

STUDY

Requested by the PECH committee



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



Fisheries



Policy Department for Structural and Cohesion Policies
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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

Abstract

This Report is a research on the current performance of the shared management component of the European Maritime and Fisheries Fund (EMFF) and its impact on the Common Fisheries Policy. Based on quantitative data collection as well as on interviews with Managing Authorities of Member States and stakeholders, the Report also analyses the legislative proposal for the post-2020 EMFF and seeks to support the Members of the PECH Committee of the EU Parliament in their consideration.

This document was requested by the European Parliament's Committee on Fisheries.

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LIST OF ABBREVIATIONS

AIR	Annual Implementation Report
CFP	Common Fisheries Policy
CISE	Common Information Sharing Environment
CFP	Common Fisheries Policy
CLLD	Community-led Local Development
CMES	Common Monitoring and Evaluation System
CMO	Common Organisation of the Markets
CPMR	Conference of Peripheral Maritime Regions
CPR	Common Provisions Regulation
DCF	Data Collection Framework
DG-MARE	Directorate-General for Maritime Affairs and Fisheries
EAC	Ex-Ante Conditionality
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EFF	European Fisheries Fund
EMFF	European Maritime and Fisheries Fund
ESIF	European Structural and Investment Funds
EU	European Union
EUMOFA	European Market Observatory for Fisheries and Aquaculture
FAME	Fisheries and Aquaculture Monitoring and Evaluation
FAME SU	Fisheries and Aquaculture Monitoring and Evaluation Support Unit
FARNET	Fisheries Areas Network
FI	Financial Instruments
FLAG	Fisheries Local Action Group
FTE	Full-Time Equivalent
IB	Intermediate Body
IMP	Integrated Maritime Policy
MA	Managing Authority
MPA	Marine Protected Area
MS	Member State
MSP	Maritime Spatial Planning
MSFD	Marine Strategy Framework Directive
MSY	Maximum Sustainable Yield
OP	Operational Programme
OR	Outermost Region
PA	Partnership Agreement
PMP	Production and Marketing Plan
PO	Producer Organisations
SMEs	Small and medium-sized enterprises
SO	Specific Objective
SCO	Simplified Cost Options
SSCF	Small Scale Coastal Fisheries
STECF	Scientific, Technical and Economic Committee for Fisheries
UP	Union Priority

EXECUTIVE SUMMARY

Background

The European Maritime and Fisheries Fund (EMFF) is the EU's financial instrument supporting fisheries and maritime policies for the period 2014-2020. The legal framework is laid down in Regulation (EU) 508/2014 and the Common Provisions Regulation for the European Structural and Investment Funds (EU) 1303/2013.

Endowed with a total budget of EUR 8.6 billion, the fund combines direct and shared management modes. Under the shared management mode, the Member States (MSs) and the Commission jointly administer 89% of the Union's contribution to ensure consistency between EU objectives, national priorities and regional and local needs.

More than half of the programming cycling has elapsed. At this stage, the information on EMFF performance is limited. An interim evaluation of the direct management component was commissioned; but for the bulk of the financial support, only ad-hoc analyses were available.

In this context, the Commission released in June 2018 the legislative proposal for the 2021-2027 fund. This launches the ordinary legislative procedure in which the European Parliament and the Council will jointly adopt the legislation that will rule the new financial instrument.

Aim

This study aims to provide the European Parliament PECH Committee with relevant information and criteria for the consideration of the legislative proposal:

- The performance assessment of the current EMFF provides evidence to facilitate self-reflection and well-grounded decisions about its achievements.
- The analysis of the new fund generates guidance on options and criteria for consideration of the proposal.

Focusing on the EMFF Union priority 1(UP1) "Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries", the period under consideration spans from 2014 to 2017 with particular updates up to October 2018. The research approach combines quantitative and qualitative sources to bring a wide array of viewpoints that can support the PECH Committee for the greater benefit of EU fisheries and the marine environment.

Results

The results show that the EMFF has a low implementation rate (7%) after running for four years. Three factors seem to account for the current performance: complex administrative delivery, policy design and uncertainties associated with circumstantial factors.

Foremost, the fund was for the first time embedded under the common provision regulations set by the EU to improve coordination among cohesion and structural funds. Aiming for simplification and cost reduction, in practice this generated a complex framework of thirty regulations directly applicable in the implementation. On the ground the EMFF administrative cost and burden has increased (7-15%) and preparing an EMFF funding application is one of the most expensive of all the EU funds.

Legal uncertainty prevails in the application of the EMFF, to which the MSs responded adding further rules. As a result, the effective launching of the programme was delayed; in most of the MS the actual implementation of the shared management component did not start until 2016. Once started, the

tangled administrative procedures slow down the functioning and create frustration among potential beneficiaries. Assessment undertaking confirms that the emphasis of the fund so far has been on compliance rather than performance.

Complex administrative delivery explains also the asymmetric performance of the different priorities and specific measures funded so far. Advances are clear in accompanying measures for the Common Fisheries Policy and the Integrated Maritime Policy, frequently developed by public bodies. Other measures considered straightforward (e.g. equipment acquisition) have higher implementation rates. For the Union Priority 1 (UP 1), funding flows to measures that do not have specific/detailed rules associated (partnerships between scientist and fishers, limitation of the impact of fishing, protection and restoration of marine biodiversity, or added value). Greater difficulties are found for those measures having complex rules as well as substantial interpretation issues due to a rather ambiguous policy design (start-up of young fishermen, training, engine replacement, etc.).

Short-term policy priorities are not progressing as expected. For instance, the support measures for the landing obligation have a relatively limited uptake by the sector. An increase is foreseen at a later stage over the programming period: the stakeholders are aware of the need to be ready, but uncertainty about how the regulation will exactly be implemented prevents their investment. Other sources of uncertainty acting as deterrents for investment are geographically located, such as the final outcome of the Brexit or a foreseen restrictive regulation in the Mediterranean.

Overall, stakeholders and beneficiaries signal that cumbersome applications, low co-financing rates and the constraints of the eligibility criteria reduce the attractiveness of the fund. The assessment of UP1's performance identifies some early warning signals: budget will be reallocated to other priorities based on the low demand from potential beneficiaries under UP1. However, the findings indicate that the expenditure level should not be linked to the necessity or opportunity of a given measure and the explanatory factors have to be carefully analysed.

The performance assessment set the baseline to analyse the legislative proposal for the post-2020 fund (2021-2027). The analysis should be read considering that major pieces of legislation affecting the legal framework of the fund are currently under negotiation or forthcoming.

The proposal introduces a change of paradigm. Instead of setting a detailed catalogue of eligible measures, the design is based on a core principle: if it is not ineligible, it can be funded. Such design brings simplification and greater flexibility to the programme, enabling to tackle the challenges of the future fisheries policy as well as shortcomings of the European Maritime and Fisheries Fund.

Several policy options are explored for the main challenges, problems and opportunities that the fund aims to tackle: overcapacity, fisheries management, small-scale coastal fisheries, lack of attractiveness of the fisheries sector for the younger generations, coherence with the environmental policy, etc. The inner flexibility of the fund makes it particularly suitable for some of them, although it will depend on how the programme development finally unfolds.

However, as it is presently written, the proposal possesses several risks that should not be underestimated. A comparative analysis of the current and proposed financial instruments presents changes in the distribution of resources between shared and direct management. Member States would face a reduction in the budget available to deal with an increased list of mandatory tasks as the current fisheries and maritime policy measures are enriched by including marine spatial planning, coast guard cooperation and the EU marine data network. The financial support available is also likely to hamper the stakeholders take up: even lower aid intensity rates, removal of the incentives for collective action of organisations and provision of financial instruments only for given measures; those

instruments have been of limited success in the current fund. Regarding implementation, the conditions set for specific measures might render them impractical.

Policy recommendations have been formulated to enhance the capability of the fund to deliver. The suggestions are related to the text of the legislative proposal, the delegated and implementing acts, the areas of support and specific measures and the current European Maritime and Fisheries Fund (EMFF). Finally, some courses of actions for the PECH-Committee are proposed.

From a management perspective, the study helps to understand how the EMFF is performing and what has been learnt in terms of assets and pitfalls. From a decision-making perspective, this research also tries to provide guidelines to design a new financial instrument that contributes to enhance the environmental, economic and social viability of the fisheries sectors in the European Union.

INTRODUCTION

During the past twenty five years, the EU fisheries funds have tried to keep pace with the evolution of the fisheries and aquaculture sector. The initial approaches based on direct support to the harvesting sector in the 1970s have given way to more holistic instruments with an ever-increasing focus on environmental considerations.

The type, structure and goals of financial support in the period 2021-2027 is currently under discussion. The Commission presented its proposal in June 2018, drawing on the experience from the five previous programmes¹. The main aim is to design a simpler and more effective instrument, which incorporates suggestions and recommendations from all of the actors involved in the process.

However, in view of supporting the ongoing debate, a systematic assessment of the current performance of the European Maritime and Fisheries Fund (EMFF 2014-2020) would be required². This research has been developed to provide evidence of the capability of the current fund to support the objectives of the Common Fisheries Policy (CFP) and generate guidance on options for the future fund. The ultimate goal is to provide the PECH Committee with relevant and timely information and criteria for the consideration of the post-2020 fund proposal.

The report is structured in six sections:

- Chapter 1 provides a brief overview of the EMFF and analyses the strengths and weaknesses of the programme.
- Chapter 2 describes the implementation of the measures under shared management between the Member States and the Commission and assesses its performance. Initially, general remarks are provided, to focus on Union Priority 1 “Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries”. Afterwards an in-depth analysis of three target measures is presented: energy efficiency and mitigation of climate change; added value, product quality and use of unwanted catches; and fishing ports, landing sites, auction halls and shelters. Based on quantitative and qualitative information, the findings support a better understanding of the factors that are affecting the implementation process and the barriers to the uptake and use of the funds.
- Chapter 3 analyses the legislative proposal for the post-2020 fund, seeking to determine to what extent the post-2020 fund proposal tackles the weaknesses and barriers identified, whether it sufficiently addresses the challenges of the new CFP, and what are the potential risks associated to programme development and implementation.
- Chapter 4 details the policy recommendations derived from the research findings, in relation to the content- and process-based aspects of the post-2020 fund. It also includes recommendations for the current EMFF.
- Chapter 5 recommends potential courses of action for the PECH Committee.
- The annex includes the methodological approach, the timeline and process for the EMFF and the post-2020 fund, the legislative references and the detailed intervention logic of the EMFF.

¹ European Agricultural Guidance Guarantee Fund (EAGCGF), Guidance Section (1970); Multi-Annual Guidance Programmes (MAGPs, 1983); Financial Instrument for Fisheries Guidance FIFG (1994-2006; entry-exit schemes replaced the MAGPs in 2002). European Fisheries Fund (2007-2013) and the European maritime and Fisheries Fund (EMFF, 2014-2020).

² Ad hoc on-going analysis have been provided by the FAME SU and the direct management component of the EMFF has been assessed recently by the Commission.

1 OVERVIEW OF THE CURRENT EMFF

KEY FINDINGS

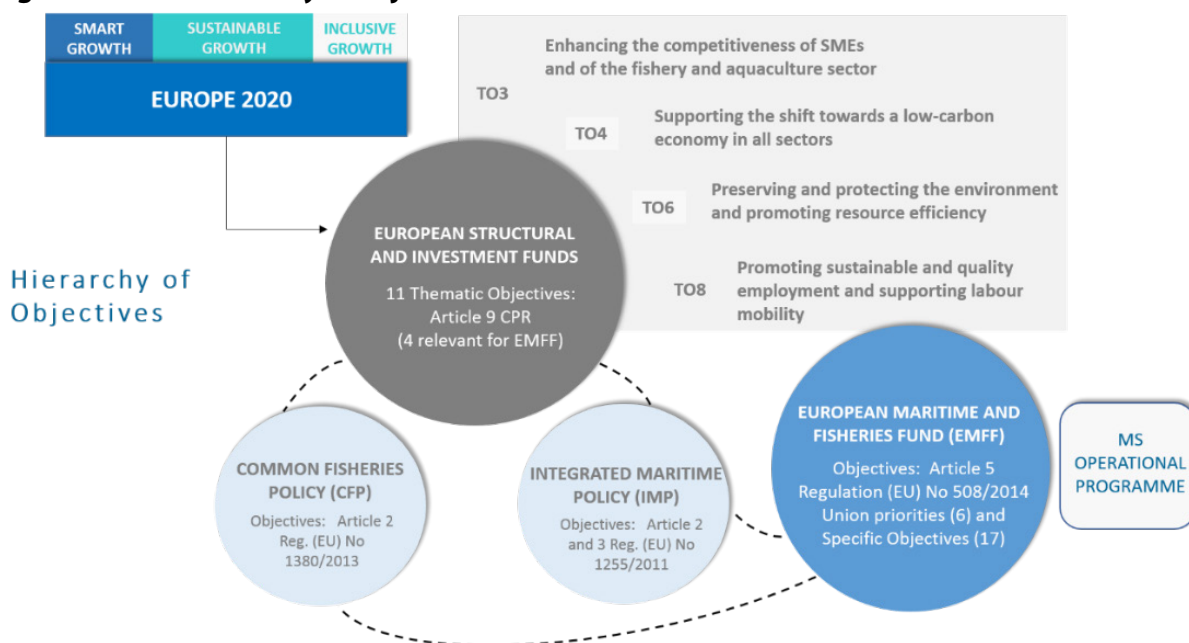
- **Including the European Maritime and Fisheries Fund (EMFF) under the European Structural and Investment Funds Regulation has delayed the launching of the programme and increased its admin burden and costs.**
- **The EMFF has a micro-management approach: 30 directly applicable EU regulations compared to the 2 of the EFF.**
- **The complexity of the legal framework led -once implemented- to a self-blocking system: to reduce uncertainty the Member states added additional rules.**
- **On the ground, tangled administrative procedures slow down the implementation and create frustration among potential beneficiaries.**
- **Preparing a funding application for the EMFF tends to be quite expensive compared with other EU funds.**
- **Implementation has been more focused on compliance than on performance.**
- **The Common Monitoring and Evaluation System was poorly designed and lacked initial guidelines, although it has the potential to become a strategic tool.**

The EMFF is the funding instrument of the Common Fisheries Policy (CFP) and of the Integrated Maritime Policy (IMP), ruled by Regulation (EU) 508/2014 and the Common Provisions Regulation (EU) 1303/2013. Endowed with a total budget of EUR 8.6 billion, the Union contributes EUR 6.4 billion in order to achieve the ambitious goals of a deeply reformed fisheries policy and an enlarging maritime public agenda.

The fund combines direct and shared management modes. Under the shared management mode, the Member States and the European Commission jointly administer 89% of the Union's contribution (EUR 5.75 billion) to ensure consistency between EU objectives, Member States' policy priorities and local needs.

What the EMFF aims to achieve is embedded in a hierarchy of objectives set at a higher level by the Europe 2020³ Strategy, the European Structural and Investment Funds, the CFP and IMP policies (see Figure 1).

³ European Commission (2010) Europe 2020. A strategy for smart, sustainable and inclusive growth. Communication from the Commission. Brussels, 3.3.2010.

Figure 1. EMFF Hierarchy of objectives

Source: Own elaboration adapted from DG-MARE. TO: thematic objectives of the European Structural and Investment Funds relevant for the EMFF.

Within this framework, the European Maritime and Fisheries Fund (EMFF) shall contribute to the following objectives (art. 5 EMFF regulation):

- Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture
- Fostering the implementation of the Common Fisheries Policy (CFP)
- Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas
- Fostering the development and implementation of the Union's Integrated Maritime Policy in a manner complementary to cohesion policy and to the CFP.

