the conclusion by the European Community of the United Nations Convention of 10 December 1982 on the Law of the Sea and the Agreement of 28 July 1994 relating to the implementation of Part XI thereof (OJ L 179, 23.6.1998, p. 1).

- (48) As a global actor, the Union is strongly committed to promoting international ocean governance, in accordance with the Joint Communication of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 10 November 2016 entitled ‘International ocean governance: an agenda for the future of our oceans’. The Union’s ocean governance policy covers the oceans in an integrated manner. International ocean governance is not only core to the achievement of the ‘2030 Agenda’, and in particular SDG 14, but also to guarantee safe, secure, clean and sustainably managed seas and oceans for future generations. The Union needs to deliver on those international commitments and be a driving force for better international ocean governance at bilateral, regional and multilateral levels, including to prevent, deter and eliminate IUU fishing, to improve the international ocean governance framework, to reduce pressures on oceans and seas, to create the conditions for a sustainable blue economy and to strengthen international ocean research and data.
- (49) Actions promoting international ocean governance under the EMFAF are aimed to improve the overarching framework of international and regional processes, agreements, rules and institutions to regulate and manage human activity in the oceans. The EMFAF should support international arrangements that the Union has concluded in areas not covered by the SFPAs established with various third countries, as well as the Union’s mandatory membership contribution to regional fisheries management organisations (RFMOs). SFPAs and RFMOs will continue to be funded under different strands of the Union budget.

- (50) With regard to security and defence, improved border protection and maritime security are essential. Under the European Union Maritime Security Strategy adopted by the Council of the European Union on 24 June 2014 and its Action Plan adopted on 16 December 2014, information sharing and the European border and coast guard cooperation between the European Fisheries Control Agency, the European Maritime Safety Agency and the European Border and Coast Guard Agency are key to deliver on those objectives. The EMFAF should therefore support maritime surveillance and coast guard cooperation under both shared and direct management, including by purchasing items for multipurpose maritime operations. It should also allow the relevant agencies to implement support in the field of maritime surveillance and security through indirect management.
- (51) Under shared management, each Member State should prepare a single programme that should be approved by the Commission. The Commission should assess the draft programmes by taking into account the maximisation of their contribution to the priorities of the EMFAF and to the objectives of resilience, green transition and digital transition. When assessing the draft programmes, the Commission should also take into account their contribution to the development of sustainable small-scale coastal fishing, to environmental, economic and social sustainability, to meeting the environmental and socio-economic challenges of the CFP, to the socio-economic performance of the sustainable blue economy, to the conservation and restoration of marine ecosystems, to the reduction of marine litter and to the mitigation of, and adaptation to, climate change.

- (52) In the context of regionalisation and with a view to encouraging Member States to have a strategic approach during the preparation of programmes, the Commission should assess the draft programmes by taking into account, where applicable, the regional sea basin analysis developed by the Commission indicating the common strengths and weaknesses with regard to the achievement of the objectives of the CFP. That analysis should guide both the Member States and the Commission in negotiating each programme, taking into account regional challenges and needs.
- (53) The performance of the EMFAF in Member States should be assessed on the basis of indicators. Member States should report on progress towards established milestones and targets in accordance with Regulation (EU) 2021/...⁺. A monitoring and evaluation framework should be established for that purpose.
- (54) For the purposes of providing information on the support from the EMFAF for environmental and climate objectives in accordance with Regulation (EU) 2021/...⁺, a methodology based on types of intervention should be established. That methodology should consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to environmental objectives and to climate objectives.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (55) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹, the EMFAF should be evaluated on the basis of information collected in accordance with specific monitoring requirements, while avoiding an administrative burden, in particular on Member States, and overregulation. Those requirements, where appropriate, should include measurable indicators, as a basis for evaluating the effects of the EMFAF on the ground.
- (56) The Commission should implement information and communication actions relating to the EMFAF, and its actions and results. Financial resources allocated to the EMFAF should also contribute to the corporate communication of the political priorities of the Union, insofar as they are related to the priorities of the EMFAF.

¹ OJ L 123, 12.5.2016, p. 1.

- (57) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹, Council Regulation (Euratom, EC) No 2988/95², Council Regulation (Euratom, EC) No 2185/96³ and Council Regulation (EU) 2017/1939⁴, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council⁵. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights. Member States should prevent, detect and deal effectively with any irregularities, including fraud, committed by beneficiaries. Member States should report to the Commission any irregularities detected, including fraud, and any follow-up action they have taken with regard to such irregularities and with regard to any OLAF investigations.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

² Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

³ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁴ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

⁵ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (58) In order to enhance transparency regarding the use of Union funds and their sound financial management, in particular reinforcing public control of the money used, certain information on the operations funded under the EMFAF should be published on a website of a Member State, in accordance with Regulation (EU) 2021/...⁺. When a Member State publishes information on operations funded under EMFAF, the rules on the protection of personal data set out in Regulation (EU) 2016/679 of the European Parliament and of the Council¹ are to be complied with.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

¹ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

- (59) In order to supplement certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the identification of the threshold triggering, and the period of time of, inadmissibility with regard to the admissibility criteria of applications, in respect of the arrangements for recovering the aid granted in the event of serious infringements, in respect of the relevant starting or ending dates of the inadmissibility period and the conditions for a reduced period of inadmissibility and in respect of the definition of criteria for the calculation of the additional costs resulting from the specific handicaps of the outermost regions. In order to amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 TFEU should also be delegated to the Commission in order to allow for the introduction of additional core performance indicators. In order to facilitate a smooth transition from the scheme established by Regulation (EU) No 508/2014 to the scheme established by this Regulation, the power to adopt delegated acts in accordance with Article 290 TFEU should also be delegated to the Commission in order to supplement this Regulation by establishing transitional provisions. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

- (60) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission in respect of the work programmes, the identification of energy-efficient technologies and the establishment of the methodological elements to measure CO₂ emission reductions of fishing vessel engines, the occurrence of an exceptional event, the definition of the cases of non-compliance by Member States which can trigger an interruption of the payment deadline, the suspension of payments due to serious non-compliance by a Member State, financial corrections and the identification of relevant operation-level implementation data and their presentation. Except as regards the work programmes, including technical assistance, and the occurrence of an exceptional event, those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

- (61) In accordance with Article 193(2) of the Financial Regulation, it should be possible for a grant to be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, the costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to Union's interests, it should be possible to provide in the financing decision, during a limited period of time at the beginning of the MFF 2021-2027, and only in duly justified cases, for eligibility of activities and costs from the beginning of the 2021 financial year, even if they were implemented and incurred before the grant application was submitted. For the same reasons and under the same conditions, it is necessary to derogate from Article 193(4) of the Financial Regulation as regards operating grants.
- (62) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

- (63) In order to ensure continuity in providing support in the relevant policy area and to allow implementation as of the beginning of the MFF 2021-2027, it is necessary to provide for the application of this Regulation, with retroactive effect, as regards the support under direct and indirect management from 1 January 2021. Consequently, this Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

TITLE I

GENERAL FRAMEWORK

CHAPTER I

General provisions

Article 1

Subject-matter

This Regulation establishes the European Maritime, Fisheries and Aquaculture Fund (the ‘EMFAF’) for the period from 1 January 2021 to 31 December 2027. The duration of the EMFAF is aligned with the duration of the MFF 2021-2027. It lays down the priorities of the EMFAF, its budget and the specific rules for providing Union funding, complementing the general rules applying to the EMFAF under Regulation (EU) 2021/...⁺.

Article 2

Definitions

1. For the purposes of this Regulation and without prejudice to paragraph 2 of this Article, the definitions referred to in Article 4 of Regulation (EU) No 1380/2013, Article 5 of Regulation (EU) No 1379/2013, Article 4 of Regulation (EC) No 1224/2009, Article 2 of Regulation (EU) 2021/523 and Article 2 of Regulation (EU) 2021/...⁺ apply.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

2. For the purposes of this Regulation, the following definitions apply:

- (1) ‘Common Information Sharing Environment’ or ‘CISE’ means an environment of systems developed to support the exchange of information between authorities involved in maritime surveillance, across sectors and borders, in order to improve their awareness of activities at sea;
- (2) ‘coast guard’ means national authorities performing coast guard functions, which encompass maritime safety, maritime security, maritime customs, prevention and suppression of trafficking and smuggling, connected maritime law enforcement, maritime border control, maritime surveillance, protection of the marine environment, search and rescue, accident and disaster response, fisheries control, inspection and other activities related to those functions;
- (3) ‘European marine observation and data network’ or ‘EMODnet’ means a partnership assembling marine data and metadata in order to make those fragmented resources more available and usable by public and private users by offering quality-assured, interoperable and harmonised marine data;

- (4) ‘exploratory fishing’ means any fishing operation carried out for commercial purposes in a given area, with a view to assessing the profitability and biological sustainability of regular, long-term exploitation of the fishery resources in that area for stocks that have not been subject to commercial fishing;
- (5) ‘fisher’ means any natural person engaging in commercial fishing activities, as recognised by the Member State concerned;
- (6) ‘inland fishing’ means fishing activities carried out for commercial purposes in inland waters by vessels or other devices, including those used for ice fishing;
- (7) ‘international ocean governance’ means a Union initiative to improve the overarching framework encompassing international and regional processes, agreements, arrangements, rules and institutions through a coherent cross-sectoral and rules-based approach, in order to ensure that oceans and seas are healthy, safe, secure, clean and sustainably managed;
- (8) ‘landing site’ means a location other than a maritime port as defined in point (16) of Article 2 of Regulation (EU) 2017/352 of the European Parliament and of the Council¹, which is officially recognised by a Member State, the use of which is not restricted to its owner and which is primarily used for landings of small-scale coastal fishing vessels;

¹ Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports (OJ L 57, 3.3.2017, p. 1).

