

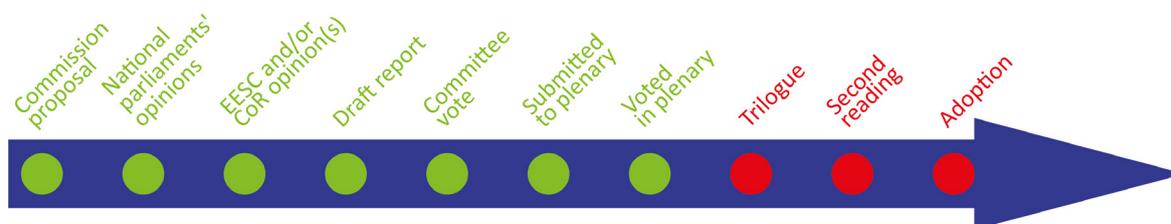
European Maritime and Fisheries Fund 2021-2027

OVERVIEW

The European Commission has proposed a new regulation on the European Maritime and Fisheries Fund (EMFF) as part of the next EU budget framework for the 2021-2027 period. The European Parliament established its first-reading position on the proposal on 4 April 2019. The new fund will continue to support the EU common fisheries policy and the Union's maritime policy. The proposal aims to simplify the delivery of the fund compared to the very complex legal framework in use for the current EMFF. It therefore presents a more flexible architecture: this would allow Member States to use the funds where they see the greatest need, instead of being bound to a list of pre-defined measures and eligibility rules. Small-scale coastal fisheries and outermost regions would receive greater preferential treatment. It further proposes increased support for international ocean governance and stronger synergies with other EU policies. The fund is also expected to contribute to the development of the blue economy and support the EU's climate objectives. Negotiations with the Council on the proposal are expected to start in the new term.

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.

<i>Committee responsible:</i>	Fisheries (PECH)	COM(2018) 390 12.6.2018
<i>Rapporteur:</i>	Gabriel Mato (EPP, Spain)	2018/0210 (COD)
<i>Shadow rapporteurs:</i>	Ulrike Rodust (S&D, Germany) Czesław Hoc (ECR, Poland) Nils Torvalds (ALDE, Finland) Liadh Ní Riada (GUE/NGL, Ireland) Marco Affronte (Greens/EFA, Italy) Rosa d'Amato (EFDD, Italy)	Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly 'co-decision')
<i>Next steps expected:</i>	Launch of trilogue negotiations	



Introduction

European Union funding for the fisheries sector was first introduced in the 1970s and was based on agricultural principles: funding was focused on **structural aid** (e.g. investments in fishing fleets) and **marketing** fishery products (e.g. aid to producer organisations). Around a decade later, in 1983, the **common fisheries policy** (CFP) was established, and underwent several subsequent reforms (1992, 2002, 2013). Following the CFP's introduction, structural aid (in particular **fleet aid**) and the CFP **conservation policy** have become gradually more coherent.

The first unified fund for fisheries was created shortly after the first revision of the CFP and was called the **Financial Instrument for Fisheries Guidance** (FIFG): it ran over two periods from 1994 to 2000 and from 2000 to 2006. An important change introduced by the FIFG was the use of **shared management** with Member States (i.e. implementation by the European Commission with Member States, instead of direct management by the European Commission). For the 2007-2013 period, the fund was renamed the **European Fisheries Fund** (EFF) and its programme was adapted in line with the CFP reform of 2002. In 2014, as part of the 2013 CFP reform, the current fund, the **European Maritime and Fisheries Fund** (EMFF) was adopted. The EMFF is one of the five **European structural and investment funds** (ESIF) that support EU economic development to 2020. The general lines of these funds are defined by the **Common Provisions Regulation** (CPR), while the specific conditions for fisheries are defined by the EMFF.

As part of the next long-term EU budget 2021-2027, the European Commission [proposes](#) to renew the EMFF in order to continue to support the CFP objectives, the Union's maritime policy and the Union's international commitments in the field of ocean governance. Besides the EMFF, the Commission also proposes to renew the budget allocated for the international dimension of the CFP. This includes the compulsory contributions to the **Regional Fisheries Management Organisations** (RFMOs) and finances the **Sustainable Fisheries Partnership Agreements** (SFPAs) with third countries in exchange for access to their waters.

Existing situation

Through its **common fisheries policy** (CFP), the EU has exclusive competence for the conservation of marine biological resources, both in EU waters and in relation to its international obligations.¹ This exclusive competence equally applies to the bilateral fisheries agreements signed with third countries. The CFP also includes areas of shared competence between the EU and its Member States, where the subsidiarity principle applies. The main objective of the CFP is to ensure that fishing and aquaculture activities are environmentally sustainable 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. The EMFF provides the EU and the Member States with the financial means to support and implement the objectives of the CFP.