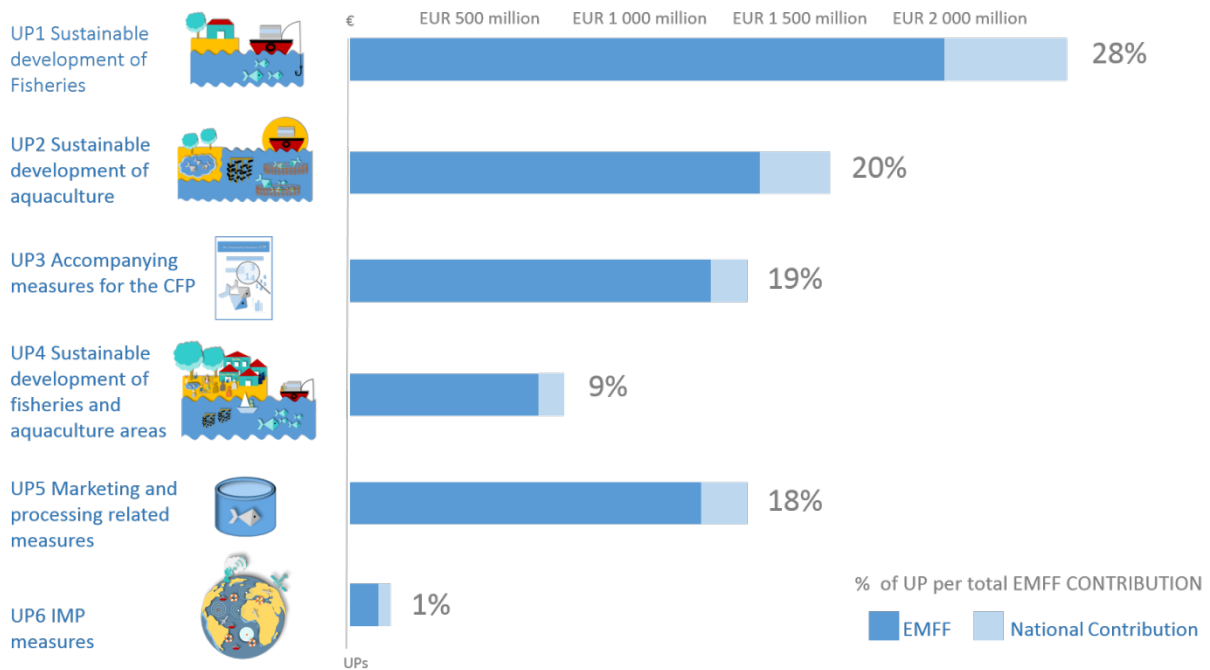
Box 1. The EMFF in a nutshell

Reference documents:

European Parliament (2018) Fact Sheets on the European Union. Fisheries Structural Assistance. 5 pages
 European Parliament (2017) Briefing. How the EU budget is spent. European Maritime and Fisheries Fund. June 2017. European Parliamentary Research Service. 10 pages.
 European Commission, DG-MARE Website. EMFF financial allocation, Member States' operational programmes, list of beneficiaries, etc. https://ec.europa.eu/fisheries/cfp/emff_en

These objectives are operationalised through six Union priorities (art. 6 EMFF; see Figure 2) to be achieved through a broad catalogue of fifty measures (see Figure 4). Potential beneficiaries include fishers, aquaculture producers, the seafood industry, fisheries communities, sectoral associations and organisations, scientific bodies, public bodies, non-governmental organisations and Fisheries Local Action Groups. If successfully implemented, the EMFF will help fishers in the transition to sustainable fishing, support sustainable aquaculture developments, aid coastal communities in diversifying their economies, finance projects that create new jobs, improve quality of life along European coasts and make it easier for applicants to access to financing.

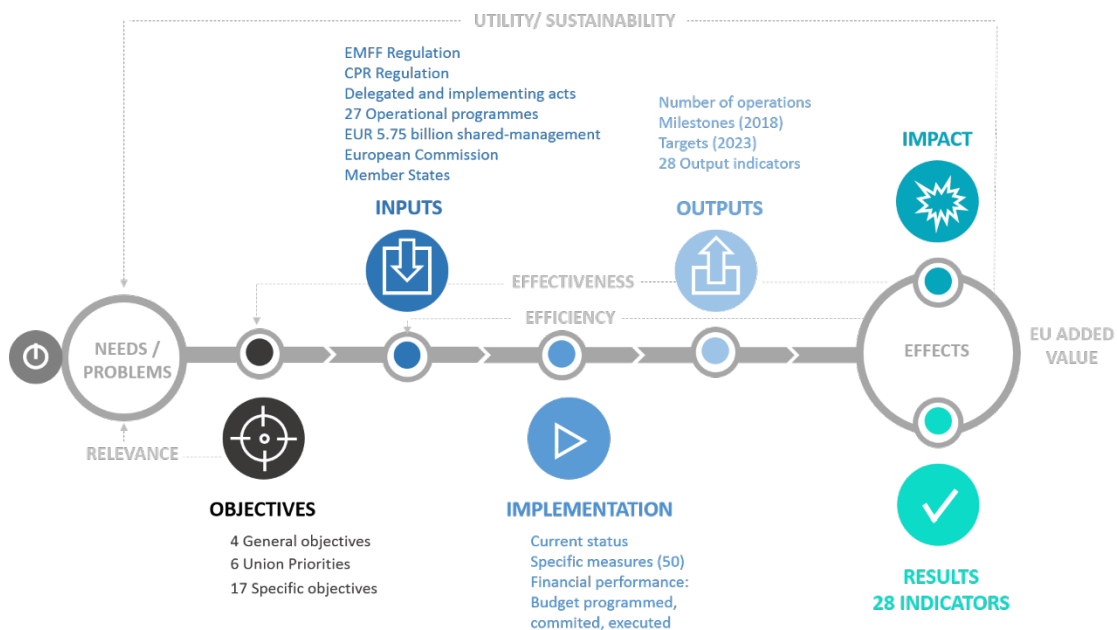
Figure 2. Union priorities of the EMFF: financial allocation (EUR million) and % of EU contribution



Source: own elaboration; data from DG-MARE, European Commission.

How the links between the different levels of the programme build on each other to generate the changes and results intended is explained in the European Maritime and Fisheries Fund (EMFF) intervention logic. The intervention logic for the shared management component of the EMFF is summarized in Figure 3 and fully developed in the Annex, describing the inputs, results, activities, outcomes and impacts of the programme.

Figure 3. EMFF intervention logic of policy objectives



Source: own adaptation from the European Commission Evaluation and fitness check roadmap (2015).




A complex network of public and private actors is involved in the implementation of the EMFF:

- 27 Managing Authorities (MA) at Member State (MS) level responsible for managing the Operational Programmes (OP); 27 Certifying Authorities (CA) responsible for payment applications; 27 Audit Authorities (AA) to ensure that audits are carried out according to the regulation.
- Intermediate bodies –public or private- at MS level that act under the responsibility of the MA or CA or carry specific duties in relation to beneficiaries implementing operations. These could have a regional scope (e.g., decentralised countries) or a thematic scope (e.g. innovation).
- 27 Monitoring Committees at MS level for the follow-up of the operational programmes.
- European Commission, DG-MARE and Support Units (FAME, FARNET).
- An EMFF Committee⁴ set up by the legislators (Council and Parliament) and made up of representatives of each MS that delivers formal opinions on draft implementing acts to ensure that EU law is implemented uniformly.
- An EMFF Expert Group (EMFF E03143), consultative body set up by the Commission to provide with advice and expertise for the preparation of legislative proposals and policy initiatives, the preparation of delegated acts and the implementation of EU legislation, programmes and policies, including coordination and cooperation with MSs⁵.

⁴ Lisbon Treaty (Articles 290 and 291 of the Treaty on the functioning of the EU) and the Comitology Regulation (EU) No 182/2011.

⁵ Formally the expert group will meet 10 or 11 times per year; so far there has been 15 publically announced meetings between December 2014 and October 2018.

Figure 4. EMFF Priorities, eligible measures and potential beneficiaries

	Operators	Public bodies	Others
 Sustainable development of Fisheries (see EMFF Regulation: Title V, Chapter I)			
Innovation projects	▲	■	
Advisory services, feasibility studies and advice	▲	■	
Scientists-fishermen partnership	▲	■	●
Promotion of human capital, job creation, social dialogue	▲		
Diversification and new forms of income	▲		
Start up support for young fishermen	▲		
Health and safety	▲		
Cessation of fishing activities under conditions: Temporarily / Permanently	▲		
Mutual funds compensating losses due to climatic events and environmental incidents			●
Support for systems of allocation of fishing opportunities		■	●
Support for the design and implementation of conservation measures and regional cooperation	▲	■	●
Limitation of environmental impact of fishing	▲		●
Innovation related to conservation of marine resources	▲	■	
Environment protection and compensation regimes	▲	■	●
Energy efficiency and climate change mitigation	▲		
Added value, product quality and use of unwanted catches	▲		
Fishing ports, landing site auction halls, shelters		■	●
Inland fishing and protection of aquatic fauna and flora	▲		●
 Sustainable development of aquaculture (see EMFF Regulation: Title V, Chapter II)			
Innovation	▲	■	
Productive investments	▲		
Management, relief and advisory services	▲	■	●
Promotion of human capital and networking	▲	■	
Increasing aquaculture sites potential		■	●
New aquaculture farmers	▲		
Conversion to eco-management and audit schemes (EMAS) and organic aquaculture	▲		
Aquaculture providing environmental services	▲		
Public health measures	▲		
Animal health and welfare	▲	■	●
Aquaculture stock insurance	▲		
 Accompanying measures for the CFP (also applicable to operations outside EU territory) (see EMM Regulation: Title V, Chapter VI)			
Support for control and enforcement	▲	■	●
Support for data collection		■	
 Sustainable development of fisheries and aquaculture areas Follows a community-led local development (CLLD) approach (see EMFF Regulation: Title V, Chapter III)			
Support for CLLD (preparatory support, implementation of CLLD strategies, cooperation activities, running costs and animation)	▲	■	●
 Marketing and processing related measures concerning fishery and aquaculture products (see EMFF Regulation: Title V, chapter IV)			
Production and marketing plans			●
Storage aid			●
Marketing measures			●
Processing			●
 IMP measures (see EMM Regulation: Title V, Chapter VIII)			
Support for operations contributing to integrated maritime surveillance IMS (notably the common information sharing environment CISE) and promoting the protection of marine environment		■	

Source: European Parliament Research Service (2017) How the EU budget is spent: European Maritime and Fisheries Fund June.

Compared to the European Fisheries Fund, the European Maritime and Fisheries Fund (EMFF) broadens the scope and type of operations to be supported, but it also transfers to the Member States some measures that used to be managed directly by the Commission (e.g. data collection or control and enforcement). To address previously-identified shortcomings, a single fund now unifies the financial support with a stronger strategic approach, a sound monitoring and evaluation system and a systematic use of conditions and incentives to reinforce the support to the fisheries policy. Many of the procedure changes were driven, however, by the integration of the EMFF into the regulatory framework of the European Structural and Investment Funds⁶.

Effective and efficient use of the EMFF is ensured through general conditions established in the Common Provisions Regulation (CPR) (Annex XI Part II). Four out of nine are mandatory: public procurement, state aid, environment and statistical systems⁷. In addition, the EMFF sets four thematic ex-ante conditionalities that may apply: reporting on fishing capacity, multi-annual strategic plan on aquaculture, administrative capacity regarding data collection and administrative capacity regarding control and enforcement (Table 1).

⁶ The European Regional Development Fund, the European Social Fund and the Cohesion Fund that fall under the EU's cohesion policy; the European Agricultural Fund for Rural Development under the Common Agricultural Policy; and the EMFF under the Common Fisheries Policy.

⁷ For the other five the MS are in charge of assessing whether they are applicable. For those that the MS consider that apply, an assessment should be included in the Partnership Agreement (PA) indicating whether they are fulfilled when the PA is submitted; if not, the MS should include an action plan with a timetable for implementation, considering that they had to be fulfilled no later than December 2016 (art. 19.2 CPR Regulation). The information provided is assessed by the Commission in terms of consistency and adequacy

Table 1. EMFF ex-ante conditionalities contributing to the implementation of the CFP

EMFF UP	SPECIFIC OBJECTIVE	Name	Ex-ante conditionality
UP3 Fostering the implementation of the Common Fisheries Policy (CFP)	Improvement and supply of scientific knowledge as well as the improvement of the collection and management of data.	Administrative capacity: data collection	Administrative capacity is available to comply with the data requirements for fisheries management (art. 25 of the CFP regulation and article 4 Data Collection Framework - DCF)
UP3 Fostering the implementation of the CFP	Provision of support to monitoring, control and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden.	Administrative capacity: control	Administrative capacity is available to comply with the implementation of a Union control inspection and enforcement system (art. 36 CFP regulation and Control regulation).
UP2 Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge-based aquaculture	Provision of support to strengthen technological development, innovation and knowledge transfer. The protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture	Multi-annual national Plan for Aquaculture	Establishment of a multiannual national strategic plan on aquaculture by 2014 (art. 34 CFP regulation).
UP1 Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries	Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches. Protection and restoration of aquatic biodiversity and ecosystems Enhancement of the competitiveness and viability of fisheries enterprises.	Reporting on fleet capacity	Capacity report has been submitted (art. 22 CFP regulation).

Source: European Commission, Draft Guidance, EMFF Specific Ex-ante conditionalities. Version 3 (7 March 2014).

In order to fulfil 3 of the specific ex-ante conditionalities⁸, 16 Member States (MSs) adopted 28 action plans that include 98 distinct actions. By completing those plans, it is assumed that the MSs would find themselves in a better position to implement the European Maritime and Fisheries Fund and contribute to the achievement of the CFP goals.

Table 2. Action Plans of the Member States to fulfil the ex-ante conditionalities

SPECIF EAC	MSs WITH ACTION PLAN FOR FULFILLMENT (number and name)
Reporting on fleet capacity	10: BE, BG, CY, EL, FR, HR, IT, MT, RO, SI
Administrative capacity: data collection	6: BG, EL, ES, FR, PT, RO
Administrative capacity: control	12: BG, DE, EL, FI, FR, HR, IE, IT, PT, RO, SI, UK

Source: FAME SU, DG-MARE, European Commission. EMFF Expert group, Brussels, 2 March 2016.

⁸ All but the aquaculture plan.

Having the necessary conditions in place was a prerequisite for the European Maritime and Fisheries Fund (EMFF) to function properly. Still, reinforcing the link between the financial support and the policy goals called for other conditional devices:

1. The **compliance mechanism**, by which the EMFF support is contingent upon compliance by MSs and operators with the Common Fisheries Policy (CFP) rules (art. 10 EMFF Regulation).
2. The use of a **performance reserve** (6% of the total resources allocated, art. 20 Common Provisions Regulation). If the milestones set in the Operational Programme (OP) (financial and output targets) are achieved, this reserve is finally allocated, operating as an **ex-post condition**.

The Strengths, Weaknesses, Opportunities and Threats analysis and the battery of context, financial, operational and result indicators detailed by each Member State (MS) in their OPs are also geared to align the financial support with achieving a sustainable exploitation of marine biological resources, while ensuring economic and social sustainability.

Initially, the EMFF should be a simpler and better suited instrument for all the actors involved, from the EU institutions to the MSs and the potential beneficiaries in the private and public sectors. To what extent this was perceived on the ground is a matter of debate discussed below.

1.1 Strengths and Weaknesses of the EMFF

The approval of the EMFF nearly concurred with the approval of one of the most radical reforms of the CFP by the end of 2013. An ambitious policy with concrete measures and deadlines (e.g. Maximum Sustainable Yield, landing obligation) that called for financial support, particularly in the financial context at that time. Since then, the EU has experienced a gradual improvement, although the lingering effects of the crisis and the recession in the demand level for investment should not be dismissed.

To advance in the understanding of the EMFF current performance one needs to take stock of the perceived strengths and weaknesses of the fund. The interviews and on-line survey with the Managing Authorities, stakeholders and beneficiaries participating in this research set the baseline (see Table 3 and Figure 5) against which change and progress can be evaluated.

