

# IMPLEMENTATION OF THE EMFF: ACHIEVEMENTS SINCE 2014 AND PERSPECTIVES AFTER 2020

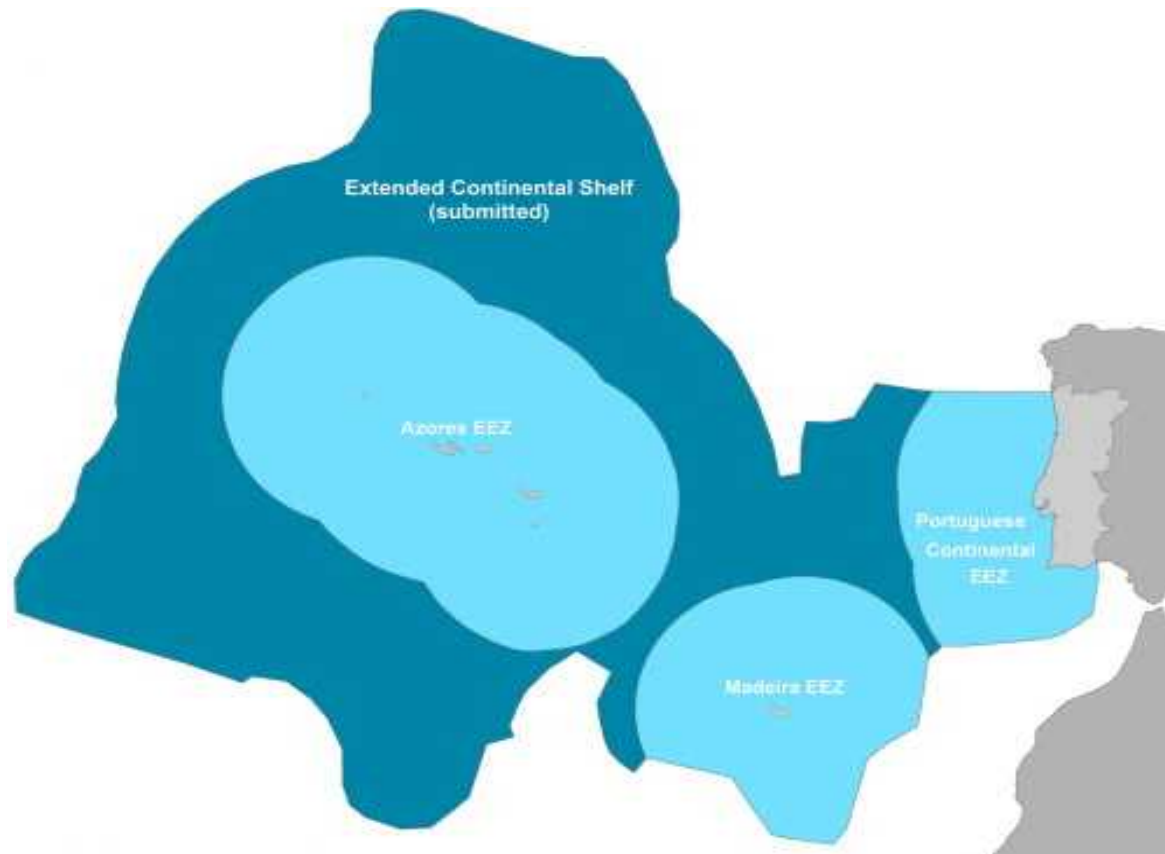
**The vision of the Azores, a European Outermost Region**



European Parliament- Committee on Fisheries  
**PUBLIC HEARING**

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## Azores: A European Region in the Atlantic



### **Azorean sub-area of the Exclusive Economic Zone (EEZ) of Portugal:**

- ✓ **Area:** 1 million Km<sup>2</sup>;
- ✓ **Average depth:** 3,000 meters;
- ✓ **Maritime zone within 200 nautical miles around the Azores:** Depths less than 600 meters represent just 0,9%;
- ✓ **Fishing potential:** conditioned by depth, strong currents and the nature and irregularity of the bottom.
- ✓ **Area of activity of the fishing fleet:** proximity to the islands, fishing grounds and seamounts that have depths less than 1,000 meters.

## Azores: A Region Highly Dependent on Fisheries

**The Azores represent a little more than 2% of the population and land territory of Portugal but have a much higher weight in the national fishing sector:**

- ✓ 17% of all fishermen registered in national ports;
- ✓ 14% of the number of licensed fishing vessels;
- ✓ 7% and 12%, respectively, of the volume and value of catches discharged at national ports.