In addition, the EMFF also serves as a tool to sustain funding for the implementation and development of an **integrated maritime policy** (IMP) for the EU. Its objective is to support the sustainable use of seas and oceans and to develop coordinated, coherent and transparent decision-making in relation to all other policies affecting the oceans, seas, islands, coastal and outermost regions and maritime sectors (such as transport, research and technological development, energy, and tourism).

The EMFF for the period 2014-2020 is covered under Regulation [508/2014](#). Its [budget](#) amounts to €6 396.6 million (commitments, in current prices), of which 90 % (€5 749 million) is spent under **shared management**, which involves both the European Commission and Member States. The measures financed from this part of the EMFF budget are also subject to the current Common Provisions Regulation (CPR, [1303/2013](#)). As in the case of the other ESI Funds, the co-financed actions are specified in the operational programmes prepared by the Member States and approved by the European Commission.

The [distribution](#) of the budget under shared management between the Member States is set according to objective and transparent criteria, such as the size of the fishery and aquaculture sector. The biggest beneficiary of the fund is Spain (20.2 %), followed by France (10.2 %), Italy (9.3 %) and Poland (9.2 %). It covers six different priorities. Almost half of the budget covers the 'sustainable fisheries' (27 %) and 'sustainable aquaculture' (21 %) priorities. Others are 'implementation of the CFP' (19.1 %), 'employment and territorial cohesion' (9.1 %), 'market and processing' (17.5 %) and 'implementing the IMP' (1.2 %). The remaining part of the budget is used for 'technical assistance' (5.1 %) to help Member States to implement the above priorities.

The part of the EMFF budget spent under **direct management** by the European Commission represents €648 million or 10 % of the total EMFF budget. Its implementation is delegated to the Executive Agency for Small and Medium-sized Enterprises ([EASME](#)). It covers measures related to scientific advice, specific control measures enhancing regional cooperation, the advisory councils, voluntary contributions to RFMOs, market intelligence and operations for the implementation of the IMP.

Parliament's starting position

On 14 March 2018, the European Parliament adopted a [resolution](#) preparing the Parliament's position on the Multiannual Financial Framework (MFF) post-2020. It is based, among other things, on the [opinion](#) of the Committee on Fisheries (PECH).

The resolution calls for **continuous support** for existing, long-standing EU policies such as the CFP and stresses the socioeconomic and ecological importance of the fisheries and aquaculture sector, the maritime environment and the 'blue economy' and their contribution to EU sustainable food autonomy. In terms of budget, it calls, as a minimum, to keep the **same level of funding** for the fisheries sector as under the current MFF and, if **new needs** arise, to **increase the budget for maritime affairs**. It notes that other financial instruments in addition to non-repayable aid, such as access to a **loan scheme**, could provide complementary financing possibilities. It also calls for the re-establishment of the programme of options specifically relating to remoteness and insularity (POSEI scheme) in fisheries for the EU's **outermost** regions. It also includes a warning on the possible negative impacts of United Kingdom withdrawal from the EU in a 'hard **Brexit**' on this sector.

Preparation of the proposal

Ex-post evaluation of the 2007-2013 EFF fund

The [ex-post evaluation](#) of the EFF fund for the 2007-2013 period, published in November 2016, provided a series of recommendations for the post-2020 period. For **fisheries**, the evaluation recommended removing support for permanent cessation (scrapping of vessels), judged as ineffective to adjust fishing capacity to resources, as soon as possible, and restricting it in the meantime to well-identified circumstances. It also recommended maintaining temporary cessation when linked to conservation measures, to encourage improved crew health, safety and working conditions (including support for training) and better support for small-scale and inland fishing fleets. For **aquaculture**, the evaluation recommended improving and expanding marine and coastal aquaculture both in terms of production and competitiveness. Among the other items, the report also includes a recommendation to increase the involvement of **local communities** and strengthen their networking and sharing of experience.

Consultation on the current and future fund

In view of the new EMFF, a major consultation activity was the [EMFF stakeholder conference](#) held in Tallinn in October 2017. This allowed participants from the public sector, industry, NGOs and the academic world to present their views on the current and future fund. Furthermore, Member States were given the opportunity to provide input through meetings of the EMFF Expert Group in

November 2017 and January 2018 and via written contributions. Other input was collected from advisory councils, non-governmental organisations, European social partners, the Conference of Peripheral Maritime Regions, the European Maritime Days and via a number of other workshops and reports.