Table 3. Strengths and weaknesses of the EMFF

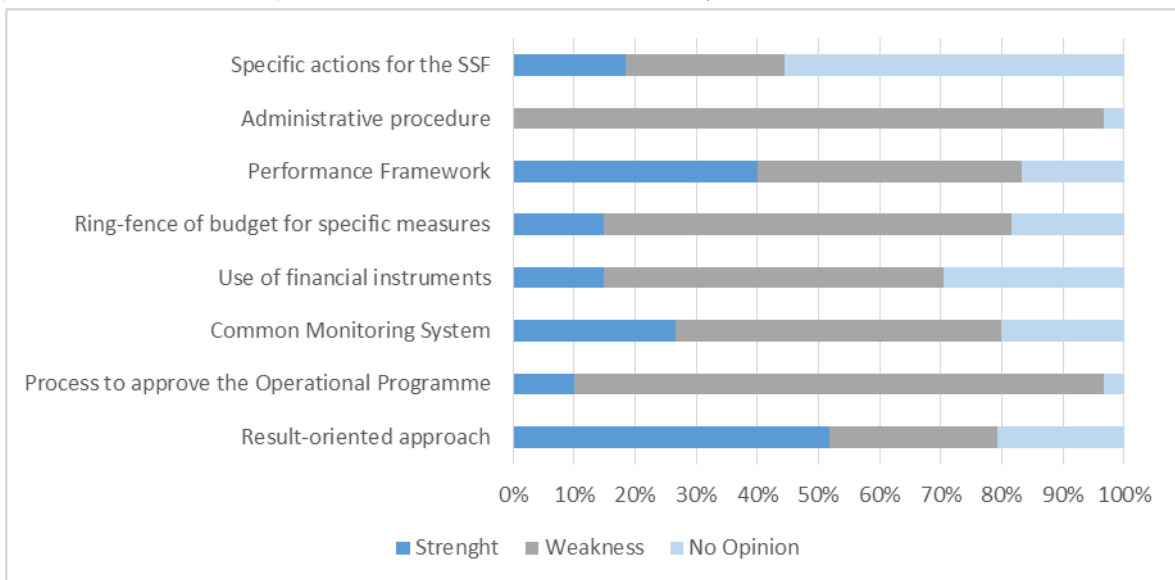
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Broader coverage than the European Fisheries Fund: size, scale and type of investment eligible. • Allocation of funds without considering convergence criteria • A single financial instrument • A result-oriented approach • Simplification devices: limits for auditing 	<p>Legal framework:</p> <ul style="list-style-type: none"> • Complexity of the Common Provision Regulation • Increase in the administrative cost (for public administration) and burden (for beneficiaries). • Complex requirements for the preparation of the Operational Programmes (OPs) • Difficulties to verify the admissibility criteria (art. 10 European Maritime and Fisheries Fund Regulation) and to interpret eligibility criteria for specific measures. • Late approval of the Basic regulation, delegated and implementing acts. <p>Programme design:</p> <ul style="list-style-type: none"> • A rigid intervention logic that limits Member States (MS) capability to adapt to their specificities. • Missed or not well-established links between strategic objectives, indicators and measures. • Ring-fence of budget for specific measures. • Self-blocking system to avoid de-certifications • Financial issues

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Individual and community-based measures Specific measures targeting the objectives of the Common Fisheries Policy. 	<p><i>De facto</i> barriers for reprogramming the OP.</p> <p>Performance framework:</p> <ul style="list-style-type: none"> Basic concepts (e.g. operation) understood differently by MS. Misconception of indicators and lack of guidelines in the programming phase Lack of accuracy of the system to reflect performance. <p>Beneficiaries:</p> <ul style="list-style-type: none"> Low co-financing rates limit the attractiveness of the fund. Growing number of rules, admin burden and controls are disincentive to apply for support.

Source: own elaboration.

Complex administrative delivery is by far the most popular shortcoming identified (97% of respondents). This is consistent with the impact of the European Structural and Investment Funds regulation in the EMFF, and the overwhelming number of new requirements and procedures to which both the Managing Authorities and potential beneficiaries have needed to adapt; the **steep learning curve** has impacted their capability to progress further. So much so that the MSs have created an informal Learning Network (on-line tool) to foster cooperation on topics such as new regulations, interpretations, audit findings, etc.

Figure 5. EMFF strengths and weaknesses perceived by the MAs and stakeholders (in %)



Source: own elaboration. (n=35).

The inclusion of the European Maritime and Fisheries Fund (EMFF) under the policy framework for the European Structural and Investment Funds has been a game changer. The framework aims to foster better cooperation and coordination between the funds, based on the complementarity of policy objectives and the maximisation of effectiveness, optimising the synergies and efficiency of the instruments. In addition, it was expected to streamline the delivery mechanisms, benefit from simplification efforts and therefore reduce the administrative burden of the EMFF, which was considered too high in the European Fisheries Fund (COM, 2017:24).

Recent studies (EU, 2017; EU, 2018) and the research findings indicate that **the Common Provision Regulation (CPR) has been a major burden**. The harmonisation has generated tensions which have further complicated implementation, and coordination has been improved at the cost of creating a **complex corpus of 2 regulations and 28 binding legal acts** (see Table 4 and Annex), compared to the 2 regulations that ruled the former fisheries fund⁹. The EU layers of rules are complemented by national legislation.

Table 4. European Regulatory Framework for the EMFF

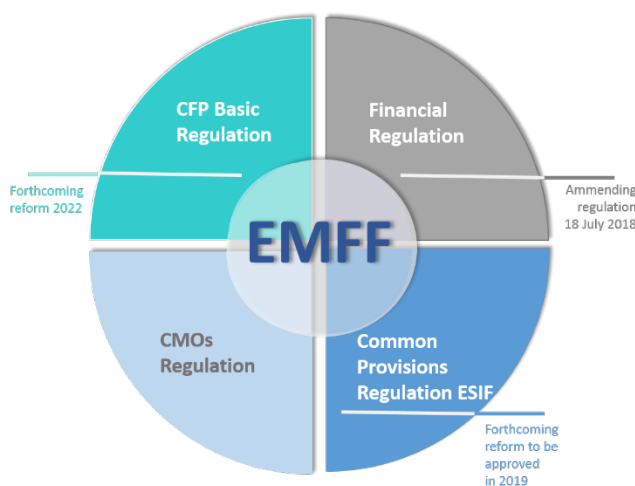
Type	CPR	EMFF
Basic regulation	1	1
Delegated acts (that affect the EMFF)	3	9
Implementing decisions and regulations (that affect the EMFF)	8	8

Delegated acts are legally binding acts that enable the Commission to supplement or amend non-essential parts of EU legislative acts. Implementing acts: legally binding acts that enable the Commission – under the supervision of committees consisting of EU representatives – to set conditions to ensure uniform application of the EU laws.

Source: own elaboration.

The European Structural and Investment Funds framework added extra layers of complexity to the European Maritime and Fisheries Fund (EMFF), which has several interdependencies with other legal instruments (see Figure 6).

Figure 6. Interdependency of the EMFF with other legal instruments



Source: own adaptation from DG-MARE (2012). Regulation (EU) 1379/2013 on the Common Organisation of the Markets of Fishery and Aquaculture Products (CMO), Regulation (EU/Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union.

Complexity and extensive requirements delayed the elaboration and approval of the Operational Programmes (OPs): only 5 Member States (MSs) approved their OPs in the first half of 2015, while 22 did it in the second half/end of 2015. In general, the period 2014-2015 was mostly spent in setting up the administrative structure of the OPs, while 2016 was dedicated to preparation, legislation and

⁹ Two regulations and two amendments: Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund, Regulation (EU) No 387/2012 of the European Parliament and of the Council of 19 April 2012 amending Council Regulation (EC) No 1198/2006 on the European Fisheries Fund, as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability, Commission Regulation (EC) No 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund and Commission Regulation (EU) No 1249/2010 of 22 December 2010 amending Regulation (EC) No 498/2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund.

coordination work. The main hindering factors were the delay in the designation of authorities, multilevel governance in MSs, political and administrative factors. As late as August 2017, 30% of the authorities were yet to be designed¹⁰. Delegated and implementing acts came late in time for the MSs programming phase, and they tend to be considered as extremely prescriptive.

Disproportional or inapplicable requirements seem to be against the principles of simplicity or access to funds by the beneficiaries, as illustrated by some examples gathered during the field work:

- The Concept of beneficiary¹¹ is loosely defined (art. 2.10 Common Provision Regulation, CPR) but clarified further under recital 5 of the EMFF regulation. This has raised significant doubts on interpretation from the Managing Authorities (MAs). Furthermore, under the CPR umbrella the same requirements apply to a SME or a fisher and to a technological institute alike, whereas capabilities and resources to deal with the application are clearly different. The necessary adjustment of the requirements to the type of project, areas and beneficiaries being supported has been stressed by experts (HLG, 2017: 28), MAs, stakeholders and beneficiaries.
- The National accreditation of MAs (art. 124 CPR) through a report and opinion of an independent audit body has generated an additional burden and has further delayed implementation. Even more so, if considering that most Managing Authorities (MAs), Intermediate Bodies and Certifying Authorities were the same as in the European Fisheries Fund.
- Accounting systems: the European Maritime and Fisheries Fund (EMFF) does not have an end-of-year accounts closure.

The **Member States (MSs) have contributed to the complex administrative delivery**. The legal uncertainty, the fear of the audit and of projects rejection by the Commission after having paid a beneficiary¹² have generated a **self-blocking system**: to avoid potential difficulties the MAs have added additional rules. The term **gold-plating** is widely used to define extra requirements and administrative burden imposed on beneficiaries by national and sub-national authorities, besides those deriving from provisions at EU or national level (HLG, 2015). Both experts and MAs consider these as a reaction to the complexity of the European Structural and Investment Funds and the EMFF regulations.

Financial issues are also having an impact on implementation. Constraints in national budgets have limited the availability of resources to co-fund the EMFF, and the changes introduced in the programme have not come handy either: pre-financing went from 7% (art. 81 EFF Regulation) to 1-1.2% (CPR Regulation); the funds directly received by the MAs are now channelled through the MS National Treasury, where MAs from other sectors compete for resources allocation; specific measures that were previously pre-financed at 50% (e.g. Data Collection Framework) now have to be included in the national budget, which is challenging and time consuming; the certified expenses are reimbursed to the MA only at 90%, with a 10% reserve to face any contingency (de-certification). In some cases, the misalignment of payments creates further challenges for the MAs.

¹⁰ Romania was in the process and no designation was available for BG, DE, HR, HU, IE, IT, PL.

¹¹ 'Beneficiary' means a public or private body and, for the purposes of the EAFRD Regulation and of the EMFF Regulation only, a natural person, responsible for initiating or both initiating and implementing operations; and in the context of State aid schemes, as defined in point 13 of this Article, the body which receives the aid; and in the context of financial instruments under Title IV of Part Two of this Regulation, it means the body that implements the financial instrument or the fund of funds as appropriate (art. 2.10 Regulation 1303/2013).

¹² The Ex-post evaluation of the EFF reports (2016:50), for instance, the case of Spain: "the term "ability to fish" in relation to investments on board was clarified by the Commission after a significant number of projects had been approved, which led to the de-certification of many projects totalling EUR 830,000 of EFF funding (AIR 2013).

Although the elaboration and approval of the Operational Programmes are frequently mentioned, even when this process is completed, there remains a long way to go before effectively launching the programme for its potential beneficiaries. Some crucial steps (e.g. definition of selection criteria) were made more difficult due to the complexity, imprecision and contradictions of the EMFF. In a nutshell, MAs “**cannot simply look at the regulation and decide what is eligible and what is not**”¹³. This is confirmed by the significant number of questions raised by the MAs to the Commission regarding the EMFF. Based on the qualitative assessment of the present research, the average response time of the Commission services has been estimated in six months. In the meantime, the MAs cannot launch the calls because they do not have certainty about the requirements to be included in the terms of reference.

The admissibility of applications defined in the basic regulation (art. 10 EMFF Regulation) has also created significant difficulties. During the interviews, it was suggested that the Commission should define typologies and cases that generate doubts; the uncertainty in the interpretation of these criteria is believed to be one of the major causes for failure of the programme.

Other spill-over effects of joining the European Structural and Investment Funds (ESIF) family have been signalled by the Managing Authorities (MAs). The European Maritime and Fisheries Fund (EMFF) is a financially small-sized fund, with MAs that are smaller in size, resources and position compared to the MAs of other funds. Currently, they have to coordinate, discuss and to some extent compete with powerful players, which might potentially undermine the position of the fisheries and maritime issues in the public agenda at national level. In this sense, a MA suggested the possibility of taking the EMFF out of the new Common Provision Regulations (CPR) (2021-2027) as it will happen with the European Agricultural Fund for Rural Development.

However, the CPR framework offers room to harness its complexity to the benefit of the fisheries and maritime sectors. Countries like Portugal have already taken advantage of this. Using the Integrated Territorial Investment tool (ITI, art. 36 CPR), in 2015 they launched an ITI for the “Sea Economy” (ITIMAR) as a cooperation platform integrated by Public Authorities and the MAs of the ESIFs Operational programmes. The ITI covers the blue economy, including the fisheries and aquaculture value chains. In practice, there is a reference framework document that identifies ESIF main opportunities for Blue Growth in Portugal, a monitoring of the use of funds to support ocean relation projects and a national helpdesk. In 2016¹⁴, more than EUR 304 million from the ESIFs were approved for nearly 1,597 ocean related projects¹⁵. The EMFF accounts for 16%, with the European Regional Development Fund funding 45% of the total commitment.

Other ESIF devices have clear trade-offs. For instance, the capability to reallocate budget among ESIF (e.g. the performance reserve) allows for flexibility and efficiency. On the other hand, it places at Member State level the competition for budget among funds; a competition within which the EMFF is the weakest link.

For the sake of readability, the weaknesses related to the performance framework are analysed in the assessment of the Common Monitoring and Evaluation system (see 1.3), while the ones related to the beneficiaries are studied and illustrated in assessment of the current performance (see 2).

¹³ Verbatim from one of the interviews with an MA; the same perception was expressed with different words by the other MAs directly interviewed.

¹⁴ For EMFF data are updated to 2017.

¹⁵ Excluding tourism in coastal zones.

1.2 From theory to practice: programme performance

Simplification and effectiveness have been pursued in the EMFF and horizontally through the ESIFs. A comparative analysis of all the ESIFs has found that the **administrative cost has decreased for all funds** (average -2% to -5%) **except the EMFF** (EC, 2017; EC, 2018):

1. The introduction of **simplification measures** has in fact increased the administrative cost and burden of the EMFF by **7 to 15%**¹⁶.
 - Greater thematic concentration increases the workload for MAs: selection of operations, verification of deliveries and compliance and monitoring activity.
 - Harmonisation of rules increases costs related to tasks as verification of deliveries and compliance, monitoring and ensuring a system for data recording. This has been **considered of limited benefit**, due to the different profile of beneficiaries among funds.
 - **Simplified Cost Options (SCO)**¹⁷ are created to accelerate reimbursement procedures and reduce the admin burden of the beneficiary, but Managing Authorities (MAs) consider them too administratively burdensome¹⁸.
 - Simpler rules for revenue-generating projects have a flat rate that may be too low and difficult to apply nationally considering the regional differences.
 - **Simplified programme modification procedure**: decrease in time but not in cost, as MAs need to justify modification. Additional barriers might exist. As of now, the MAs have gained a better understanding of the Programme and/or have noticed inconsistencies in terms of allocation of resources, indicators, performance framework, etc., in their Operational Programmes (OPs). Therefore, some of them have requested for a **reprogramming through an amendment of the Programme** (art. 20 EMFF regulation). **Apparently, the Commission seems to be reluctant** to concede it, arguing that it is too early in the programme. The **MAs consider this unfair if compared with the direct management measures under the EMFF** (the Commission has a work plan with annuity budget allocation and re-programming is frequent) **or other funds** (e.g. European Agricultural Fund for Rural Development).
2. Study of administrative burden by beneficiaries' profiles shows that **Small and medium-sized enterprises are the ones that need to invest more into project application** compared to public bodies, natural persons or Producers' Organisations. (EMFF, Expert Group Survey, 2015).
3. The impact **of including some former direct management measures** (data collection, control and enforcement, contribution to the Integrated Maritime Policy) under shared management is suggested but has not been analysed in the comparative study (European Commission, EC 2017).