- (9) ‘maritime policy’ means the Union policy that aims to foster integrated and coherent decision making to maximise the sustainable development, economic growth and social cohesion of the Union, particularly of the coastal and insular areas and of the outermost regions, and of the sustainable blue economy sectors, through coherent maritime-related policies and relevant international cooperation;
- (10) ‘maritime security and surveillance’ means activities carried out in order to understand, prevent wherever applicable and manage in a comprehensive way all the events and actions related to the maritime domain which would impact the areas of maritime safety and security, law enforcement, defence, border control, protection of the marine environment, fisheries control, trade and economic interest of the Union;
- (11) ‘maritime spatial planning’ means a process by which the relevant Member State’s authorities analyse and organise human activities in marine areas to achieve ecological, economic and social objectives;
- (12) ‘public body’ means the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or by one or more of such bodies, governed by public law;

- (13) ‘sea basin strategy’ means an integrated framework to address common marine and maritime challenges faced by Member States and, where appropriate, third countries, in a specific sea basin or in one or more sub-sea basins, and promote cooperation and coordination in order to achieve economic, social and territorial cohesion. It is developed by the Commission in cooperation with the Member States and third countries concerned, their regions and other stakeholders as appropriate;
- (14) ‘small-scale coastal fishing’ means fishing activities carried out by:
- (a) marine and inland fishing vessels of an overall length of less than 12 metres and not using towed gear as defined in point (1) of Article 2 of Council Regulation (EC) No 1967/2006¹; or
 - (b) fishers on foot, including shellfish gatherers;
- (15) ‘sustainable blue economy’ means all sectoral and cross-sectoral economic activities throughout the internal market relating to oceans, seas, coasts and inland waters, covering the Union’s insular and outermost regions and landlocked countries, including emerging sectors and non-market goods and services, aimed at ensuring environmental, social and economic sustainability in the long term and which are consistent with the SDGs, and in particular SDG 14, and with Union environmental legislation.

¹ Council Regulation (EC) No 1967/2006 of 21 December 2006 concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea, amending Regulation (EEC) No 2847/93 and repealing Regulation (EC) No 1626/94 (OJ L 409, 30.12.2006, p. 11).

Article 3

Priorities

The EMFAF shall contribute to the implementation of the CFP and of the Union's maritime policy. It shall pursue the following priorities:

- (1) fostering sustainable fisheries and the restoration and conservation of aquatic biological resources;
- (2) fostering sustainable aquaculture activities, and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union;
- (3) enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities;
- (4) strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed.

Support under the EMFAF shall contribute to the achievement of the environmental and climate change mitigation and adaptation objectives of the Union. That contribution shall be tracked in accordance with the methodology set out in Annex IV.

CHAPTER II

Financial framework

Article 4

Budget

1. The financial envelope for the implementation of the EMFAF for the period from 1 January 2021 to 31 December 2027 shall be EUR 6 108 000 000 in current prices.
2. The part of the financial envelope allocated to the EMFAF under Title II of this Regulation shall be implemented under shared management in accordance with Regulation (EU) 2021/...⁺ and Article 63 of the Financial Regulation.
3. The part of the financial envelope allocated to the EMFAF under Title III of this Regulation shall be implemented either directly by the Commission in accordance with point (a) of Article 62(1) of the Financial Regulation or within the framework of indirect management in accordance with point (c) of Article 62(1) of that Regulation.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 5

Budgetary resources under shared management

1. The part of the financial envelope under shared management as specified in Title II shall be EUR 5 311 000 000 in current prices, in accordance with the annual breakdown set out in Annex V.
2. For operations located in the outermost regions, each Member State concerned shall allocate, within its Union financial support set out in Annex V, at least:
 - (a) EUR 102 000 000 for the Azores and Madeira;
 - (b) EUR 82 000 000 for the Canary Islands;
 - (c) EUR 131 000 000 for Guadeloupe, French Guiana, Martinique, Mayotte, Réunion and Saint-Martin.
3. The compensation referred to in Article 24 shall not exceed 60 % of each of the allocations referred to in points (a), (b) and (c) of paragraph 2 of this Article, or 70 % in circumstances justified in each action plan for the outermost regions.

4. At least 15 % of the Union financial support allocated per Member State shall be allocated in the programme, prepared and submitted in accordance with Article 21(1) and (2) of Regulation (EU) 2021/...⁺, to the specific objective referred to in point (d) of Article 14(1) of this Regulation. Member States with no access to Union waters may apply a lower percentage with regard to the extent of their control and data collection tasks.
5. The Union financial support from the EMFAF allocated per Member State to the total sum of the support referred to in Articles 17 to 21 shall not exceed the higher of the following thresholds:
 - (a) EUR 6 000 000; or
 - (b) 15 % of the Union financial support allocated per Member State.
6. In accordance with Articles 36 and 37 of Regulation (EU) 2021/...⁺, the EMFAF may support, at the initiative of a Member State, technical assistance for its effective administration and use.

Article 6

Financial distribution for shared management

The resources available for commitments by Member States referred to in Article 5(1) for the period from 2021 to 2027 are set out in Annex V.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 7

Budgetary resources under direct and indirect management

1. The part of the financial envelope under direct and indirect management as specified in Title III shall be EUR 797 000 000 in current prices.
2. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the EMFAF, such as preparatory, monitoring, control, audit and evaluation activities, including corporate information technology systems.

In particular, the EMFAF may support, at the initiative of the Commission and subject to the ceiling of 1,5 % of the financial envelope referred to in Article 4(1):

- (a) technical assistance for the implementation of this Regulation as referred to in Article 35 of Regulation (EU) 2021/...⁺;
 - (b) the preparation, monitoring and evaluation of SFPAs and the Union participation in RFMOs;
 - (c) the setting-up of a European-wide network of local action groups.
3. The EMFAF shall support the costs of information and communication activities linked to the implementation of this Regulation.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

CHAPTER III

Programming

Article 8

Programming for support under shared management

1. In accordance with Article 21 of Regulation (EU) 2021/...⁺, each Member State shall prepare a single programme to implement the priorities set out in Article 3 of this Regulation (the ‘programme’).

In the preparation of the programme, the Member States shall endeavour to take into account regional and/or local challenges, as appropriate, and may identify intermediate bodies in accordance with Article 71(3) of Regulation (EU) 2021/...⁺.

2. Support under Title II of this Regulation in pursuit of the policy objectives set out in Article 5 of Regulation (EU) 2021/...⁺ shall be organised along the priorities and specific objectives as set out in Annex II to this Regulation.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

3. In addition to the elements referred to in Article 22 of Regulation (EU) 2021/...⁺, the programme shall include:
- (a) an analysis of the situation in terms of strengths, weaknesses, opportunities and threats and the identification of the needs that require to be addressed in the relevant geographical area, including, where appropriate, sea basins relevant for the programme;
 - (b) where applicable, the action plans for the outermost regions referred to in Article 35.
4. While carrying out the analysis of the situation in terms of the strengths, weaknesses, opportunities and threats referred to in point (a) of paragraph 3 of this Article, Member States shall take into account the specific needs of small-scale coastal fishing, as set out in Annex V to Regulation (EU) 2021/...⁺.

For the specific objectives that contribute to the development of sustainable small-scale coastal fishing, Member States shall describe the types of actions considered for that purpose, as set out in point (i) of point (d) of Article 22(3) of, and Annex V to, Regulation (EU) 2021/...⁺.

The managing authority shall endeavour to take into account the specificities of small-scale coastal fishing operators for possible simplification measures, such as simplified application forms.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

5. The Commission shall assess the programme in accordance with Article 23 of Regulation (EU) 2021/...⁺. In its assessment it shall take into account, in particular:
- (a) the maximisation of the contribution of the programme to the priorities set out in Article 3 and to the objectives of resilience, green transition and digital transition, including through a wide range of innovative solutions;
 - (b) the contribution of the programme to the development of sustainable small-scale coastal fishing;
 - (c) the contribution of the programme to environmental, economic and social sustainability;
 - (d) the balance between the fishing capacity of the fleets and the available fishing opportunities, as reported annually by Member States in accordance with Article 22(2) of Regulation (EU) No 1380/2013;
 - (e) where applicable, the multiannual management plans adopted under Articles 9 and 10 of Regulation (EU) No 1380/2013, the management plans adopted under Article 19 of Regulation (EC) No 1967/2006 and the recommendations adopted by RFMOs that bind the Union;
 - (f) the implementation of the landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013;

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (g) the most recent evidence on the socio-economic performance of the sustainable blue economy, in particular in the fishery and aquaculture sector;
- (h) where applicable, the regional sea basin analyses developed by the Commission indicating the common strengths and weaknesses of each sea basin with regard to the achievement of the objectives of the CFP as set out in Article 2 of Regulation (EU) No 1380/2013;
- (i) the contribution of the programme to the conservation and restoration of marine ecosystems, while the support related to Natura 2000 areas shall be in accordance with the prioritised action frameworks established pursuant to Article 8(4) of Directive 92/43/EEC;
- (j) the contribution of the programme to the reduction of marine litter, in accordance with Directive (EU) 2019/904 of the European Parliament and of the Council¹;
- (k) the contribution of the programme to climate change mitigation and adaptation.

¹ Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment (OJ L 155, 12.6.2019, p. 1).

Article 9

Programming for support under direct and indirect management

In order to implement Title III, the Commission shall adopt implementing acts laying down work programmes. Work programmes shall set out, where applicable, the overall amount reserved for the blending operations referred to in Article 56. Except as regards technical assistance, those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).

TITLE II

SUPPORT UNDER SHARED MANAGEMENT

CHAPTER I

General principles of support

Article 10

State aid

1. Without prejudice to paragraph 2 of this Article, Articles 107, 108 and 109 TFEU shall apply to aid granted by Member States to undertakings in the fishery and aquaculture sector.