A number of important points in the [outcome](#) of the consultations can be summarised as follows:

- There was a large consensus for a certain level of **stability** and a strong call that the new fund should continue to achieve the CFP objectives;
- The slow take up of the fund, due to the late approval of the legislative framework, in combination with a rigid and complex legal framework, was seen as one of the biggest shortcomings of the current fund. **Simplification** is desired at all levels;
- Member States were in favour of providing more support for **small-scale** fisheries and fisheries in **outermost** regions;
- Stakeholders also acknowledged the need for **flexibility** to reflect **local** specificities and facilitating generational **renewal** in an ageing workforce;
- Opinions were polarised regarding support for **fishing fleets** (with roughly half the stakeholders in favour and half against the continuation of fleet measures);
- All stakeholders called for greater administrative and legal simplification in the **aquaculture** sector (to reduce the length of licencing procedures and to remove administrative burdens);
- **Data collection**, fisheries **control** and support for **producer organisations** should remain part of the fisheries fund under shared management;
- Support for **maritime** policy through the EMFF is considered an added value for Europe but duplication and fragmentation between various instruments should be avoided;
- Many stakeholders also recognised the importance of **community led local development (CLLD)** and would like to see this play a wider role in the development of the **blue economy** at local level.

Impact assessment

The legislative proposal is accompanied by an [impact assessment](#) which identifies the main challenges to be addressed by the future programme based on findings of evaluations and consultation activities, the cross-cutting objectives of the new MFF, and new political priorities and emerging problems requiring Union intervention.

The impact assessment highlights the significant improvement in economic performance and net profitability that is partly driven by the reduction of fleet capacity and an increase of stocks being fished at sustainable levels. However, it points to uneven development and the considerable problems that remain in certain fleet segments and geographical areas of the Union. It therefore mentions, as a key challenge for a successful implementation of the CFP, the continuation of support for fisheries control and data collection and the fight against illegal, unreported and unregulated ([IUU](#)) fishing. Furthermore, it stresses the importance of small scale coastal fisheries for the viability of many coastal communities. The lack of attractiveness of the fisheries sector is highlighted as a problem due to safety concerns and difficult working conditions. On the blue economy, the impact assessment highlights the great potential of CLLD in developing the blue economy at local level. In terms of emerging policies, the new EMFF will have to take the objectives of the [Paris Agreement](#), the effects of 'Brexit' and the new ocean governance into account.

EPRS has prepared an [initial appraisal](#) of the Commission's impact assessment. The appraisal notes that the impact assessment essentially builds on the ex-post evaluation of the EFF fund and the Tallinn conference. It states that the persuasiveness and quality of the impact assessment suffer from several shortcomings. More specifically, it notes that the description of the delivery mechanisms and monitoring and evaluation lacks clarity and focus, and that there is no analysis of the environmental, economic, and social or employment impacts.

The changes the proposal would bring

General objectives and political priorities

Following the evaluation's recommendations, stakeholder views and the impact assessment, the focus is on evolution rather than radical change. The new [proposal](#) for a regulation is therefore in line with the delivery of the key CFP objectives, notably fishing at sustainable levels in all sea basins by 2020 and beyond, enabling conditions to facilitate innovation and market development (including the development of local economies in coastal communities) and responding to emerging issues.

This is reflected in the following four general objectives:

- 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 the sustainable **blue economy** and fostering prosperous coastal communities;
- Strengthening international **ocean governance** and enabling safe, secure, clean and sustainably managed oceans.

Budget and allocation of the funding²

The proposed budget for the new EMFF for the period 2021-2027 amounts to **€6.14 billion** in current prices. Compared to the EMFF allocation for 2014-2020 in current prices, excluding the UK, this therefore represents stable funding.

For comparison purposes, the figures are also presented in constant prices (2018 prices). Constant prices differ from current prices in that they apply a 2 % annual deflator to counter the effect of inflation. In terms of constant 2018 prices, the proposed EMFF amounts to **€5.45 billion**, which is around **13 %** less than the current EMFF, excluding the UK. As far as the financial implementation of the EMFF is concerned, about **13.5 %** of the fund falls under **direct management** by the European Commission, while **86.5 %** is subject to **shared management**. Under the current EMFF, the distribution between direct and shared management is respectively 10 % and 90 %. Therefore the decrease in the proposed budget for shared management is stronger (**-16 %**) compared to the decrease in the proposed budget for direct management (**-11 %**).

The part under shared management is distributed among the Member States on the basis of the same allocations as currently used (but taking the exclusion of the UK into account).³

The proposal also envisages that Portugal, Spain and France will allocate **at least** the following amounts from their budget (in current prices) to their **outermost** regions: €102 million for the Azores and Madeira (26.9 % of the budget for Portugal); €82 million for the Canary Islands (7.3 % of the budget for Spain); and €131 million for Guadeloupe, French Guiana, Martinique, Mayotte, Réunion and Saint-Martin (23.1 % of the budget for France).