Recent findings confirm that selecting operations, followed by verifications for reimbursement of beneficiaries and audit of operations, are the most demanding tasks for the MAs (EC, 2018: 14). Substantial decreases in the workload may come by reducing the number of verifications (2 to 4%) or expanding the scope of Simplified Cost Options to cover 30% of the budget (EC, 2018: 14). For the

¹⁶ EC (2018: 14) "EMFF administrative costs are on average 44 200 Euro per million Euro or 0.93 FTE per million Euro of eligible funding, though with considerable variations between programmes depending on their financial volume and thematic focus. Administrative costs in both monetary and workload terms are higher than ERDF, CF, and ESF, but roughly half of the figures for EAFRD, and in line with the overall ESIF figure. The relatively limited size of EMFF programmes is likely to play a role in the high costs in relation to eligible funding".

¹⁷ Standard scale of unit cost, lump sums, flat-rate financing.

¹⁸ Results of the questionnaire on simplification in the EMFF. EMFF expert group Brussels, 9 November 2015.

beneficiaries, preparing payment claims, keeping records and gathering information are considered the burdensome tasks (EC, 2018: 73). It should be noted that the **EMFF has one of the most expensive applications: average EUR 20 805 per million EUR of eligible budget** (the average for all funds EUR 19 900) requiring one full-time equivalent working for more than half a year per million of eligible cost.

The **expected substantial reduction of administrative costs at beneficiary level (10-17%) for the EMFF** is linked to the implementation of the aforementioned simplification measures; but the **adoption until now across Member States has been rather limited**. For instance, when it comes to SCOs, the EMFF ranks **last among all the European Structural and Investment Funds**. The MAs perceive Simplified Cost Options (SCOs) as complex, are sceptical towards possible benefits and seem to lack willingness to change the administrative systems in place (EC, 2017:62). In some cases, attempts to use SCOs in specific measures (e.g. fleet measures or fishing ports) failed: the beneficiaries considered the proposal of unit cost unsatisfactory in the light of potential price fluctuations (EC, 2017:148). In others, the OPs include thresholds for the use of SCOs that might be too high, for instance, for SSCF (e.g. EL).

Other measures at European Maritime and Fisheries Fund (EMFF) level could ease the access of beneficiaries to funds. Advance payment is an option to increase the liquidity of specific beneficiaries¹⁹. In 2015, up to ten Member States (MSs) planned to use it (EMFF Expert Group Survey, 2015) although the same number did not include them in their Operational Programmes (OPs).

Moving away from grant-based dependency and leveraging private-sector funding is one of the aims of the EMFF. Due to the emphasis put on the financial instruments in the current and post-2020 fund, a summary of their performance is presented here to guide further positioning. Financial instruments (FI) include loans, guarantees, equity and quasi-equity investments. The rationale to promote their use is that they provide better value for money, because sums are repaid and reinvested, while supporting the beneficiaries by reducing the risk of their investment.

Well-aware of the existing barriers, the Commission in partnership with the European Investment Bank has set up an advisory platform, and in 2015 a scoping study was released about the potential and most appropriated FIs within the EMFF²⁰.

With the benefit of hindsight, it seems that progress in the uptake of FIs continues to be slow. FIs had a limited uptake under the European Fisheries Fund, having been applied by 6 MSs and accounting for only 1.5% of the total funding²¹. On paper, 6 MSs have planned FIs in their EMFF OPs (EE, ES, IT, LT, NL, UK). According to the data provided by the Commission, the combined indicative allocations from six countries total about EUR 88 million (EU, 2015: 7). Operations are related to innovation, diversification, productive investments in aquaculture, processing and marketing.

On the ground, several barriers are hampering the FI implementation. In some countries (e.g. ES) the banking sector perceives the seafood value chain as a risky industry, due to the inherent uncertainty, lack of knowledge, difficulty in monetising, price volatility, reduced differentiation, limited traceability, etc. The attempts to set up an instrument have also faced reluctance from administrative bodies at national level, who need to approve it. In other cases, the ex-ante evaluation has indicated that the EMFF budget is too small (e.g. IR), so banks will not be interested in implementing a financial

¹⁹ CLLD and POs, art. 62 and 66 EMFF regulation.

²⁰ European Union (2015) Scoping study for the use of financial instruments under the EMFF and related advisory support activities Final Report June 2015.

²¹ Bulgaria (guarantees for aquaculture SMEs), Estonia (loans for aquaculture SMEs), Greece (guarantees for aquaculture, processing and vessel modernization), Latvia (Latvian Credit Fund, combined with EAFRD), Netherlands (Netherlands Fisheries investment Fund) and Romania (guarantees for aquaculture SMEs) (FICOMPASS, 2015; EC, 2017).

instrument for the fund on its own and combination with other European Structural and Investment Funds would be necessary.

For the potential beneficiaries, credit seems no longer to be an issue and the potential assets of the FIs may not compensate the requirements of information and administrative burden for beneficiaries (similar to the ones requested for a grant); specific measures (e.g. support for innovation and technological developments) may even have access to 100% grants from other sources. In terms of management, it is believed that the FIs require additional work after the allocation in order to ensure that the money is paid back, as well as to reuse recycled funds (European Commission, 2017b). Those issues need to be considered when provisioning only FIs for the support to a set of given measures in the post-2020 fund.

1.3 The Common Monitoring and Evaluation System (CMES)

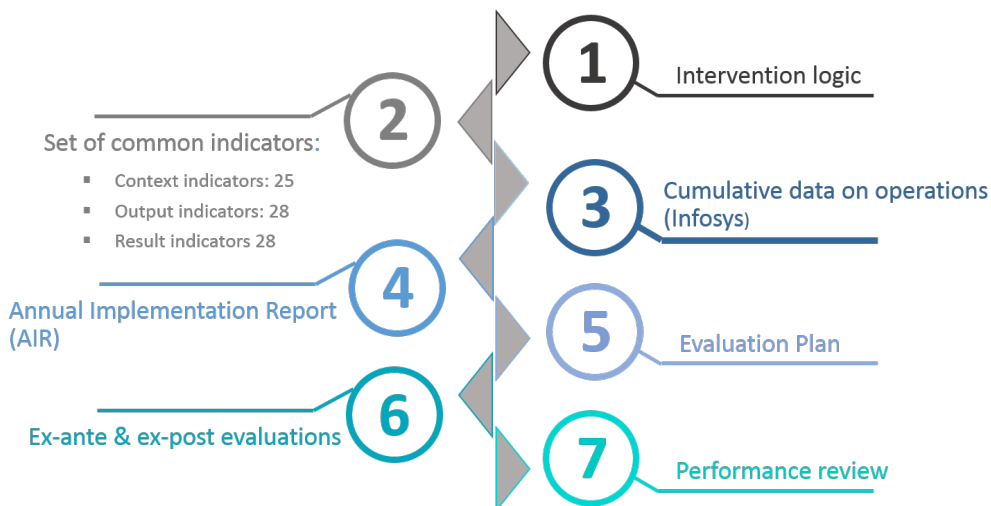
The European Fisheries Fund had a system oriented to operational level and financial absorption, with separate provisions for the monitoring procedures and evaluation and without common indicators at EU level. The lack of a focus on results and performance was identified as a serious deficiency (COM, 2011: 11). Therefore, setting a consistent framework for monitoring and evaluation became part of the performance-oriented approach of the European Maritime and Fisheries Fund (EMFF). Formally, the CMES has three components:

1. An information and monitoring system to provide robust, reliable and comparable data that can be aggregated at EU level.
2. An on-going evaluation that ensures timely follow-up of the implementation (process, effectiveness and impact) for informed programme management.
3. A performance framework to foster orientation to results, and potentially trigger financial actions in the light of adverse evaluation findings

These components inform the seven elements of the CMES set in the regulation²² (see Figure 7), and are designed to achieve the following objectives²³: to demonstrate Common Fisheries Policy and Integrated Maritime Policy achievements, to assess the effectiveness, efficiency and relevance of EMFF operations, to support a learning process related to monitoring and evaluation and to provide evidence-based evaluations of EMFF operations that feed into the decision-making process.

²² Article 1 of the Commission Delegated Regulation (EU) No. 1014/2014.

²³ The objectives are set in art. 108 EMFF: to demonstrate the progress and achievements of the CFP and the IMP, to consider the general impact and to assess the effectiveness, efficiency and relevance of EMFF operations; to contribute to better targeted support for the CFP and the IMP; to support a common learning process related to monitoring and evaluation; to provide robust, evidence-based evaluations of EMFF operations that feed into the decision-making process (art. 108 EMFF Regulation).

Figure 7. Elements of the Common Monitoring Evaluation System (CMES)

Source: own elaboration. Commission delegated Regulation (EU) No 1014/2014 of 22 July 2014 supplementing Regulation (EU) No 508/2014.

The EMFF CMES provides the information basis for an evidence-based policy cycle: it allows for tailor-made analysis required for policy-making, supports early warnings about potential deviations and generates the essential dataset for ad hoc, mid-term and ex-post evaluations. The system is designed to avoid overlaps with the audit system, emphasising that monitoring is only for evaluation purposes.

In order to foster the development and ensure consistent application across Member States (MSs), the Commission (DG MARE Unit A3) set up the initiative known as Fisheries and Aquaculture Monitoring and Evaluation (FAME). In July 2015, the Commission created the FAME Support Unit (FAME SU²⁴), a technical assistance facility managed by an external contractor, aimed at supporting monitoring, providing updates and analysis, and strengthening capacity building across MSs and within the Commission throughout the programming period.

The FAME SU started to provide guidance in March 2016, and a recent assessment confirms their positive contribution to an effective implementation of the system at MS and EU level (European Union, 2018b). Besides working papers, report implementation, methodological development and facilitation of a collaborative platform are critical assets. The Managing Authorities value positively the role of the FAME SU, remarking that it would have been useful to have them on board earlier in the policy cycle. In practice, the unit works as an interface between the MSs and the Commission.

An in-depth analysis of the Common Monitoring and Evaluation System (CMES) is beyond the scope of the study and somehow peripheral to the focus of the policy discussion at this stage. The purpose here is to summarise the key components and how they have affected implementation and the capability to assess the European Maritime and Fisheries Fund (EMFF) performance. For those interested in the detailed analysis of the CMES (see Figure 7 and Box 2), following the regulatory provisions (art. 107.4 EMFF Regulation) the CMES has been reviewed by the Commission (report), and the FAME Support Unit (background paper to explore the CMES for the post 2020 fund). Building on those findings, below is a description of how the CMES has affected the programme implementation and of the likely impacts in its forthcoming development.

²⁴ The FAME SU is integrated by a core team of 4 core-team experts, 12 thematic experts (fisheries, aquaculture, marketing, processing, fisheries control, data collection, CLLD, IMP, M&E) and 23 country experts in addition to the IT and communication staff.

Box 2. The Common Monitoring Evaluation System of the EMFF in a nutshell: basic references

Description:	art. 107 Regulation 508/2014 Commission Delegated Regulation (EU) No. 1014/2014.
Assessment:	European Commission (2017): Report on the implementation of the Common Monitoring and Evaluation System for the European Maritime and Fisheries Fund. 14 pages.
Discussion and new proposal:	FAME SU (2018): CMES II, background paper. 44 pages.
Additional info:	FAME SU (2015) Definitions Common Indicators. 26 pages.

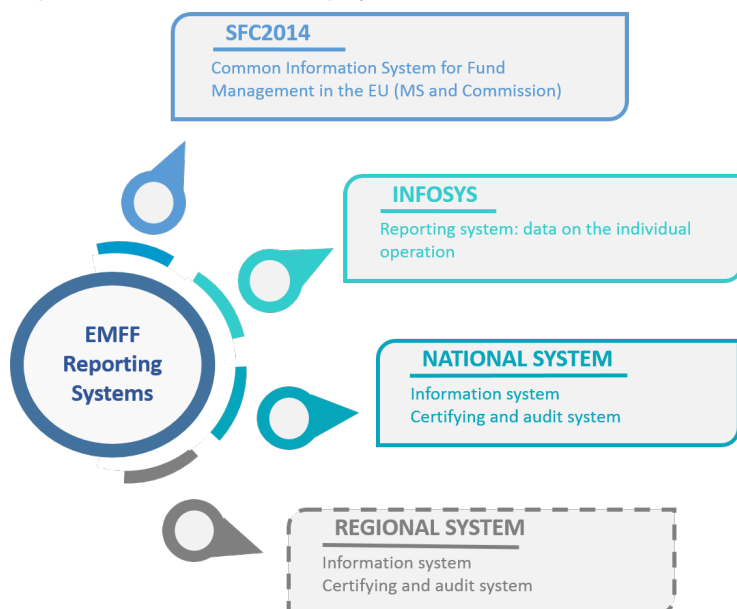
A basic CMES component is **the information and monitoring system**, fed into by Infosys and Annual Implementation Reports (AIRs). Infosys²⁵ is a central reporting system to gather consistent and comparable cumulative data about what is happening at the operational level; no such tool is available in any other ESIFs. Although all funds have to store information similarly to the EMFF²⁶, in none of them is this information systematically checked. The structure of the database to be fed by MAs yearly includes administrative information, expenditure forecast, financial implementation information, operational implementation data, and result indicators for a total of 25 fields; in addition, there are other fields related to the specific measure that is being funded. The level of data requested is high and the Commission has also reflected in their utility in light of the forthcoming CMES for the new fund (EC, 2017).

Infosys was initially designed to report only completed operations, but in 2017 it was reworked to also include ongoing operations. The Fisheries and Aquaculture Monitoring and Evaluation (FAME) Support Unit (SU) has carried out a three-year quality control to harmonise control mechanisms of the system for the Member States (MSs) and internally, as well as to ensure that Infosys's set of data is reliable. As of today, Infosys is **fully operational and can provide ad-hoc reports to the Commission at MS, EU and sea-basin level**. MSs have access only to their own operations, but might find it useful to be allowed to perform comparative analyses across countries.

Most Managing Authorities (MAs) that participated in this study (70%) do have their national databases for certification and auditing purposes; to some of them Infosys is often seen as an additional requirement that increases their administrative burden for the benefit of the Commission. On the other hand, for those that did not use to have a system in place, Infosys has become a useful resource.

²⁵ The system was created for the programming period 2000-2006 to consolidate data received from MS.

²⁶ In some cases, as the ESF the information does not even need to be stored all together. See European Commission (2018) Monitoring and Evaluation of European Cohesion Policy, European Social Fund, Guidance Document, August 2018.

Figure 8. EMFF Reporting systems

Source: own elaboration.

The operational data provided by Infosys is complemented by the analysis of the implementation at Operational Programme (OP) level through the Annual Implementation Reports (AIRs). Starting from 2016, the MSs should report yearly on overall implementation at programme and Union Priority level, cumulative data for result indicators (28) and output indicators (28) and financial data at measure level, as well as a description of the issues affecting the performance of the programme, and the activities related to the Evaluation Plan. Twice during the programming period (in 2017 and in 2019), MSs have to report on horizontal aspects (gender, sustainable development) and on the support for climate change objectives. Finally, once (in 2019) further information should be included regarding the contribution of the OP to the achievement of the objectives of the Union strategy for smart, sustainable and inclusive growth.

The information provided is used for continuing follow-up, as well as to feed the **performance framework** (art. 26 Common Provisions Regulation). Designed as a safeguard to the efficient implementation of the programme, it will check financial indicators (assessing performance through the level of spending) and output indicators (quantified target value of operations) at MS level. What is relevant is that the results will have financial implications:

- Achievement of milestones will be assessed in 2019: it will serve as the basis for the allocation of the performance reserve (6% total budget) and potential suspension of interim payments.
- Achievement of targets assessed in 2024: it may give rise to financial corrections in case of serious failure.