2. However, Articles 107, 108 and 109 TFEU shall not apply to payments made by Member States pursuant to this Regulation and falling within the scope of Article 42 TFEU.
3. National provisions setting up public financing going beyond the provisions of this Regulation concerning payments referred to in paragraph 2 shall be treated as a whole on the basis of paragraph 1.
4. For the fishery and aquaculture products listed in Annex I TFEU to which Articles 107, 108 and 109 thereof apply, the Commission may authorise, in accordance with Article 108 TFEU, operating aid in the outermost regions referred to in Article 349 TFEU in respect of the sectors producing, processing and marketing fishery and aquaculture products, with a view to alleviating the specific constraints in those regions as a result of their isolation, insularity or remoteness.

Article 11
Admissibility of applications

1. An application for support submitted by an operator shall be inadmissible for an identified period of time laid down pursuant to paragraph 4 of this Article, if it has been determined by the competent authority that the operator concerned:
 - (a) has committed serious infringements under Article 42 of Council Regulation (EC) No 1005/2008¹ or Article 90 of Regulation (EC) No 1224/2009 or under other legislation adopted by the European Parliament and the Council within the framework of the CFP;
 - (b) has been involved in the operation, management or ownership of a fishing vessel included in the Union IUU vessel list as set out in Article 40(3) of Regulation (EC) No 1005/2008, or of a vessel flying the flag of countries identified as non-cooperating third countries as set out in Article 33 of that Regulation; or
 - (c) has committed any of the environmental offences set out in Articles 3 and 4 of Directive 2008/99/EC of the European Parliament and of the Council², where the application for support is submitted under Article 27 of this Regulation.

¹ Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999 (OJ L 286, 29.10.2008, p. 1).

² Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law (OJ L 328, 6.12.2008, p. 28).

2. If any of the situations referred to in paragraph 1 of this Article occurs throughout the period between submitting the application for support and five years after the final payment, the support paid from EMFAF and related to that application shall be recovered from the operator, in accordance with Article 44 of this Regulation and Article 103 of Regulation (EU) 2021/...⁺.
3. Without prejudice to more far-reaching national rules as agreed on in the Partnership Agreement with the Member State concerned, an application for support submitted by an operator shall be inadmissible for an identified period of time laid down pursuant to paragraph 4 of this Article, if it has been determined through a final decision by the competent authority concerned that the operator has committed fraud, as defined in Article 3 of Directive (EU) 2017/1371, in the context of the EMFF or the EMFAF.
4. The Commission is empowered to adopt delegated acts, in accordance with Article 62, supplementing this Regulation concerning:
 - (a) the identification of the threshold triggering, and the period of time of, the inadmissibility referred to in paragraphs 1 and 3 of this Article, which shall be proportionate to the nature, gravity, duration and repetition of the serious infringements, offences or fraud committed, and shall be of at least one year's duration;

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (b) in accordance with Article 44 of this Regulation and Article 103 of Regulation (EU) 2021/...⁺, the arrangements for recovering the support granted pursuant to paragraph 2 of this Article, which shall be proportionate to the nature, gravity, duration and repetition of the serious infringements or offences committed;
 - (c) the relevant starting or ending dates of the periods of time referred to in paragraphs 1 and 3 and the conditions for a reduced period of inadmissibility.
5. Member States may apply, in accordance with national rules, a longer inadmissibility period than that laid down pursuant to paragraph 4. Member States may apply an inadmissibility period also to applications for support submitted by operators engaged in inland fishing who have committed serious infringements, as defined by national rules.
6. Member States shall require that operators submitting an application for support under the EMFAF provide to the managing authority a signed statement confirming that they do not fall under any of the situations listed in paragraphs 1 and 3 of this Article. Member States shall verify the veracity of that statement before approving the application, based on the information available in the national registers of infringements referred to in Article 93 of Regulation (EC) No 1224/2009, or any other available data.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

For the purposes of the verification referred to in the first subparagraph of this paragraph, a Member State shall provide, on request from another Member State, the information contained in its national register of infringements referred to in Article 93 of Regulation (EC) No 1224/2009.

Article 12

Eligibility for support from the EMFAF under shared management

1. Without prejudice to the rules on eligibility of expenditure laid down in Regulation (EU) 2021/...⁺, Member States may select for support under this Title the operations which:
 - (a) fall under the scope of the priorities and specific objectives set out in Article 8(2);
 - (b) are not ineligible pursuant to Article 13; and
 - (c) are in accordance with applicable Union law.
2. The EMFAF may support investments on board necessary to comply with requirements imposed by a Member State to give effect to optional provisions under Directive (EU) 2017/159.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 13

Ineligible operations or expenditure

The following operations or expenditure shall not be eligible for support from the EMFAF:

- (a) operations that increase the fishing capacity of a fishing vessel, unless otherwise provided for in Article 19;
- (b) the acquisition of equipment that increases the ability of a fishing vessel to find fish;
- (c) the construction, acquisition or importation of fishing vessels, unless otherwise provided for in Article 17;
- (d) the transfer or reflagging of fishing vessels to third countries, including through the creation of joint ventures with partners of third countries;
- (e) the temporary or permanent cessation of fishing activities, unless otherwise provided for in Articles 20 and 21;
- (f) exploratory fishing;
- (g) the transfer of ownership of a business;

- (h) direct restocking, except explicitly provided for as a reintroduction measure or other conservation measures in a Union legal act or in the case of experimental restocking;
- (i) the construction of new ports or new auction halls, with the exception of new landing sites;
- (j) market intervention mechanisms aiming to temporarily or permanently withdraw fishery or aquaculture products from the market with a view to reducing supply in order to prevent price decline or to drive prices up, unless otherwise provided for in Article 26(2);
- (k) investments on board fishing vessels necessary to comply with the requirements under Union law in force at the time of submission of the application for support, including requirements under the Union's obligations in the context of RFMOs, unless otherwise provided for in Article 22;
- (l) investments on board fishing vessels that have carried out fishing activities for less than 60 days in the two calendar years preceding the year of submission of the application for support;
- (m) the replacement or modernisation of a main or ancillary engine of a fishing vessel, unless otherwise provided for in Article 18.

CHAPTER II

Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources

SECTION 1

SCOPE OF SUPPORT

Article 14

Specific objectives

1. Support under this Chapter shall cover interventions that contribute to the achievement of the objectives of the CFP as set out in Article 2 of Regulation (EU) No 1380/2013, through one or more of the following specific objectives:
 - (a) strengthening economically, socially and environmentally sustainable fishing activities;
 - (b) increasing energy efficiency and reducing CO₂ emissions through the replacement or modernisation of engines of fishing vessels;
 - (c) promoting the adjustment of fishing capacity to fishing opportunities in cases of permanent cessation of fishing activities and contributing to a fair standard of living in cases of temporary cessation of fishing activities;

- (d) fostering efficient fisheries control and enforcement, including fighting against IUU fishing, as well as reliable data for knowledge-based decision making;
 - (e) promoting a level-playing field for fishery and aquaculture products from the outermost regions; and
 - (f) contributing to the protection and restoration of aquatic biodiversity and ecosystems.
2. Support under this Chapter may be granted to inland fishing under the conditions provided for in Article 16.

SECTION 2

SPECIFIC CONDITIONS

Article 15

Transferring or reflagging of fishing vessels

Where support under this Chapter is granted in respect of a Union fishing vessel, that vessel shall not be transferred or reflagged outside the Union during at least five years from the final payment for the supported operation.

Article 16
Inland fishing

1. The provisions laid down in point (a) of Article 17(6), point (a) of Article 18(2), points (a) and (d) of Article 19(2), Article 20, points (a) to (d) of Article 21(2), as well as the reference to Regulation (EC) No 1224/2009 in point (d) of Article 19(3) of this Regulation, shall not apply to inland fishing vessels.
2. In the case of inland fishing vessels, the references to the date of registration in the Union fleet register in points (d) and (e) of Article 17(6), point (b) of Article 18(2) and point (c) of Article 19(2) shall be replaced by references to the date of entry into service, in accordance with national law.

Article 17
First acquisition of a fishing vessel

1. By way of derogation from point (c) of Article 13, the EMFAF may support the first acquisition of a fishing vessel or the acquisition of partial ownership thereof.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (a) of Article 14(1).

2. Support under this Article may only be granted to a natural person who:
 - (a) is no more than 40 years of age at the date of submission of the application for support; and
 - (b) has worked at least five years as fisher or has acquired adequate qualification.
3. Support under paragraph 1 may also be granted to legal entities wholly owned by one or more natural persons who each fulfil the conditions set out in paragraph 2.
4. Support under this Article may be granted for the joint first acquisition of a fishing vessel by several natural persons who each fulfil the conditions set out in paragraph 2.
5. Support under this Article may also be granted for the acquisition of partial ownership of a fishing vessel by a natural person who fulfils the conditions set out in paragraph 2 and who shall be deemed to have controlling rights on that vessel through ownership of at least of 33 % of the vessel or of the shares in the vessel or by a legal entity which fulfils the conditions set out in paragraph 3 and which shall be deemed to have controlling rights on that vessel through ownership of at least of 33 % of the vessel or of the shares in the vessel.
6. Support under this Article may be granted only in respect of a fishing vessel which:
 - (a) belongs to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown a balance with the fishing opportunities available to that segment;

- (b) is equipped for fishing activities;
 - (c) is not longer than 24 metres in overall length;
 - (d) has been registered in the Union fleet register for at least three calendar years preceding the year of submission of the application for support in the case of a small-scale coastal fishing vessel, and for at least five calendar years in the case of another type of vessel; and
 - (e) has been registered in the Union fleet register for a maximum of 30 calendar years preceding the year of submission of the application for support.
7. The first acquisition of a fishing vessel supported under this Article shall not be considered a transfer of ownership of a business within the meaning of point (g) of Article 13.

