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**PROPOSAL**

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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	13 June 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council

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Delegations will find attached document COM(2018) 390 final.

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Encl.: COM(2018) 390 final



Strasbourg, 12.6.2018  
COM(2018) 390 final

2018/0210 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the European Maritime and Fisheries Fund and repealing Regulation (EU) No  
508/2014 of the European Parliament and of the Council**

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{SEC(2018) 276 final} - {SWD(2018) 295 final}

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

This proposal provides for a date of application as of 1 January 2021 and is presented for a Union of 27 Member States, in line with the notification by the United Kingdom of its intention to withdraw from the European Union and Euratom, based on Article 50 of the Treaty on the European Union, received by the European Council on 29 March 2017.

- **Reasons for and objectives of the proposal**

The purpose of this proposal is the establishment of the European Maritime and Fisheries Fund (EMFF) for the 2021-2027 period. That fund aims to target 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, especially in the context of the 2030 Agenda for Sustainable Development

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.

As a global ocean actor and the world's fifth largest producer of seafood, the Union has a strong responsibility to protect, conserve and sustainably use the oceans and their resources. Preserving seas and oceans is indeed vital for a rapidly growing world population. It is also of socio-economic interest for the Union: a sustainable blue economy boosts investments, jobs and growth, fosters research and innovation and contributes to energy security through ocean energy. Moreover, safe and secure seas and oceans are essential for an efficient border control and for the global fight against maritime crime, thereby addressing citizens' security concerns. These priorities require Union financial support through the EMFF.

Such support will be complemented by specific funding for the European Fisheries Control Agency, the sustainable fisheries partnership agreements (SFPAs) and the Union's membership to regional fisheries management organisations (RFMOs) and other international organisations, which also contribute to the enforcement of the Union's policies in the fisheries and maritime sectors.

- **Consistency with existing policy provisions in the policy area**

This proposal aims to support the achievement of the objectives of the CFP, to foster the implementation of the Union's maritime policy and to strengthen international ocean governance. Conscious that the challenges and opportunities of the ocean space are interrelated and need to be considered as a whole, those areas should be closely interlinked.

The Commission's proposal for the multiannual financial framework (MFF) 2021-2027 adopted on 02 May 2018 has set the budgetary framework for the funding of the CFP and the maritime policy. Further, the Commission adopted on 29 May 2018 a proposal for a 'Common Provisions' Regulation in order to improve the coordination and harmonise the implementation of support under Funds in shared management ('the Funds'), with the main aim of simplifying policy delivery in a coherent way. Those common provisions apply to the part of the EMFF under shared management.

The Funds pursue complementary objectives and share the same management mode. Therefore the Common Provisions Regulation 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 includes enabling conditions, a performance review and arrangements for monitoring, reporting and evaluation. Common provisions are also set out with regard to eligibility rules, and special arrangements are defined for financial instruments, use of InvestEU, community-led local development and financial management. Some management and control arrangements are also common to all Funds.

- **Consistency with other Union policies**

The proposal and its objectives are consistent with the Union's policies, especially environmental, climate, cohesion, social, market and trade policies.

Complementarities between the Funds, including the EMFF, and other Union programmes will be described in the Partnership Agreement, in accordance with the Common Provisions Regulation.

Under direct management, the EMFF will develop synergies and complementarities with other relevant Union funds and programmes. It will also allow financing in the form of financial instruments within blending operations implemented in accordance with the InvestEU Regulation.

Support under the EMFF should be used to address market failures or sub-optimal investment situations, in a proportionate manner, without duplicating or crowding out private financing, and have a clear European added value. This will ensure consistency between the actions of the EMFF and Union State aid rules, avoiding undue distortions of competition in the internal market.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

Articles 42, 43(2), 91(1), 100(2), 173(3), 175, 188, 192(1), 194(2), 195(2) and 349 of the Treaty on the Functioning of the European Union.

- **Subsidiarity (for non-exclusive competence)**

Provisions of the proposal are implemented within the frameworks of shared management, direct management and indirect management, in accordance with the Financial Regulation.

- **Proportionality**

The proposed provisions comply with the proportionality principle as they are appropriate, necessary and no other less restrictive measures are available to obtain the desired policy objectives.

- **Choice of the instrument**

Proposed instrument: Regulation of the European Parliament and of the Council.

## **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

The results of the Ex Post Evaluation of the European Fisheries Fund (EFF) 2007-2013 were taken into account as key element of the Impact Assessment to assess the possibility to continue financial support for the fisheries sector after 2020. The Ex Post Evaluation is based

on the stakeholder consultation that took place between February and May 2016, aiming to examine the general public opinion concerning the effectiveness and efficiency of the EFF.

Its main recommendations for post-2020 were to improve the link between funding and policy objectives, the sustainable exploitation of fisheries as well as the protection and enhancement of the environment and natural resources by minimising the negative impacts on the marine environment. It also stressed the need to take a more strategic approach for making aquaculture more competitive and increasing production and to take better account of the specific challenges faced by small-scale coastal fisheries.

- **Stakeholder consultations**

For the post-2020 programming period, the major consultation activity was the EMFF stakeholder conference entitled 'Beyond 2020: Supporting Europe's Coastal Communities' that was held in Tallinn in October 2017. With 70 speakers and more than 300 participants, the event allowed stakeholders to contribute to the assessment of the financial support the EMFF provides to the CFP and Union maritime policy over the 2014-2020 programming period. It also allowed them to anticipate the form this support could take after 2020. A variety of stakeholders was covered by the EMFF conference. Out of the 300 participants, there were more than 50% of representatives of public authorities, 12% industry, 11% NGOs, 14% fishing associations and organisations and 7% of academia.

Two opportunities were also given to the Members of the EMFF Expert Group (Member State administrations) to contribute to this debate and provide input into the reflection process. These meetings took place respectively on 06 November 2017 and 15 January 2018. The debates in EMFF Expert Groups were supported by discussion papers and orientation questions provided by the Commission in advance to the meetings. Written contributions were also received from the Member States.

Moreover, letters were sent to Advisory Councils, NGOs and European Social Partners requesting their input on post-2020 Union funding for fisheries and maritime sectors. Individual meetings with Social Partners were organised for the purposes of the consultation.

Contributions were also received from the Conference of Peripheral Maritime Regions (CPMR), such as the Technical paper from December 2017 on the 'Future of the EMFF post-2020: Elements of analysis and possible scenarios', and the CPMR notes on the EMFF post-2020 from October 2017 and March 2017. The final Policy Position on the future of the EMFF was adopted by the CPMR Political Bureau in March 2018.

A number of other workshops and reports provided input to the assessment, such as the Policy session during the European Association of Fisheries Economists conference (April 2017) and the Stakeholder Workshop on support to Maritime Policy during the European Maritime Days (May 2017).

The outcome of the consultation can be summarised as follows:

- Strong call by almost all stakeholders for continuity and clear need for a dedicated funding instrument in the future for fisheries and the maritime policy, continuing to achieve the CFP objectives and taking advantage of opportunities from the blue economy.
- Member States agreed that the objectives of the post-2020 fund should support environmental, economic and social sustainability. The achievement of CFP objectives was noted by the stakeholders as a priority for the next fund.
- As a result of the consultations, an agreement was reached between stakeholders that one of the biggest shortcomings of the 2014-2020 EMFF was its slow take up and the

late implementation of the Operational Programmes which was essentially due to the late approval of the legislative framework. This, coupled with too prescriptive Union level legislation, the rigidity and inflexibility in interpretation and too much focus on eligibility rather than on reaching objectives and targets, represent the challenge Member States have to face. In this regard, a strong call for less legal complexity with a simpler legal framework was put forward by the majority of stakeholders.

- A large consensus could be observed between the stakeholders calling for a certain level of stability, notably through a greater simplification at all levels (both Union and national) regarding the implementation of the EMFF. However, diverging views were observed as on how to find the right balance between a greater emphasis on result orientation and reducing the administrative burden for beneficiaries and administrations whilst assuring correct spending.
- In their contributions, Member States noted that the monitoring and evaluation system has a key role to demonstrate the effectiveness of the fund as it provides information on the causalities behind the development of the fisheries and blue economy sectors.
- A polarisation of opinion concerning the support to fishing fleets could be observed, with stakeholders split nearly equally between those in favour and those against the continuation of fleet measures.
- Regarding the aquaculture sector, all stakeholders agreed that more work needs to be done on administrative and legal simplification in order to reduce the length of licencing procedures but without compromising on the high environmental, consumer protection and animal health standards enshrined in Union law. They reaffirmed that the administrative burdens remain the main barrier to the development of the sector, together with procedural requirements (for both licencing and access to funding) which are too complex. Also, a strong support from a group of 11 Member States was expressed to the continuation of the current Union support to aquaculture in the next fund, in particular to freshwater aquaculture.
- As regards small-scale coastal fisheries and fisheries in the outermost regions, Member States were in favour of applying more targeted and tailor-made support and continue having a higher support rate and possibility of more favourable handling through advanced payments. Preferential financial treatment to small-scale coastal fisheries, including inland fisheries, should be kept after 2020 according to some Member States. Stakeholders also acknowledged the need for flexibility to reflect local specificities and for facilitating the generational renewal in an ageing workforce.
- All Member States and stakeholders considered that the support to data collection, fisheries control and enforcement and support to producer organisations should remain part of the fisheries fund under shared management.
- Strengthening of Union action through the EMFF in various areas under the maritime policy (training, maritime spatial planning, maritime safety and surveillance, financing of innovative projects, etc.) was considered as added value for Europe and for the regions by a number of stakeholders. Taking into account that the blue economy is developed in a very complex environment, complementarity between various instruments should be further ensured, in order to avoid duplication and fragmentation.

- A majority of stakeholders also recognized the important role played by Community Led Local Development (CLLD) for coastal communities to adopt local solutions for local problems and recognised it as a valuable opportunity for the fisheries and aquaculture sectors to play an active role in local government and governance issues. Many stakeholders would like to see CLLD playing a wider role in the development of the blue economy at local level.

- **Collection and use of expertise**

The Impact Assessment was drafted by the Commission services. For the assessment made in relation to monitoring and evaluating performance, input was provided by external expertise. This input covers a proposal for a monitoring and evaluation framework post-2020 based on the system developed for the 2014-2020 period, together with a limited number of result indicators including an assessment of data collection needs, sources and availability.

- **Impact assessment**

The Impact Assessment develops the main overall general objectives of the programme together with specific objectives. The objectives include the cross-cutting MFF objectives of flexibility, coherence and synergies, simplification and focus on performance.

The Impact Assessment identifies and explains the main challenges and problems to be addressed by the future programme based on findings of evaluations of previous programming periods and consultation activities, cross-cutting objectives of the new MFF and new political priorities and emerging problems needing Union intervention.

Based on experience of previous programmes, the Impact Assessment broadly prioritises the actions which might be funded (in respect of achieving the objectives above) given that the budget allocation was not known at the time of preparing the Impact Assessment.

The subsidiarity (Union added value/necessity for Union action) and proportionality dimensions of funding priorities were assessed. Changes in the scope and structure of the programme were analysed too.

- **Regulatory fitness and simplification**

Although this proposal is not linked to REFIT, it aims to alleviate the regulatory burdens and simplifying the delivery of the fund.

It also grants a preferential treatment to small beneficiaries with a higher aid intensity rate and specific forms of support for beneficiaries from small-scale coastal fisheries.

- **Fundamental rights**

Respect for the rule of law is an essential precondition for sound financial management and effective Union funding. Rules are laid down in the Regulation on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States. An enabling condition is introduced in the Common Provisions Regulation to ensure the respect of the Charter of Fundamental Rights. It is applicable to the EMFF.

#### **4. BUDGETARY IMPLICATIONS**

The multiannual financial framework provides that the Union budget must continue to support fisheries and maritime policies. The proposed EMFF budget amounts, in current prices, to EUR 6 140 000 000. EMFF resources are split between shared, direct and indirect management. EUR 5 311 000 000 is allocated to support under shared management and EUR 829 000 000 to support under direct and indirect management. Details on the financial impact of the EMFF are set out in the financial statement accompanying the proposal.

## 5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The proposal is linked to the monitoring, evaluation and reporting arrangements of the Common Provisions Regulation. These arrangements are implemented through a monitoring and evaluation framework established in the proposal.

The evaluations will be carried out in line with paragraphs 22 and 23 of the Interinstitutional Agreement of 13 April 2016, where the three institutions confirmed that evaluations of existing legislation and policy should provide the basis for impact assessments of options for further action. The evaluations will assess the programme's effects on the ground based on the programme's indicators and targets and a detailed analysis of the degree to which the programme can be deemed relevant, effective, efficient, provides enough Union added value and is coherent with other Union policies. They will include lessons learnt to identify any lacks and problems or any potential to further improve the actions or their results and to help maximise their exploitation and impact.

- **Explanatory documents (for directives)**

No applicable

- **Detailed explanation of the specific provisions of the proposal**

### *Objectives*

This proposal for a Regulation on the EMFF aims to support the achievement of the environmental, economic, social and employment objectives of the CFP, to foster the implementation of the Union's maritime policy and to support the Union's international commitments in the field of ocean governance. It is based on the following four priorities, which reflect the relevant policy objectives set out in the Common Provisions Regulation and aim to maximise the Union's contribution to the development of a sustainable blue economy:

- (1) Fostering sustainable fisheries and the conservation of marine biological resources;
- (2) Contributing to food security in the Union through competitive and sustainable aquaculture and markets;
- (3) Enabling the growth of a sustainable blue economy and fostering prosperous coastal communities;
- (4) Strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans.

Europe's maritime sector employs over 5 million jobs generating almost EUR 500 billion a year, with a potential to create many more jobs. The output of the global ocean economy is estimated at EUR 1.3 trillion today and this could more than double by 2030 (*The Ocean Economy in 2030*, OECD report). The need to meet CO<sub>2</sub> emissions 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 by Union structural funds, in particular the European Regional Development Fund (ERDF) and the European Maritime and Fisheries Fund (EMFF). New investment tools such as InvestEU must be utilised to meet the growth potential of the sector.

The Commission's proposal for the 2021-2027 multiannual financial framework sets a more ambitious goal for climate mainstreaming across all Union programmes, with an overall target of 25% of Union expenditures contributing to climate objectives. The contribution of the



EMFF to the achievement of this overall target will be tracked through a Union climate marker system at an appropriate level of disaggregation, including the use of more precise methodologies where these are available. The Commission will continue to present the information annually in terms of commitment appropriations in the context of the annual draft budget. To support the full utilisation of the potential of the EMFF to contribute to climate objectives, the Commission will seek to identify relevant actions throughout the preparation, implementation, review and evaluation processes.