The performance review is scheduled for 2019 based on the information and assessments presented in the Annual Implementation Reports (AIRs) in May. After that, the Commission has two months to determine for each Member State (MS) if the priorities have achieved their milestones. The thresholds for achieving the milestones are already set²⁷ (art. 6.2 of the Commission Implementing Regulation).

²⁷ Guidance Fiche Performance Framework Review and Reserve (2014):

- If ≤ 2 indicators related to a priority, all indicators have achieved at least 85% of their milestone value by the end of 2018.
- If ≥ 3 indicators, all indicators except one have achieved at least 85% of their milestone value by the end of 2018 and the one missing has achieved at least 75% of its milestone value.

In practice, the performance framework should be understood more like a process hazard-warning system than a pressure to change things. But the financial implications are still there. If the milestones are achieved, the performance reserve will be allocated definitively. If not, the performance reserve related to those priorities may be reallocated among the priorities that achieve their milestones. **A special concern is related to Union Priority 1 Sustainable Fisheries** as explained in the assessment of its performance (see 2.2.). There is also an option to reallocate the corresponding amount of the performance reserve to other European Structural and Investment Funds (art. 22 Common Provisions Regulation).

Unfortunately, **the effectiveness of the performance framework and of the Common Monitoring and Evaluation System (CMES) depends on the capacity to develop suitable indicators; which has not been the case for the European Maritime and Fisheries Fund (EMFF)**. The Commission stresses that the elements of the CMES were developed through a participatory approach before and after the adoption of the legislative framework, which ensured the acceptance of the system (EC 2017: 4). In this process, however, time lags and overlapping between Operational Programme (OP) and CMES developments might have affected the achievement of its goals and the buy-in of the MS.

The setting up of the CMES lacked definitions and operationalisation details that were critical for a functional implementation (EC, 2018c; FAME SU, 2018). By the time the Member States were setting the indicators and targets for their operational programmes, basic concepts were understood differently. For instance, the EMFF defines “measure” as “a set of operations” (art. 3.13), but what exactly an operation is was unclear. The lack of a standard definition created confusion between the terms “operation” and “project”²⁸, which is particularly relevant since “operation” is the measure unit for output indicators. Similarly, the definition of indicators, their suitability to measure results and the calculation methods lacked a methodological framing from the Commission. In addition, ex-ante evaluations of the OPs pointed out that result indicators were only indirectly related to some specific objectives, hampering an effective follow-up. As indicators are considered the most important element of the CMES, the mismatch between what the MSs understood and stated in their OPs and what the CMES requested generated a two-sided barrier:

- For the MAs, who initially perceived the system as cumbersome and an additional extra-work with no added value for them.
- For the Common Monitoring and Evaluation System (CMES), which had to get across the difficulty of using indicators that might not be so fit for purpose.

Common practices in the Operational Programmes (OPs) (e.g. including the same indicators for different priorities) were indicated otherwise once the guidelines were released. Besides the clear mismatches, the timing for the performance review is at odds with the cumulative delays in the European Maritime and Fisheries Fund (EMFF) implementation.

Unintended effects create additional tensions between the formal and the actual efficiency of the fund. For instance, a given Managing Authority (MA) set an output indicator of 10 operations for a specific measure. During the implementation process they realised that combined operations are more efficient to achieve their goals and approved 4 instead of 10. Nevertheless, in order to fulfil the requests of the programme they are forced to do administrative window dressing to meet the approved output.

²⁸ The FAME SU clarified that project=operation. Art.2 (9) of the CPR defines Operation as “a project, contract, action or group of projects selected by the MAs of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities. In the EMFF operation is the unit that is used for reporting and monitoring purposes (output indicators)”. FAME SU FAME SU, CT03.2 EMFF operation timeline, June 2017: 1)

Surveys from the Fisheries and Aquaculture Monitoring and Evaluation (FAME) Support Unit (SU) and our field work have confirmed that most Member States (MSs) have had difficulties with indicators, and there has been a general misconception of the process. For instance, selecting complex indicators (e.g. change in net profit) which are difficult to follow-up and more likely to affect the reliability of the figures provided. The **Common Monitoring Evaluation System is blind to strategic measures as innovation**. In other cases, indicators were defined only at Union Priority (UP) level (financial) or at measure level (output). This lack of common understanding is generalised to all European Structural and Investment Funds and not EMFF specific.

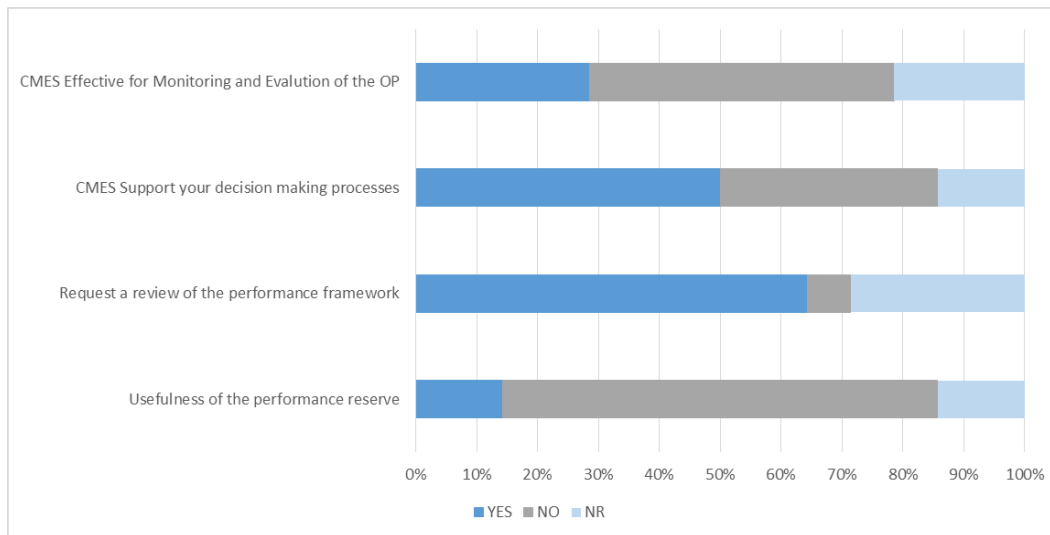
The downsides of adapting to a new approach should be considered carefully when analysing the viewpoint of the MAs about the CMES. Secondary sources and interviews have identified the need to develop further capabilities in monitoring and evaluation, but the system requires significant investment (time and resources) that goes beyond initial and ongoing training.

The assessment of the CMES is concurrent with a pioneer work with clear drawbacks. However, the current weaknesses are the price to pay for having it up and running:

- The intervention logic is stable, which smoothes the programming and reporting; but it lacks flexibility to allow MSs to combine different measures.
- Common indicators: context and result indicators are not matched in all the cases. Not all the result indicators are relevant for certain measures under the designed specific objective.
- Result indicators are assigned to specific objectives; therefore, some measures do not have relevant indicators to be associated with.
- There is a weak link between the OP strategy and the result and output indicators, resulting in indicators lacking ambition or being empty.
- Output indicators: the number of projects sometimes does not appear to reflect the importance given in the strategy to some UPs.
- The Annual performance report template contains fields that require repetition of information. In general, it provides limited data for the assessment with minimum empirical evidence.
- Performance review framework includes output (no. of operations) and financial indicators, but the former are almost irrelevant against the latter.

Putting in place such a system has been troublesome for most MAs, although the insights gathered during the interviews and through the on-line survey are mixed (see Figure 9). Being time-consuming, one of each three MAs finds it useful for the follow-up of their own programme, and nearly half of them indicate that it supports their decision-making processes. The most critical however, consider that the system is of limited use and easy to manipulate (e.g. by breaking one project in a number of operations). In particular for result indicators it is challenging to estimate the impact of an individual grant, as this will require collecting data for quite some years after an operation has been completed, whereas Managing Authorities (MAs) are expected to report annually. The overlapping of reporting systems (see Figure 8) and the difficulties in the implementation of IT tools have also being signalled as delaying factors in the implementation process (e.g. FR).

Figure 9. Perception of the Common Monitoring Evaluation System by the MA (in %)



Source: own elaboration. n=15.

All things considered, what the Common Monitoring and Evaluation System (CMES) has shown is an inherent model of policy learning, in which joint collaboration between the Commission and the Member States (MSs) benefited from technical assistance to the on-going implementation of the programme. Shortcomings were addressed (e.g. definition of common indicators, provision of judgement criteria and potential sources of information) through the European Maritime and Fisheries Fund Expert Group, although the timing (2016) did not allow to un-do some of the issues included in the already approved Operational Programmes (2015). The lesson learnt is that **“Not everything that can be counted counts, and not everything that counts can be counted”** (Cameron, 1963²⁹).

The Fisheries and Aquaculture Monitoring and Evaluation (FAME) Support Unit (SU) prepared a CMES II Concept based on the lessons learnt since 2015, aiming for the following principles: simplify the CMES where possible; develop a system that can be fed by beneficiaries and that is useful for both monitoring and policy making; remain flexible to be adaptive to the regulation currently under negotiation (FAME SU, 2018). The Expert Group introduced a background paper which was discussed in a meeting and co-developed with the Commission and the MAs³⁰. During the interviews the role of the national evaluation, data and analysis to demonstrate the results of the programme was also signalled. The take-home message for the post-2020 proposal is summarised as follows (FAME SU, 2018):

- The monitoring system needs to be set before the programming period
- To found a balance between what each MS is pursuing and what common elements are possible; indicators should not “prescribe” actions, when the regulation does not; links between indicators and intervention logic need to be clarified
- Indicators should stay simple and flexible; target setting and external factors and biases need to be accounted for;
- Indicator fiches still need details to be usable in practice from beneficiaries and Managing Authorities (MAs).

²⁹ Cameron, B. (1963) *Informal Sociology: A Casual Introduction to Sociological Thinking*. New York, Random House.

³⁰ CT07 ASM 2018 Fame Concept for CMES II, background paper, Final August 2018.

- Performance indicators need to be programmable, (avoiding the ones severely affected by external factors) and evaluable with reasonable administrative burden for both MA and beneficiaries.

The overall assessment concludes that the positive effects of the Common Monitoring and Evaluation System might have been overshadowed by the cost of putting it into practice. The necessary transition from an obligation to a strategic tool to track and improve performance is not an easy one, but if the recommendations suggested are implemented, it could become functional for both the MAs and the European Institutions in the forthcoming programmes.

In any case, the limitations in the definition of indicators other than financial ones in the current European Maritime and Fisheries Fund should be borne in mind when reading and interpreting the results of the performance assessment.

2 THE EMFF PERFORMANCE: ASSESSMENT OF SHARED MANAGEMENT MEASURES AT MEMBER STATE LEVEL

KEY FINDINGS

- **The actual implementation of the shared management component started in mid-2016.**
- **The European Maritime and Fisheries Fund (EMFF) contribution spent in 2017 is low (7%), but expenses have increased in 2018.**
- **Evidence indicates a likely underspending under Union Priority 1 Sustainable Fisheries by the end of the programme.**
- **Admissibility criteria and low co-financing rates are the main barriers to uptake.**
- **Some measures are not performing as expected: the landing obligation is an actual need and the industry needs to be ready, but uncertainty regarding how the regulation will exactly be implemented prevents investment.**
- **The decommitment procedure might put at risk nearly EUR 500 million in 2018.**

This section presents a global overview of the performance³¹ of the EMFF measures under shared management component, focusing on to what extent the implementation efforts are on track. The analysis is then narrowed down to Union Priority 1 ‘Sustainable fisheries’, focusing on three of its specific measures: fishing ports, landing sites, auction halls and shelters; energy efficiency and mitigation of climate change; and added value, product quality and use of unwanted catches. The global overview will look at the following:

1. **What is the current level of implementation of the shared management measures?** The quantitative data show what measures have been activated, what the output has been so far (financial, output and results) and the actual achievements (2017) vs. the targets (2023) set in the Operational Programmes.
2. **What is happening on the ground?** The qualitative input gathered in the fieldwork and the survey to the Managing Authorities (MAs), stakeholders and beneficiaries provide insights into how MAs are actually managing the programme, the key challenges to date, what factors influenced the achievements observed and whether there are any ongoing concerns that might need to be addressed.
3. **Is EMFF implementation working towards reaching the Common Fisheries Policy objectives³²?** Literature review, quantitative data and qualitative information are combined to assess to what extent the EMFF is fit for purpose.

The intervention logic used for the performance assessment of the shared management component is detailed in Table 31 in the Annex.

³¹ At early implementation phases it is recommended to focus the analysis less on cumulative measures and more on gauging to what extent the implementation efforts are on track. It should be noted that the breadth of the assessment is limited by the availability of information and the time-frame allocated for the research study. In addition, the Commission Better Regulation Guidelines recommend “to evaluate only once sufficient time has elapsed from the implementation of the intervention to allow at least three years of reasonably fully data to be collected”. (EC, 2017c: 56). As explained in this section, MSs effectively launched their programmes in 2016 and most of them consider 2017 as the first year of the programme in terms of funding operations at beneficiary level.

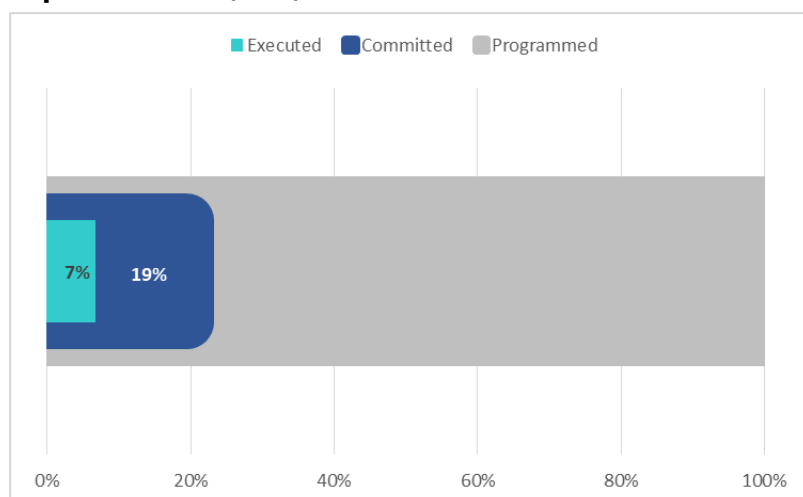
³² The EMFF is the financial instrument to reach both the CFP and IMP policy objectives. The focus of this research limits the analysis to the CFP.

2.1 What is the current level of implementation of the shared management measures?

The shared management measures concentrate the vast majority of European Maritime and Fisheries Fund (EMFF) resources (89% of the total endowment). Between 2014 and 2017, nearly 18,500 operations were financed across the EU, with a **committed EMFF contribution of EU 1 121 billion (19% of the programmed) of which EUR 387 million have been spent (7%)**³³.

The low implementation level after four years in the programming period has been pointed out as a major concern by all the actors involved. However, the current figures should be read in light of the features of the programme and its launching phase (see 1.1). Although some of those features would have a lasting effect on the practical application of the programme towards its completion, others have already been overcome (e.g. approval of the Operational Programme). In fact, a yearly comparison indicates that the implementation level is increasing at a rapid pace (see Figure 11).