# Azores: A Region Highly Dependent on Fisheries

## **The Azorean fisheries sector is an activity:**

- ✓ of high economic and social value;
- ✓ with broad implications for territorial cohesion, the preservation of regional cultural values and social inclusion;
- ✓ that serves as an anchor for various professions;

## **The characteristics that most distinguish fishing in the Azores from the rest of the European fishing communities are related to:**

- ✓ geomorphological aspects, such as the scarcity and small size of traditional fishing grounds;
- ✓ the low natural productivity of the Sea of the Azores, and,
- ✓ the distance to the main markets,

factors that condition the sector and reinforce the need to ensure responsible and sustainable fishing.



# The Fisheries Sector in the Azores: Fishing Fleet



## The Azores fishing fleet is an artisanal fleet:

- ✓ 551 fishing vessels:
- ✓ Average age of 25 years (22,6 years in the European Union);
- ✓ 62% are less than 9 meters;
- ✓ 85% develop their activity with “lines and hooks”;
- ✓ 85% operate up to 6 nautical miles away from the coast.

## The Fisheries Sector in the Azores: Fishing and Markets



- ✓ **Volume of catches:** annual average of 10 thousand tonnes (60% relate to pelagic species, in particular tunas);
- ✓ **Value of catches:** annual average of 30 million euros (60% refer to demersal species);
- ✓ **Fresh fish external market** (air transport): mainland, other European countries (mainly Spain) and the USA;
- ✓ **Tuna market:** regional canning industry (average annual turnover of more than EUR 70 million). Canned tuna are shipped for mainland and other European countries (mainly Italy).

## The Fisheries Sector in the Azores: Employment

- ✓ 2,800 fishermen;
- ✓ 750 direct jobs in the regional canning industry (1,500 indirect jobs);
- ✓ 1,000 direct jobs related to ground workers, ship repair, equipments, fish marketing, fishing tourism, etc.;
- ✓ 100 direct jobs in the area of scientific research related to fisheries and marine living resources (more than half are highly skilled jobs).



## EMFF 2014-2020 : MAR 2020, the portuguese operational program



- ✓ Long delay in program approval (end of 2015);
- ✓ the operationalization of the program began in May 2016 with the Compensation Plans for the outermost regions;
- ✓ The Operational Program for Portugal - MAR 2020 - provides for total EMFF support of 393 million euros (12% of the EMFF support is allocated to the Compensation Plans);
- ✓ In May 2018 the commitment rate for MAR 2020 was 50% and the execution rate was 19%.

# EMFF 2014-2020 : Outermost Regions



## ✓ EMFF co-financing rate

The EMFF does not envisage any increase in the co-financing rate for the ORs. The co-financing rate is 75% of eligible public expenditure (-10 percentage points compared to the 2007-2013 period ) while for the remaining Funds it is 85%.

## ✓ Maximum aid intensity

The EMFF lays down an increase of 35 percentage points in the maximum aid intensity when operations are located in the ORs. (As a general rule, support may reach 85% intensity, +10 percentage points than in the previous programming period.)



However, the increase for the ORs does not apply in the 2 cases for which reductions in the maximum aid intensity have been established corresponding to a ceiling of 30% of the total eligible costs of the operations:

- operations for the replacement or modernization of main or auxiliary engines, which implies, compared to the period 2007-2013, a reduction of 20 percentage points in the support rate for vessels of less than 12 meters operating in the ORs (the ORs were the most penalized);
- operations carried out by non-SMEs. This implies, compared to the period 2007-2013, a reduction of 45 percentage points in the support rate for non-SMEs located in the ORs.

## EMFF 2014-2020 : Outermost Regions

### ✓ Eligibility of non-SMEs

Until 2013, companies located in the ORs have always been able to benefit from support and aid rates applied to these regions, regardless of their size. During the period 2014-2020, the situation was substantially changed:

- The maximum aid intensity for non-SMEs decreased from 75% to 30%.
- Investment aid for the processing of fishery and aquaculture products for non-SMEs may be granted only through financial instruments.
- The EMFF has become the only Fund where this situation occurs, which leads to a negative discrimination of non-SMEs in the fisheries and aquaculture sector in comparison with on-SMEs in other sectors of activity.