Next to the EMFF, and as part of the [communication](#) on the new MFF for the 2021-2027 period, the Commission also proposes to renew the budget used for '**International Fisheries Agreements**'. This covers the compulsory contributions to RFMOs and other international organisations and finances the SFPAs with third countries. The envisaged budget amounts to **€990 million**, which represents an increase of 5 % in terms of current prices. In terms of constant 2018 prices however, this is equivalent to **€878 million**, or a decrease of 9 %. This programme is implemented directly by the European Commission by way of financial contributions.

Some important elements

A more **simplified** and **flexible** architecture for the future EMFF is a key change in the new proposal. Detailed predefined measures or eligibility rules would no longer be set at Union level. Instead, different areas of support are described under each priority. It will be up to the Member States to prepare their programmes, in which they indicate the most appropriate means for achieving the priorities of the EMFF. These national programmes are to be approved by the Commission. In the context of **regionalisation**, the Commission will develop an analysis for each sea basin, which will guide both the Member States and the Commission in negotiating each programme. Simplification will also be achieved through the new [CPR](#), where most provisions related to implementation, monitoring and control are set out.

The obligation to land all catches in the reformed CFP has implied significant changes in fishing practices, with an important financial cost. The new proposal therefore includes support for innovation and investments that contribute to the implementation of the **landing obligation**, with a higher aid intensity rate than that which applies to other operations. It will also grant a maximum aid intensity of 100 % for systems to exchange fishing opportunities between Member States ('quota swaps'), in order to mitigate the '**choke species**'¹⁴ effect caused by the landing obligation.

As fisheries control is a key element for the successful implementation of the CFP, the proposal intends to support the implementation of a Union fisheries **control system**. Certain obligations envisaged in the revision of the [Control Regulation](#) (e.g. vessel tracking and electronic reporting systems) justify specific support for Member States and fishers. In addition, investments in control assets could also be used for the purpose of **maritime surveillance** and cooperation on **coastguard** functions (including contributing to information sharing). The EMFF also intends to support the **collection**, management and use of **data** for **fisheries management** and **scientific purposes**.

The proposal reintroduces support for the **permanent cessation** of fishing activities in fleet segments whose capacity is higher than the fishing opportunities, which the current EMFF stopped after 31 December 2017. In the past, such financial support was insufficiently targeted and did not address the structural imbalances of the fishing fleet efficiently, so the Commission proposes that support for this measure would be strictly **conditional** and based on the achievement of the conservation objectives of the CFP, instead of being based on the real costs incurred. Such conditions would be established through a delegated act. **Temporary cessation** (e.g. due to conservation measures) would also be supported in case of significant impact on fishers (i.e. if commercial activities are halted during at least 90 consecutive days and if the losses amount to more than 30 % of the average turnover). Both actions (permanent and temporary cessation) may have an aid intensity rate of 100 % (maximum 50 % co-financed by the EU), but the proposed plan also sets a ceiling: total Union financial support may not exceed the higher of the following two thresholds: €6 million or 10 % of the budget allocated to the Member State.

The Commission proposes to allocate **preferential** treatment up to a 100% aid intensity rate to **small scale coastal fishing**, representing nearly 75 % of all EU fishing vessels, with the aim of encouraging their sustainable fishing practices. Small-scale fisheries would also have exclusive access to other areas of support, such as the first acquisition of a second-hand vessel by young fishers (under 40 years of age) and the replacement or **modernisation** of a vessel's engine.

As **outermost regions** have specific challenges (e.g. due to their remoteness) and assets (e.g. potential to develop the blue economy), a financial allocation would be reserved to support the implementation of action plans to be drawn up by the Member States concerned. They would also receive **preferential** treatment through a higher aid intensity rate. The additional costs resulting from the regions' specific handicaps in the fishing, farming, processing and marketing of certain fishery and aquaculture products may be compensated at a maximum co-financing rate of 100 %.

The new EMFF would also contribute to clean and healthy seas and oceans, e.g. through support for the collection of **lost fishing gear** and **marine litter** and by contributing to the implementation of the [European strategy for plastics in a circular economy](#).

As the European Union currently imports more than 60 % of its supply of fishery products and is therefore highly dependent on third countries, the Commission points out the important role that **aquaculture** has to play. The proposal therefore includes various areas of support in the sector, such as for innovation, productive investments, compensatory measures which provide critical land and nature management services, and actions for animal health and welfare. The proposed EMFF also supports measures promoting the marketing, quality and value added of fishery and aquaculture products and investments in the processing of those products.

The proposal also points out to the great potential of the **blue economy** and the job creation it would bring to coastal communities. The scope of support to **CLLD** would therefore be extended: every local partnership will need to ensure a balanced representation of all local blue economy sectors. The EMFF is expected to support a sustainable blue economy through the use of data gathering to improve knowledge of the marine environment and promote, among other things, integrated governance, innovation, knowledge sharing, and climate resilience.