The EMFF will also contribute to the environmental objectives of the Union. This contribution will be tracked through the application of Union environmental markers and reported regularly in the context of evaluations and the annual performance report.

### *Simplification*

The proposal aims to simplify the delivery of the EMFF compared to the very complex architecture under the 2014-2020 period. The 2014-2020 EMFF is indeed based on a precise and rigid description of financing possibilities and eligibility rules ('measures'), which has complicated the implementation for Member States and beneficiaries. Therefore, the EMFF beyond 2020 will move towards a simplified architecture along the following elements:

- **4 priorities** – These priorities describe the scope of support of the EMFF in line with the objectives of the CFP, of the maritime policy and of the international ocean governance actions.
- **Areas of support** – The articles of the Regulation do not lay down prescriptive measures but describe the different areas of support under each priority, providing a flexible framework for implementation.
- **No predefined measures or eligibility rules at Union level** – Under shared management, it is up to Member States to draw up their programme indicating therein the most appropriate means for achieving the priorities of the EMFF. They will be granted flexibility in the setting of the eligibility rules. A variety of measures identified by the Member States in the programmes may be supported under the rules set out in the EMFF and in the Common Provisions Regulation, provided they are covered by the areas of support.
- **Conditions and restrictions for certain areas** – It is necessary to set out a list of ineligible operations so as to avoid detrimental impacts in terms of fisheries conservation, for example a general prohibition of investments enhancing fishing capacity. Moreover, investments and compensations for the fishing fleet (permanent cessation of fishing activities, extraordinary cessation of fishing activities, acquisition of a vessel, engine replacement) will be strictly conditional upon their consistency with the conservation objectives of the CFP. This is key for ensuring that financial support is targeted to the achievement of those objectives.
- **Result indicators** – The performance of EMFF support will be assessed on the basis of indicators. Member States will report on progress towards established milestones and targets and the Commission will carry out an annual performance review based on annual performance reports prepared by Member States, allowing for early detection of potential implementation issues and corrective actions. A monitoring and evaluation framework will be established for that purpose.

Instead of listing the measures selected from a menu of eligible actions as currently, the national programmes should focus on the strategic priorities chosen by each Member State. This architecture will optimise programme implementation towards policy objectives on the basis of performance, in the context of an on-going dialogue between the Commission and

Member States on the achievement of results. Flexibility, result-orientation and mutual trust between the Commission and Member States are thus the three principles of an effective simplification.

Under shared management, programmes will be prepared by Member States and approved by the Commission. In the context of regionalisation and with a view to encouraging Member States to have a more strategic approach during the preparation of programmes, the Commission will develop an analysis for each sea basin indicating the common strengths and weaknesses with regard to the achievement of the objectives of the CFP. That analysis will guide both the Member States and the Commission in negotiating each programme taking into account regional challenges and needs.

When assessing the programmes, the Commission will take into account the environmental and socio-economic challenges of the CFP, the socio-economic performance of the sustainable blue economy, the challenges at sea basin level, the conservation and restoration of marine ecosystems, the reduction of marine litter and climate change mitigation and adaptation.

Simplification will also be achieved through the Common Provisions Regulation, where most provisions related to implementation, monitoring and control are set out.

#### *Allocation of resources*

The EMFF will be implemented under two delivery systems:

- under shared management by Member States through EMFF programmes based on national strategies,
- directly by the Commission under direct management.

The proposal is to preserve the 2014-2020 share of resources between shared management and direct management. In this context, it is proposed that EUR 5 311 000 000 is allocated to shared management (86.5%) and EUR 829 000 000 to direct management (13.5%). Such an allocation allows maintaining an appropriate balance between shared and directly managed resources.

Concerning shared management, after having deducted the value of the UK programme (EUR 243 million), Member States would retain, in nominal terms, 96.5% of their 2014-2020 allocation. In order to ensure stability in particular with regard to the achievement of the objectives of the CFP, the definition of national allocations will be based on the 2014-2020 shares.

It is also proposed that amounts for certain areas of support under shared management are ring-fenced:

- control and enforcement and collection and processing of data for fisheries management and scientific purposes (minimum 15% of the financial support allocated per Member State, except for land-locked countries),
- the outermost regions (ring-fenced amount covering both a compensation regime for additional costs and structural support).

#### *Conditionality*

The United Nations 2030 Agenda for Sustainable Development identified conservation and sustainable use of oceans as one of the 17 Sustainable Development Goals (SDG 14). 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 good environmental status, to prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, to eliminate subsidies that contribute to illegal, unreported and unregulated fishing and to refrain from introducing new such subsidies. This outcome should be reached by 2020 and result from the World Trade Organisation fisheries subsidies negotiation.

In addition, in the course of World Trade Organisation 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.

Moreover, Article 42 of the CFP Regulation provides that Union financial assistance under the EMFF must be conditional upon compliance with the rules of the CFP. Therefore, applications from beneficiaries that do not comply with the applicable rules of the CFP will not be admissible. In addition, the Commission will be granted powers to act against Member States that do not comply with the rules of the CFP.

#### *Fostering sustainable fisheries and the conservation of marine biological resources*

The CFP shall ensure that fishing and aquaculture activities are environmentally sustainable in the long-term and are managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies. It shall aim to ensure that exploitation of living marine biological resources restores and maintains populations of harvested species above levels which can produce the maximum sustainable yield (MSY). It shall also ensure that negative impacts of fishing activities on the marine ecosystem are minimised, and that aquaculture and fisheries activities avoid the degradation of the marine environment (Article 2 of the CFP Regulation).

Much has been achieved over the last few years in bringing fish stocks back to healthy levels, in increasing the profitability of the Union's fishing industry and in conserving marine ecosystems. However, substantial challenges remain to achieve the socio-economic and environmental objectives of CFP. This requires continued support beyond 2020, notably in sea basins where progress has been slower. 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.

Support under Priority 1 aims to achieve the environmental, economic, social and employment objectives of the CFP, as defined in Article 2 of the CFP Regulation. Such support should ensure that fishing activities are environmentally sustainable in the long-term and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies.

In particular, support from the EMFF will aim to achieve and maintain sustainable fishing based on the MSY and to minimise the negative impacts of fishing activities on the marine ecosystem. That support will include innovation and investments in low-impact, climate resilient and low-carbon fishing practices and techniques.

The landing obligation is one of the main challenges of the CFP. It has implied significant changes in fishing practices for the sector, sometimes with an important financial cost. The EMFF will therefore support innovation and investments that contribute to the implementation of the landing obligation, with a higher aid intensity rate than the one that applies to other operations, like investments in selective fishing gears, in the improvement of port infrastructures and in the marketing of unwanted catches. It will also grant a maximum aid intensity 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.

Support under Priority 1 may also cover innovation and investments on board fishing vessels in order to improve health, safety and working conditions, energy efficiency and the quality of catches. Such support should, however, not lead to an increase of fishing capacity or ability to find fish and should not be granted simply for complying with requirements that are obligatory under Union or national law. 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 will be allowed.

Fisheries control is of utmost importance for the implementation of the CFP. Therefore, under shared management, the EMFF will support the development and implementation of a Union fisheries control system, as specified in the Control Regulation. Certain obligations foreseen by the revision of the Control Regulation (vessel tracking and electronic reporting systems, remote electronic monitoring systems, continuous measurement and recording of propulsive engine power) justify a specific support for a quick and efficient enforcement by Member States and fishers. In addition, investments by Member States in control assets could also be used for the purpose of maritime surveillance and cooperation on coastguard functions.

The success of the CFP is also 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 to obtain reliable and complete data, it is necessary to support Member States' actions to collect and process data in line with the Data Collection Framework Regulation and to contribute to the best available scientific advice. That support will allow synergies with the collection and processing of other types of marine data.

The EMFF will also support an effective knowledge-based implementation and governance of the CFP under direct and indirect management through the provision of scientific advice, the development and implementation of a Union fisheries control system, the functioning of Advisory Councils and voluntary contributions to international organisations.

#### *Targeting fleet management to conservation objectives*

Given the challenges to achieve a sustainable exploitation of marine biological resources in line with the conservation objectives of the CFP, the EMFF will support the management of fisheries and fishing fleets. In this context, support for fleet adaptation remains sometimes necessary with regard to certain fleet segments and sea basins. Such support should be tightly targeted to the conservation and sustainable exploitation of marine biological resources and aimed to achieve balance between the fishing capacity and the available fishing opportunities. Therefore, the EMFF may support the permanent cessation of fishing activities in fleet segments where the fishing capacity is not balanced with the available fishing opportunities. Such support will 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 the CFP Regulation, and will 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 will only be granted if in line with the CFP and the objectives of the relevant multiannual plans.

In the past, support for the permanent cessation of fishing activities was not sufficiently targeted and did not efficiently address the structural unbalances of the fishing fleet. In order to ensure the consistency of fleet structural adaptation with conservation objectives, such support will be strictly conditional and linked to the achievement of results. It is therefore proposed to implement it only by 'financing not linked to costs', as provided for in the

Common Provisions Regulation. Under that mechanism, Member States will not be reimbursed by the Commission for permanent cessation of fishing activities on the basis of real costs incurred but on the basis of the fulfilment of conditions and of the achievement of results. For this purpose, the Commission will establish in a delegated act such conditions, which will relate to the achievement of the conservation objectives of the CFP.

#### *Compensation for the extraordinary cessation of fishing activities*

Given the high level of unpredictability of fishing activities, extraordinary circumstances may cause significant economic losses to fishers. In order to mitigate those consequences, the EMFF may support a compensation for the extraordinary cessation of fishing activities caused by the implementation of certain conservation measures (i.e. multiannual plans, targets for the conservation and sustainable exploitation of stocks, measures to adapt the fishing capacity of fishing vessels to available fishing opportunities and technical measures), by emergency measures (e.g. the closure of a fishery), by the interruption, due to reasons of force majeure, of the application of a sustainable fisheries partnership agreement, by a natural disaster or by an environmental incident.

Such support will be granted only if impact on fishers of such circumstances is significant, i.e. if the commercial activities of the vessel concerned are stopped during at least 90 consecutive days and if the economic losses resulting from the cessation amount to more than 30% of the average annual turnover of the business concerned during a specified period of time.

#### *Preferential treatment for small scale coastal fishing and outermost regions*

Small-scale coastal fishing is carried out by fishing vessels below 12 metres and not using towed fishing gears. That sector represents nearly 75% of all fishing vessels registered in the Union and nearly half of all employment in the fishery sector. Operators from small-scale coastal fisheries are particularly dependant on healthy fish stocks for their main source of income. The EMFF will therefore give them a preferential treatment through a 100% aid intensity rate, with the aim of encouraging their sustainable fishing practices. In addition, certain areas of support will be reserved for small-scale fishing in fleet segment where the fishing capacity is balanced with the available fishing opportunities, i.e. the acquisition of a second-hand vessel and the replacement or modernisation of a vessel's engine. Furthermore, Member States will include in their programme an action plan for small-scale coastal fishing, which will be monitored on the basis of indicators for which milestones and targets will be set.

The outermost regions, as outlined in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank of 24 October 2017 entitled 'A stronger and renewed strategic partnership with the EU's outermost regions', face specific challenges linked to their remoteness, topography and climate as referred to in Article 349 of the Treaty and also have specific assets on which to develop a sustainable blue economy. Therefore, for each outermost region, an action plan for the sustainable development of sustainable blue economy sectors, including the sustainable exploitation of fisheries and aquaculture, will be attached to the programme of the concerned Member States and a financial allocation will be reserved to support the implementation of those action plans. The EMFF may also support a compensation of the additional costs the outermost regions face due to their location and insularity. That support will be capped as a percentage of this overall financial allocation. In addition, a higher aid intensity rate than the one that applies to other operations will be applied in the outermost regions.

### *Protection and restoration of marine biodiversity and ecosystems*

The protection and restoration of marine and coastal biodiversity and ecosystems is a key challenge for achieving healthy seas and oceans. Under shared management, the EMFF will contribute to this objective through support for the collection by fishers of lost fishing gears and marine litter from the sea and for investments in ports to provide adequate reception facilities for lost fishing gears and marine litter. It will also support actions to achieve or maintain a good environmental status in the marine environment as set out in the Maritime Strategy Framework Directive, for the implementation of spatial protection measures established pursuant to that Directive, for the management, restoration and monitoring of NATURA 2000 areas and for the protection of species under the 'Habitats' and 'Birds' Directives

Under direct management, the EMFF will contribute to the promotion of clean and healthy seas and to the implementation of the European Strategy for Plastics in a Circular Economy developed in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 16 January 2016, in coherence with the objective of achieving or maintaining a good environmental status in the marine environment.

### *Contributing to food security in the Union*

Fisheries and aquaculture contribute to food security and nutrition. However, 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.

In this context, aquaculture has a role to play. The EMFF may therefore 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 should be consistent with the multiannual national strategic plans for aquaculture developed on the basis of the CFP Regulation. In particular, support for environmental sustainability, productive investments, innovation, acquisition of professional skills, improvement of working conditions, compensatory measures providing critical land and nature management services will be eligible. Public health actions, aquaculture stock insurance schemes and animal health and welfare actions will also be eligible. However, in the case of productive investments support will be provided only through financial instruments and through InvestEU, which offer a higher leverage on markets and are therefore more relevant than grants to address the financing challenges of the sector.

Food security also 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, the EMFF may support the marketing of fishery and aquaculture products, in line with the objectives of the Common Market Organisation (CMO). It may in particular support 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.

The processing industry also plays a role in the availability and quality of fishery and aquaculture products. The EMFF may support targeted investments in that industry, provided

they contribute to the achievement of the objectives of the CMO. The latest data show a healthy performance for the Union processing sector, therefore support will be provided only through financial instruments and through InvestEU and not through grants. Large-scale investments may be supported by the European Regional Development Fund (ERDF).

*Enabling the growth of a sustainable blue economy and fostering prosperous coastal communities*

Job creation in coastal regions relies on a 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 service, which can create jobs and at the same time enhance local development. Whilst public investment in the sustainable blue economy should be mainstreamed throughout the Union budget, the EMFF will specifically concentrate on enabling conditions for the development of the sustainable blue economy and on removing bottlenecks to facilitate investment and the development of new markets and technologies or services.