## EMFF 2014-2020 : Compensation Plans



- ✓ **The Compensation Plans ceased to be an autonomous program, with their own regulation, and became part of the EMFF.**
- ✓ **The financial allocations of the Compensation Plans have been strengthened but are not yet sufficient. In the case of the Azores, the aid for fresh fish and processed tuna only compensates for 48% and 58% of the additional costs.**
- ✓ **The common rules applicable to the Funds did not take into account the fact that the Plans constitute an annual operating aid, a single type of support in the context of the Funds, for which specific rules or adaptations to the existing rules should have been envisaged. In consequence:**
  - A major administrative burden has been introduced in the management of Compensation Plans (Article 65 of Regulation 1303/2013) without any gain in terms of transparency or compliance with the objectives of the Plans;
  - No transitional arrangements were envisaged between the previous scheme and the EMFF, so European Funds were not paid in 2014 and 2015, threatening the continuity of activity by many operators.

# EMFF : PERSPECTIVES AFTER 2020



## **Main positive points of the European Commission proposal:**

1. Simplification of the policy objectives.
2. Flexibility in the choice and definition of measures to be supported by the Member States.
3. Reinforcement of the recognition of the specificities of the Outermost Regions (definition of the minimum amounts to be allocated by the Member States to these regions and creation of a subprogram (Action Plan) for each OR within the national programs).
4. Maintenance of differentiated maximum aid intensity rates for Outermost Regions, reaching, in general cases, 85%.
5. Extension of local development support to all sectors of the blue economy.
6. Promotion of better and greater synergy between the various values of marine science and of control and safety at sea.
7. Prevision of support for permanent cessation of fishing activities.
8. Diversification of the admissible forms of support.

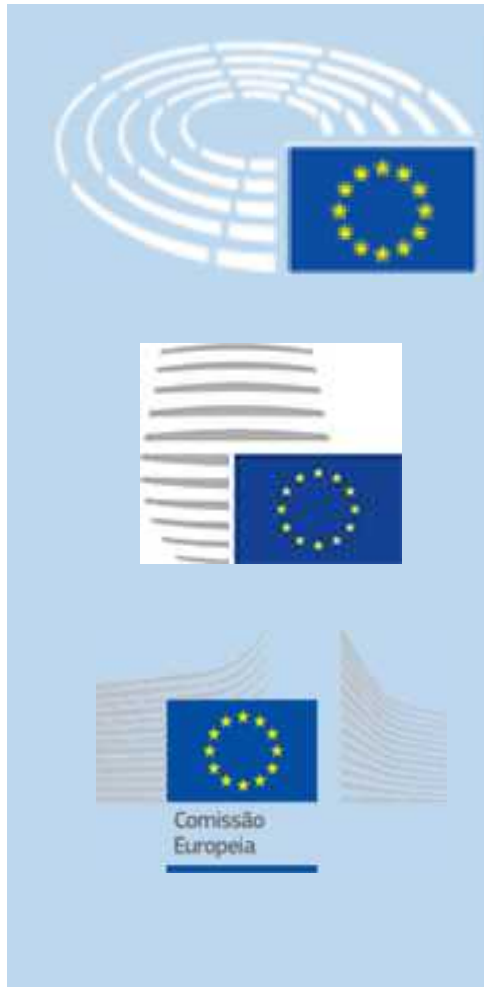
# EMFF : PERSPECTIVES AFTER 2020

## Main negative points of the European Commission proposal:

1. The Compensation Plans for the ORs continue included in the EMFF programming.
2. No differentiated co-financing rates are foreseen for the ORs. In general cases the rate of 75% is maintained.
3. Support for the processing industry can only be granted through financial instruments.
4. The EMFF's support for the renewal of the fishing fleet remains closed.
5. EMFF support for engines is restricted to small vessels and the maximum aid intensity rate is maintained in only 30%.
6. The co-financing rate for local development drops from 85% to 75%.



# EMFF : PERSPECTIVES AFTER 2020



## Key points to be improved after 2020:

1. Adaptation of common provisions applicable to Funds to take into account the specificities of Compensation Plans and similar measures (Article 57 of the proposed Common Provisions Regulation).
2. Clarification of transition rules between programming periods, in particular as regards Compensation Plans.
3. Derogation for the ORs as regards the limitations on support for the processing industry.
4. Adoption of a differentiated EMFF co-financing rate for the ORs (+10 percentage points).
5. Review of the rules in force for State aids:
  - Admissibility of aid for renewal of the fleet in the ORs;
  - Amendment of the rules applicable to *de minimis* aid for fisheries and aquaculture: raising the threshold to EUR 60 000; application of rules only to the production sector; inclusion of undertakings active in the processing and marketing of fishery and aquaculture products in the *de minimis* rules applicable to other sectors of activity.

Thank you!