Figure 10. State of play of the EMFF shared management component (31/12/2017): financial implementation (in %)



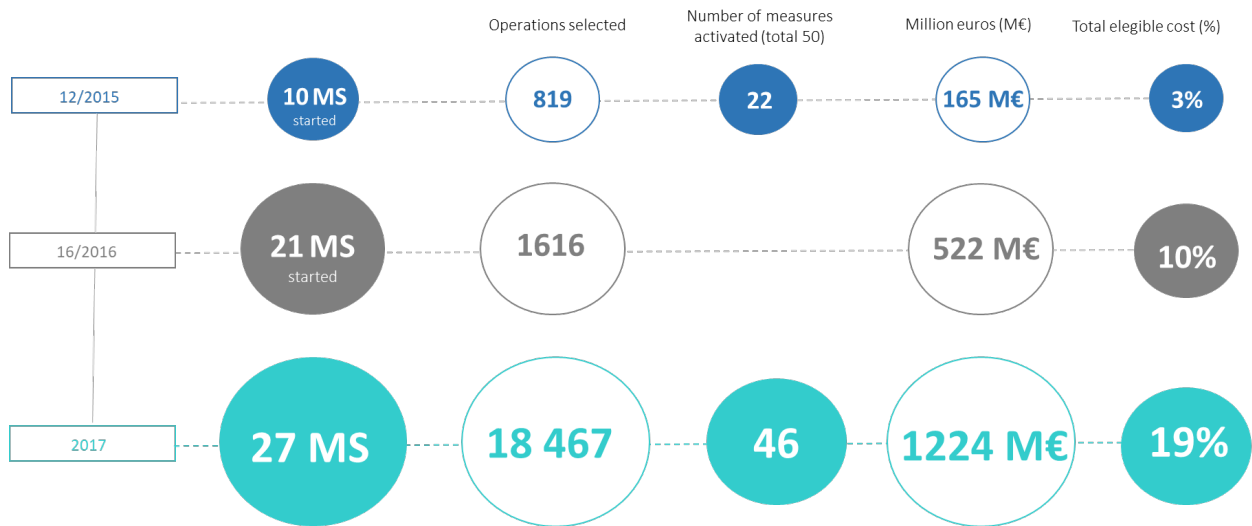
Source: own elaboration, data from FAME SU, DG-MARE, European Commission.

Considering the total public expenditure (EMFF contribution and National amount), the level of financial implementation of the EMFF in 2017 was below the average of all the European Structural and Investment Funds (ESIFs), both in terms of budget committed (55%) and executed (15%)³⁴. The impact of regulatory changes and stronger harmonisation rules under the Common Provisions Regulations umbrella should not be underestimated when analysing the EMFF performance.

³³ The total public expenditure until 2017 was EUR 1,774 billion (22% of the programmed) and the budget spent EUR 528 million FAME SU, State of play of implementation based on AIR and Infosys, 17th meeting of the Expert Group on the EMFF, 1 October 2018 Brussels.

³⁴ EC Open Data Portal for the ESIFs.

Figure 11. Evolution of the EMFF implementation 2014-2017



Source: own elaboration.

The gap between the budget committed and the budget spent might jeopardise the overall performance of the programme, due to the risk of automatic decommitment by the end of December 2018. Designed to encourage financial discipline, the common provisions for the European Structural and Investment Funds (ESIFs) include a decommitment procedure (Chapter IV Common Provisions Regulation, CPR). The operating principle is that the amounts committed but not executed in a defined period shall be decommitted (art. 86 CPR Regulation). The calculation methodology is the so-called “N+3”³⁵ and by September 2018 it was affecting potentially nearly EUR 500³⁶. The average gap across Union Priorities (UPs) is 16% (±5) but impacts the most on the UPs with the largest budget (UP1 Fisheries, and UP3 Common Fisheries Policy). The data at Member State (MS) level show that decommitment would affect 66% of them (AT, BE, DE, DK, EE, FI, IE, LV and UK did comply with the financial schedule up to the 2018 exercise). From the 18 MSs at risk, 5 exceed the 50% of unused commitment (BG, ES, IT, SE, SK). During the field work Managing Authorities (MAs) pointed out that they are more concerned about decommitment (unspent budget withdrawal) than about the performance framework of the Common Monitoring and Evaluation System.

In spite of the troublesome launching of the programme and the low implementation figures, most MAs surveyed and interviewed consider that the implementation of the European Maritime and Fisheries Fund has been generally effective, albeit with some problems (73%); a perception that is shared by half of the stakeholders and beneficiaries that participated in the study.

At operational level, almost all of the specific measures under the shared management mode have been activated (46 out of 50). The ones that remain inactive (promotion of human capital, job creation and social dialogue in fisheries; mutual funds for adverse climatic events, conversion to eco-management and audit schemes and organic aquaculture and public health measure) are specifically addressed in the analysis developed at Union Priority (UP) level below.

³⁵ The European Commission released a Guidelines for Decommitment methodology (n+3) and process in 2014-2020 the 30/08/2017. Available on-line at https://ec.europa.eu/regional_policy/en/information/publications/guidelines/2017/decommitment-methodology-n-3-and-process-in-2014-2020

³⁶ FAME Support Unit (2018) EMFF risk of automatic decommitment by the end of 2018. For the EFF total decommitment reduced the final amount of the EU funds programmed to 94%, affecting EUR 244 billion (European Fisheries Fund ex-post evaluation). https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/2018-10-01-risk-of-automatic-decommitment_en.pdf

The companies³⁷ that have benefited so far from the financial support of the European Maritime and Fisheries Fund (EMFF) are mainly micro-enterprises (53%) and SMEs (39%). Considering the plurality of potential beneficiaries (individual, companies, non-governmental organisations, Fisheries Local Action Groups, public authorities), the gender figures should be taken with caution: whenever the gender is identified, 92% of beneficiaries are men; however, “others” is a general category selected for more than 40% of the operations recorded.

Beyond the strengths and weaknesses of the programme (Table 3), there is consistency between Managing Authorities (MAs), stakeholders and beneficiaries regarding the main external and internal factors that are affecting the EMFF implementation. Externally, restrictive legislative frameworks (in addition to the fund regulations) add burdens to advance in given priority measures. The normative constraints could be at EU and/or national level, and affect transversal (e.g. environment) or sectoral issues (e.g. aquaculture). The geopolitical context (e.g. Brexit or the Russian embargo on fish and fish products) and the economic situation play a significant role in restraining investments at micro-level (financial condition of potential beneficiaries) and macro-level (challenges to ensure the national contribution to the fund).

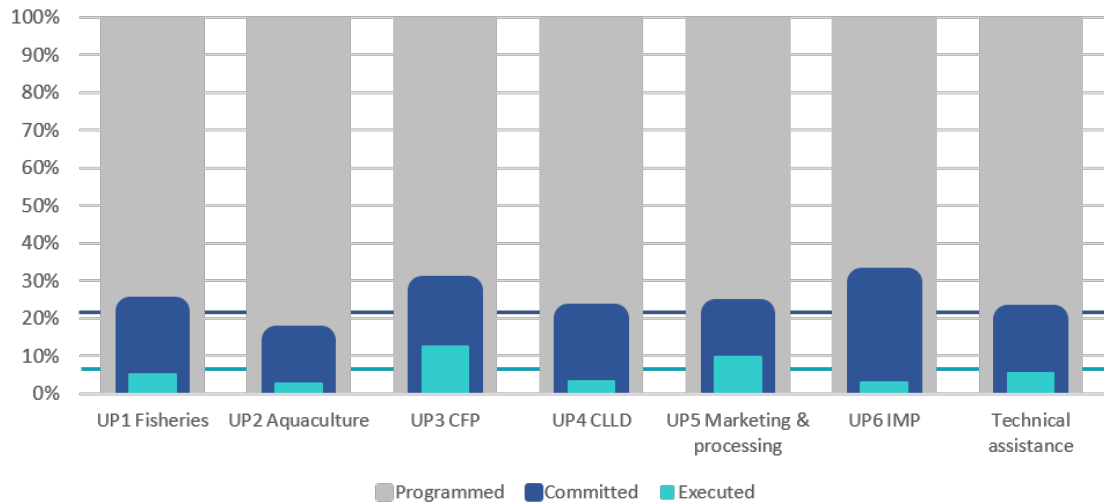
Internally, some inherent features of the programme (complexity, rigidity, legal uncertainty, administrative burden, cumbersome application processes, overlapping between programming periods) cause long delays in drafting national guidelines and launching the calls for specific measures. Furthermore, the increased requirements associated to the Common Provisions Regulation and the fear of de-certification (projects being rejected by the EU Commission after having been implemented and paid by the Member State to the beneficiary) has contributed to “gold-plating” from MAs. Both the field work and the review of specialised press have highlighted that admissibility of operations (art. 10) is a source of serious challenges. Significantly, most stakeholders (80%) have mentioned the need for local training of MA officials and stakeholders, so as to increase knowledge and better understanding of the EMFF regulatory requirements.

It should be noted that the detailed analysis of financial implementation of outputs and results does not include data from Denmark (see methodology). Denmark accounts for 3.6% of the EMFF contribution for shared management (EUR 268 million). According to the Commission’s Open Data Platform, as of 31 December 2017 Denmark had committed 75% of the programmed budget (EU average 40%) and spent 25% of it (EU average 11%). Whenever available, data for Denmark have been obtained from secondary sources, so as to have the most accurate picture possible. Each individual figure indicates whether Denmark is or not represented.

The overall assessment at UP level shows that policy support measures for the Common Fisheries Policy (CFP) and the Integrated Maritime Policy (IMP) have the better performance in financial terms. Accompanying measures for the CFP (UP3) have used the largest share of the budget, doubling the all priorities average (6%) and the IMP measures (UP6) have committed already 30% of the programmed allocation (see Figure 12):

³⁷ As defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (EU Recommendation 2003/361).

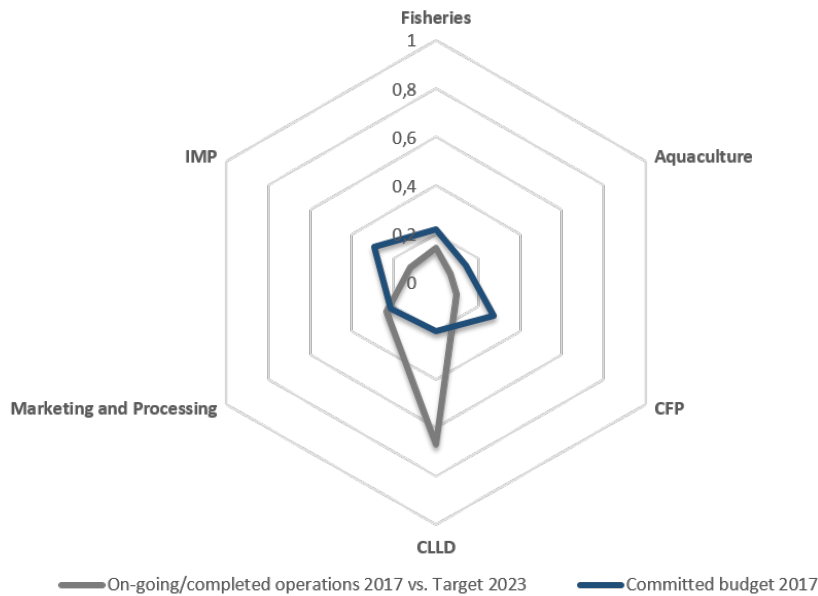
Figure 12. Financial implementation level by Union Priority (in %)



Source: Own elaboration. DK is included. The lines represent the average committed in blue (22%) and executed in aquamarine (6%).

Nevertheless, the priority that has advanced the most to achieve the target number of operations in 2023 is the sustainable development of fisheries and aquaculture areas (Community Led Local Development, Union Priority 4; see Figure 13) while having committed a similar budget (20%) to the average of all priorities (22%). The figure below offers a snapshot of the level of financial implementation (programmed, committed and executed) for each Union Priority.

Figure 13. Advances by Union Priority: completed operations (2017) vs. target (2023) (in %)



Source: Own elaboration. DK is not included.

A short overview of the main figures by Union Priority (UP) is introduced to frame the analysis:

- UP1 Sustainable Fisheries has the largest number of operations reported by the Member States (75% of the total) and the largest budget committed (EUR 340 million; 22%). The operations are 15% of the planned until 2023 and the budget executed reached the 5%.

- UP2 Sustainable Aquaculture presents smaller figures: nearly 750 operations, 7% of the 2023 target; the level of budget already spent is nearly 3% of the total, whereas committed allocation has been 14% (EUR 174 million).
- UP3 Common Fisheries Policy is the priority with the highest budget executed (EUR 137 million, 12.5% of the total). More than 100 operations have been implemented, which represent 10% of the target for 2023.
- UP4 Community Led Local Development stands out in terms of output targets, reaching so far 67% of the total set for 2023. However, the budget committed (20% of the total) and executed (3%) might be indicating some issues with the targets set (for further discussion see section 1)
- UP5 Marketing and processing has committed EUR 22 million and more than 1,300 operations have been reported. Of them, 73% correspond to the specific measure for compensation for additional cost in Outermost Regions (ORs) for fishery and aquaculture products (art. 70 European Maritime and Fisheries Fund, EMFF). The priority has reached 25% of its output target for 2023, executing so far 10% of the budget.
- UP6 Integrated Maritime Policy is the one with the highest percentage of its programmed budget committed (31%), although only 3% has already been spent. The diverse nature of operations under the different priorities is well illustrated here. The 34 operations reported on Infosys have committed EUR 21 million.

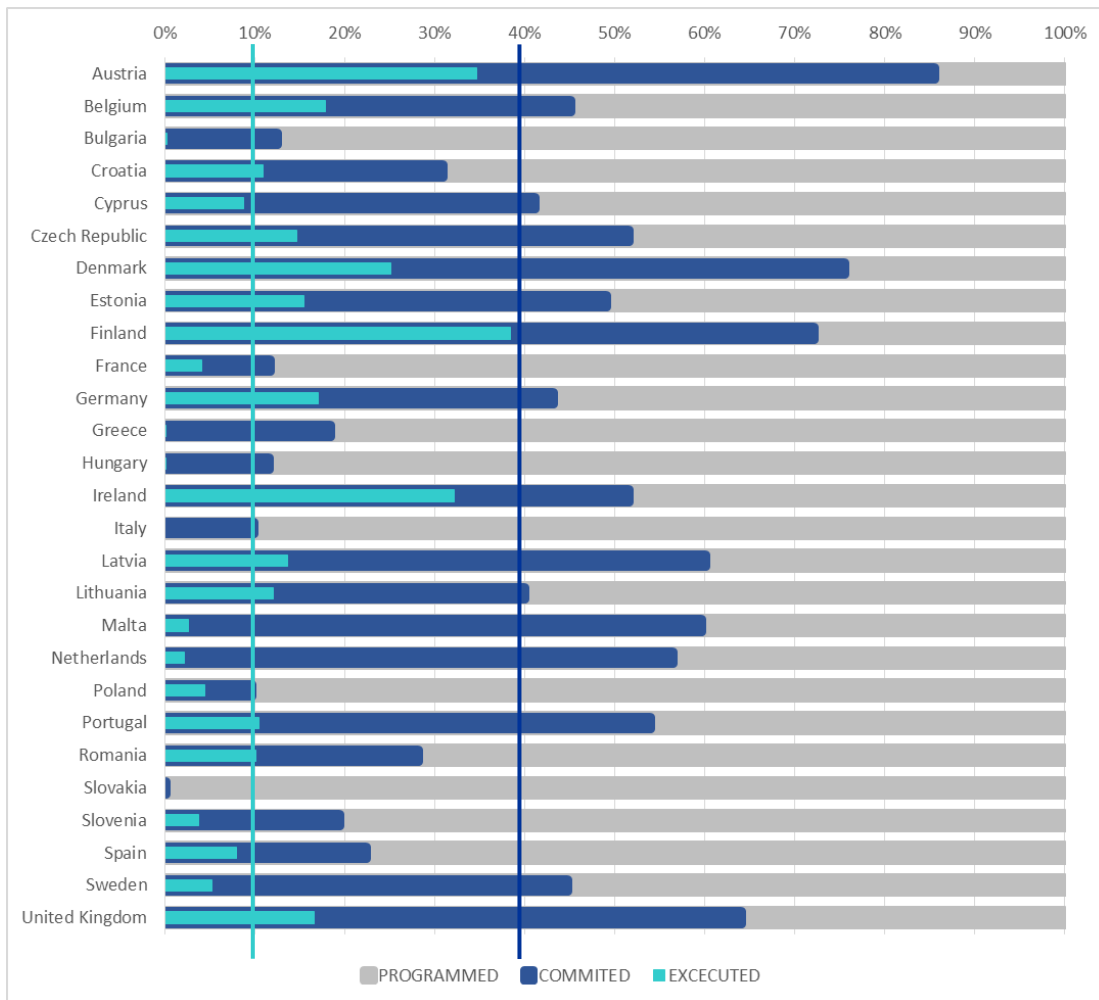
In addition, Technical Assistance at the initiative of Member States (MSs) (art. 78 EMFF Regulation) has already committed EUR 58 million (20% total). On average, MSs allocated 5% of the EMFF contribution to technical assistance (RO 9%, SI 8%). A total of 332 operations of technical assistance have been selected, even if six countries have not selected any yet (AT, CY, EE, EL, PL and PT).