The proposal also takes the Union's international commitments for the safe, secure, clean and **sustainably managed oceans**⁵ into account. The EMFF will fund international arrangements that the Union has concluded in areas not covered by the SFPAs or RFMOs. The proposed regulation also contributes to the Union's commitments to implement the **Paris Agreement: 30 %** of the overall EMFF budget is expected to contribute to **climate objectives**.⁶

Some specific parts of the proposed EMFF fall under direct management (by Commission implementing acts), and indirect management (through EMFF contributions to the European Fisheries Control Agency and the European Maritime Safety Agency by way of grants for implementing support for maritime surveillance and security). This includes support for: provision of **scientific advice**; development of a Union **fisheries control system**; **Advisory Councils**; **market intelligence** for fishery and aquaculture products; improvement of **maritime skills** and **sharing of socio-economic data**; **promotion of maritime security and surveillance** (including data sharing); voluntary contributions to **international organisations** active in the field of **ocean governance**; and many other items.

Advisory committees

The European Economic and Social Committee ([EESC](#)) notes in its [opinion](#), adopted in plenary on 12 December 2018, that the Commission proposal is not based on a detailed economic and social impact assessment and asks for a sector-based social dialogue. The EESC asks for clarity on whether measures for the improvement of working and security conditions are included. It urges giving priority to the social dimension in order to support generational renewal, and, as part of the global strategy, to fight against every form of human exploitation. On aquaculture, which could compensate for employment losses in fisheries, it recommends a simplified mechanism for new and existing projects, including the definition of allocation zones of aquaculture. The EESC notes EU fishers have to compete with those from third countries, and therefore asks for awareness-raising campaigns on European fish quality and for full traceability of imports. Among the other recommendations, it asks to continue support for producer organisations in need of temporary storage of fishery products intended for human consumption, and proposes to maintain the current conditions for temporary and permanent cessation. The EESC also points out that the new EU directive on reducing the impact of certain plastic products combined with the new directive on port reception facilities open up new opportunities for fishers where the act of cleaning up could become another profitable economic activity.

The European Committee of the Regions ([CoR](#)) proactively adopted a position on the EMFF beyond 2020 through an [own-initiative opinion](#), at its May 2018 plenary session, prior to publication of the

Commission proposal. On the new proposal, the CoR adopted its [opinion](#) on 9 October in which it welcomes the simplification, flexibility and strengthening of the territorial focus (through sea basin strategies). However, it restates its position that the overall EMFF budget should reach a minimum threshold of 1 % of the MFF post-2020. The large increase (nearly half of the fund) would be allocated to the integrated maritime policy in order to finance the emerging blue economy, maritime surveillance and numerous other projects. It also proposes more involvement from regional authorities in the national programmes, regrets the lower share for shared management, supports more specific measures for the outermost regions (such as investment aid, training support or microcredit), and calls for a simplified single application form to reduce the administrative burden for small-scale coastal fishermen. As regards investments in fishing fleets, it supports the purchase of new vessels in small-scale fisheries and the replacement or modernisation of a vessel's engine, whatever the size of a vessel, in order to speed up the renewal of an ageing fleet.

National parliaments

The deadline for the [submission of reasoned opinions](#) on the grounds of subsidiarity was 13 September 2018. Both the [Spanish Cortes Generales](#) and the [Romanian Senate](#) concluded by submitting a contribution stating the proposal is in line with the principle of subsidiarity. However, the Romanian Senate in its [opinion](#) considers the EMFF proposal does not respect the principle of proportionality, as Romania is disadvantaged for a number of reasons. It asks for reconsideration of the financial allocation for Romania and, among other things, for even stronger support for aquaculture.

Stakeholders' views⁷

In a [press release](#), [Europêche](#), an association of national fishing enterprise organisations in the European Union, regrets the removal of support for training and that the Commission refers only to small-scale coastal fishing when proposing important measures. It welcomes a number of points, such as the simplification and flexibility of the fund, support for temporary and permanent cessation of fishing activities and continuation of financial support for key actions such as data collection, fisheries control and enforcement.

Environmental organisations such as the World Wide Fund for Nature ([WWF](#)) and [ClientEarth](#) are disappointed with the proposal and believe it falls short of EU sustainability objectives. While the WWF's [press release](#) welcomes the simplification of the fund, it believes clear mechanisms are lacking to ensure that financial aid is allocated for the sustainable management of the oceans and to improve marine biodiversity. ClientEarth [points out](#) that the proposal lacks substantive funding for crucial areas such as data collection, control or increased protection of fish stocks and the marine environment. Both organisations also regret the reintroduction of the 'controversial payments' to fishers to destroy their vessels: ClientEarth points out that the cash flow for permanent cessation is difficult to control and money for destruction was reinvested into the sector. In addition, the subsidies for acquisition of a first vessel or to replace engines (in small-scale fisheries) is criticised due to the risk of increasing fishing capacity in unsustainable fisheries. Instead of financing this kind of operation, ClientEarth would like greater focus on selective fishing, improving management and monitoring tools.