Article 18

Replacement or modernisation of a main or ancillary engine

1. By way of derogation from point (m) of Article 13, the EMFAF may support the replacement or modernisation of a main or ancillary engine of a fishing vessel up to 24 metres in overall length.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (b) of Article 14(1).

2. Support under this Article may be granted only under the following conditions:
 - (a) the vessel belongs to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown a balance with the fishing opportunities available to that segment;
 - (b) the vessel has been registered in the Union fleet register for at least five calendar years preceding the year of submission of the application for support;
 - (c) for small-scale coastal fishing vessels, the new or modernised engine does not have more power in kW than that of the current engine; and
 - (d) for other vessels up to 24 metres in overall length, the new or modernised engine does not have more power in kW than that of the current engine and emits at least 20 % less CO₂ compared to the current engine.
3. Member States shall ensure that all replaced or modernised engines are subject to a physical verification.
4. The fishing capacity withdrawn due to the replacement or modernisation of a main or ancillary engine shall not be replaced.

5. The reduction of CO₂ emission required under point (d) of paragraph 2 shall be considered to be met in either of the following cases:

- (a) where relevant information certified by the manufacturer of the engine concerned as part of a type approval or product certificate indicates that the new engine emits 20 % less CO₂ than the engine being replaced; or
- (b) where relevant information certified by the manufacturer of the engine concerned as part of a type approval or product certificate indicates that the new engine uses 20 % less fuel than the engine being replaced.

Where the relevant information certified by the manufacturer of the engine concerned as part of a type approval or product certificate for one or both of the engines does not permit a comparison of the CO₂ emission or fuel consumption, the reduction of CO₂ emission required under point (d) of paragraph 2 shall be considered to be met in any of the following cases:

- (a) the new engine uses an energy-efficient technology and the age difference between the new engine and the engine being replaced is at least seven years;
- (b) the new engine uses a type of fuel or a propulsion system which is considered to emit less CO₂ than the engine being replaced;

- (c) the Member State measures that the new engine emits 20 % less CO₂ or uses 20 % less fuel than the engine being replaced under the normal fishing effort of the vessel concerned.

The Commission shall adopt implementing acts to identify the energy-efficient technologies referred to in point (a) of the second subparagraph of this paragraph and to further specify the methodology elements for the implementation of point (c) of that subparagraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).

Article 19

Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency

1. By way of derogation from point (a) of Article 13, the EMFAF may support operations that increase the gross tonnage of a fishing vessel for the purposes of improving safety, working conditions or energy efficiency.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (a) of Article 14(1).

2. Support under this Article may be granted only under the following conditions:
- (a) the fishing vessel belongs to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown a balance of the fishing capacity of the segment with the fishing opportunities available to that segment ;
 - (b) the fishing vessel is not longer than 24 metres in overall length;
 - (c) the fishing vessel has been registered in the Union fleet register for at least the 10 calendar years preceding the year of submission of the application for support; and
 - (d) the entry into the fishing fleet of new fishing capacity generated by the operation is compensated for by the prior withdrawal of at least the same amount of fishing capacity without public aid from the same fleet segment or from a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown that the fishing capacity is not in balance with the fishing opportunities available to that segment.
3. For the purposes of paragraph 1, only the following operations shall be eligible:
- (a) the increase in gross tonnage necessary for the subsequent installation or renovation of accommodation facilities dedicated to the exclusive use of the crew, including sanitary facilities, common areas, kitchen facilities and shelter deck structures;

- (b) the increase in gross tonnage necessary for the subsequent improvement or installation of on-board fire prevention systems, safety and alarm systems or noise-reduction systems;
 - (c) the increase in gross tonnage necessary for the subsequent installation of integrated bridge systems to improve navigation or engine control;
 - (d) the increase in gross tonnage necessary for the subsequent installation or renovation of an engine or a propulsion system that demonstrates a better energy efficiency or lower CO₂ emissions compared to the previous situation, which does not have a power exceeding the fishing vessel's previously certified engine power pursuant to Article 40(1) of Regulation (EC) No 1224/2009, and whose maximum power output is certified by the manufacturer for that engine or propulsion system model;
 - (e) the replacement or renovation of the bulbous bow provided that it improves the overall energy efficiency of the fishing vessel.
4. As part of the data provided pursuant to Article 46(3), Member States shall communicate to the Commission the characteristics of the operations supported under this Article, including the amount of the fishing capacity increased and the purpose of that increase.
5. Support under this Article shall not cover operations related to investments aimed at improving safety, working conditions or energy efficiency where such operations do not increase the fishing capacity of the vessel concerned. Those operations may be supported in accordance with Article 12.

Article 20

Permanent cessation of fishing activities

1. By way of derogation from point (e) of Article 13, the EMFAF may support compensation for the permanent cessation of fishing activities.

The support referred to in the first subparagraph of this paragraph shall contribute to the specific objective referred to in point (c) of Article 14(1).

2. Support under this Article may be granted only under the following conditions:
 - (a) the cessation is foreseen as a tool of an action plan referred to in Article 22(4) of Regulation (EU) No 1380/2013;
 - (b) the cessation is achieved through the scrapping of the fishing vessel or through its decommissioning and retrofitting for activities other than commercial fishing, keeping in line with the objectives of the CFP and of the multiannual plans referred to in Regulation (EU) No 1380/2013;
 - (c) the fishing vessel is registered as active and has carried out fishing activities at sea for at least 90 days per year during the last two calendar years preceding the date of submission of the application for support;

- (d) the equivalent fishing capacity is permanently removed from the Union fishing fleet register and the fishing licences and the fishing authorisations are permanently withdrawn, in accordance with Article 22(5) and (6) of Regulation (EU) No 1380/2013; and
- (e) the beneficiary shall not register any fishing vessel within five years following the receipt of support.

3. The support referred to in paragraph 1 may only be granted to:

- (a) owners of Union fishing vessels concerned by the permanent cessation; and
- (b) fishers who have worked at sea on board a Union fishing vessel concerned by the permanent cessation for at least 90 days per year during the last two calendar years preceding the year of submission of the application for support.

The fishers referred to in point (b) of the first subparagraph shall cease all fishing activities for five years following the receipt of support. If a fisher returns to fishing activities within that period of time, sums unduly paid in respect of the operation shall be recovered by the Member State concerned, in an amount proportionate to the period during which the condition set out in the first sentence of this subparagraph has not been fulfilled.

Article 21

Temporary cessation of fishing activities

1. By way of derogation from point (e) of Article 13, the EMFAF may support compensation for the temporary cessation of fishing activities.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (c) of Article 14(1).

2. Support under this Article may be granted only in the case of:
 - (a) conservation measures, as referred to in points (a), (b), (c), (i) and (j) of Article 7(1) of Regulation (EU) No 1380/2013 or, where applicable to the Union, equivalent conservation measures adopted by RFMOs;
 - (b) Commission measures in case of a serious threat to marine biological resources, as referred to in Article 12 of Regulation (EU) No 1380/2013;
 - (c) Member States' emergency measures pursuant to Article 13 of Regulation (EU) No 1380/2013;
 - (d) the interruption, due to reasons of force majeure, of the application of a SFPA or protocol thereto; or
 - (e) natural disasters, environmental incidents or health crises, as formally recognised by the competent authorities of the relevant Member State.

3. The support referred to in paragraph 1 may only be granted where the fishing activities of the vessel or fisher concerned are stopped during at least 30 days in a given calendar year.
4. The support referred to in point (a) of paragraph 2 may only be granted where, based on scientific advice, a reduction of fishing effort is needed in order to achieve the objectives referred to in Article 2(2) and point (a) of Article 2(5) of Regulation (EU) No 1380/2013.
5. The support referred to in paragraph 1 may only be granted to:
 - (a) owners or operators of Union fishing vessels which are registered as active and which have carried out fishing activities at sea for at least 120 days during the last two calendar years preceding the year of submission of the application for support;
 - (b) fishers who have worked at sea on board a Union fishing vessel concerned by the temporary cessation for at least 120 days during the last two calendar years preceding the year of submission of the application for support; or
 - (c) fishers on foot who have carried out fishing activities for at least 120 days during the last two calendar years preceding the year of submission of the application for support.

The reference to the number of days at sea in this paragraph shall not apply to eel fisheries.

6. The support referred to in paragraph 1 may be granted for a maximum duration of 12 months per vessel or per fisher during the programming period.

7. All fishing activities carried out by the vessels or fishers concerned shall be effectively suspended during the period concerned by the temporary cessation. The Member State concerned shall satisfy itself that the vessel or fisher concerned has ceased any fishing activities during the period concerned by the temporary cessation and that any overcompensation resulting from the use of the vessel for other purposes is avoided.

Article 22

Control and enforcement

1. The EMFAF may support the development and implementation of a Union fisheries control system as provided for in Article 36 of Regulation (EU) No 1380/2013 and further specified in Regulations (EC) No 1224/2009 and (EC) No 1005/2008.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (d) of Article 14(1).

2. By way of derogation from point (k) of Article 13, the support referred to in paragraph 1 of this Article may cover:
 - (a) the purchase, installation and management on board of the necessary components for compulsory vessel tracking and electronic reporting systems used for control purposes;

- (b) the purchase, installation and management on board of the necessary components for compulsory remote electronic monitoring systems used for controlling the implementation of the landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013;
 - (c) the purchase, installation and management on board of devices for compulsory continuous measurement and recording of propulsive engine power.
3. The support referred to in paragraph 1 of this Article may also contribute to maritime surveillance as referred to in Article 33 and to the cooperation on coast guard functions as referred to in Article 34.

Article 23

Collection, management, use and processing of data in the fisheries sector, and research and innovation programmes

1. The EMFAF may support the collection, management, use and processing of biological, environmental, technical and socio-economic data in the fisheries sector, as provided for in Article 25(1) and (2) of Regulation (EU) No 1380/2013 and further specified in Regulation (EU) 2017/1004, on the basis of the national work plans referred to in Article 6 of Regulation (EU) 2017/1004. The EMFAF may also support fisheries and aquaculture research and innovation programmes, as provided for in Article 27 of Regulation (EU) No 1380/2013.