In spite of the general features at EU level, the overall picture shows different paces of performance when analysed by MS (see Figure 14). On average, MSs have committed 40%³⁸ of their financial resources, and four MSs have committed around 50% of their total EMFF allocation (FI, NL, MT, BE). It should be noted that Finland, Netherlands and Malta approved their OP in early 2015. Financial execution shows a more consistent pattern (EU average 11%³⁹), with the highest level of effective expenditure around 20-25% (FI and IE).

³⁸ The deviation among EU 27 is ± 23 .

³⁹ The deviation among EU27 is ± 11 .

Figure 14. State of EMFF financial implementation by Member State (2017)



Source: own elaboration with data from the European Commission, Open Data Portal for ESIF. The lines represent the average committed in blue (40%) and executed in aquamarine (11%).

The Operational Programmes (OPs) are the detailed plans through which the Member States (MSs) set out their priorities within the framework of the European Maritime and Fisheries Fund (EMFF). Setting meaningful priorities and understanding the need to achieve results in their local, regional and national context are essential prerequisites to an effective programme. In practice, however, the emphasis of the OPs is spread too thinly and most MSs have allocated budget to all Union Priorities (UPs)⁴⁰.

Overall, the highest implementation rate characterises the measures that include standard concepts (e.g. equipment) for which expenditure flows easily. On the contrary, larger and complex operations have lower implementation rates. This reinforces the idea that the expenditure level in priorities and measures should not be linked to the necessity or opportunity of a given measure and the explanatory factors have to be carefully analysed, as it will be done for UP1.

Since UP1 Sustainable fisheries is the main focus of the research, an in-depth analysis of current performance by specific objectives (art. 6 EMFF regulation) and by MS is presented in section 2.2. However, to gain a better understanding of the overall programme – as well as to inform policy recommendations – a closer examination of Union Priority (UP) 2 to 6 is summarised below.

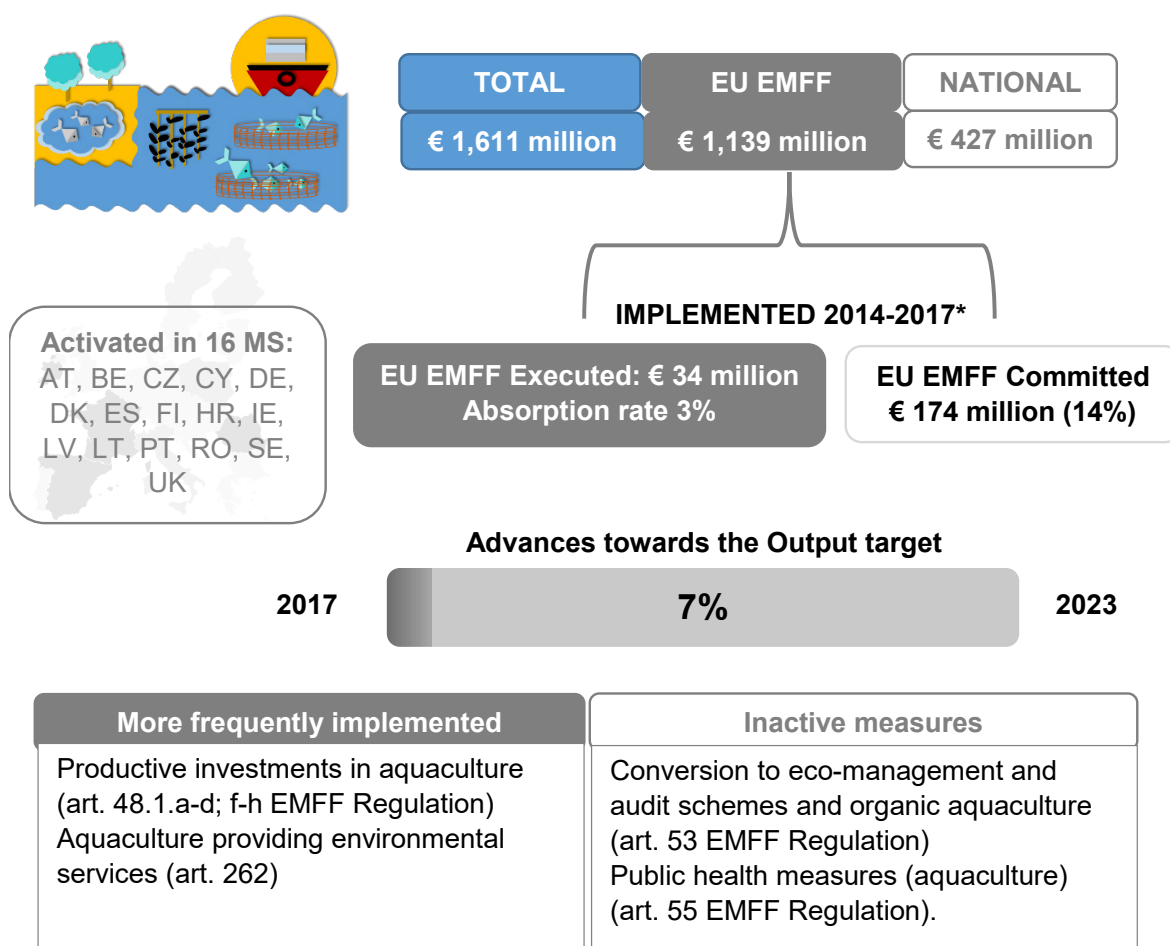
⁴⁰ The exceptions by EMFF priority are as follows. UP1: all but CZ, SK. UP4: all but AT, BE, CZ, HU, MT, NL and SK. UP6: all but AT, CZ, HU, SK. Obviously, land-locked countries do not include measures under UP4 CLLD and UP6 IMP.

2.1.1 How is UP2 Fostering the sustainable development of Aquaculture performing?

Aquaculture development in the EU is hindered by well-known and long-standing factors: the complexity of administrative procedures that affect competitiveness and development; reputational and public perception issues; specific gaps and the lack of a level playing field. As a result, since 2000 the EU production has remained almost constant, whereas globally the production has grown at a pace of 7% per year.⁴¹

The European Maritime and Fisheries Fund (EMFF) aims for a sustainable, competitive and resource-efficient aquaculture sector, allocating near 20% of the total contribution (see Box 3). All Member States (MSs) have included this priority in their Operational Programmes (OPs); reasonably, land-locked MSs (AT, CZ, HU, SK) have allocated around 60% of their budget; Latvia and Romania have also a significant financial provision for aquaculture (57% and 51% of the total contribution respectively) and other three MSs (BG; LV, and PL) have a budget over 30% of their total.

Box 3. The UP 2 Sustainable development of aquaculture in figures (2017)



Source: own elaboration. Denmark only included in the Programmed budget and the EU EMFF executed and committed.

The achievements so far confirm what sectorial stakeholders have already stated: “financial support (alone) cannot overcome the factors that hinder the development of the aquaculture industry [...] although it should have a positive effect” (Ojeda, 2017). However, the European Maritime and Fisheries Fund (EMFF) seems to be underperforming when it comes to the general and sectorial issues. The delays in the launch of the programmes at Member State (MS) level prevent investments through 2014-

⁴¹ Data obtained from the DG-MARE Website https://ec.europa.eu/fisheries/cfp/aquaculture_en

2016 to be covered by public funding. In addition, most Managing Authorities (MAs) and stakeholders surveyed have pointed to the licensing system as the major constraint hindering the investments of Union Priority (UP) 2. In some countries, ongoing sectorial and/or spatial planning have acted as a deterrent to using the financial resources available. In this sense, it remains to be seen to what extent the mandatory deadline for the establishment of Maritime Spatial Planning at MS level in 2021⁴² may remove this barrier for the post-2020 fund.

UP2 is subdivided in five specific objectives (art. 6 EMFF Regulation):

- (a) the provision of support to strengthen technological development, innovation and knowledge transfer.
- (b) the enhancement of the competitiveness and viability of aquaculture enterprises, including the improvement of safety and working conditions, in particular of SMEs;
- (c) the protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture;
- (d) the promotion of aquaculture having a high level of environmental protection, and the promotion of animal health and welfare and of public health and safety;
- (e) the development of professional training, new professional skills and lifelong learning.

Financially, the measures related to the “promotion of aquaculture having high level of environmental protection, the promotion of animal health and welfare and of public health and safety” are ahead in budget spent, led by Romania, Lithuania and Latvia. The enhancement of competitiveness and namely productive investments (art. 48.1.a-d and 48.1.f-h) concentrate the highest number of operations. Germany is the country that has reported a higher number of operations (224), whereas Finland appears to have advanced the most towards its output target for 2023 (70%).

Despite the considerably low rate of implementation, almost one in two MAs and stakeholders surveyed consider that UP2 is one of the areas in which the EMFF intervention has been the most effective in terms of level and type of support. On the other hand, 30% of stakeholders consider it difficult to apply for funding.

2.1.2 How is UP3 Fostering the implementation of the CFP performing?

The accompanying measures for the Common Fisheries Policy embrace two fundamental pillars of fisheries management: timely scientific advice for evidence based-policy and an effective monitoring, control and enforcement system across the EU. Formerly covered under the direct management component⁴³, now it operates under the two management modes: measures under shared management (art 76 European Maritime and Fisheries Fund Regulation) and measures under direct management (art 87)⁴⁴. The rationale for this duality is that measures under direct management aim to facilitate and boost transnational cooperation; the reluctance from Member States (MSs) to apply for joint chartering and/or purchase of control means has been confirmed and it is expected to remain for the rest of the programming period (European Commission, 2018b: 9).

⁴² Directive 2014/89/EU of the European Parliament and of the Council of 23 July 2014 establishing a framework for maritime spatial planning. The obligation to transpose and implement the Directive do not apply to landlocked MS (art. 15.4) and the exact deadline is 31 March 2021 (art. 15.3).

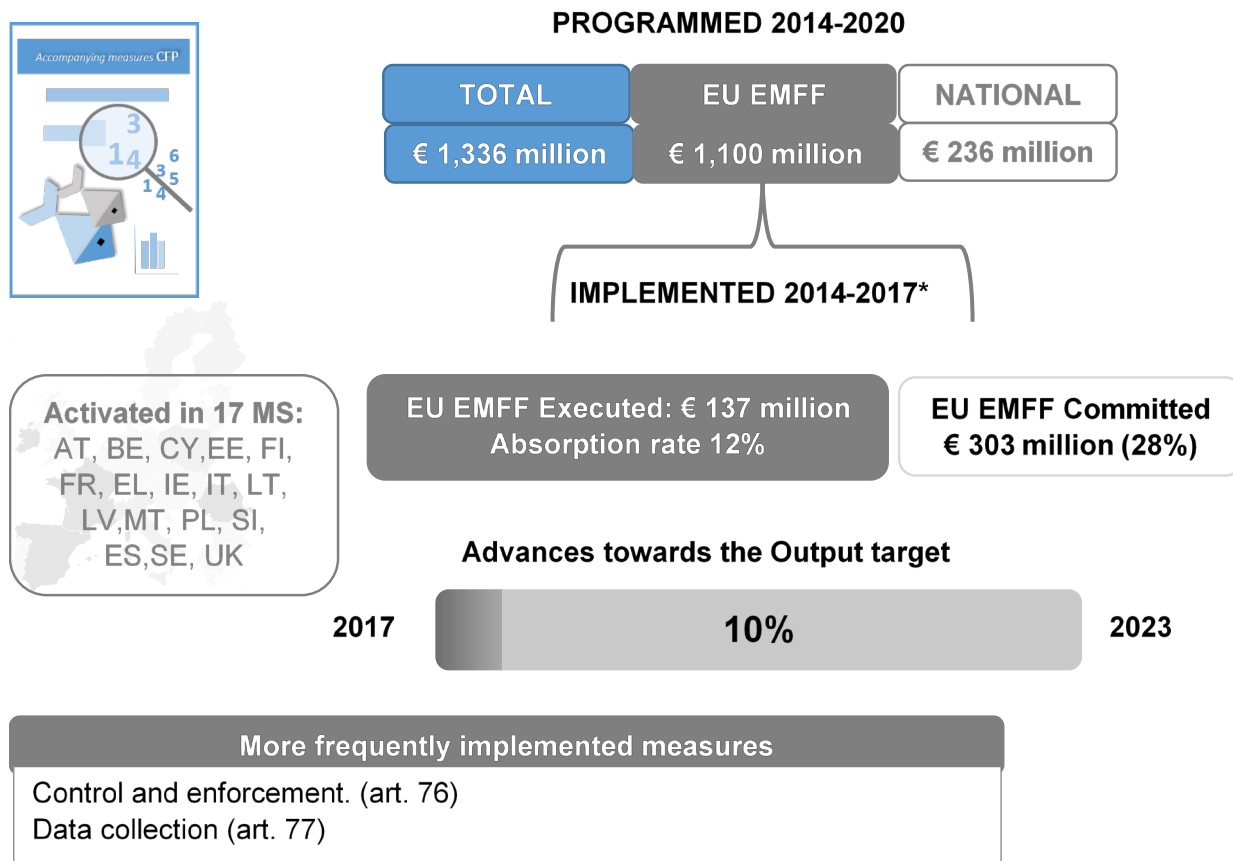
⁴³ These specific measures were financially supported under the Second Financial Instrument Council Regulation (EC) No 861/2006 of 22 May 2006 establishing Community financial measures for the implementation of the common fisheries policy and in the area of the Law of the Sea.

⁴⁴ The control and enforcement measures under direct management mode have been recently evaluated. See European Commission (2018b).

As shown in Box 4 below, Union Priority (UP) 3 accounts 8% of the total contribution and shows the highest ratio of European Maritime and Fisheries Fund (EMFF) budget already spent (EUR 137 million), doubling the average execution ratio of all the UP measures (6%). This priority is programmed in all the Operational Programmes (concurrently with the mandatory regulations associated to it). The EU average is 19% of the total budget at MS level (± 11) while the highest allocations exceed 40% (NL, SE).

The budget committed is also significant (EUR 303 million). The explanatory factor for both figures is that UP3 specific measures are easier to launch for a Managing Authority, once the Operational Programme has been approved. The Common Provisions Regulation framework has had some perverse effects on UP3. For instance, data collection measures include operations that due to their very nature (e.g. stock assessment) could only be implemented by one single body (e.g. an oceanographic institute). Following the European Structural and Investment Funds and national procurement rules, the MS has to open a call for tenders that seeks to guarantee competition among operators when it is clear beforehand that there will be none.

Box 4. The UP 3 Accompanying measures for the CFP in figures (2017)



Source: own elaboration. Denmark only included in the Programmed budget and the EU European Maritime and Fisheries Fund executed and committed.

2.1.3 How is UP4 Supporting community-led local development (CLLD) performing?

The support for achieving sustainable fisheries communities was introduced for the first time in the European Fisheries Fund (EFF), based on the successful experience of implementing bottom-up approaches to enhance and diversify territorial competitiveness in the regional funds. Union Priority 4 CLLD is one of the smallest of the European Maritime and Fisheries Fund (EMFF) (9% of the total public contribution), being applied in all but 7 Member States (MSs) (see Box 5).

The priority works through the set up and running of Fisheries Local Action Groups (FLAGs⁴⁵). The novelty of the approach and the complex setting of those groups implied that they could only took off in the second half of the previous programming period (2007-2013). However, with the launch of the EMFF the groups had to be set up again, implying significant delays in the implementation. A Support Unit (FARNET) assists in the implementation of CLLD, funded under the EMFF direct management component.