The Conference of Peripheral Maritime Regions ([CPMR](#)), representing some 160 regions from 25 states from the European Union and beyond, highlighted the need to increase the share of the EMFF budget allocated for shared management, strengthen the role of regions in the management of operational programmes, remove the obligation to use financial instruments to support aquaculture and processing of fishery products outside small-scale fisheries, and reduce the list of ineligible measures, in a [publication](#) on the proposal. The CPMR is also [alarmed](#) by the drastic cut in the budget (in 2018 prices). It welcomes the simplification, strengthening of specific measures for outermost regions, support for community led local development, and sustainable blue growth.

Legislative process

The proposal has been examined simultaneously by the Council and the European Parliament.

In the **Council**, the Commission presented its proposal to the [Agriculture and Fisheries Council](#) at its [meeting](#) of 18 June 2018. In general, ministers welcomed the proposal, in particular the simplification and improved flexibility, but some ministers nevertheless voiced their concern about the reduction in budget. The proposal is being studied by the Working Party for Internal and External Fishery Policy. In the Council [meeting](#) of 18 March 2019, the Slovenian delegation, on behalf of Bulgaria, Croatia, Cyprus, Greece, Malta, Poland and Portugal, presented a [joint statement](#) in support of small-scale fisheries, including the possibility to modernise the small-scale fleet without increasing capacity. In the [debate](#), ministers were divided over the issue.

In the [meeting](#) of 14 May 2019, the delegations of Spain, France and Italy presented in turn their own [joint statement](#) in which they make suggestions for further simplification and flexibility, proposing to increase the maximum co-financing rate of 75 %, applicable to most measures, to 80 %, and to allow Member States to establish total public aid intensity rates between 50 % and 100 %. As regards outermost regions, they support a maximum co-financing rate of 100 % and the removal of the 50 % limit for compensation, for the additional costs of production specific to the regions, out of their total financial envelope. As regards small-scale fisheries, they propose a more flexible definition and support the renewal of this artisanal fleet. The joint statement also supports modernisation measures aimed at improving safety, working conditions and the energy efficiency of vessels, even if they lead to an increase in capacity. In the [debate](#), several delegations supported the statement while others were critical of increasing the financing rates and of the support for investments in vessels which would increase fishing capacity. Despite the differences in opinion, the presidency stated that a lot of progress was made, and that there was a good basis for a partial general approach at the next Council meeting, on 18 June 2019.

In the **European Parliament**, the Committee on Fisheries (PECH) organised a [public hearing](#) on the current EMFF and held a first exchange of views on the newly proposed EMFF during its meeting of 20 June 2018. A second exchange of views took place on 29 August 2018. On the current EMFF, MEPs are particularly critical of the slow take-up of funding and urged real simplification. On the new EMFF, MEPs stated their support for the simplification and flexibility of the new fund, and several Members welcomed new items such as the support for the artisanal fishing sector and the outermost regions. Many members however raised concerns about the proposed budget cut, especially in view of the many challenges in the fisheries sector (for example as regards the landing obligation, the new technical measures, and the United Kingdom's expected withdrawal from the EU), as well as the broader scope to be covered by the fund (e.g. support for the blue economy).

Gabriel Mato (EPP, Spain) was appointed rapporteur on the new EMFF proposal. In his [draft report](#), published on 4 September 2018, the rapporteur points out that the current EMFF accounts for only 0.6 % of the total EU budget, meaning any reduction of funds in fisheries has almost no repercussions on the EU budget, while it would have substantial consequences for fishers and coastal regions. The rapporteur also points out that it is not clear in the proposal whether all possible areas of support are listed for each of the four EMFF priorities, and proposes to explicitly allow **all measures** supporting the **four priorities** that do not belong to the list of ineligible operations. This includes, for example, measures such as support for innovation, advisory services, partnership among fishers and scientists, promotion of human capital, or health and safety, that are not currently listed under the areas of support.