2. The support referred to in paragraph 1 of this Article shall contribute to the specific objective referred to in point (d) of Article 14(1).

Article 24

Promoting a level-playing field for fishery and aquaculture products from the outermost regions

1. The EMFAF may support compensation for additional costs incurred by operators in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the outermost regions.
2. The support referred to in paragraph 1 of this Article shall contribute to the specific objective referred to in point (e) of Article 14(1).
3. Support under this Article may be granted only under the conditions set out in Article 36.

Article 25

Protection and restoration of aquatic biodiversity and ecosystems

1. The EMFAF may support actions that contribute to the protection and restoration of aquatic biodiversity and ecosystems, including in inland waters.

The support referred to in the first subparagraph shall contribute to the specific objective referred to in point (f) of Article 14(1).

2. The support referred to in paragraph 1 may include, inter alia:
- (a) compensation to fishers for the passive collection of lost fishing gear and marine litter from the sea;
 - (b) investments in ports or other infrastructure to provide adequate reception facilities for lost fishing gear and marine litter collected from the sea;
 - (c) actions to achieve or maintain a good environmental status in the marine environment, as set out in Article 1(1) of Directive 2008/56/EC;
 - (d) the implementation of spatial protection measures established pursuant to Article 13(4) of Directive 2008/56/EC;
 - (e) the management, restoration, surveillance and monitoring of Natura 2000 areas, taking into account the prioritised action frameworks established pursuant to Article 8 of Directive 92/43/EEC;
 - (f) the protection of species under Directives 92/43/EEC and 2009/147/EC, taking into account the prioritised action frameworks established pursuant to Article 8 of Directive 92/43/EEC;
 - (g) the restoration of inland waters in accordance with the programme of measures established pursuant to Article 11 of Directive 2000/60/EC.

CHAPTER III

Priority 2: Fostering sustainable aquaculture activities and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union

SECTION 1

SCOPE OF SUPPORT

Article 26

Specific objectives

1. Support under this Chapter shall cover interventions that contribute to the achievement of the objectives of the CFP as set out in Article 2 of Regulation (EU) No 1380/2013, through the following specific objectives:
 - (a) promoting sustainable aquaculture activities, especially strengthening the competitiveness of aquaculture production, while ensuring that the activities are environmentally sustainable in the long term;
 - (b) promoting marketing, quality and added value of fishery and aquaculture products, as well as processing of those products.

2. By way of derogation from point (j) of Article 13, in case of exceptional events causing a significant disruption of markets, the support referred to in point (b) of paragraph 1 of this Article may cover:
- (a) compensation to operators of the fishery and aquaculture sector for their income foregone or additional costs; and
 - (b) compensation to recognised producer organisations and associations of producer organisations which store fishery products listed in Annex II to Regulation (EU) No 1379/2013, provided that those products are stored in accordance with Articles 30 and 31 of that Regulation.

The support referred to in the first subparagraph may be eligible only if the Commission has established, by means of an implementing decision, the occurrence of an exceptional event. Expenditure shall be eligible only during the duration set out in that implementing decision.

3. In addition to the activities referred to in point (a) of paragraph 1 of this Article within the scope of Article 2 of Regulation (EU) No 1380/2013, support under that point may also cover interventions that contribute to aquaculture providing environmental services, as well as to ensuring animal health and welfare in aquaculture within the scope of Regulation (EU) 2016/429 of the European Parliament and of the Council¹.

¹ Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ('Animal Health Law') (OJ L 84, 31.3.2016, p. 1).

4. Support under point (b) of paragraph 1 of this Article may also contribute to the achievement of the objectives of common organisation of the markets in fishery and aquaculture products as provided for in Article 35 of Regulation (EU) No 1380/2013, including the production and marketing plans as described in Article 28 of Regulation (EU) No 1379/2013.

SECTION 2

SPECIFIC CONDITIONS

Article 27

Aquaculture

To achieve the specific objective referred to in point (a) of Article 26(1) of this Regulation as regards the promotion of aquaculture activities, support shall be consistent with the multiannual national strategic plans for the development of aquaculture referred to in Article 34(2) of Regulation (EU) No 1380/2013.

Article 28

Processing of fishery and aquaculture products

To achieve the specific objective referred to in point (b) of Article 26(1) of this Regulation as regards the processing of fishery and aquaculture products, support to enterprises other than SMEs shall only be granted through the financial instruments provided for in Article 58 of Regulation (EU) 2021/...⁺ or through InvestEU, in accordance with Article 10 of Regulation (EU) 2021/523.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

CHAPTER IV

Priority 3: Enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities

SECTION 1

SCOPE OF SUPPORT

Article 29

Specific objective

Support under this Chapter shall cover interventions that contribute to enabling a sustainable blue economy in coastal, island and inland areas, and to fostering the sustainable development of fishing and aquaculture communities.

SECTION 2

SPECIFIC CONDITIONS

Article 30

Community-led local development

1. To achieve the specific objective referred to in Article 29 of this Regulation, support shall be implemented through the CLLD set out in Article 31 of Regulation (EU) 2021/...⁺.
2. For the purposes of this Article, the CLLD strategies referred to in Article 32 of Regulation (EU) 2021/...⁺ shall ensure that communities in fishing or aquaculture areas better exploit and benefit from the opportunities offered by the sustainable blue economy, capitalising on and strengthening environmental, cultural, social and human resources. Those CLLD strategies may range from those which focus on fisheries or aquaculture to broader strategies directed at the diversification of local communities.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

CHAPTER V

Priority 4: Strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed

SECTION 1

SCOPE OF SUPPORT

Article 31

Specific objective

Support under this Chapter shall cover interventions that contribute to strengthening sustainable sea and ocean management through the promotion of marine knowledge, maritime surveillance or coast guard cooperation.

SECTION 2

SPECIFIC CONDITIONS

Article 32

Marine knowledge

Support granted to achieve the specific objective referred to in Article 31 of this Regulation through the promotion of marine knowledge shall contribute to actions aiming to collect, manage, analyse, process and use data to improve the knowledge on the state of the marine environment, with a view to:

- (a) fulfilling monitoring and site designation and management requirements under Directives 92/43/EEC and 2009/147/EC;
- (b) supporting maritime spatial planning under Directive 2014/89/EU of the European Parliament and of the Council¹; or
- (c) increasing data quality and sharing through the European marine observation and data network (EMODnet).

¹ Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning (OJ L 257, 28.8.2014, p. 135).

Article 33

Maritime surveillance

1. To achieve the specific objective set out in Article 31 through the promotion of maritime surveillance, support shall be granted for actions contributing to the achievement of the objectives of the CISE.
2. The support for actions referred to in paragraph 1 of this Article may also contribute to the development and implementation of a Union fisheries control system under the conditions set out in Article 22.

Article 34

Coast guard cooperation

1. Support granted to achieve the specific objective set out in Article 31 through the promotion of coast guard cooperation shall contribute to actions carried out by national authorities in the framework of the European cooperation on coast guard functions referred to in Article 69 of Regulation (EU) 2019/1896 of the European Parliament and of the Council¹, Article 2b of Regulation (EC) No 1406/2002 of the European Parliament and of the Council² and Article 8 of Regulation (EU) 2019/473 of the European Parliament and of the Council³.
2. The support for actions referred to in paragraph 1 of this Article may also contribute to the development and implementation of a Union fisheries control system under the conditions set out in Article 22.

¹ Regulation (EU) 2019/1896 of the European Parliament and of the Council of 13 November 2019 on the European Border and Coast Guard and repealing Regulations (EU) No 1052/2013 and (EU) 2016/1624 (OJ L 295, 14.11.2019, p. 1).

² Regulation (EC) No 1406/2002 of the European Parliament and of the Council of 27 June 2002 establishing a European Maritime Safety Agency (OJ L 208, 5.8.2002, p. 1).

³ Regulation (EU) 2019/473 of the European Parliament and of the Council of 19 March 2019 on the European Fisheries Control Agency (OJ L 83, 25.3.2019, p. 18).

CHAPTER VI

Sustainable development of the outermost regions

Article 35

]Action plan for the outermost regions

In accordance with Article 8(3), Member States concerned shall prepare, as part of their programme, an action plan for each of their outermost regions, which shall set out:

- (a) a strategy for the sustainable exploitation of fisheries and the development of sustainable blue economy sectors;
- (b) a description of the main actions envisaged and the corresponding financial means, including:
 - (i) the structural support to the fishery and aquaculture sector under this Title;
 - (ii) compensation for additional costs referred to in Articles 24 and 36, including the methodology for its calculation;
 - (iii) any other investment in the sustainable blue economy necessary to achieve a sustainable coastal development.

Article 36

Compensation for additional costs for fishery and aquaculture products

1. To implement the compensation for additional costs incurred by operators in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the outermost regions, as referred to in Article 24, each Member State concerned shall determine, in line with the criteria laid down in accordance with paragraph 6 of this Article, for each outermost region, the list of fishery and aquaculture products and the quantity of those products eligible for compensation.
2. When establishing the lists and the quantities referred to in paragraph 1, Member States shall take into account all relevant factors, in particular the need to ensure that the compensation is compatible with the rules of the CFP.
3. The compensation shall not be granted for fishery and aquaculture products:
 - (a) caught by third country vessels, with the exception of fishing vessels which fly the flag of Venezuela and operate in Union waters, in accordance with Council Decision (EU) 2015/1565¹;

¹ Council Decision (EU) 2015/1565 of 14 September 2015 on the approval, on behalf of the European Union, of the Declaration on the granting of fishing opportunities in EU waters to fishing vessels flying the flag of the Bolivarian Republic of Venezuela in the exclusive economic zone off the coast of French Guiana (OJ L 244, 19.9.2015, p. 55).