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 EMFF will provide tools to foster such partnerships. For that purpose, it will support community-led local development (CLLD) under shared management. CLLD has been a very successful instrument during the 2014-2020 period. Such strategies indeed boost economic diversification in a local context through the development of coastal and inland fisheries, aquaculture and a sustainable blue economy. They should ensure that local communities better exploit and benefit from the opportunities offered by the sustainable blue economy, capitalising on and strengthening environmental, cultural, social and human resources. Compared to the 2014-2020 period, the scope of CLLD strategies supported by the EMFF will be extended: every local partnership should reflect the main focus of its strategy by ensuring a balanced involvement and representation of all relevant stakeholders from the local sustainable blue economy.

Under shared management, the EMFF will also support a sustainable blue economy 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 the Habitats and Birds Directives, to support maritime spatial planning and to increase data quality and sharing through the European marine observation and data network.

Under direct and indirect management, the EMFF will 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.

*Strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans*

60% of the oceans are beyond the borders of national jurisdiction. This implies a shared international responsibility. Most problems facing the oceans are transboundary in nature such as overexploitation, climate change, acidification, pollution and declining biodiversity, and

therefore require a shared response. Under the United Nations Convention on the Law of the Sea, to which the Union is a Party, 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.

As a global actor, the Union is strongly committed to promoting international ocean governance, in accordance with the Joint Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 10 November 2016 entitled 'International Ocean Governance: and agenda for the future of our oceans'. The Union's ocean governance policy is a new policy that covers the oceans in an integrated manner. International ocean governance is not only core to achieve the 2030 Agenda for Sustainable Development, and in particular Sustainable Development Goal 14 ('Conserve and sustainably use the oceans, seas and marine resources for sustainable development'), 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 illegal, unreported and unregulated 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. The EMFF will support those international commitments and objectives under direct management.

Actions promoting international ocean governance under the EMFF are to improve the overarching framework of international and regional processes, agreements, rules and institutions to regulate and manage human activity in the oceans. The EMFF will fund international arrangements that the Union has concluded in areas not covered by the Sustainable Fisheries Partnership Agreements (SFPAs) established with various third countries as well as the Union's legal membership contribution to regional fisheries management organisations (RFMOs). SFPAs and RFMOs will continue to be funded under different strands of the Union budget.

With regard to security and defence, improved border protection and maritime surveillance 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 2016, 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 EMFF will therefore support maritime surveillance and coastguard cooperation under both shared and direct management, including by purchasing assets for multipurpose maritime operations. It will also allow the relevant agencies to implement support in the field of maritime surveillance and security under indirect management.



Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council**

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 Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) It is necessary to establish a European Maritime and Fisheries Fund (EMFF) for the 2021-2027 period. That fund should aim to target 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.
- (2) As a global ocean actor and the world's fifth largest producer of seafood, the Union has a strong responsibility to protect, conserve and sustainably use the oceans and their resources. Preserving seas and oceans is indeed vital for a rapidly growing world population. It is also of socio-economic interest for the Union: a sustainable blue economy boosts investments, jobs and growth, fosters research and innovation and contributes to energy security through ocean energy. Moreover, safe and secure seas and oceans are essential for an efficient border control and for the global fight against maritime crime, thereby addressing citizens' security concerns.
- (3) Regulation (EU) xx/xx of the European Parliament and of the Council [Regulation laying down Common Provisions] ('Common Provisions Regulation')<sup>3</sup> has been adopted in order to improve the coordination and harmonise the implementation of support under Funds in shared management (the 'Funds'), with the main aim of

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<sup>1</sup> OJ C [...], [...], p. [...].

<sup>2</sup> OJ C [...], [...], p. [...].

<sup>3</sup> OJ C [...], [...], p. [...].

simplifying policy delivery in a coherent way. Those common provisions apply to the part of the EMFF under shared management. The Funds pursue complementary objectives and share the same management mode. Therefore Regulation (EU) No [Regulation laying down Common Provisions] 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 includes enabling conditions, a performance review and arrangements for monitoring, reporting and evaluation. Common provisions are also set out with regard to eligibility rules, and special arrangements are defined for financial instruments, use of InvestEU, community-led local development and financial management. Some management and control arrangements are also common to all Funds. Complementarities between the Funds, including the EMFF, and other Union programmes should be described in the Partnership Agreement, in accordance with Regulation (EU) No [Regulation laying down Common Provisions].

- (4) 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 apply to this Regulation. These rules are laid down in Regulation (EU) xx/xx of the European Parliament and of the Council [Regulation on the financial rules applicable to the general budget of the Union] ('Financial Regulation')<sup>4</sup> and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 of the Treaty also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective Union funding.
- (5) Under direct management, the EMFF 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 in accordance with Regulation (EU) xx/xx of the European Parliament and of the Council [Regulation on InvestEU]<sup>5</sup>.
- (6) Support under the EMFF should be used to address market failures or sub-optimal investment situations, in a proportionate manner, and should not duplicate or crowd out private financing or distort competition in the internal market. Support should have a clear European added value.
- (7) 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 Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union].

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<sup>4</sup> OJ C [...], [...], p. [...].

<sup>5</sup> OJ C [...], [...], p. [...].

- (8) The multiannual financial framework set out in Regulation (EU) xx/xx<sup>6</sup> provides that the Union budget must continue to support fisheries and maritime policies. The EMFF budget should amount, in current prices, to EUR 6 140 000 000. EMFF resources should be split between shared, direct and indirect management. EUR 5 311 000 000 should be allocated to support under shared management and EUR 829 000 000 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 EMFF 2014-2020 shares. Specific amounts should be reserved for the outermost regions, control and enforcement and collection and processing of data for fisheries management and scientific purposes, while amounts for permanent cessation and extraordinary cessation of fishing activities should be capped.
- (9) Europe's maritime sector employs over 5 million jobs generating almost EUR 500 billion a year, with a potential to create many more jobs. The output of the global ocean economy is estimated at EUR 1.3 trillion today and this could more than double by 2030. The need to meet CO2 emissions 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 by Union structural funds, in particular the European Regional Development Fund (ERDF) and the EMFF. New investment tools such as InvestEU must be utilised to meet the growth potential of the sector.
- (10) The EMFF should be based on four priorities: fostering sustainable fisheries and the conservation of marine biological resources; contributing to food security in the Union through competitive and sustainable aquaculture and markets; enabling the growth of a sustainable blue economy and fostering prosperous coastal communities; strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans. Those priorities should be pursued through shared, direct and indirect management.
- (11) The EMFF beyond 2020 should be based on a simplified architecture without predefining measures and detailed eligibility rules at Union level in an overly prescriptive manner. Instead, broad areas of support should be described under each priority. Member States should thus draw up their programme indicating therein the most appropriate means for achieving the priorities. A variety of measures identified by the Member States in those programmes might be supported under the rules set out in this Regulation and in Regulation (EU) No [Regulation laying down Common Provisions], provided they are covered by the areas of support identified in this Regulation. However, it is necessary to set out a list of ineligible operations so as to avoid detrimental impacts in terms of fisheries conservation, for example a general prohibition of investments enhancing fishing capacity. Moreover, investments and compensations for the fleet should be strictly conditional on their consistency with the conservation objectives of the CFP.
- (12) The United Nations 2030 Agenda for Sustainable Development identified conservation and sustainable use of oceans as one of the 17 Sustainable Development Goals (SDG 14). 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

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<sup>6</sup> OJ C [...], [...], p. [...].

with maritime spatial planning, the conservation of biological resources and the achievement of good environmental status, to prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, to eliminate subsidies that contribute to illegal, unreported and unregulated fishing and to refrain from introducing new such subsidies. This outcome should result from the World Trade Organisation fisheries subsidies negotiation. In addition, in the course of World Trade Organisation 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.

- (13) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Regulation should contribute to mainstream climate actions and to the achievement of an overall target of 25% of the Union budget expenditures supporting climate objectives. Actions under this Regulation are expected to contribute to 30% of the overall financial envelope of the EMFF to climate objectives. Relevant actions will be identified during the preparation and implementation of the EMFF, and reassessed in the context of the relevant evaluations and review processes.
- (14) The EMFF should contribute to the achievement of the environmental objectives of the Union. This contribution should be tracked through the application of Union environmental markers and reported regularly in the context of evaluations and annual performance reports.
- (15) In accordance with Article 42 of Regulation (EU) No 1380/2013 of the European Parliament and of the Council ('CFP Regulation')<sup>7</sup>, Union financial assistance under the EMFF should be conditional upon compliance with the rules of the CFP. Applications from beneficiaries that do not comply with the applicable rules of the CFP should not be admissible.
- (16) In order to address the specific conditions of the CFP referred to in Regulation (EU) No 1380/2013 and to contribute to the compliance with the rules of the CFP, provisions additional to the rules on interruption, suspension and financial corrections as set out in Regulation (EU) No [Regulation laying down Common Provisions] should be laid down. Where a Member State or a beneficiary has failed to comply with its obligations under the CFP, or where the Commission has evidence that suggests such a 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 rules of the CFP by a Member State.
- (17) Much has been achieved over the last few years by the CFP in bringing fish stocks back to healthy levels, in increasing the profitability of the Union's fishing industry and in conserving marine ecosystems. However, substantial challenges remain to

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<sup>7</sup> 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).

achieve the socio-economic and environmental objectives of CFP. This requires continued support beyond 2020, notably in sea basins where progress has been slower.

- (18) 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.
- (19) The EMFF should aim to achieve the environmental, economic, social and employment objectives of the CFP, as defined in Article 2 of Regulation (EU) No 1380/2013. Such support should ensure that fishing activities are environmentally sustainable in the long-term and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies.
- (20) Support from the EMFF should aim to achieve and maintain sustainable fishing based on the maximum sustainable yield (MSY) and to minimise the negative impacts of fishing activities on the marine ecosystem. That support should include innovation and investments in low-impact, climate resilient and low-carbon fishing practices and techniques.
- (21) The landing obligation is one of the main challenges of the CFP. It has implied significant changes in fishing practices for the sector, sometimes with an important financial cost. It should therefore be possible for the EMFF to support innovation and investments that contribute to the implementation of the landing obligation, with a higher aid intensity rate than the one that applies to other operations, like investments in selective fishing gears, in the improvement of port infrastructures and in the marketing of unwanted catches. It should also 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.
- (22) It should be possible for the EMFF to support innovation and investments on board fishing vessels in order to improve health, safety and working conditions, energy efficiency and the quality of catches. Such support should, however, not lead to an increase of fishing capacity or ability to find fish and should not be granted simply for complying with requirements that are obligatory under Union or national law. Under the architecture with no prescriptive measures, it should be up to Member States to define 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.
- (23) Fisheries control is of utmost importance for the implementation of the CFP. Therefore, the EMFF should support under shared management the development and implementation of a Union fisheries control system as specified in Council Regulation (EC) No 1224/2009 ('Control Regulation')<sup>8</sup>. Certain obligations foreseen by the

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<sup>8</sup> 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).

revision of the Control Regulation justify a specific support from the EMFF, i.e. the compulsory vessel tracking and electronic reporting systems in the case of small-scale coastal fishing vessels, the 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 purpose of maritime surveillance and cooperation on coastguard functions.

- (24) 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 to obtain reliable and complete data, it is necessary to support Member States' actions to collect and process data in line with Regulation (EU) No 2017/1004 of the European Parliament and of the Council ('Data Collection Framework Regulation')<sup>9</sup> and to contribute to the best available scientific advice. This support should allow synergies with the collection and processing of other types of marine data.
- (25) The EMFF should support an effective knowledge-based implementation and governance of the CFP under direct and indirect management through the provision of scientific advice, the development and implementation of a Union fisheries control system, the functioning of Advisory Councils and voluntary contributions to international organisations.
- (26) Given the challenges to achieve the conservation objectives of the CFP, it should be possible for the EMFF to support actions for the management of fisheries and fishing fleets. In this context, support for fleet adaptation remains sometimes necessary with regard to certain fleet segments and sea basins. Such support should be tightly targeted to the conservation and sustainable exploitation of marine biological resources and aimed to achieve balance between the fishing capacity and the available fishing opportunities. Therefore, it should be possible for the EMFF 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 in line with the CFP and the objectives of the relevant multiannual plans. In order to ensure the consistency of fleet structural adaptation with conservation objectives, support for the permanent cessation of fishing activities should be strictly conditional and linked to the achievement of results. It should therefore be implemented only by financing not linked to costs, as provided for in Regulation (EU) No [Regulation laying down Common Provisions]. Under that mechanism, Member States should not be reimbursed by the Commission for permanent cessation of fishing activities on the basis of real costs incurred but on the basis of the fulfilment of conditions and of the achievement of results. For this purpose, the Commission should establish in a delegated act such conditions, which should relate to the achievement of the conservation objectives of the CFP.

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<sup>9</sup> 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, 20.06.2017, p. 1).

- (27) Given the high level of unpredictability of fishing activities, exceptional circumstances may cause significant economic losses to fishers. In order to mitigate those consequences, it should be possible for the EMFF to support a compensation for the extraordinary cessation of fishing activities caused by the implementation of certain conservation measures, i.e. multiannual plans, targets for the conservation and sustainable exploitation of stocks, measures to adapt the fishing capacity of fishing vessels to available fishing opportunities and technical 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, by a natural disaster or by an environmental incident. Support should be granted only if the impact on fishers of such circumstances is significant, i.e. if the commercial activities of the vessel concerned are stopped during at least 90 consecutive days and if the economic losses resulting from the cessation amount to more than 30% of the average annual turnover of the business concerned during a specified period of time. The specificities of eel fisheries should be taken into account in the conditions for granting such support.
- (28) Small-scale coastal fishing is carried out by fishing vessels below 12 metres and not using towed fishing gears. That sector represents nearly 75% of all fishing vessels registered in the Union and nearly half of all employment in the fishery sector. Operators from small-scale coastal fisheries are particularly dependant on healthy fish stocks for their main source of income. The EMFF should therefore give them a preferential treatment through a 100% aid intensity rate, including for operations related to control and enforcement, with the aim of encouraging sustainable fishing practices. In addition, certain areas of support should be reserved for small-scale fishing in fleet segment where the fishing capacity is balanced with the available fishing opportunities, i.e. support for the acquisition of a second-hand vessel and for engine replacement or modernisation. Furthermore, Member States should include in their programme an action plan for small-scale coastal fishing, which should be monitored on the basis of indicators for which milestones and targets should be set.
- (29) The outermost regions, as outlined in the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank of 24 October 2017 entitled 'A stronger and renewed strategic partnership with the EU's outermost regions'<sup>10</sup>, face specific challenges linked to their remoteness, topography and climate as referred to in Article 349 of the Treaty 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 the sustainable exploitation of fisheries and aquaculture, should be attached to the programme of the concerned Member States and a financial allocation should be reserved to support the implementation of those action plans. It should also be possible for the EMFF to support a compensation of the additional costs the outermost regions face due to their location and insularity. That support should be capped as a percentage of this 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.
- (30) Under shared management, it should be possible for the EMFF to support the protection and restoration of marine and coastal biodiversity and ecosystems. For that

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<sup>10</sup> COM(2017) 623

purpose, support should be available to compensate the collection by fishers of lost fishing gears and marine litter from the sea and for investments in ports to provide adequate reception facilities for lost fishing gears 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 of the European Parliament and of the Council ('Maritime Strategy Framework Directive')<sup>11</sup>, for the implementation of spatial protection measures established pursuant to that Directive and, in accordance with the prioritised action frameworks established pursuant to Council Directive 92/43/EEC ('Habitats Directive')<sup>12</sup>, for the management, restoration and monitoring of NATURA 2000 areas as well as for the protection of species under Directive 92/43/EEC and Directive 2009/147/EC of the European Parliament and of the Council ('Birds Directive')<sup>13</sup>. Under direct management, the EMFF 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 from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 16 January 2016<sup>14</sup>, in coherence with the objective of achieving or maintaining a good environmental status in the marine environment.