The **draft report** was considered in the PECH meeting of 24 September 2018. On top of the 83 amendments included therein, 945 amendments were submitted, which were considered during the PECH meeting of 27 November 2018. Among the many interventions, several MEPs endorsed an increase in support for **aquaculture**, including its inclusion in the title of the fund. Three

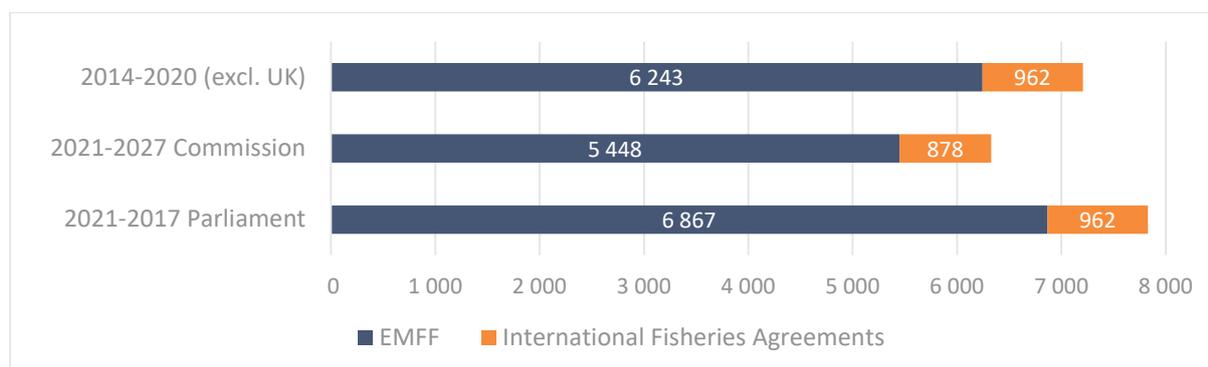
parliamentary committees have issued an **opinion**: Budgets (BUDG), Environment, Public Health and Food Safety (ENVI) and Regional Development (REGI).

The [opinion](#) of the ENVI committee, amongst other points, proposes that the EMFF should be able to support the implementation of 'co-management' mechanisms, i.e. local partnerships between stakeholders (such as administrations, the industrial sector, non-governmental organisations, researchers and civil society), which would allow bio-economic management respectful of the ecosystem and precautionary approaches, and enable a real-time response to changing realities.

The REGI committee proposes in its [opinion](#), amongst other measures, to provide for additional support for outermost regions (e.g. through derogations), due to their specific constraints as recognised in [Article 349 TFEU](#).

The [opinion](#) of the BUDG committee on the future EMFF budget is in line with the [interim report on the Multiannual Financial Framework 2021-2027](#), prepared by the BUDG committee and voted in plenary on 14 November 2018, in which the Parliament expressed its position on the Commission's MFF proposals in anticipation of the upcoming negotiations. The interim report opposes any reduction for long-standing EU policies, and more particularly, for fisheries policy, it proposes to reinforce the EMFF in accordance with its new mission on the **blue economy**. Concretely, the Parliament is proposing a budget of **€6 867 million** (in commitments, 2018 prices), which represents an **increase of 10 %** as compared to the €6 243 million for the 2014-2020 EMFF (excluding the UK) and which is **26 %** higher in comparison to the Commission proposal. In terms of current prices, the Parliament's position translates into an EMFF budget of **€7 739 million** for 2021-2027, as compared to the €6 140 million in the Commission proposal.

Figure 1 – Commission proposal and Parliament position for the 2021-2027 fisheries policy budget compared with the 2014-2020 budget (commitments, 2018 prices, € million)



Data source: [Interim report on the Multiannual Financial Framework 2021-2027](#), European Parliament.

The PECH committee voted on the draft report and the amendments tabled on 7 March 2019, where it adopted the [committee report](#) by 18 votes in favour to 9 against. After a [debate](#) on 3 April 2019, Parliament adopted the [first-reading resolution](#) in plenary on 4 April 2019, including new amendments, by 497 votes to 93 with 40 abstentions.

The resolution highlights the increased focus on **aquaculture** by devoting a specific chapter to the sector within the regulation and by renaming the fund the European Maritime, Fisheries and Aquaculture Fund (EMFAF).

The resolution increases the financial envelope for the implementation of the EMFAF for the period 2021-2027 by **10%**, to €6 867 in constant 2018 prices, in line with the opinion of the BUDG committee (Figure 1). It also fixes at 87 % the part of the budget to be spent under shared management, with the remaining 13 % allocated to support under direct and indirect management.

In the case of support for **permanent cessation**, the Parliament opposes the proposal from the Commission that financial support for this measure should be linked to the achievement of

conservation objectives. According to the rapporteur, this could lead to legal uncertainty which would dissuade Member States from requesting support for this measure.

As regards support for **temporary cessation**, the minimum cessation period for granting support would be reduced from 90 to 30 consecutive days. The non-renewal of a SFPA and accidents at sea during fishing activities, among others, have been added as possible reasons for support, and the ceiling for the total support under this measure has been adjusted to the higher of the following two thresholds: €6 million or **15 %** of the budget allocated to the Member State (instead of 10 % as in the Commission proposal). The new condition introduced by the Commission that '*the economic losses resulting from the cessation amount to more than 30 % of the annual turnover...*', first voted down by the PECH committee has been re-introduced in plenary.