- (b) caught by Union fishing vessels that are not registered in a port of one of the outermost regions;
 - (c) imported from third countries.
- 4. Point (b) of paragraph 3 shall not apply if the existing capacity of the processing industry in the outermost region concerned exceeds the quantity of raw material supplied.
- 5. The compensation paid to the beneficiaries carrying out the activities referred to in paragraph 1 in the outermost regions or owning a vessel registered in a port of one of those regions and operating there shall, in order to avoid overcompensation, take into account:
 - (a) for each fishery or aquaculture product or category of products, the additional costs resulting from the specific handicaps of the regions concerned; and
 - (b) any other type of public intervention affecting the level of additional costs.
- 6. The Commission is empowered to adopt delegated acts, in accordance with Article 62, supplementing this Regulation by laying down the criteria for the calculation of the additional costs resulting from the specific handicaps of the regions concerned.

Article 37

State aid for implementation of compensation for additional costs

Member States may grant additional financing for the implementation of the compensation referred to in Article 24. In such cases, Member States shall notify the Commission of the State aid, which the Commission may approve in accordance with this Regulation as part of that compensation. State aid thus notified shall be regarded as notified within the meaning of the first sentence of Article 108(3) TFEU.

Article 38

Evaluation

When carrying out the mid-term evaluation referred to in Article 45 of Regulation (EU) 2021/...⁺, the Commission shall specifically examine the provisions of this Chapter, including those related to compensation of additional costs.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

CHAPTER VII

Rules for implementation under shared management

SECTION 1

SUPPORT FROM THE EMFAF

Article 39

Calculation of compensation

Compensation for additional costs or income foregone and other compensation provided under this Regulation shall be granted under any of the forms referred to in points (b) to (e) of Article 53(1) of Regulation (EU) 2021/...⁺.

Article 40

Determination of co-financing rates

The maximum EMFAF co-financing rate per specific objective shall be 70 % of the eligible public expenditure, with the exception of the specific objective referred to in point (e) of Article 14(1), for which it shall be 100 %.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 41
Intensity of public aid

1. Member States shall apply a maximum aid intensity rate of 50 % of the total eligible expenditure of the operation.
2. By way of derogation from paragraph 1, specific maximum aid intensity rates are set out in Annex III.
3. Where one operation falls under several of the rows 2 to 19 of Annex III, the highest maximum aid intensity rate shall apply.
4. Where one operation falls under one or several of the rows 2 to 19 of Annex III and at the same time under row 1 of that Annex, the maximum aid intensity rate referred to in row 1 shall apply.

SECTION 2

FINANCIAL MANAGEMENT

Article 42

Interruption of the payment deadline

1. In accordance with Article 96(4) of Regulation (EU) 2021/...⁺, the Commission may interrupt the payment deadline for all or part of a payment application in the case of non-compliance by a Member State with the rules applicable under the CFP, if the non-compliance is liable to affect the expenditure contained in a payment application for which the interim payment is requested.
2. Prior to the interruption referred to in paragraph 1, the Commission shall inform the Member State concerned about the non-compliance and give it the opportunity to present observations within a reasonable period of time.
3. The interruption referred to in paragraph 1 shall be proportionate to the nature, gravity, duration and repetition of the non-compliance.
4. The Commission may adopt implementing acts to define the cases of non-compliance referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 43

Suspension of payments

1. In accordance with Article 97(3) of Regulation (EU) 2021/...⁺, the Commission may adopt implementing acts suspending all or part of the interim payments under the programme in the case of serious non-compliance by a Member State with the rules applicable under the CFP, if the serious non-compliance is liable to affect the expenditure contained in a payment application for which the interim payment is requested.
2. Prior to the suspension referred to in paragraph 1, the Commission shall inform the Member State concerned that the Commission considers that there is a case of serious non-compliance by that Member State with the rules applicable under the CFP and give it opportunity to present observations within a reasonable period of time.
3. The suspension referred to in paragraph 1 shall be proportionate to the nature, gravity, duration and repetition of the serious non-compliance.
4. The Commission may adopt implementing acts to define the cases of serious non-compliance referred to in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 44

Financial corrections by Member States

In the cases of the financial corrections referred to in Article 11(2), Member States shall determine the amount of the correction, which shall be proportionate to the nature, gravity, duration and repetition of the serious infringements or offences by the beneficiary concerned and the importance of the EMFAF contribution to the economic activity of that beneficiary.

Article 45

Financial corrections by the Commission

1. In accordance with Article 104(5) of Regulation (EU) 2021/...⁺, the Commission may adopt implementing acts making financial corrections by cancelling all or part of the Union contribution to the programme if, after carrying out the necessary examination, it concludes that:
 - (a) expenditure contained in a payment application is affected by cases where any of the situations referred to in Article 11(2) of this Regulation has occurred and has not been corrected by the Member State concerned prior to the opening of the correction procedure under this paragraph;

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

- (b) expenditure contained in a payment application is affected by cases of serious non-compliance with the rules of the CFP by the Member State which have resulted in the suspension of payment under Article 43 of this Regulation and the Member State concerned still fails to demonstrate that it has taken the necessary remedial action to ensure compliance with, and the enforcement of, applicable rules of the CFP in the future.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2) of this Regulation.

2. The Commission shall decide on the amount of the correction taking into account the nature, gravity, duration and repetition of the serious non-compliance with the rules of the CFP by the Member State or beneficiary concerned and the importance of the EMFAF contribution to the economic activity of the beneficiary concerned.
3. Where it is not possible to quantify precisely the amount of expenditure linked to serious non-compliance with the rules of the CFP by the Member State, the Commission shall apply a flat rate or extrapolated financial correction in accordance with paragraph 4.
4. The Commission may adopt implementing acts to determine the criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial corrections. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).

SECTION 3

MONITORING AND REPORTING

Article 46

Monitoring and evaluation framework

1. Common output and result indicators for the EMFAF, as set out in Annex I to this Regulation, and, where necessary, programme-specific indicators, shall be used in accordance with point (a) of the second subparagraph of Article 16(1), point (d)(ii) of Article 22(3) and point (b) of Article 42(2) of Regulation (EU) 2021/...⁺.
2. In compliance with its reporting requirement pursuant to paragraph (iii) of point (h) of Article 41(3) of the Financial Regulation, the Commission shall report to the European Parliament and the Council on the performance of the EMFAF. In that report, the Commission shall use the core performance indicators set out in Annex I to this Regulation.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

3. In addition to the general rules set out in Article 42 of Regulation (EU) 2021/...⁺, the managing authority shall provide the Commission with relevant operation-level implementation data, which shall include key characteristics of the beneficiary (name, type of beneficiary, size of enterprise, gender and contact details) and of the operation supported (specific objective, type of operation, sector concerned, values of indicators, state of progress of the operation, common fleet register number, financial data and form of support). The data shall be provided by 31 January and 31 July of each year. The first transmission of those data shall be due by 31 January 2022 and the last one by 31 January 2030.
4. The Commission shall adopt implementing acts laying down rules further specifying the exact data referred to in paragraph 3 of this Article and its presentation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 63(2).
5. The Commission is empowered to adopt delegated acts, in accordance with Article 62, to amend Annex I by adding the core performance indicators in order to adapt to changes occurring during the programming period.

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

Article 47

Reporting of the results of the funded operation

1. The beneficiaries shall report the value of relevant result indicators after the completion of the operation and no later than the final payment application. The managing authority shall review the plausibility of the value of result indicators reported by the beneficiary in parallel with the final payment.
2. Member States may postpone the timelines established in paragraph 1.

TITLE III

SUPPORT UNDER DIRECT AND INDIRECT MANAGEMENT

CHAPTER I

Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources

Article 48

Implementation of the CFP

The EMFAF shall support the implementation of the CFP through:

- (a) the provision of scientific advice and knowledge for the purposes of promoting sound and efficient fisheries management decisions under the CFP, including through the participation of experts in scientific bodies;
- (b) regional cooperation on conservation measures as referred to in Article 18 of Regulation (EU) No 1380/2013, in particular in the context of the multiannual plans referred to in Articles 9 and 10 thereof;

- (c) the development and implementation of a Union fisheries control system as provided for in Article 36 of Regulation (EU) No 1380/2013 and further specified in Regulation (EC) No 1224/2009;
- (d) the functioning of Advisory Councils established in accordance with Article 43 of Regulation (EU) No 1380/2013, an objective of which is forming part of, and supporting, the CFP;
- (e) voluntary contributions to the activities of international organisations dealing with fisheries, in accordance with Articles 29 and 30 of Regulation (EU) No 1380/2013.

Article 49

Promotion of clean and healthy seas and oceans

1. The EMFAF shall support the promotion of clean and healthy seas and oceans, including through actions to support the implementation of Directive 2008/56/EC and actions to ensure coherence with the objective of achieving a good environmental status as set out in point (j) of Article 2(5) of Regulation (EU) No 1380/2013, and the implementation of the European strategy for plastics in a circular economy.
2. The support referred to in paragraph 1 of this Article shall be in line with the Union environmental legislation, in particular with the objective of achieving or maintaining a good environmental status as set out in Article 1(1) of Directive 2008/56/EC.

CHAPTER II

Priority 2: Fostering sustainable aquaculture activities and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union.

Article 50

Market intelligence

The EMFAF shall support the development and dissemination of market intelligence for fishery and aquaculture products by the Commission in accordance with Article 42 of Regulation (EU) No 1379/2013.

CHAPTER III

Priority 3: Enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities

Article 51

Maritime policy and development of a sustainable blue economy

The EMFAF shall support the implementation of the maritime policy and the development of a sustainable blue economy through:

- (a) the promotion of a sustainable, low carbon and climate resilient blue economy;
- (b) the promotion of an integrated governance and management of the maritime policy, including through maritime spatial planning, sea basin strategies and maritime regional cooperation;
- (c) the enhancement of the transfer and uptake of research, innovation and technology in the sustainable blue economy;
- (d) the improvement of maritime skills, ocean literacy and sharing of socio-economic and environmental data on the sustainable blue economy;
- (e) the development of project pipelines and innovative financing instruments.