- (31) Fisheries and aquaculture contribute to food security and nutrition. However, 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.
- (32) It should be possible for the EMFF 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 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, 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. However, in the case of productive investments support should be provided only through financial instruments and through InvestEU, which offer a higher leverage on markets and are therefore more relevant than grants to address the financing challenges of the sector.
- (33) 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

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<sup>11</sup> 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 (OJ L 164, 25.6.2008, p. 19).

<sup>12</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.07.1992, p. 7).

<sup>13</sup> 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, 26.01.2010, p. 7).

<sup>14</sup> COM(2018) 28



information. For that purpose, it should be possible for the EMFF to support the marketing of fishery and aquaculture products, in line with the objectives of Regulation (EU) No 1379/2013 of the European Parliament and of the Council ('CMO Regulation')<sup>15</sup>. 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.

- (34) The processing industry plays a role in the availability and quality of fishery and aquaculture products. It should be possible for the EMFF to support targeted investments in that industry, provided they contribute to the achievement of the objectives of the CMO. Such support should be provided only through financial instruments and through InvestEU and not through grants.
- (35) Job creation in coastal regions relies on a 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 service, which can create jobs and at the same time enhance local development. Whilst public investment in the sustainable blue economy should be mainstreamed throughout the Union budget, the EMFF should specifically concentrate on enabling conditions for the development of the sustainable blue economy and on removing bottlenecks to facilitate investment and the development of new markets and technologies or services. Support for the development of the sustainable blue economy should be delivered through shared, direct and indirect management.
- (36) 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 EMFF should provide tools to foster such partnerships. For that purpose, support for community-led local development (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 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.
- (37) Under shared management, it should be possible for the EMFF to support the sustainable blue economy 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 Directive 92/43/EEC and Directive 2009/147/EC, to support maritime spatial planning and to increase data quality and sharing through the European marine observation and data network.

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<sup>15</sup> 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).

- (38) Under direct and indirect management, the EMFF 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.
- (39) 60% of the oceans are beyond the borders of national jurisdiction. This implies a shared international responsibility. Most problems facing the oceans are transboundary in nature such as overexploitation, climate change, acidification, pollution and declining biodiversity, 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/EC<sup>16</sup>, 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.
- (40) As a global actor, the Union is strongly committed to promoting international ocean governance, in accordance with the Joint Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 10 November 2016 entitled 'International Ocean Governance: and agenda for the future of our oceans'<sup>17</sup>. The Union's ocean governance policy is a new policy that covers the oceans in an integrated manner. International ocean governance is not only core to achieve the 2030 Agenda for Sustainable Development, and in particular Sustainable Development Goal 14 ('Conserve and sustainably use the oceans, seas and marine resources for sustainable development'), 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 illegal, unreported and unregulated 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.
- (41) Actions promoting international ocean governance under the EMFF are to improve the overarching framework of international and regional processes, agreements, rules and institutions to regulate and manage human activity in the oceans. The EMFF should fund international arrangements that the Union has concluded in areas not covered by the Sustainable Fisheries Partnership Agreements (SFPAs) established with various third countries as well as the Union's legal membership contribution to regional fisheries management organisations (RFMOs). SFPAs and RFMOs will continue to be funded under different strands of the Union budget.

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<sup>16</sup> 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, 23.06.1998, p. 1).

<sup>17</sup> JOIN(2016) 49

- (42) 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 EMFF should therefore support maritime surveillance and coastguard 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.
- (43) Under shared management, each Member States should prepare one single programme that should be approved by the Commission. In the context of regionalisation and with a view to encouraging Member States to have a more strategic approach during the preparation of programmes, the Commission should develop an analysis for each sea basin 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. When assessing the programmes, the Commission should take into account the environmental and socio-economic challenges of the CFP, the socio-economic performance of the sustainable blue economy, the challenges at sea basin level, the conservation and restoration of marine ecosystems, the reduction of marine litter and climate change mitigation and adaptation.
- (44) Performance of EMFF support in Member States should be assessed on the basis of indicators. Member States should report on progress towards established milestones and targets and the Commission should carry out a performance review based on annual performance reports prepared by Member States, allowing for early detection of potential implementation issues and corrective actions. A monitoring and evaluation framework should be established for that purpose.
- (45) Pursuant to paragraphs 22 and 23 of the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission of 13 April 2016 on Better Law-Making<sup>18</sup>, there is a need to evaluate the EMFF on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the EMFF on the ground.
- (46) The Commission should implement information and communication actions relating to the EMFF, and its actions and results. Financial resources allocated to the EMFF should also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the priorities of the EMFF.
- (47) In accordance with Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union], Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>19</sup>, Council Regulation (Euratom, EC) No

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<sup>18</sup> Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission of 13 April 2016 on Better Law-Making (OJ L 123, 12.05.2016, p. 1).

<sup>19</sup> 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)

2988/95<sup>20</sup>, Council Regulation (Euratom, EC) No 2185/96<sup>21</sup> and Council Regulation (EU) 2017/1939<sup>22</sup>, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) might 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. In accordance with Council Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) might investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>23</sup>. In accordance with Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union], any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights. Member States should ensure that in the management and implementation of the EMFF, the financial interests of the Union are protected, in accordance with Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union] and Regulation (EU) No [Regulation laying down Common Provisions].

- (48) 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 EMFF should be published on a website of Member State in accordance with Regulation (EU) No [Regulation laying down Common Provisions]. When a Member State publishes information on operations funded under EMFF, the rules on the protection of personal data set out in Regulation (EU) No 2016/679 of the European Parliament and of the Council<sup>24</sup> are to be complied with.
- (49) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the identification of the threshold triggering and the length of period of time of inadmissibility with regard to the

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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, 18.09.2013, p. 1).

<sup>20</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

<sup>21</sup> 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).

<sup>22</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office (OJ L 283, 31.10.2017, p. 1).

<sup>23</sup> 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).

<sup>24</sup> Regulation (EU) No 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, 04.05.2016, p. 1).

admissibility criteria of applications, the definition of conditions related to the implementation of conservation measures for financing not linked to costs with regard to the permanent cessation of fishing activities, the definition of criteria for the calculation of the additional costs resulting from the specific handicaps of the outermost regions, the definition of the cases of non-compliance by Member States which can trigger interruption of the payment deadline, the definition of the cases of serious non-compliance by Member States which can trigger suspension of payments, the definition of the criteria for establishing the level of financial corrections to be applied and the criteria for applying flat rates or extrapolated financial corrections, the amendment of Annex I and the establishment of a monitoring and evaluation framework. In order to facilitate a smooth transition from the scheme established by Regulation (EU) No 508/2014 of the European Parliament and of the Council<sup>25</sup> to the scheme established by this Regulation, the power to adopt delegated acts in accordance with Article 290 of the Treaty should also be delegated to the Commission in respect of establishing transitional conditions.

- (50) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred to the Commission in respect of the approval and amendment of the operational programmes, the approval and amendment of the national work plans for data collection, the suspension of payments and financial corrections.
- (51) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred to the Commission in respect of the procedures, format and timetables for the submission of the national work plans for data collection and the presentation of the annual performance reports.

HAVE ADOPTED THIS REGULATION:

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<sup>25</sup> 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, 20.05.2014, p. 1).

# TITLE I: GENERAL FRAMEWORK

## CHAPTER I

### General provisions

#### *Article 1*

##### *Subject-matter*

This Regulation establishes the European Maritime and Fisheries Fund (EMFF). It lays down the priorities of the EMFF, the budget for the period 2021-2027, the forms of Union funding and the specific rules for providing such funding, complementing the general rules applying to the EMFF under Regulation (EU) No [Regulation laying down Common Provisions].

#### *Article 2*

##### *Geographical scope*

This Regulation shall apply to operations carried out in the territory of the Union, unless otherwise provided for in this Regulation.

#### *Article 3*

##### *Definitions*

1. For the purpose of this Regulation and without prejudice to paragraph 2, 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 and Article 2 of Regulation (EU) No [Regulation laying down Common Provisions] shall apply.
2. For the purpose of this Regulation, the following definitions apply:
  - (1) 'blending operation' means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union], combining non-repayable forms of support and/or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;
  - (2) 'common information sharing environment' (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;
  - (3) 'coastguard' means national authorities performing coastguard 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 and other activities related to those functions;

- (4) 'European marine observation and data network' (EMODnet) means a partnership assembling marine data and metadata in order to make these fragmented resources more available and usable by public and private users by offering quality-assured, interoperable and harmonised marine data;
- (5) 'exploratory fishing' means fishing for stocks that have not been subject to fishing or have not been subject to fishing by a particular gear type or technique in the previous ten years;
- (6) 'fisher' means any natural person engaging in commercial fishing activities, as recognised by the relevant Member State;
- (7) 'inland fishing' means fishing activities carried out for commercial purposes in inland waters by vessels or other devices, including those used for ice fishing;
- (8) '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 to ensure that oceans are healthy, safe, secure, clean and sustainably managed;
- (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, notably 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 the activities 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) 'productive aquaculture investments' means investments in the construction, extension, modernisation or in the equipment of facilities for aquaculture production;
- (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 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 countries concerned, their regions and other stakeholders as appropriate;

- (14) ‘small-scale coastal fishing’ means fishing carried out by fishing vessels of an overall length of less than 12 metres and not using towed gear as listed in Article 2(1) of Council Regulation (EC) No 1967/2006<sup>26</sup>;
- (15) ‘sustainable blue economy’ means all sectoral and cross-sectoral economic activities throughout the single market related to oceans, seas, coasts and inland waters, covering the Union's outermost regions and landlocked countries, including emerging sectors and non-market goods and services and being consistent with Union environmental legislation.

#### *Article 4*

#### *Priorities*

The EMFF shall contribute to the implementation of the CFP and of the maritime policy. It shall pursue the following priorities:

- (1) Fostering sustainable fisheries and the conservation of marine biological resources;
- (2) Contributing to food security in the Union through competitive and sustainable aquaculture and markets;
- (3) Enabling the growth of a sustainable blue economy and fostering prosperous coastal communities;
- (4) Strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans.

Support under the EMFF 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 5*

#### *Budget*

1. The financial envelope for the implementation of the EMFF for the period 2021-2027 shall be EUR 6 140 000 000 in current prices.
2. The part of the financial envelope allocated to the EMFF under Title II shall be implemented in shared management in accordance with Regulation (EU) No [Regulation laying down Common Provisions] and Article 63 of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union].

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<sup>26</sup> 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).



3. The part of the financial envelope allocated to the EMFF under Title III shall be implemented either directly by the Commission in accordance with Article 62(1)(a) of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union] or within the framework of indirect management in accordance with Article 62(1)(c) of that Regulation.

#### *Article 6*

##### *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 21 shall not exceed 50% of each of the allocations referred to in points (a), (b) and (c) of paragraph 2.
4. At least 15% of the Union financial support allocated per Member State shall be allocated to the areas of support referred to in Articles 19 and 20. 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 EMFF allocated per Member State to the areas of support referred to in Articles 17(2) and 18 shall not exceed the higher of the following two thresholds:
  - (a) EUR 6 000 000; or
  - (b) 10% of the Union financial support allocated per Member State.
6. In accordance with Articles 30 to 32 of Regulation (EU) No [Regulation laying down Common Provisions], the EMFF may support technical assistance for the effective administration and use of this Fund at the initiative of a Member State.

#### *Article 7*

##### *Financial distribution for shared management*

The resources available for commitments by Member States referred to in Article 6(1) for the period from 2021 to 2027 are set out in the table in Annex V.

## Article 8

### *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 829 000 000 in current prices.
2. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the EMFF, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.

In particular, the EMFF may support, at the initiative of the Commission and subject to the ceiling of 1.7% of the financial envelope referred to in Article 5(1):

- (a) technical assistance for the implementation of this Regulation as referred to in Article 29 of Regulation (EU) No [Regulation laying down Common Provisions];
  - (b) the preparation, monitoring and evaluation of sustainable fisheries partnership agreements and the Union participation in regional fisheries management organisations;
  - (c) the setting-up of a European network of local action groups.
3. The EMFF shall support the costs of information and communication activities linked to the implementation of this Regulation.

## CHAPTER III

### Programming

## Article 9

### *Programming for support under shared management*

1. In accordance with Article 16 of Regulation (EU) No [Regulation laying down Common Provisions], each Member State shall prepare a single programme to implement the priorities referred to in Article 4.
2. Support under Title II shall be organised along the areas of support set out in Annex II.
3. In addition to the elements referred to in Article 17 of Regulation (EU) No [Regulation laying down Common Provisions], 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 covered by the programme;
  - (b) the action plan for small-scale coastal fishing referred to in Article 15;
  - (c) where applicable, the action plans for the outermost regions referred to in paragraph 4.