The plenary also restricted again some of the more controversial measures regarding **investments** in small-scale fishing vessels (such as the modernisation of an engine). While the PECH committee allowed support for vessels above 12 metres (provided that small-scale coastal operators are given priority in the selection process) and removed the 40-year age limit for the first acquisition of a vessel by a young fisher, both limits were restored in plenary. The plenary however supported the first acquisition of a **new** vessel (as compared to second-hand vessels only, in the Commission's proposal).

On the support for **outermost regions**, the Parliament removed the constraint that support for the '**additional costs**' specific to the regions concerned should be capped at **50 %** of the total budget earmarked for each outermost region. Among other measures for the outermost regions, the resolution follows the view of the rapporteur that it should be possible to support the **renewal** of the artisanal and traditional **fleets** under certain conditions, and proposes that the Commission evaluate the possibility of introducing a specific instrument dedicated to the maritime and fisheries sector in the outermost regions, along the lines of the **POSEI** scheme for agriculture.

The Parliament proposes **not to exclude grants** as a possibility for financial support for productive investments in aquaculture and the processing industry, as small and medium-sized enterprises lack access to financial instruments. The Parliament also considers that the collection, management and use of **data** are essential for the management of **aquaculture** (not only for fisheries) and therefore should be supported by the EMFAF. Regarding **the marketing and processing** of fishery and aquaculture products, the resolution proposes to **continue** certain common **rules** and provisions from the current regulation in order to avoid distortion of competition between Member States.

Among other modifications, Parliament proposes that the EMFAF must continue to support producer organisations in need of temporary **storage** for fishery products, to manage surpluses of products for human consumption.

As regards the allocations of EU support per Member State under shared management, the Parliament maintains the minimum of **15 %** to be allocated for measures related to control and enforcement, and the collection and processing of data for fisheries management and scientific purposes, but also introduced two other minimum allocations shares, namely at least

- **25 %** for 'the protection and restoration of marine and coastal biodiversity and ecosystems and for marine knowledge' (up from 10 % as first proposed in the committee report);
- **10 %** for 'the improvement of safety, working and living conditions of the crew, training, social dialogue, skills and employment' (while however, the total allocation for all investments on board should not exceed 60 %).

With the vote in plenary, Parliament established its first-reading position on the new fund. Negotiations with the Council of the EU are expected to start in the new parliamentary term, once Council has agreed its position on the proposal.

EP SUPPORTING ANALYSIS

Sapala, M., Weissenberger, J., [How the EU Budget is spent – European Maritime and Fisheries Fund](#), EPRS, European Parliament, June 2017.

Parry, M., Sapala, M., [2021-2027 multiannual financial framework and new own resources: Analysis of the Commission's proposal](#), EPRS, European Parliament, July 2018.

D'Alfonso, A., [Multiannual financial framework 2021-2027: Interim report on the Commission proposals](#), EPRS, European Parliament, November 2018.

Zandersone, L. with Albanese, A., [European Maritime and Fisheries Fund 2021-2027: Initial Appraisal of a European Commission Impact Assessment](#), EPRS, European Parliament, January 2019.

[Research for PECH Committee - Implementation and impact of key European Maritime and Fisheries Fund measures \(EMFF\) on the Common Fisheries Policy, and the post-2020 EMFF proposal](#), Policy Department for Structural and Cohesion Policies, European Parliament, January 2019.

OTHER SOURCES

[European Maritime and Fisheries Fund 2021-2027](#), Legislative Observatory (OEL), European Parliament.

ENDNOTES

- ¹ More specifically, international obligations deriving from the United Nations Convention on the Law of the Sea ([UNCLOS](#)) and from other international agreements and organisations to which the EU is a Party.
- ² The comparison between the future EMFF and the current 'virtual' EMFF (excluding the UK), in terms of current prices versus constant 2018 prices, is based on data from the Secretariat of the Committee on Budgets in the European Parliament. More information can be found in the in-depth analysis '[2021-2027 multiannual financial framework and new own resources: Analysis of the Commission's proposal](#)', EPRS, European Parliament, July 2018.
- ³ The percentages of the total EMFF budget for shared management is therefore slightly higher for the remaining 26 Member States. Luxembourg is not a recipient of the EMFF budget.
- ⁴ Under the landing obligation, all catches have to be kept on board, landed and counted against the quotas. A 'choke species' is a term used to describe a species with a low quota that can cause a vessel to stop fishing even if they still have quota for other species.
- ⁵ About 60 % of the oceans are beyond the borders of national jurisdiction. The Union is strongly committed to promoting international ocean governance, in accordance with the [Joint Communication](#) of 10 November 2016 entitled 'International Ocean Governance: and agenda for the future of our oceans'.
- ⁶ The proposed overall target of Union budget expenditure in support of climate objectives is 25 %.
- ⁷ This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under 'EP supporting analysis'.

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