CHAPTER IV

Priority 4: Strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed

Article 52

European marine observation and data network

The EMFAF shall support the implementation of the EMODnet.

Article 53

Maritime security and surveillance

The EMFAF shall support the promotion of maritime security and surveillance, including through data sharing, cooperation among coast guards and among agencies, and the fight against criminal and illegal activities at sea.

Article 54

International ocean governance

The EMFAF shall support the implementation of the international ocean governance policy through:

- (a) voluntary contributions to international organisations active in the field of ocean governance;
- (b) voluntary cooperation with, and coordination among, international fora, organisations, bodies and institutions in the context of the United Nations Convention on the Law of the Sea, the ‘2030 Agenda’ and other relevant international agreements, arrangements and partnerships;
- (c) the implementation of ocean partnerships between the Union and relevant ocean actors;
- (d) the implementation of relevant international agreements, arrangements and instruments that aim to promote better ocean governance, as well as the development of actions, measures, tools and knowledge that enable safe, secure, clean and sustainably managed seas and oceans;
- (e) the implementation of relevant international agreements, measures and tools to prevent, deter and eliminate IUU fishing;
- (f) international cooperation on, and development of, ocean research and data.

CHAPTER V

Rules for implementation under direct and indirect management

Article 55

Forms of Union funding

1. The EMFAF may provide funding in any of the forms laid down in the Financial Regulation, in particular procurement and grants pursuant to Titles VII and VIII of that Regulation, respectively. It may also provide financing in the form of financial instruments within blending operations, as referred to in Article 56 of this Regulation.
2. The evaluation of grant proposals may be carried out by independent experts.

Article 56

Blending operations

Blending operations under the EMFAF shall be implemented in accordance with Regulation (EU) 2021/523 and Title X of the Financial Regulation.

Article 57

Evaluation by the Commission

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process. Evaluations shall be entrusted to internal or external experts who are functionally independent.
2. The interim evaluation of the support under Title III shall be performed by the end of 2024.
3. A final evaluation report on the support under Title III shall be prepared by the end of 2031.
4. The Commission shall communicate the evaluation reports referred to in paragraphs 2 and 3 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 58

Monitoring under direct and indirect management

1. The Commission shall use the result and output indicators set out in Annex I to monitor the results of the implementation of the EMFAF under direct and indirect management.
2. The Commission shall collect data on operations selected for support under direct and indirect management, including key characteristics of the beneficiary and the operation, as set out in Article 46(3).

Article 59

Audits

Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Article 60

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin of those funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public.
2. The Commission shall implement information and communication actions relating to the EMFAF, to actions taken pursuant to the EMFAF and to the results obtained. Financial resources allocated to the EMFAF shall also contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the priorities referred to in Article 3.

Article 61

Eligible entities, activities and costs

1. The eligibility criteria set out in paragraphs 2 and 3 of this Article shall apply in addition to the criteria set out in Article 197 of the Financial Regulation.
2. The following entities shall be eligible:
 - (a) legal entities established in a Member State or in a third country listed in the work programme under the conditions specified in paragraphs 3 and 4;
 - (b) any legal entity created under Union law or any international organisation.
3. Legal entities established in a third country shall be exceptionally eligible to participate where this is necessary for the achievement of the objectives of a given action.
4. Legal entities established in a third country which is not associated to the programme shall in principle bear the cost of their participation.
5. In accordance with point (a) of the second subparagraph of Article 193(2) of the Financial Regulation and by way of derogation from Article 193(4) thereof, taking into account the delayed entry into force of this Regulation and in order to ensure continuity, as established in the financing decision and for a limited period, activities supported under this Regulation and the underlying costs may be considered eligible as of 1 January 2021, even if the activities were implemented and the costs incurred before the grant application was submitted.

TITLE IV

PROCEDURAL PROVISIONS

Article 62

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 11, 36, 46 and 65 shall be conferred on the Commission from... [the date of entry into force of this Regulation] until 31 December 2027.
3. The delegation of power referred to in Articles 11, 36, 46 and 65 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the powers specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. A delegated act adopted pursuant to Articles 11, 36, 46 and 65 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

Article 63

Committee procedure

1. The Commission shall be assisted by a Committee for the European Maritime, Fisheries and Aquaculture Fund. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

TITLE V

FINAL PROVISIONS

Article 64

Amendments to Regulation (EU) 2017/1004

Article 6 of Regulation (EU) 2017/1004 is amended as follows:

(1) paragraphs 1 and 2 are replaced by the following:

- “1. Without prejudice to their current data collection obligations under Union law, Member States shall collect data within the framework of a work plan drawn up in accordance with the multiannual Union programme (the ‘national work plan’). Member States shall submit to the Commission by electronic means their national work plans by 15 October of the year preceding the year from which the national work plan is to apply, unless an existing plan still applies, in which case they shall notify the Commission thereof.

2. The Commission shall adopt implementing acts approving the national work plans referred to in paragraph 1 by 31 December of the year preceding the year from which the national work plan is to apply. When approving the national work plans, the Commission shall take into account the evaluation conducted by STECF in accordance with Article 10. If such evaluation indicates that the national work plan does not comply with this Article or does not ensure the scientific relevance of the data or sufficient quality of the proposed methods and procedures, the Commission shall immediately inform the Member State concerned and indicate amendments to that work plan that the Commission considers necessary. Subsequently, the Member State concerned shall submit a revised national work plan to the Commission.”;

(2) the following paragraph is added:

- “5. The Commission may adopt implementing acts laying down rules on procedures, format and timetables for the submission of the national work plans referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 25(2).”.

Article 65

Transitional provisions

1. Regulation (EU) No 508/2014 and any delegated and implementing act adopted pursuant to that Regulation shall continue to apply to programmes and operations supported from the EMFF under the 2014-2020 programming period.
2. In order to facilitate the transition from the support scheme established by Regulation (EU) No 508/2014 to the scheme established by this Regulation, the Commission is empowered to adopt delegated acts, in accordance with Article 62 of this Regulation, to lay down the conditions under which support approved by the Commission under Regulation (EU) No 508/2014 may be integrated into support provided under this Regulation.
3. References to Regulation (EU) No 508/2014 shall be construed as references to this Regulation with regard to the programming period for 2021-2027.

Article 66

Entry into force and date of application

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2021 with regard to the support under direct and indirect management provided for in Title III.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President

ANNEX I

COMMON INDICATORS OF THE EMFAF

CORE PERFORMANCE INDICATORS ¹	RESULT INDICATORS (MEASUREMENT UNIT)	OUTPUT INDICATOR
CI 01 - Businesses created CI 02 - Businesses with higher turnover CI 03 - Jobs created CI 04 - Jobs maintained CI 05 - Persons benefitting CI 06 - Actions contributing to a good environmental status, including nature restoration, conservation, protection of ecosystems, biodiversity, animal health and welfare CI 07 - Energy consumption leading to CO ₂ emissions reduction CI 08 - Number of SMEs supported	CR 01 - New production capacity (tonnes/annum) CR 02 - Aquaculture production maintained (tonnes/annum) CR 03 - Businesses created (number of entities) CR 04 - Businesses with higher turnover (number of entities) CR 05 - Capacity of vessels withdrawn (GT and kW) CR 06 - Jobs created (number of persons) CR 07 - Jobs maintained (number of persons) CR 08 - Persons benefitting (number of persons) CR 09 - Area addressed by operations contributing to a good environmental status, protecting, conserving, and restoring biodiversity and ecosystems (km ² or km) CR 10 - Actions contributing to a good environmental status, including nature restoration, conservation, protection of ecosystems, biodiversity, animal health and welfare (number of actions) CR 11 - Entities increasing social sustainability (number of entities)	CO 01 - Number of operations

¹ Core performance indicators for EMFAF to be used by the Commission in compliance with its reporting requirement pursuant to paragraph (iii) of point (h) of Article 41(3) of the Financial Regulation.

CORE PERFORMANCE INDICATORS ¹	RESULT INDICATORS (MEASUREMENT UNIT)	OUTPUT INDICATOR
CI 09 - Number of fishing vessels equipped with electronic position and catch reporting devices CI 10 - Number of local action groups CI 11 - Number of small scale coastal fishing vessels supported CI12 - Usage of data and information platforms	CR 12 - Effectiveness of the system for “collection, management and use of data” (scale: high, medium, low) CR 13 - Cooperation activities between stakeholders (number of actions) CR 14 - Innovations enabled (number of new products, services, processes, business models or methods) CR 15 - Control means installed or improved (number of means) CR 16 - Entities benefitting from promotion and information activities (number of entities) CR 17 - Entities improving resource efficiency in production and/or processing (number of entities) CR 18 - Energy consumption leading to CO ₂ emissions reduction (kWh/tonnes or litres/h) CR 19 - Actions to improve governance capacity (number of actions) CR 20 - Investment induced (EUR) CR 21 - Datasets and advice made available (number) CR 22 - Usage of data and information platforms (number of page views)	

ANNEX II

ORGANISATION OF SUPPORT UNDER SHARED MANAGEMENT

POLICY OBJECTIVE Article 5 of Regulation (EU) 2021/... ⁺	EMFAF PRIORITY	EMFAF SPECIFIC OBJECTIVE	NOMENCLATURE TO BE USED IN THE FINANCING PLAN Table 11A of Annex V to Regulation (EU) 2021/... ⁺
A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility	Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources	Strengthening economically, socially and environmentally sustainable fishing activities	1.1.1 all operations except those supported under Articles 17 and 19
			1.1.2 operations supported under Articles 17 and 19
		Increasing energy efficiency and reducing CO ₂ emissions through the replacement or modernisation of engines of fishing vessels	1.2
		Promoting the adjustment of fishing capacity to fishing opportunities in cases of permanent cessation of fishing activities and contributing to a fair standard of living in cases of temporary cessation of fishing activities	1.3

⁺ OJ: please insert the number of the Regulation contained in the document ST6674/21 (2018/0196 (COD)).