4. Member States concerned shall prepare as part of their programme an action plan for each of their outermost regions referred to in Article 6(2), 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 Title II;
    - ii the compensation for additional costs referred to in Article 21;
    - iii any other investment in the sustainable blue economy necessary to achieve a sustainable coastal development.
5. The Commission shall develop an analysis for each sea basin indicating the common strengths and weaknesses of the sea basin with regard to the achievement of the objectives of the CFP, as referred to in Article 2 of Regulation (EU) No 1380/2013. Where applicable, this analysis shall take into account the existing sea basin and macro-regional strategies.
6. The Commission shall assess the programme in accordance with Article 18 of Regulation (EU) No [Regulation laying down Common Provisions]. In its assessment it shall take into account, in particular:
  - (a) the maximisation of the contribution of the programme to the priorities referred to in Article 4;
  - (b) the balance between the fishing capacity of the fleets and the available fishing opportunities, as reported annually by Member States according to Article 22(2) of Regulation (EU) No 1380/2013;
  - (c) 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 Council Regulation (EC) No 1967/2006 and the recommendations from regional fisheries management organisations, where applicable to the Union;
  - (d) the implementation of the landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013;
  - (e) the most recent evidence on the socio-economic performance of the sustainable blue economy, and in particular the fishery and aquaculture sector;
  - (f) where applicable, the analyses referred to in paragraph 5;
  - (g) 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;
  - (h) the contribution of the programme to the reduction of marine litter, in accordance with Directive xx/xx of the European Parliament and of the

Council [Directive on the reduction of the impact of certain plastic products on the environment]<sup>27</sup>;

- (i) the contribution of the programme to climate change mitigation and adaptation.
7. Subject to Article 18 of Regulation (EU) No [Regulation laying down Common Provisions], the Commission shall adopt implementing acts approving the programme. The Commission shall approve the proposed programme provided the necessary information has been submitted.
  8. Subject to Article 19 of Regulation (EU) No [Regulation laying down Common Provisions], the Commission shall adopt implementing acts approving amendments to a programme.

### *Article 10*

#### *Programming for support under direct and indirect management*

Titles III shall be implemented through work programmes referred to in Article 110 of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union]. Work programmes shall set out, where applicable, the overall amount reserved for the blending operations referred to in Article 47.

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<sup>27</sup> OJ C [...], [...], p. [...].

# TITLE II: SUPPORT UNDER SHARED MANAGEMENT

## CHAPTER I

### General principles of support

#### *Article 11*

##### *State aid*

1. Without prejudice to paragraph 2, Articles 107, 108 and 109 of the Treaty shall apply to aid granted by Member States to undertakings in the fishery and aquaculture sector.
2. However, Articles 107, 108 and 109 of the Treaty shall not apply to payments made by Member States pursuant to this Regulation and falling within the scope of Article 42 of the Treaty.
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.

#### *Article 12*

##### *Admissibility of applications*

1. An application submitted by a beneficiary for support from the EMFF shall be inadmissible for an identified period of time laid down pursuant to paragraph 4, if it has been determined by the competent authority that the beneficiary concerned:
  - (a) has committed serious infringements under Article 42 of Council Regulation (EC) No 1005/2008<sup>28</sup> or Article 90 of Council Regulation (EC) No 1224/2009 or under other legislation adopted by the European Parliament and by the Council;
  - (b) has been involved in the operation, management or ownership of fishing vessels included in the Union IUU vessel list as set out in Article 40(3) of Regulation (EC) No 1005/2008, or of a vessel flagged to 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 Council<sup>29</sup>, where the application is made for support under Article 23.

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<sup>28</sup> 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).

<sup>29</sup> 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, 06.12.2008, p. 28).

2. The beneficiary, after submitting the application, shall continue to comply with the admissibility conditions referred to in paragraph 1 throughout the period of implementation of the operation and for a period of five years after the final payment to that beneficiary.
3. Without prejudice to more far-reaching national rules as agreed on in the Partnership Agreement with the Member State concerned, an application submitted by a beneficiary shall be inadmissible for an identified period of time laid down pursuant to paragraph 4, if it has been determined by the competent authority that the beneficiary has committed a fraud, as defined in Article 3 of Directive 2017/1371/EU of the European Parliament and of the Council<sup>30</sup>.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 52 concerning:
  - (a) the identification of the threshold triggering and the length of period of time of inadmissibility referred to in paragraphs 1 and 3, which shall be proportionate to the nature, gravity, duration and repetition of the serious infringements, offences or fraud, and shall be of at least one year's duration;
  - (b) the relevant starting or ending dates of the period of time referred to in paragraphs 1 and 3.
5. Member States shall require that beneficiaries submitting an application under the EMFF provide to the managing authority a signed statement confirming that they respect the criteria listed in paragraphs 1 and 3. Member States shall verify the veracity of that statement before approving the operation, 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.

For the purposes of the verification referred to in the first subparagraph, 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 13*

#### *Ineligible operations*

The following operations shall not be eligible under the EMFF:

- (a) operations that increase the fishing capacity of a fishing vessel or support the acquisition of equipment that increases the ability of a fishing vessel to find fish;
- (b) the construction and acquisition of fishing vessels or the importation of fishing vessels, unless otherwise provided for in this Regulation;
- (c) the transfer or reflagging of fishing vessels to third countries including through the creation of joint ventures with partners of those countries;

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<sup>30</sup> 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, 28.07.2017, p. 29).

- (d) the temporary or permanent cessation of fishing activities, unless otherwise provided for in this Regulation;
- (e) exploratory fishing;
- (f) the transfer of ownership of a business;
- (g) direct restocking, except explicitly provided for as a conservation measure by a Union legal act or in the case of experimental restocking;
- (h) the construction of new ports, new landing sites or new auction halls;
- (i) 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 drive up prices; by extension, storage operations in a logistics chain that would produce the same effects either intentionally or unintentionally;
- (j) investments on board fishing vessels necessary to comply with the requirements under Union or national law, including requirements under the Union's obligations in the context of regional fisheries management organisations;
- (k) investments on board fishing vessels that have carried out activities at sea for less than 60 days in each of the two calendar years preceding the year of submission of the application for support.

## **CHAPTER II**

### **Priority 1: Fostering sustainable fisheries and the conservation of marine biological resources**

#### **SECTION 1**

#### **GENERAL CONDITIONS**

##### *Article 14*

##### *General scope of support*

1. Support under this Chapter shall contribute to the achievement of the environmental, economic, social and employment objectives of the CFP, as set out in Article 2 of Regulation (EU) No 1380/2013.
2. Where support under this Chapter is granted for a vessel, that vessel shall not be transferred or reflagged outside the Union during at least the five years from the final payment for the supported operation.
3. Support under this Chapter shall also apply to inland fishing, with the exception of Articles 15 and 17.

## SECTION 2

### SMALL-SCALE COASTAL FISHING

#### *Article 15*

##### *Action plan for small-scale coastal fishing*

1. Member States shall prepare as part of their programme an action plan for small-scale coastal fishing which shall set out a strategy for the development of profitable and sustainable small-scale coastal fishing. This strategy shall be structured along the following sections, where applicable:
  - (a) adjustment and management of fishing capacity;
  - (b) promotion of low-impact, climate resilient and low-carbon fishing practices that minimize damage to the marine environment;
  - (c) reinforcement of the value chain of the sector and promotion of marketing strategies;
  - (d) promotion of skills, knowledge, innovation and capacity building;
  - (e) improvement of health, safety and working conditions on board fishing vessels;
  - (f) increased compliance with data collection, traceability, monitoring, control and surveillance requirements;
  - (g) involvement in the participatory management of the maritime space, including Marine Protected Areas and Natura 2000 areas;
  - (h) diversification of activities in the broader sustainable blue economy;
  - (i) collective organisation and participation in the decision-making and advisory processes.
2. The action plan shall take into account the FAO voluntary guidelines for securing sustainable small-scale fisheries and, where appropriate, the regional plan of action for small-scale fisheries from the General Fisheries Commission for the Mediterranean.
3. For the purpose of monitoring the implementation of the strategy referred to in paragraph 1, the action plan shall establish specific milestones and targets linked to relevant indicators established under the monitoring and evaluation framework referred to in Article 37.

#### *Article 16*

##### *Investments in small-scale coastal fishing vessels*

1. The EMFF may support the following investments in respect of small-scale coastal fishing vessels which belong 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:



- (a) the first acquisition of a fishing vessel by a young fisher who, at the moment of submitting the application, is under 40 years of age and has worked a least five years as fisher or has acquired adequate vocational qualification;
  - (b) the replacement or modernisation of a main or ancillary engine.
2. The vessels referred to in paragraph 1 shall be equipped for sea fishing and be between 5 and 30 years old.
3. The support referred to in paragraph 1(b) may only be granted under the following conditions:
  - (a) the new or modernised engine shall not have more power in kW than the current engine;
  - (b) any reduction of fishing capacity in kW due to the replacement or modernisation of a main or ancillary engine shall be permanently removed from the Union fleet register;
  - (c) the engine power of the fishing vessel shall have been physically inspected by the Member State to ensure that it does not exceed the engine power stated in the fishing license.
4. No support shall be granted under this Article, if the assessment on the balance between fishing capacity and fishing opportunities in the latest report referred to in Article 22(2) of Regulation (EU) No 1380/2013 for the fleet segment to which the vessels concerned belong, has not been prepared on the basis of the biological, economic and vessel use indicators set out in the common guidelines referred to in that Regulation.

### **SECTION 3**

#### **SPECIFIC AREAS OF SUPPORT**

##### *Article 17*

##### *Management of fisheries and fishing fleets*

1. The EMFF may support operations for the management of fisheries and fishing fleets.
2. If the support referred to in paragraph 1 is granted through the compensation for the permanent cessation of fishing activities, the following conditions shall be complied with:
  - (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 to activities other than commercial fishing, keeping in line with the objectives of the CFP and multiannual plans;
  - (c) the fishing vessel is registered as active and has carried out fishing activities at sea for at least 120 days in each of the last three calendar years preceding the year of submission of the application for support;

- (d) the equivalent fishing capacity is permanently removed from the Union fishing fleet register and the fishing licenses and authorisations are permanently withdrawn, in accordance with Article 22(5) and (6) of Regulation (EU) No 1380/2013; and
  - (e) the beneficiary is prohibited from registering any fishing vessel within five years following the receipt of support.
3. The support for the permanent cessation of fishing activities referred to in paragraph 2 shall be implemented by financing not linked to costs, in accordance with Articles 46(a) and 89 of Regulation (EU) No [Regulation laying down Common Provisions], and shall be based on:
- (a) the fulfilment of conditions, in accordance with Article 46(a)(i) of Regulation (EU) No [Regulation laying down Common Provisions]; and
  - (b) the achievement of results, in accordance with Article 46(a)(ii) of Regulation (EU) No [Regulation laying down Common Provisions].
- The Commission shall be empowered to adopt delegated acts, in accordance with Article 52, laying down the conditions referred to in point (a), which shall relate to the implementation of conservation measures, as referred to in Article 7 of Regulation (EU) No 1380/2013.
4. No support shall be granted under paragraph 2, if the assessment on the balance between fishing capacity and fishing opportunities in the latest report referred to in Article 22(2) of Regulation (EU) No 1380/2013 for the fleet segment to which the vessels concerned belong has not been prepared on the basis of the biological, economic and vessel use indicators set out in the common guidelines referred to in that Regulation.

## *Article 18*

### *Extraordinary cessation of fishing activities*

1. The EMFF may support a compensation for the extraordinary cessation of fishing activities caused by:
- (a) conservation measures, as referred to in Article 7(1), points (a), (b), (c) and (j) of Regulation (EU) No 1380/2013, or equivalent conservation measures adopted by regional fisheries management organisations, where applicable to the Union;
  - (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) the interruption due to reasons of force majeure of the application of a sustainable fisheries partnership agreement or protocol thereto; or
  - (d) natural disasters or environmental incidents, as formally recognised by the competent authorities of the relevant Member State.
2. The support referred to in paragraph 1 may only be granted where:
- (a) the commercial activities of the vessel concerned are stopped during at least 90 consecutive days; and

- (b) the economic losses resulting from the cessation amount to more than 30% of the annual turnover of the business concerned, calculated on the basis of the average turnover of that business over the preceding three calendar years.
3. The support referred to in paragraph 1 shall only be granted to:
- (a) owners of fishing vessels which are registered as active and which have carried out fishing activities at sea for at least 120 days in each of the last three calendar years preceding the year of submission of the application for support; or
  - (b) fishers who have worked at sea for at least 120 days in each of the last three calendar years preceding the year of submission of the application for support on board a Union fishing vessel concerned by the extraordinary cessation.
- The reference to the number of days at sea in this paragraph shall not apply to eel fisheries.
4. The support referred to in paragraph 1 may be granted for a maximum duration of 6 months per vessel during the period from 2021 to 2027.
5. All fishing activities carried out by the vessels and fishers concerned shall be effectively suspended during the period concerned by the cessation. The competent authority shall satisfy itself that the vessel concerned has stopped any fishing activities during the period concerned by the extraordinary cessation and that any overcompensation resulting from the use of the vessel for other purposes is avoided.

## *Article 19*

### *Control and enforcement*

1. The EMFF 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 Council Regulation (EC) No 1224/2009.
2. By way of derogation from Article 13(j), the support referred to in paragraph 1 may also cover:
  - (a) the purchase and installation on vessels of the necessary components for compulsory vessel tracking and electronic reporting systems used for control purposes, only in the case of small-scale coastal fishing vessels;
  - (b) the purchase and installation on vessels 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 and installation on vessels of devices for compulsory continuous measurement and recording of propulsive engine power.
3. The support referred to in paragraph 1 may also contribute to maritime surveillance as referred to in Article 28 and to the European cooperation on coastguard functions as referred to in Article 29.
4. By way of derogation from Article 2, the support referred to in paragraph 1 may also be granted to operations carried out outside the territory of the Union.

## *Article 20*

### *Collection and processing of data for fisheries management and scientific purposes*

1. The EMFF may support the collection, management and use of data for fisheries management and scientific purposes, as provided for in Article 25(1) and (2) and Article 27 of Regulation (EU) No 1380/2013 and further specified in Regulation (EU) No 2017/1004, on the basis of the national work plans referred to in Article 6 of Regulation (EU) No 2017/1004.
2. By way of derogation from Article 2, the support referred to in paragraph 1 may also be granted to operations carried out outside the territory of the Union.
3. 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 advisory procedure referred to in Article 53(2).
4. The Commission shall adopt implementing acts approving or amending the national work plans referred to in paragraph 1 by 31 December of the year preceding the year from which the work plan is to apply.

## *Article 21*

### *Compensation for additional costs in the outermost regions for fishery and aquaculture products*

1. The EMFF may support the compensation of additional costs incurred by beneficiaries in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the outermost regions referred to in Article 6(2).
2. Each Member State concerned shall determine, in line with the criteria laid down in accordance with paragraph 7, for the regions referred to in paragraph 1, the list of fishery and aquaculture products and the quantity of those products eligible for compensation.
3. When establishing the list and the quantities referred to in paragraph 2, 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.
4. 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) 2015/1565<sup>31</sup>;
  - (b) caught by Union fishing vessels that are not registered in a port of one of the regions referred to in paragraph 1;
  - (c) imported from third countries.

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<sup>31</sup> 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, 14.09.2015, p. 55).

5. Point (b) of paragraph 4 shall not apply if the existing capacity of the processing industry in the outermost region concerned exceeds the quantity of raw material supplied.
6. The compensation paid to the beneficiaries carrying out activities referred to in paragraph 1 in the outermost regions or owning a vessel registered in a port of these regions 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.
7. The Commission shall be empowered to adopt delegated acts, in accordance with Article 52, laying down the criteria for the calculation of the additional costs resulting from the specific handicaps of the regions concerned.

## *Article 22*

### *Protection and restoration of marine and coastal biodiversity and ecosystems*

1. The EMFF may support actions for the protection and restoration of marine and coastal biodiversity and ecosystems, including in inland waters.
2. The support referred to in paragraph 1 may cover:
  - (a) compensations to fishers for the collection of lost fishing gears and marine litter from the sea;
  - (b) investments in ports to provide adequate reception facilities for lost fishing gears 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 and monitoring of Natura 2000 areas, in accordance with the prioritised action frameworks established pursuant to Article 8 of Directive 92/43/EEC;
  - (f) the protection of species under Directive 92/43/EEC and Directive 2009/147/EC, in accordance with the prioritised action frameworks established pursuant to Article 8 of Directive 92/43/EEC.

## CHAPTER III

### Priority 2: Contributing to food security in the Union through competitive and sustainable aquaculture and markets

#### *Article 23*

##### *Aquaculture*

1. The EMFF may support the promotion of a sustainable aquaculture as provided for in Article 34(1) of Regulation (EU) No 1380/2013. It may also support animal health and welfare in aquaculture in accordance with Regulation (EU) No 2016/429 of the European Parliament and of the Council<sup>32</sup> and Regulation (EU) No 652/2014 of the European Parliament and of the Council<sup>33</sup>.
2. The support referred to in paragraph 1 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.
3. Productive aquaculture investments under this Article may only be supported through the financial instruments provided for in Article 52 of Regulation (EU) No [Regulation laying down Common Provisions] and through InvestEU, in accordance Article 10 of that Regulation.

#### *Article 24*

##### *Marketing of fishery and aquaculture products*

The EMFF may support actions contributing to the achievement of the objectives of the common organisation of the markets in fishery and aquaculture products as provided for in Article 35 of Regulation (EU) No 1380/2013 and further specified in Regulation (EU) No 1379/2013. It may also support actions promoting the marketing, the quality and the value added of fishery and aquaculture products.

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<sup>32</sup> Regulation (EU) No 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, 31.03.2016, p. 1).

<sup>33</sup> Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) No 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC (OJ L 189, 27.06.2014, p. 1).

## Article 25

### *Processing of fishery and aquaculture products*

1. The EMFF may support investments in the processing of fishery and aquaculture products. Such support shall contribute to the achievement of the objectives of the common organisation of the markets in fishery and aquaculture products as provided for in Article 35 of Regulation (EU) No 1380/2013 and further specified in Regulation (EU) No 1379/2013.
2. Support under this Article shall only be granted through the financial instruments provided for in Article 52 of Regulation (EU) No [Regulation laying down Common Provisions] and through InvestEU, in accordance Article 10 of that Regulation.

## CHAPTER IV

### **Priority 3: Enabling the growth of a sustainable blue economy and fostering prosperous coastal communities**

## Article 26

### *Community-led local development*

1. The EMFF may support the sustainable development of local economies and communities through the community-led local development set out in Article 25 of Regulation (EU) No [Regulation laying down Common Provisions].
2. For the purpose of EMFF support, the community-led local development strategies referred to in Article 26 of Regulation (EU) No [Regulation laying down Common Provisions] shall ensure that local communities better exploit and benefit from the opportunities offered by the sustainable blue economy, capitalising on and strengthening environmental, cultural, social and human resources.

## Article 27

### *Marine knowledge*

The EMFF may support the collection, management and use of 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 Directive 92/43/EEC and Directive 2009/147/EC;
- (b) supporting maritime spatial planning as referred to in Directive 2014/89/EU of the European Parliament and of the Council<sup>34</sup>;
- (c) increasing data quality and sharing through the European marine observation and data network (EMODnet).

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<sup>34</sup> 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, 28.08.2014, p. 135).

## CHAPTER V

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

#### *Article 28*

##### *Maritime surveillance*

1. The EMFF may support actions contributing to the achievement of the objectives of the common information sharing environment.
2. By way of derogation from Article 2, the support referred to in paragraph 1 of this Article may also be granted to operations carried out outside the territory of the Union.

#### *Article 29*

##### *Coastguard cooperation*

1. The EMFF may support actions, carried out by national authorities, contributing to the European cooperation on coastguard functions referred to in Article 53 of Regulation (EU) 2016/1624 of the European Parliament and of the Council<sup>35</sup>, Article 2b of Regulation (EU) No 2016/1625 of the European Parliament and of the Council<sup>36</sup> and Article 7a of Regulation (EU) No 2016/1626 of the European Parliament and of the Council<sup>37</sup>.
2. The support for actions referred to in paragraph 1 may also contribute to the development and implementation of a Union fisheries control system under the conditions set out in Article 19.
3. By way of derogation from Article 2, the support referred to in paragraph 1 may also be granted to operations carried out outside the territory of the Union.

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<sup>35</sup> Regulation (EU) 2016/1624 of the European Parliament and of the Council of 14 September 2016 on the European Border and Coast Guard and amending Regulation (EU) 2016/399 of the European Parliament and of the Council and repealing Regulation (EC) No 863/2007 of the European Parliament and of the Council, Council Regulation (EC) No 2007/2004 and Council Decision 2005/267/EC (OJ L 251, 16.09.2016, p. 1).

<sup>36</sup> Regulation (EU) 2016/1625 of the European Parliament and of the Council of 14 September 2016 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (OJ L 251, 16.09.2016, p. 77).

<sup>37</sup> Regulation (EU) 2016/1626 of the European Parliament and of the Council of 14 September 2016 amending Council Regulation (EC) No 768/2005 establishing a Community Fisheries Control Agency (OJ L 251, 16.09.2016, p. 80).



## CHAPTER VI

### Rules for implementation under shared management

#### SECTION 1

##### SUPPORT FROM THE EMFF

###### *Article 30*

###### *Calculation of additional costs or income foregone*

Support granted on the basis of additional costs or income foregone shall be granted under any of the forms referred to in points (a), (c), (d) and (e) of Article 46 of Regulation (EU) No [Regulation laying down Common Provisions].

###### *Article 31*

###### *Determination of co-financing rates*

The maximum EMFF co-financing rate per area of support is set out in Annex II.

###### *Article 32*

###### *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 for certain areas of support and certain types of operations are set out in Annex III.
3. Where one operation falls under several of the rows 2 to 16 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 16 of Annex III and at the same time under row 1 of that Annex, the maximum aid intensity rate to in row 1 shall apply.

#### SECTION 2

##### FINANCIAL MANAGEMENT

###### *Article 33*

###### *Interruption of the payment deadline*

1. In accordance with Article 90(4) of Regulation (EU) No [Regulation laying down Common Provisions], the Commission may interrupt the payment deadline for all or part of a payment application in the case of evidence 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 evidence of 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, having regard to the nature, gravity, duration and repetition of the non-compliance.
4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 52, defining the cases of non-compliance referred to in paragraph 1.

#### *Article 34*

##### *Suspension of payments*

1. In accordance with Article 91(3) of Regulation (EU) No [Regulation laying down Common Provisions], 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 that the Commission considers that there is a case of serious non-compliance 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, having regard to the nature, gravity, duration and repetition of the serious non-compliance.
4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 52, defining the cases of serious non-compliance referred to in paragraph 1.

#### *Article 35*

##### *Financial corrections by Member States*

1. In accordance with Article 97(4) of Regulation (EU) No [Regulation laying down Common Provisions], Member States shall apply financial corrections in case of the non-respect of the obligations referred to in Article 12(2) of this Regulation.
2. In the cases of the financial corrections referred to in paragraph 1, Member States shall determine the amount of the correction, which shall be proportionate, having regard to the nature, gravity, duration and repetition of the infringement or offence by the beneficiary and the importance of the EMFF contribution to the economic activity of the beneficiary.

## Article 36

### *Financial corrections by the Commission*

1. In accordance with Article 98(5) of Regulation (EU) No [Regulation laying down Common Provisions], the Commission shall adopt implementing acts making financial corrections by cancelling all or part of the Union contribution to a programme if, after carrying out the necessary examination, it concludes that:
  - (a) expenditure contained in a payment application is affected by cases in which the beneficiary does not respect the obligations referred to in Article 12(2) and has not been corrected by the Member State prior to the opening of the correction procedure under this paragraph;
  - (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 34 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 in the future.
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 by the Member State or beneficiary with the rules of the CFP and the importance of the EMFF contribution to the economic activity of the beneficiary concerned.
3. Where it is not possible to quantify precisely the amount of expenditure linked to 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 shall be empowered to adopt delegated acts, in accordance with Article 52, determining the criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial corrections.

## SECTION 3

### MONITORING AND REPORTING

## Article 37

### *Monitoring and evaluation framework*

1. Indicators to report on progress of the EMFF towards the achievement of the priorities referred to in Article 4 are set out in Annex I.
2. To ensure effective assessment of progress of the EMFF towards the achievement of its priorities, the Commission shall be empowered to adopt delegated acts, in accordance with Article 52, to amend Annex I to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework .

## *Article 38*

### *Annual performance report*

1. In accordance with Article 36(6) of Regulation (EU) No [Regulation laying down Common Provisions], each Member State shall submit to the Commission an annual performance report no later than one month before the annual review meeting. The first report shall be submitted in 2023 and the last report in 2029.
2. The report referred to in paragraph 1 shall describe the progress in programme implementation and in achieving the milestones and targets referred to in Article 12 of Regulation (EU) No [Regulation laying down Common Provisions]. It shall also describe any issues that affect the performance of the programme and the measures taken to address those issues.
3. The report referred to in paragraph 1 shall be examined during the annual review meeting, in accordance with Article 36 of Regulation (EU) No [Regulation laying down Common Provisions].
4. The Commission shall adopt implementing acts laying down rules for the presentation of the report referred to in paragraph 1. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 53(2).

# TITLE III: SUPPORT UNDER DIRECT AND INDIRECT MANAGEMENT

## *Article 39*

### *Geographical scope*

By way of derogation from Article 2, this Title may also be granted to operations carried out outside the territory of the Union, with the exception of technical assistance.

## CHAPTER I

### **Priority 1: Fostering sustainable fisheries and the conservation of marine biological resources**

## *Article 40*

### *Implementation of the CFP*

The EMFF shall support the implementation of the CFP through:

- (a) the provision of scientific advice and knowledge for the purpose of promoting sound and efficient fisheries management decisions under the CFP, including through the participation of experts in scientific bodies;
- (b) 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;
- (c) the functioning of Advisory Councils established in accordance with Article 43 of Regulation (EU) No 1380/2013, which have an objective forming part of, and supporting, the CFP;
- (d) voluntary contributions to the activities of international organisations dealing with fisheries, in accordance with Article 29 and Article 30 of Regulation (EU) No 1380/2013.

## *Article 41*

### *Promotion of clean and healthy seas*

1. The EMFF shall support the promotion of clean and healthy seas, including through actions to support the implementation of Directive 2008/56/EC and actions to ensure coherence with the achievement of good environmental status pursuant to Article 2(5)(j) 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 shall be coherent 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: Contributing to food security in the Union through competitive and sustainable aquaculture and markets**

#### *Article 42*

##### *Market intelligence*

The EMFF 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 the growth of a sustainable blue economy and fostering prosperous coastal communities**

#### *Article 43*

##### *Maritime policy and development of a sustainable blue economy*

The EMFF shall support the implementation of the maritime policy 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, including the European marine observation and data network (EMODnet);
- (d) the improvement of maritime skills, ocean literacy and sharing of socio-economic 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 safe, secure, clean and sustainably managed seas and oceans**

#### *Article 44*

##### *Maritime security and surveillance*

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

#### *Article 45*

##### *International ocean governance*

The EMFF 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 for Sustainable Development 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 oceans;
- (e) the implementation of relevant international agreements, measures and tools to prevent, deter and eliminate illegal, unreported and unregulated fishing;
- (f) international cooperation on and development of ocean research and data.

## CHAPTER V

### Rules for implementation under direct and indirect management

#### *Article 46*

##### *Forms of Union funding*

1. The EMFF may provide funding in any of the forms laid down in Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union], in particular procurement pursuant to Title VII of that Regulation and grants pursuant to Title VIII of that Regulation. It may also provide financing in the form of financial instruments within blending operations, as referred to in Article 47.
2. The evaluation of grant proposals may be carried out by independent experts.

#### *Article 47*

##### *Blending operations*

Blending operations under the EMFF shall be implemented in accordance with Regulation (EU) No [Regulation on InvestEU] and Title X of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union].

#### *Article 48*

##### *Evaluation*

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process.
2. The interim evaluation of the support under Title III shall be performed once there is sufficient information available about the implementation, but not later than four years after the start of the implementation of the support.
3. At the end of the implementation period, but no later than four years after it, a final evaluation report on the support under Title III shall be prepared by the Commission.
4. The Commission shall communicate the conclusion of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

#### *Article 49*

##### *Audits*

Audits on the use of the Union contribution carried out by persons or entities, including by other than those mandated by the Union institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union].



## *Article 50*

### *Information, communication and publicity*

1. The recipients of Union funding shall acknowledge the origin 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 EMFF, and its actions and results. Financial resources allocated to the EMFF shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the priorities referred to in Article 4.

## *Article 51*

### *Eligible entities*

1. The eligibility criteria set out in paragraphs 2 to 3 shall apply in addition to the criteria set out in Article 197 of Regulation (EU) No [Regulation on the financial rules applicable to the general budget of the Union].
2. The following entities are 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 are 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 should in principle bear the cost of their participation.