POLICY OBJECTIVE Article 5 of Regulation (EU) 2021/... ⁺	EMFAF PRIORITY	EMFAF SPECIFIC OBJECTIVE	NOMENCLATURE TO BE USED IN THE FINANCING PLAN Table 11A of Annex V to Regulation (EU) 2021/... ⁺
		Fostering efficient fisheries control and enforcement, including fighting against IUU fishing, as well as reliable data for knowledge-based decision-making	1.4
		Promoting a level-playing field for fishery and aquaculture products from the outermost regions	1.5
		Contributing to the protection and restoration of aquatic biodiversity and ecosystems	1.6
	Fostering sustainable aquaculture activities, and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union	Promoting sustainable aquaculture activities, especially strengthening the competitiveness of aquaculture production, while ensuring that the activities are environmentally sustainable in the long term	2.1

POLICY OBJECTIVE Article 5 of Regulation (EU) 2021/... ⁺	EMFAF PRIORITY	EMFAF SPECIFIC OBJECTIVE	NOMENCLATURE TO BE USED IN THE FINANCING PLAN Table 11A of Annex V to Regulation (EU) 2021/... ⁺
		Promoting marketing, quality and added value of fishery and aquaculture products, as well as processing of those products	2.2
	Strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed	Strengthening sustainable sea and ocean management through the promotion of marine knowledge, maritime surveillance or coast guard cooperation	4.1
A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives	Enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities	Enabling a sustainable blue economy in coastal, island and inland areas, and fostering the sustainable development of fishing and aquaculture communities	3.1
	Technical assistance		5.1
			5.2

ANNEX III

SPECIFIC MAXIMUM AID INTENSITY RATES UNDER SHARED MANAGEMENT

ROW NUMBER	SPECIFIC CATEGORY OF OPERATION	MAXIMUM AID INTENSITY RATE
1	Operations supported under Articles 17, 18 and 19	40 %
2	The following operations contributing to the implementation of the landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013: - operations improving size selectivity or species selectivity of fishing gear; - operations improving the infrastructure of fishing ports, auction halls, landing sites and shelters in order to facilitate the landing and storage of unwanted catches; - operations facilitating the marketing of unwanted catches landed from commercial stocks, in accordance with point (b) of Article 8(2) of Regulation (EU) No 1379/2013	100 % 75 % 75 %
3	Operations aimed at improving the health, safety and working conditions on board fishing vessels, with the exception of operations supported under Article 19	75 %
4	Operations located in the outermost regions	85 %
5	Operations located in the remote Greek Islands and in the Croatian islands of Dugi Otok, Vis, Mljet and Lastovo	85 %
6	Operations supported under Article 22	85 %
7	Operations related to small-scale coastal fishing	100 %
8	Operations for which the beneficiary is a public body or an undertaking entrusted with the operation of services of general economic interest as referred to in Article 106(2) TFEU, where support is granted for the operation of such services	100 %
9	Operations related to the compensation referred to in Article 39	100 %

ROW NUMBER	SPECIFIC CATEGORY OF OPERATION	MAXIMUM AID INTENSITY RATE
10	Operations supported under Articles 23 and 25 and under Priority 4	100 %
11	Operations related to the design, development, monitoring, evaluation or management of transparent systems for exchanging fishing opportunities between Member States, in accordance with Article 16(8) of Regulation (EU) No 1380/2013	100 %
12	Operations related to the running costs of local actions groups	100 %
13	Operations supported under Article 30 and which fulfil at least one of the following criteria: (i) they are of collective interest; (ii) they have a collective beneficiary; or (iii) they have innovative features, where appropriate, at local level, and ensure public access to their results	100 %
14	Operations other than those covered in row 13 which fulfil all of the following criteria: (i) they are of collective interest; (ii) they have a collective beneficiary; (iii) they have innovative features or ensure public access to their results	100 %
15	Operations implemented by producer organisations, associations of producer organisations or interbranch organisations	75 %
16	Financial instruments, with the exception of financial instruments related to operations referred to in row 1	100 %
17	Operations supporting sustainable aquaculture implemented by SMEs	60 %
18	Operations supporting innovative products, processes or equipment in fisheries, aquaculture and processing	75 %
19	Operations implemented by organisations of fishers or other collective beneficiaries	60 %

ANNEX IV

TYPES OF INTERVENTION

No.	TYPE OF INTERVENTION	CLIMATE COEFFICIENT	ENVIRONMENTAL COEFFICIENT
1	Reducing negative impacts and/or contributing to positive impacts on the environment and contributing to a good environmental status	100 %	100 %
2	Promoting conditions for economically viable, competitive and attractive fishery, aquaculture and processing sectors	40 %	40 %
3	Contributing to climate neutrality	100 %	100 %
4	Temporary cessation of fishing activities	100 %	100 %
5	Permanent cessation of fishing activities	100 %	100 %
6	Contributing to a good environmental status through implementing and monitoring of marine protected areas, including Natura 2000	100 %	100 %
7	Compensation for unexpected environmental, climatic or public health events	0 %	0 %
8	Compensation for additional costs in outermost regions	0 %	0 %
9	Animal health and welfare	40 %	40 %
10	Control and enforcement	40 %	100 %
11	Data collection and analysis, and promotion of marine knowledge	100 %	100 %
12	Maritime surveillance and security	40 %	40 %

No.	TYPE OF INTERVENTION	CLIMATE COEFFICIENT	ENVIRONMENTAL COEFFICIENT
Community-led local development (CLLD)			
13	CLLD preparation actions	0 %	0 %
14	CLLD implementation of strategy	40 %	40 %
15	CLLD running costs and animation	0 %	0 %
Technical assistance			
16	Technical assistance	0 %	0 %

ANNEX V

GLOBAL RESOURCES FROM THE EMFAF PER MEMBER STATE FOR THE PERIOD FROM 1 JANUARY 2021 TO 31 DECEMBER 2027

	2021	2022	2023	2024	2025	2026	2027	TOTAL
TOTAL	649 646 302	867 704 926	833 435 808	798 047 503	707 757 512	721 531 085	732 876 864	5 311 000 000
BE	4 925 394	6 578 640	6 318 823	6 050 521	5 365 973	5 470 400	5 556 420	40 266 171
BG	10 390 512	13 878 165	13 330 060	12 764 057	11 319 949	11 540 245	11 721 710	84 944 698
CZ	3 670 269	4 902 222	4 708 614	4 508 683	3 998 577	4 076 392	4 140 492	30 005 249
DK	24 582 747	32 834 129	31 537 379	30 198 278	26 781 687	27 302 881	27 732 208	200 969 309
DE	25 908 996	34 605 542	33 238 833	31 827 487	28 226 569	28 775 883	29 228 372	211 811 682
EE	11 912 962	15 911 637	15 283 223	14 634 286	12 978 583	13 231 157	13 439 212	97 391 060
IE	17 414 773	23 260 170	22 341 533	21 392 895	18 972 532	19 341 754	19 645 895	142 369 552
EL	45 869 836	61 266 389	58 846 736	56 348 059	49 972 919	50 945 434	51 746 530	374 995 903
ES	137 053 465	183 056 482	175 826 854	168 361 115	149 312 971	152 218 730	154 612 307	1 120 441 924
FR	69 372 651	92 658 097	88 998 661	85 219 712	75 578 071	77 048 886	78 260 448	567 136 526
HR	29 808 019	39 813 303	38 240 917	36 617 179	32 474 362	33 106 342	33 626 925	243 687 047
IT	63 388 749	84 665 656	81 321 871	77 868 885	69 058 907	70 402 853	71 509 909	518 216 830
CY	4 685 786	6 258 605	6 011 428	5 756 178	5 104 932	5 204 279	5 286 114	38 307 322
LV	16 498 239	22 035 996	21 165 707	20 266 995	17 974 015	18 323 805	18 611 939	134 876 696
LT	7 484 030	9 996 101	9 601 315	9 193 636	8 153 481	8 312 155	8 442 859	61 183 577

	2021	2022	2023	2024	2025	2026	2027	TOTAL
LU	-	-	-	-	-	-	-	-
HU	4 612 763	6 161 072	5 917 747	5 666 475	5 025 378	5 123 176	5 203 735	37 710 346
MT	2 669 689	3 565 790	3 424 963	3 279 536	2 908 494	2 965 097	3 011 721	21 825 290
NL	11 978 187	15 998 755	15 366 900	14 714 410	13 049 642	13 303 600	13 512 794	97 924 288
AT	821 763	1 097 594	1 054 246	1 009 482	895 270	912 693	927 046	6 718 094
PL	62 675 756	83 713 340	80 407 168	76 993 019	68 282 136	69 610 965	70 705 569	512 387 953
PT	46 307 271	61 850 651	59 407 923	56 885 418	50 449 481	51 431 271	52 240 007	378 572 022
RO	19 871 141	26 541 038	25 492 826	24 410 382	21 648 625	22 069 926	22 416 967	162 450 905
SI	2 927 095	3 909 597	3 755 191	3 595 743	3 188 925	3 250 985	3 302 105	23 929 641
SK	1 862 388	2 487 512	2 389 271	2 287 821	2 028 980	2 068 465	2 100 991	15 225 428
FI	8 777 254	11 723 405	11 260 401	10 782 276	9 562 384	9 748 476	9 901 766	71 755 962
SE	14 176 567	18 935 038	18 187 218	17 414 975	15 444 669	15 745 235	15 992 823	115 896 525