## TITLE IV: PROCEDURAL PROVISIONS

### *Article 52*

#### *Exercise of 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 12, 17, 21, 33, 34, 36, 37 and 55 shall be conferred until 31 December 2027.
3. The delegation of power referred to in Articles 12, 17, 21, 33, 34, 36, 37 and 55 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. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Articles 12, 17, 21, 33, 34, 36, 37 or 55 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 53*

#### *Committee procedure*

1. The Commission shall be assisted by a Committee for the European Maritime and Fisheries Fund. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011 of the European Parliament and of the Council<sup>38</sup>.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

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<sup>38</sup> Regulation (EU) 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 Member States of the Commission's exercise of implementing powers (OJ L 55, 28.02.2011, p. 13).

## TITLE V: FINAL PROVISIONS

### *Article 54*

#### *Repeal*

1. Regulation (EU) No 508/2014 is repealed with effect from 1 January 2021.
2. References to the repealed Regulation shall be construed as references to this Regulation.

### *Article 55*

#### *Transitional provisions*

1. 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 shall be empowered to adopt delegated acts, in accordance with Article 52, laying down the conditions under which support approved by the Commission under Regulation (EU) No 508/2014 may be integrated into support provided for under this Regulation.
2. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) No 508/2014, which shall continue to apply to the actions concerned until their closure.
3. Applications made under Regulation (EU) No 508/2014 shall remain valid.

### *Article 56*

#### *Entry into force and date of application*

This Regulation shall enter into force 20 days following that of its publication in the *Official Journal of the European Union*.

This Regulation shall apply from 1 January 2021.

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

Done at Strasbourg,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## Legislative financial statement

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned
- 1.3. Nature of the proposal/initiative
- 1.4. Grounds for the proposal/initiative
- 1.5. Duration and financial impact
- 1.6. Management mode(s) planned

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. *Summary of estimated impact on expenditure*
  - 3.2.2. *Estimated impact on appropriations of an administrative nature*
  - 3.2.3. *Third-party contributions*
- 3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council

#### 1.2. Policy area(s) concerned

Common Fisheries Policy (CFP), maritime policy and international ocean governance

#### 1.3. The proposal/initiative relates to:

X a new action

a new action following a pilot project/preparatory action<sup>39</sup>

the extension of an existing action

a merger or redirection of one or more actions towards another/a new action

#### 1.4. Grounds for the proposal/initiative

##### 1.4.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The EMFF support should ensure that fishing activities are environmentally sustainable in the long-term and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies. It should also foster the sustainable development of the sustainable blue economy and contribute to the achievement of the Union's international commitments in the field of ocean governance.

Moreover, Article 42 of Regulation (EU) No 1380/2013 on the Common Fisheries Policy provides that Union financial assistance under the EMFF should be conditional upon compliance with the rules of the CFP. Therefore, applications from beneficiaries that do not comply with the applicable rules of the CFP should not be admissible. In addition, the Commission should be granted powers to act against Member States that do not comply with the rules of the CFP.

##### 1.4.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

#### **Reasons for action at European level (ex-ante)**

The CFP is an area of exclusive competence to the Union. Union intervention is therefore necessary as this common policy imposes obligations on the Member States. Financial support to help them meet those obligations is crucial for the attainment of the Union's objectives of the policy, i.e. the sustainable use of seas and

<sup>39</sup> As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

oceans. Support is needed in areas like adjusting the capacity of fishing fleets, investing in health and safety on board, developing scientific knowledge and advice on the state of the fish stocks and improving controls and inspections at sea and in ports.

### **Expected generated Union added value (ex-post)**

The overall aim of future support for fisheries and maritime policies is to help deliver the objectives of the CFP and enable the growth of a sustainable blue economy. Achieving sustainable fisheries may have social impacts for coastal communities in the short to medium term which needs mitigation. This is of particular importance to coastal communities depending on fisheries, in particular in areas where the fishing sector still faces serious problems (such as the Mediterranean and Black Seas), where a policy at Union level can provide real added value, also given the Union's exclusive competence on fisheries management.

Member States are not in a position to sufficiently address the challenges separately. The Union action provides a secure source for stable growth-supporting investment. Many marine aquaculture sites operate in marine ecosystems which go beyond national borders, and the planning of the maritime space requires coordinated planning efforts at Union level. Control and enforcement, as well as data collection and scientific advice, are core elements for the effective implementation of the CFP. These activities, co-ordinated and co-financed at Union level, represent significant savings and synergies in terms of costs and compliance compared to a model where these activities were to be carried out exclusively by the Member States.

Maritime policy and the development of the sustainable blue economy is by nature cross-sectoral and transnational, e.g. through the development of sea-basin strategies that cover several Member States and appropriate partner countries, to gain efficiency in the use of funds, application of rules and involvement of bodies/institutions and reduce fragmentation and duplication of actions. Action at Union level is likely to produce clear benefits compared to action only at Member State or regional level. Marine knowledge assembles data and makes it accessible across the Union (with the Common Information Sharing Environment providing a common European maritime surveillance environment) and the sharing (at Union or sea basin level) coast guard capacities between agencies and Member States increases the effectiveness and efficiency of operations at sea.

Maritime spatial planning is a way to better coordinate the common European maritime space and ensure coherence across borders (within and outside the Union). In blue economy sectors, such as ocean energy, the coordination of activities related to research accelerates the development of the sector, for example by achieving the critical mass for investment and developing the market. Funding at Union level supports the drivers of innovation enabling the European maritime industry to grow and thrive.

In line with its international commitment to conserve and sustainably use the oceans, including the objectives under Sustainable Development Agenda 2030, the Union is well-placed to shape international ocean governance on the basis of its experience in developing a sustainable approach to ocean management, notably through its environment policy (in particular the Marine Strategy Framework Directive), integrated maritime policy (in particular the Maritime Spatial Planning Directive), reformed Common Fisheries Policy, action against illegal, unregulated and

unreported (IUU) fishing, maritime transport policy and the multiple bilateral partnerships and multilateral agreements it is a party to.

Moreover, the Union maritime security strategy has identified CISE and the cooperation between EFCA, EMSA and FRONTEX in the form of the European Border and Coast Guard Function as key to delivering on these aims.

In all the areas set out above, pooling resources at European level can deliver results that spending at national level cannot.

#### 1.4.3. *Lessons learned from similar experiences in the past*

A consultation of key stakeholders revealed the following areas of general agreement:

- Strong call by almost all stakeholders for continuity and clear need for a dedicated funding instrument in the future for fisheries and the maritime policy, continuing to achieve the CFP objectives and taking advantage of opportunities from the sustainable blue economy.
- Member States agreed that the objectives of the post-2020 fund should support environmental, economic and social sustainability. The achievement of CFP objectives was noted by the stakeholders as a priority for the next fund.
- As a result of the consultations, an agreement was reached between stakeholders that one of the biggest shortcomings of the 2014-2020 EMFF was its slow take up and the late implementation of the Operational Programmes which was essentially due to the late approval of the legislative framework. This, coupled with too prescriptive Union level legislation, the rigidity and inflexibility in interpretation and too much focus on eligibility rather than on reaching objectives and targets, represent the challenge Member States have to face. In this regard, a strong call for less legal complexity with a simpler legal framework was put forward by the majority of stakeholders.
- A large consensus could be observed between the stakeholders calling for a greater simplification at all levels (both Union and national) regarding the implementation of the EMFF in order to keep a certain level of stability. However, diverging views were observed as on how to find the right balance between a greater emphasis on result orientation and reducing the administrative burden for beneficiaries and administrations whilst assuring correct spending.
- In their contributions, Member States noted that the monitoring and evaluation system has a key role to demonstrate the effectiveness of the fund as it provides information on the causalities behind the development of the fisheries and sustainable blue economy sectors.
- A polarisation of opinion concerning the support to fishing fleets could be observed, with stakeholders split nearly equally between those in favour and those against the continuation of fleet measures.
- Regarding the aquaculture sector, all stakeholders agreed that more work needs to be done on administrative and legal simplification in order to reduce the length of licencing procedures but without compromising on the high environmental, consumer protection and animal health standards enshrined in Union law. They reaffirmed that the administrative burdens remain the main barrier to the development of the sector, together with procedural requirements

(for both licencing and access to funding) which are too complex. Also, a strong support from a group of 11 Member States was expressed to the continuation of the current Union support to aquaculture in the next fund, in particular to freshwater aquaculture.

- As regards small-scale coastal fisheries and fisheries in the outermost regions, Member States were in favour of applying more targeted and tailor-made support and continue having a higher support rate and possibility of more favourable handling through advanced payments. Preferential financial treatment to small-scale coastal fisheries, including inland fisheries, should be kept after 2020 according to some Member States. Stakeholders also acknowledged the need for flexibility to reflect local specificities and for facilitating the generational renewal in an ageing workforce.
- All Member States and stakeholders considered that the support to data collection, fisheries control and enforcement and support to producer organisations should remain part of the fisheries fund under shared management.
- Strengthening of Union action through the EMFF in various areas under the maritime policy (training, maritime spatial planning, maritime safety and surveillance, financing of innovative projects, etc.) was considered as added value for Europe and for the regions by a number of stakeholders. Taking into account that the blue economy is developed in a very complex environment, complementarity between various instruments should be further ensured, in order to avoid duplication and fragmentation.
- A majority of stakeholders also recognized the important role played by Community Led Local Development (CLLD) for coastal communities to adopt local solutions for local problems and recognised it as a valuable opportunity for the fisheries and aquaculture sectors to play an active role in local government and governance issues. Many stakeholders would like to see the CLLD playing a wider role in the development of the sustainable blue economy at local level.

#### *1.4.4. Compatibility and possible synergy with other appropriate instruments*

The Commission adopted a proposal for a Regulation laying down common provisions in order to improve the coordination and harmonise the implementation of support under Funds in shared management, with the main aim of simplifying policy delivery in a coherent way. This 'Common Provisions Regulation' (CPR) applies to the part of the EMFF under shared management.

The Funds pursue complementary objectives and share the same management mode. Therefore the 'Common Provisions Regulation' sets out a series of common general objectives and general principles such as partnership and multi-level governance. That Regulation 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 includes enabling conditions, a performance review and arrangements for monitoring, reporting and evaluation. Common provisions are also set out with regard to eligibility rules, and special arrangements are defined for financial instruments, use of InvestEU, community-led local



development and financial management. Some management and control arrangements are also common to all Funds

**1.5. Duration and financial impact**

**limited duration**

- Proposal/initiative in effect from 01/01/2021 to 31/12/2027
- Financial impact from YYYY to YYYY

**unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

**1.6. Management mode(s) planned<sup>40</sup>**

**Direct management** by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

**Shared management** with the Member States

**Indirect management** by entrusting budget implementation tasks to:

- third countries or the bodies they have designated;
- international organisations and their agencies (to be specified);
- the EIB and the European Investment Fund;
- bodies referred to in Articles 70 and 71 of the Financial Regulation;
- public law bodies;
- bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
- persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

[...]

[...]

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<sup>40</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:  
<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

*Specify frequency and conditions.*

The European Maritime and Fisheries Fund (EMFF), together with the other Funds in shared management, will operate under a common framework 'Common Provisions Regulation' (CPR).

Implementation will be predominantly through shared and direct management, and exceptionally through indirect management by Union bodies. The CPR only applies to the shared management component of the EMFF.

#### **I. SHARED MANAGEMENT**

The detailed monitoring and reporting rules are set out in the CPR.

In addition to the framework set out in the CPR, the EMFF will build on the strengths of the Common Monitoring and Evaluation System (CMES) – introduced in the 2014-2020 programming period.

In the future programming period, common policy objectives will be set in the CPR together with priorities and specific objectives at the level of each Fund. These priorities and objectives will be achieved through programmes. A simplified intervention logic, building on the current model and reinforcing the current result orientation, will be built around three levels, the Funds level (policy objectives common for all Funds), the policy area level (fisheries and maritime policies) and the level of operations at Member State level. Objectives at the first two levels will be fixed. The Managing Authority will set its targets for the result indicators linked to the specific and general objectives.

The operations will be managed at Member State level. Each operation will be linked to an area of support (business support, innovation, environment, etc.) for which specific result indicator will be defined. This way the Commission and Member States will be in the position to report on many desired dimensions (contribution to Union general objectives, EMFF priorities, type of operation, budget size of operations, etc.).

Objectives will be reported on through the existing platform Infosys on a limited number of result indicators, some of which will serve as key performance indicators. Member States will transmit quantitative data (notably outputs and results), by electronic means, six times a year (instead of once via the annual report).

An EMFF specific annual performance report on the achievement of the milestones and targets will be required from each Member State.

#### **II. DIRECT MANAGEMENT**

The Commission shall adopt annual work programmes for actions implemented via direct management by implementing acts.

Evaluations shall be carried out in a sufficiently timely manner to feed into the decision-making process. The interim evaluation of the programme will be performed once there is sufficient information available about the implementation of the programme.

At the end of the implementation period, a final evaluation report on the results and long-term impact of the EMFF under direct management shall be established.

### **III. INDIRECT MANAGEMENT**

Exceptionally, the EMFF may contribute to the European Fisheries Control Agency and the European Maritime Safety Agency by way of grants to allow the relevant agencies to implement support in the field of maritime surveillance and security.

## **2.2. Management and control system(s)**

### **2.2.1. *Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed***

#### **MANAGEMENT MODES**

The dual management mode (shared and (in-)direct management) allows benefiting from already gained experience much in the line with what stakeholders are asking for. As part of the Funds most of the future funding would continue to be implemented in shared management. As the purpose is to support adaptive processes in a specific sector, investments in businesses and preservation of environmental resources, funding should be as close as possible to local and national realities and complementary to national policies and funding. Policy development support through direct management serves as an effective tool in enacting the underlying Common Fisheries Policy (CFP), as a common Union policy, with an immediate impact on targeted sectors, in addition to further enabling maritime policy activities as well as the deployment of international ocean governance activities.

#### **PAYMENT MODALITIES (shared management)**

Financial instruments (loans and guarantees) are expected to play a more prominent role. An increased use of simplified cost options (flat rates, lump-sums and unit costs) could help to reduce the administrative burden at Member State level. In addition, financial support may also continue to be based on actual incurred costs and expenditure certified by Member States (without prejudice to using simplified cost options). For the support for permanent cessation of fishing activities, financial support will be based on the fulfilment of conditions. A delegated act, laying down the conditions related to the implementation of these conservation measures will be adopted to this effect.

#### **CONTROL STRATEGY**

As envisaged by the Common Provision Regulation, the number of controls and audits will be significantly reduced. This will decrease the administrative burden for programme authorities and beneficiaries. This will be achieved by extending the single audit principle, fewer controls and an enhanced proportionate approach based on a well-functioning national system with a minimum audit arrangement for assurance purposes.

#### **- shared management**

##### *Control mechanism*

Member States shall identify for each programme a managing authority and an audit authority and they may identify one or more intermediate bodies to carry out certain tasks under its responsibility. In addition, Member States identify an accounting function which they may entrust to the managing authority or to another body.

The managing authority will be responsible for overseeing the programme implementation. This includes in particular the selection of operations, carrying out management verifications, supporting the work of the monitoring committee, supervision of intermediate bodies and recording and storing relevant data in an electronic system.

The accounting function will be responsible for drawing up and submitting payment applications to the Commission as well as drawing up the accounts and keeping records of all the elements of the accounts in an electronic system.

The audit authority will be responsible for carrying out systems audits and audits on operations to provide independent assurance to the Commission that management and control systems function effectively and that expenditure included in the accounts submitted to the Commission is legal and regular. To this end, it will be obliged to prepare an audit strategy based on a risk assessment, taking account of the management and control system description. It will draw up and submit to the Commission an annual audit opinion, covering the completeness, veracity and accuracy of the accounts, the legality and regularity of the expenditure included in the accounts and the management and control system, as well as an underlying annual control report.

#### *Payment interruption and suspension*

The responsible authorising officer has the option of interrupting the payment deadline for an interim payment claim in the case of evidence of non-compliance by a Member State with the rules applicable under the CFP. More serious breaches of Member State obligations are dealt with via payment suspension, which will not be lifted until the Member States concerned can demonstrate that it has taken the appropriate remedial action. In extreme cases the Union contribution to the programme may be cancelled.

#### *Financial corrections*

Although the Member State is responsible in the first instance for the identification and recovery of irregularities, and the making of any financial corrections, the Commission has the power to impose corrections. It is expected to take account of the nature and gravity of any irregularity, and to assess the financial impact of the deficiencies.

#### *Commission audits*

Throughout the implementation period, DG MARE's ex-post audit sector carries out systems audits with substantive testing to confirm assurance on the effective function of the systems and requires the Member States to correct any system weaknesses and irregular expenditure found. The Commission uses the results of its own audits as well as the results of the national audit authority to obtain assurance. The audits are selected on the basis of a risk assessment.

#### **- direct management**

At present a substantive part of the EMFF directly managed is delegated to the EASME. In the next programming period it is expected to delegate further direct management activities.

A combination of preventive, detective and corrective controls are embedded into the programming and planning, verification, execution and monitoring, management and reporting processes so as to ensure effective mitigation of the financial and

management risks. All expenditure is checked before approval to ensure compliance with the applicable legislation and the eligibility of the proposed expenditure.

- (1) All expenditure declarations are checked by the operational services against the Commission financing decision and the relevant programme for eligibility and consistency.
- (2) Prior to authorisation of commitments or payments, ex-ante verification of the transactions is carried out based together with the checks on the data transmitted and the proof of payment to ensure the eligibility of the reimbursement claims.
- (3) With a view to preventing irregularities monitoring missions in the form of on-the-spot checks are conducted by the Commission to check the actual implementation of programmes and to verify the eligibility of costs prior to payment.
- (4) In addition to ex ante controls of financial transactions, 100% ex ante verification of documents and procedures in relation to procurement and grants is carried out.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

**Shared management**

The main risks identified for the implementation of the budget under the shared management are:

*(1) Negotiation and assessment/approval of spending proposals:*

Risk: Operational Programmes (OPs) financed do not adequately reflect the policy objectives or priorities

Mitigation control: internal consultation, hierarchical validation of each OP, inter-service consultation (including all relevant DGs) and adoption by Commission Decision, where foreseen by Union law.

*(2) Implementation of operations (Member States):*

Risk: Periodic expenditure declarations submitted to the Commission include expenditure which is irregular or non-compliant with Union and/or national eligibility rules and legislation.

Mitigation control: management verifications: first level checks by responsible programme authorities or bodies, annual accounts by the accounting function, audit opinion and annual report by the audit authorities.

*(3) Monitoring and supervision of the execution, including ex-post controls*

Risk: the management verifications and subsequent audits/controls by the Member States have failed to detect and correct ineligible costs or calculation errors; the audit work carried out by the audit authorities is not sufficient to obtain adequate assurance on the submitted declarations; the Commission services have failed to take appropriate measures to safeguard Union funds, based on the information they received.

Mitigating control: Commission checks of Member State expenditure declarations. Commission assessment of management and control systems in the MS, in particular

of work done and/or reported by the Member States, interruptions and suspensions of payments and financial corrections (implemented by Commission).

#### **Direct management**

The directly managed part of the EMFF will be mainly implemented through procurement and grants. The main risks are:

*(1) The poor definition of tender specifications/ calls for proposal:*

Mitigation control: appropriate supervisory measures and the inclusion of an additional ex ante verification.

*(2) The most economically advantageous offer/best proposals not selected:*

Mitigation control: appropriate supervisory measures and the inclusion of an additional ex ante verification.

*(3) Actions do not contribute to the achievement of the EMFF objectives:*

Mitigation control: appropriate supervisory measures and the inclusion of an additional ex ante verification.

- 2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

#### **Shared management**

Controls are carried out at both Commission and Member States level. These controls are defined in the CPR.

DG MARE quantifies the costs of the resources and inputs required for carrying out the controls and estimates, in so far as possible, their benefits in terms of the amount of errors and irregularities prevented, detected and corrected by these controls.

The costs relate to the annual overall Commission costs. They include the assessment by the Commission of management and control systems in Member States (including the Commission ex-post audits) as well as costs relating to Commission staff who carry out controls throughout the different design, implementation and monitoring phases; and the Commission's ex-ante checks of the periodic expenditure declarations (financial circuits). For the 2014-2020 period, this includes the Commission checks in the designation process (sampling of national designations).

The benefits relate partially to the corrections made by the Member States at the Commission's request following its audit work. In this context, it must be pointed out that financial corrections are not an objective as such. A decreasing level of corrections over the years would not solely result from the quality and/or quantity of controls but could also reflect an improvement in sound financial management of the programme by the Member States. In addition, there are a number of non-quantifiable benefits resulting from the controls operated throughout the various control stages (notably the negotiation procedures of the programmes, which aim to ensure that the financed programmes contributed to the achievement of the policy objectives, the management of the programmes by the operational units of the DG, and the deterrent effect of ex-post controls). At the selection, implementation and monitoring stages, by ensuring compliance with the applicable rules and procedures, it is ensured that the underlying operations are legal and regular.

#### **Direct management**

Similar considerations apply to direct management as those set out for shared management when assessing the costs and benefits of controls under this management mode.

For direct management expenditure, the benefits are largely non-quantifiable. Since a quantitative estimation of the value of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of controls carried out.

**Overall conclusion**

The aim of the controls is to maintain the expected level of error below 2%.

**2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.*

DG MARE has developed and implemented a joint anti-fraud strategy (JAFS) together with DG REGIO and DG EMPL. It was elaborated on the basis of the methodology provided by OLAF and adopted in 2015 for the 2015 - 2020 period. The implementation of JAFS is being monitored twice a year with reporting to management.

The JAFS covers the whole anti-fraud cycle: prevention, detection, investigation and corrective measures. It seeks to reinforce existing measures which are in place for the purpose of protection of the financial interests of the Union, by providing support to Member States in their anti-fraud efforts and strengthening the capacity of DGs to deal with fraud, as well as intensifying cooperation with OLAF. The controls aimed to prevent and detect fraud are not essentially unlike those intended to ensure the legality and regularity of the transactions.

The Commission proposal for the regulation on common provisions as of 2020 includes, as in the current programming period, the requirement for Member States to have effective and proportionate anti-fraud measures and procedures in place, taking into account the risks identified.



### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading of the multiannual financial framework and expenditure budget line(s) affected

##### Shared management

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number 3 Natural Resources and Environment	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
3	08 04 YY Promoting sustainable and competitive fisheries and aquaculture, balanced and inclusive territorial development of fisheries areas and fostering the implementation of the common fisheries policy /EMFF/	Diff.	NO	NO	NO	NO

##### Direct management

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number 3 Natural Resources and Environment	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
3	08 01 YY Administrative technical assistance	Non-diff.	NO	NO	NO	NO
3	08 04 YY Fostering sustainable fisheries and the conservation of marine biological resources	Diff.	NO	NO	NO	NO
3	08 04 YY Contributing to food security in the Union through competitive and sustainable aquaculture and markets	Diff.	NO	NO	NO	NO
3	08 04 YY Enabling the growth of a sustainable blue economy and fostering prosperous coastal communities	Diff.	NO	NO	NO	NO
3	08 04 YY Strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas	Diff.	NO	NO	NO	NO

3	08 04 YY Communication activities	Diff.	NO	NO	NO	NO
3	08 04 YY Operational technical assistance	Diff.	NO	NO	NO	NO

The list of budget items in the table above is preliminary and does not prejudge the concrete budget nomenclature that the Commission will propose in the context of the annual budgetary procedure.

### 3.2. Estimated impact on expenditure

[This section should be filled in using the **spreadsheet on budget data of an administrative nature** (second document in annex to this financial statement) and uploaded to DECIDE for interservice consultation purposes.]

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

<b>Heading of multiannual financial framework</b>	Number	3 Heading Natural Resources and Environment
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			2021	2022	2023	2024	2025	2026	2027	Post 2027	TOTAL
Operational appropriations (split according to the budget lines listed under 3.1) <sup>41</sup>	Commitments	(1)	819,622	836,053	852,815	869,814	887,157	904,950	918,286		<b>6.088,700</b>
	Payments	(2)	2,956	58,546	87,366	296,509	472,539	552,388	960,586	3.657,807	<b>6.088,700</b>
Appropriations of an administrative nature financed from the envelope of the programme <sup>42</sup>	Commitments = Payments	(3)	6,929	7,029	7,129	7,329	7,529	7,629	7,729		<b>51,300</b>
<b>TOTAL appropriations for the envelop of the programme</b>	Commitments	=1+3	826,551	843,082	859,944	877,143	894,686	912,579	926,015		<b>6 140,000</b>
	Payments	=2+3	9,885	65,575	94,495	303,838	480,068	560,017	968,315	3.657,807	<b>6.140,000</b>

<b>Heading of multiannual financial framework</b>	7	‘Administrative expenditure’
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<sup>41</sup> The part of the programme to be managed directly by the Commission might be delegated to an executive agency, subject to the outcome of the cost-benefit analysis and related decisions to be taken. The related administrative appropriations for programme implementation in the Commission and the executive agency will be adapted accordingly

<sup>42</sup> Administrative technical assistance and expenditure in support of the implementation of Union programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
Human resources		10,696	10,696	10,696	10,696	10,696	10,696	10,696		<b>74,872</b>
Other administrative expenditure		2,706	2,760	2,815	2,872	2,929	2,988	3,047		<b>20,118</b>
<b>TOTAL appropriations under HEADING 7 of the multiannual financial framework</b>	(Total commitments = Total payments)	13,402	13,456	13,511	13,568	13,625	13,684	13,743		<b>94,990</b>

EUR million (to three decimal places)

		2021	2022	2023	2024	2025	2026	2027	<i>Post 2027</i>	TOTAL
<b>TOTAL appropriations across HEADINGS of the multiannual financial framework</b>	Commitments	839,953	856,538	873,455	890,711	908,311	926,263	939,758		<b>6.234,990</b>
	Payments	23,287	79,031	108,006	317,406	493,693	573,701	982,058	3.657,807	<b>6.234,990</b>

EUR million (to three decimal places)

### 3.2.2. Estimated impact on appropriations of an administrative nature

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

Years	2021	2022	2023	2024	2025	2026	2027	TOTAL
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<b>HEADING 7 of the multiannual financial framework</b>								
Human resources	10,696	10,696	10,696	10,696	10,696	10,696	10,696	<b>74,872</b>
Other administrative expenditure	2,706	2,760	2,815	2,872	2,929	2,988	3,047	<b>20,118</b>
<b>Subtotal HEADING 7 of the multiannual financial framework</b>	<b>13,402</b>	<b>13,456</b>	<b>13,511</b>	<b>13,568</b>	<b>13,625</b>	<b>13,684</b>	<b>13,743</b>	<b>94,990</b>

<b>Outside HEADING 7<sup>43</sup> of the multiannual financial framework</b>								
Human resources	2,250	2,285	2,321	2,358	2,395	2,434	2,474	<b>16,516</b>
Other expenditure of an administrative nature <sup>44</sup>	4,679	4,744	4,808	4,971	5,133	5,195	5,255	<b>34,784</b>
<b>Subtotal outside HEADING 7 of the multiannual financial framework</b>	<b>6,929</b>	<b>7,029</b>	<b>7,129</b>	<b>7,329</b>	<b>7,529</b>	<b>7,629</b>	<b>7,729</b>	<b>51,300</b>

<b>TOTAL</b>	<b>20,331</b>	<b>20,485</b>	<b>20,640</b>	<b>20,896</b>	<b>21,154</b>	<b>21,312</b>	<b>21,472</b>	<b>146,290</b>
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>43</sup> Administrative technical assistance and expenditure in support of the implementation of Union programmes and/or actions (former 'BA' lines), indirect research, direct research.

<sup>44</sup> Includes amounts related to the implementation of the legacy of 2014-2020 EMFF currently implemented by the EASME.

### 3.2.2.1. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	2021	2022	2023	2024	2025	2026	2027
<b>• Establishment plan posts (officials and temporary staff)</b>							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	66	66	66	66	66	66	66
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>45</sup></b>							
XX 01 02 01 (AC, END, INT from the 'global envelope')	17	17	17	17	17	17	17
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)							
XX 01 04 yy <sup>46*</sup>	- at Headquarters	14	14	14	14	14	14
	- in Delegations	9	9	9	9	9	9
XX 01 05 02 (AC, END, INT - Indirect research)							
10 01 05 02 (AC, END, INT - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	
External staff	

<sup>45</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

<sup>46</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

### 3.2.3. Third-party contributions

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to three decimal places)

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

### 3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
  - The proposal/initiative has the following financial impact:
    - on own resources
    - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>47</sup>						
		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article .....								

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

<sup>47</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.