Currently there are 360 FLAGs, integrated by fisheries organisations and other collectives from the private sector, local authorities and civil society organisations. Building on the findings of the EFF, it was recommended to strengthen the involvement of local communities (namely fishers' communities) and share experience and capacity with Leader Local Action Groups under the European Agricultural Fund for Rural Development (EAFRD) (European Commission, 2016:15). As a consequence, in several countries (e.g. DK, ES, EL, FR) shared groups manage the two programmes.

Operations funded under Union Priority (UP) 4 aim at stimulating innovation and diversification in local fisheries communities. In this sense, the debate between complementary and alternative activities in fisheries communities has been persistent. The consideration of multi-sectoral needs in fisheries local communities for endogenous development needs to be tied up to their inherent nature. During the field work and in the survey Managing Authorities (MAs) and stakeholders underlined the risk of losing the fund focus: fostering activities in local communities is always positive⁴⁶, but fisheries and aquaculture activities cannot be displaced. The experience from rural development illustrates that communities cannot survive if the main activities disappear. For instance, there are plenty of challenges that hinder the development of both activities that could be more easily overcome through concerted action with UP4 (e.g. generational renewal by fostering the attractiveness of the activity).

UP4 has been the one in which synergies with other funds have been more clearly identified by stakeholders and MAs participating in this study. Whether this has been due to the very nature of the measures or to the mechanism provided by the EU funds common provisions umbrella would be a valuable research question to assess in the near future.

The clear link between European Maritime and Fisheries Fund (EMFF) UP4 and the EAFRD has led MAs to debate what are the "special features" for community-led local development (CLLD) under the EMFF and to what extent they support a different programme of LEADER (EAFRD)⁴⁷.

Until 2018 UP4 operations have been oriented to the preparatory support and the implementation of CLLD. Preparatory support consists of capacity building, training and networking with a view to preparing and implementing CLLD (art. 35 CPR Regulation and art. 62.1.a EMFF Regulation) and has reached 70% of the target number of operations set for 2023. The implementation has taken off, with 312 operations until 2017. Cooperation activities (art. 64) show the lowest implementation level in

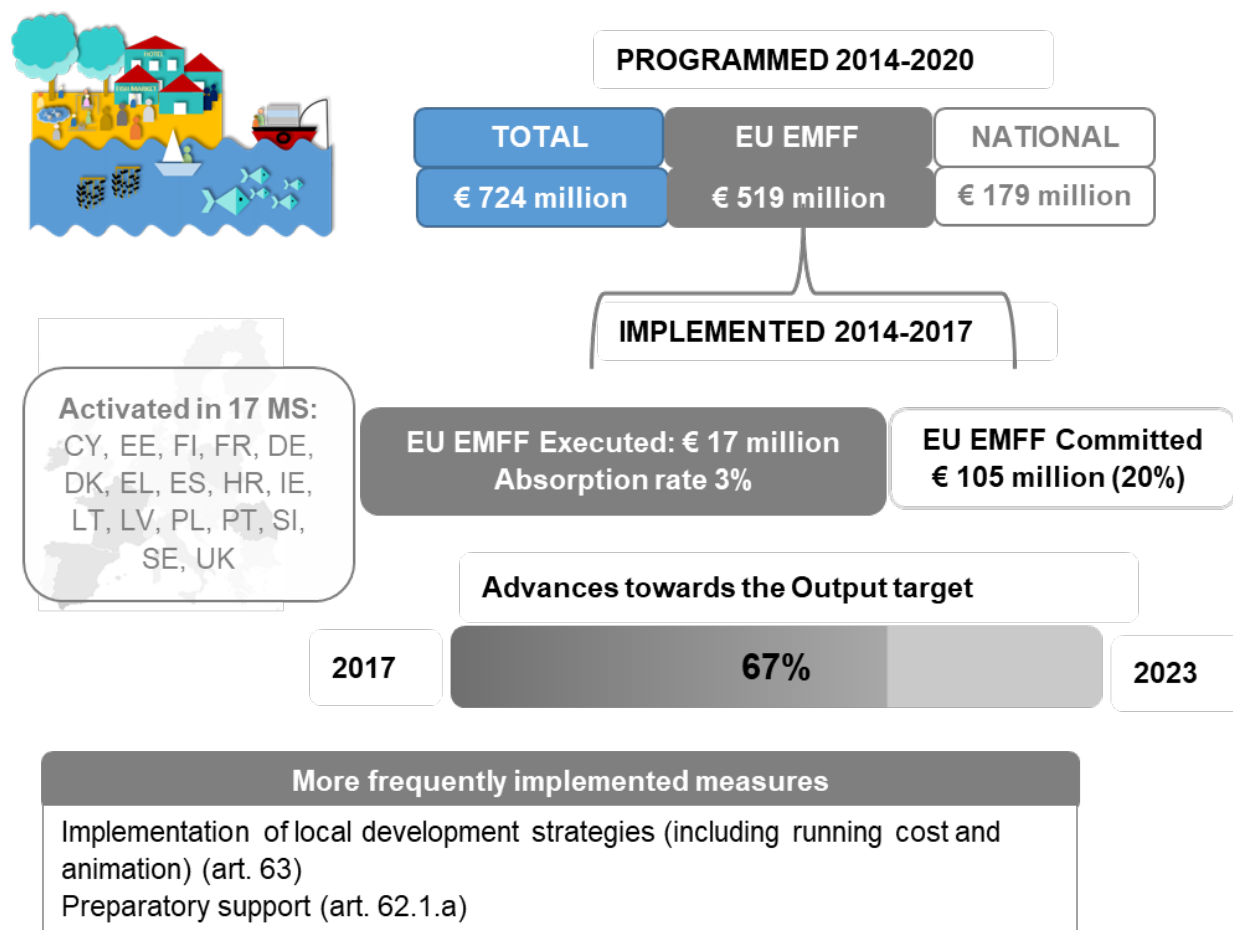
⁴⁵ For detailed information visit Farnet: https://webgate.ec.europa.eu/fpfis/cms/farnet2/node_en

⁴⁶ Some stakeholders have pointed out that diversification and particularly tourism in general do not generate quality well-paying jobs that keep the community together throughout the year.

⁴⁷ Informal EMFF Expert and MA Workshop, Clonakilty 8-9th March 2017.

terms of output (17%), which seems reasonable considering the time required for setting up and having fully functional Fisheries Local Action Groups that can work together.

Box 5. The UP 4 Support for community-led local development (2017)



Source: own elaboration. Denmark only included in the Programmed budget, the EU EMFF executed and committed and the Member States which have activated implementation.

2.1.4 How is UP5 Fostering Marketing and Processing performing?

The EU seafood market is among the world largest, combining supplies from internal production from fisheries and aquaculture (42% in 2016) with imports (EUMOFA, 2018:10). The 27 Member States included Union Priority (UP) 5 in their Operational Programmes, at an average of 16% (±11) of the total budget, with only Latvia having a significantly higher allocation (58%).

UP5 embraces measures oriented to improving market organisation (art. 66, 67, 68, 70 EMFF Regulation) and to encouraging investment (art. 69).

- Organisational and management measures: support the preparation and implementation of production and marketing plans referred to in Article 28 of Regulation (EU) No 1379/2013⁴⁸ (art. 66 EMFF Regulation).

⁴⁸ Each producer organisation shall submit a production and marketing plan (PMP) for, at least, its main marketed species to its competent national authorities for approval. The PMP shall comprise: a production programme for caught or farmed species; a marketing strategy to match the quantity, quality and presentation of supply to market requirements; measures to be taken by the producer organisation in order to contribute to the objectives laid down in Article 7; special anticipatory measures to adjust the supply of species which habitually present marketing difficulties during the year; penalties applicable to members who infringe decisions adopted to implement the plan concerned.

- Transitional measures: compensation to recognised producer organisations and associations of producers' organisations (POs) which store fishery products listed in Annex II to Regulation (EU) No 1379/2013 (art. 67 EMFF Regulation).
- Marketing measures: creating POs, associations of POs or inter-branch organisations; finding new markets and improving the conditions for the placing of marketing of fishery and aquaculture products; promoting the quality and the value added; contribution to the transparency of production and markets; conducting market surveys; contributing to the traceability of seafood products; drawing up standard contracts for SMES, conducting campaigns to raise public awareness for sustainable seafood products (art. 68 European Maritime and Fisheries Fund, EMFF, Regulation).
- Processing measures: energy efficiency and reduction of environmental impact; safety, hygiene, health and working conditions; processing of catches of commercial fish that cannot be destined for human consumption; processing of by-products; processing of aquaculture organic products; new or improved products, processes, management and organisations systems (art. 69 EMFF Regulation).
- Compensation for additional costs in outermost regions (art. 70 EMFF Regulation; see also section 2.4).

Financially **Union Priority (UP) 5 shows the most balanced performance** (see Box 6): 10% of the EMFF has been executed and 21% has already been committed. The reasons are associated to the nature of the beneficiaries (professionalised SMEs) and the tangible output of the operations (production and employment increase). The impact of uncertainty due to Brexit on the investment plans of some marketing and processing companies should also be considered (e.g. IR, LV).

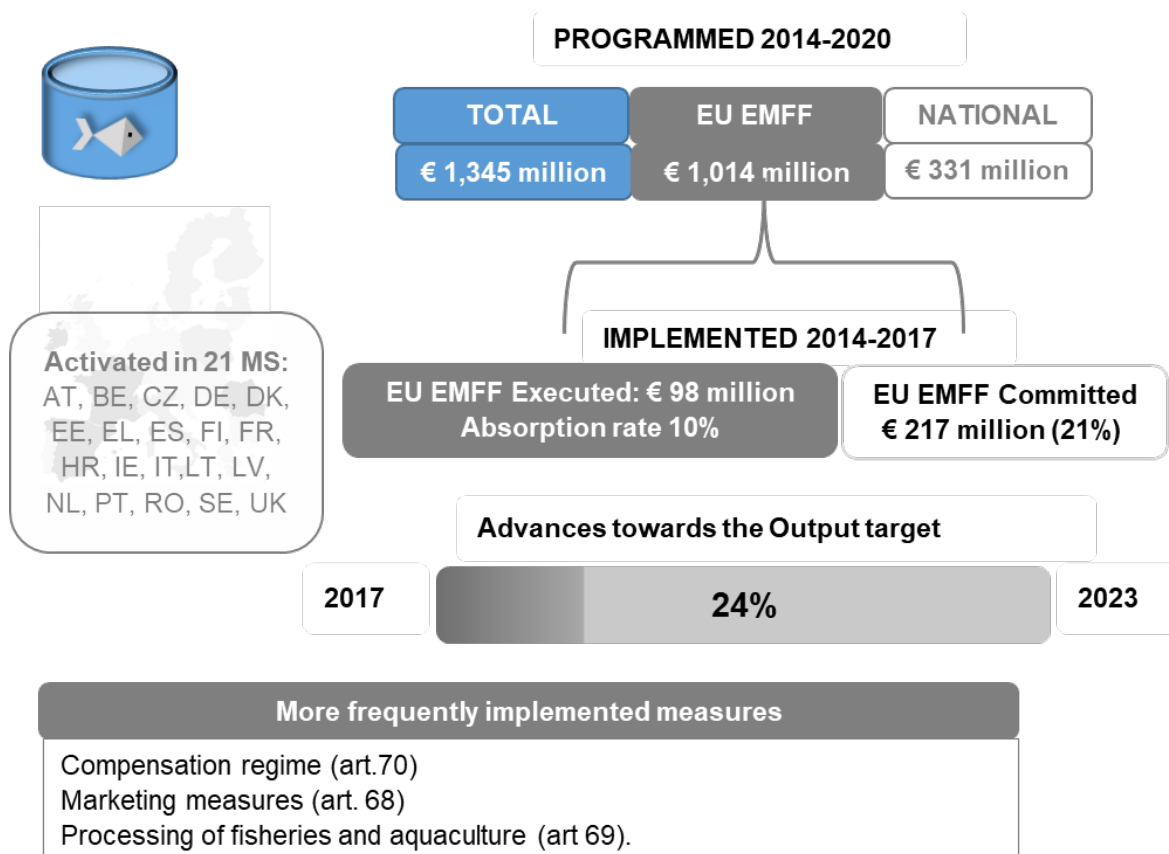
These figures are consistent with the shared perception of the Managing Authorities (MAs): fostering marketing and processing is the area where the intervention of the EMFF has been most efficient (73% MAs of the study vs. 35% average of all UPs), although some difficulties have been experienced when implementing ambiguously defined measures such as innovation.

Stakeholders and beneficiaries, however, have a more critical view regarding resources allocation and implementation⁴⁹. The support for processing and marketing has been reduced but the demand remains unmet, and in some countries there are substantial delays between the implementation of an operation by a beneficiary and the actual payment by the MA. They also foresee the potential of connecting marketing and processing measures with the blue growth agenda, for instance, improving logistics and market structures through the value chain that supports and enable emerging sectors such as the blue biotechnology⁵⁰.

⁴⁹ The issues related to the Common Market Organisation Regulation (e.g. the cumbersome process for the approval of a production and marketing plan) and to the policy design (lack of obligation of PO members to sale their production through the organisation) are beyond the scope of this study.

⁵⁰ Blue biotechnology applications include broad sectors as healthcare, agriculture and aquaculture, industrial processes and manufacturing and energy production. According to the latest report from the Commission there are economic evidences to support the positive outlook of the sector as "the blue biotechnology has seen two-digit growth figures in some MS in recent years". European Union (2018) The Annual Economic Report on EU Blue Economy, Luxembourg, page 71.

Box 6. The UP5 Marketing and processing related measures in figures (2017)



Source: own elaboration. Denmark only included in the Programmed budget, the EU EMFF executed and committed and the MS which have activated implementation.

Due to their close connection with Union Priority (UP) 1, some specific measures are analysed in further detail. For instance, Production and Marketing Plans (PMPs)⁵¹ are a key component of the Common Market Organisation (CMO) within the EU fisheries policy (art. 35 CFP Regulation). More than 200 Producers’ Organisations (POs)⁵² have to submit a PMP for at least their main marketed species to their competent national authorities for approval (art. 28 Common Market Organisation Regulation); therefore, POs are potential beneficiaries of support for the collective management of their activities, fostering coordination and marketing intelligence. In 2017 a total of 91 operations were selected (43% of the target set for 2023), which indicates a good implementation rate. However, stakeholders see a mismatch between the legal requirements of the PMPs since 2014 and the late availability of funds in many countries (e.g. EL, ES, FR, IT).

Despite sharing a common label the POs are highly heterogeneous in character and form across Europe, and this diversity may be at odds with the criteria set for the PMPs. Some beneficiaries place the Producers’ Organisations (POs) as playing a similar role in the seafood market as the FLAGS (Union Priority 4) in the local communities; therefore, public aid should be at a similar rate⁵³.

⁵¹ A PMP shall comprise: a production programme for caught or farmed species; a marketing strategy to match the quantity, quality and presentation of supply to market requirements; measures to be taken by the producer organisation in order to contribute to sustainable fisheries and aquaculture; special anticipatory measures to adjust the supply of species which habitually present marketing difficulties during the year; penalties applicable to members who infringe decisions adopted to implement the plan concerned.

⁵² The list of recognised POs and POs’ associations is available on-line at: <https://ec.europa.eu/fisheries/sites/fisheries/files/list-of-recognised-producer-organisations-and-associations-of-producer-organisations.pdf>

⁵³ The Managing Authorities and stakeholders stressed the significant reduction of the financial aid (75% to POs and 50% for economic operators) compared to the previous EFF (92% and 80% respectively).

Connected to the successful implementation is the phasing out of the storage aid (art. 67.3 European Maritime and Fisheries Fund, EMFF, Regulation), which is limited to 31 December 2018. The assumption is that production activities will be balanced with market demand through the production and marketing plans (PMPs) and therefore this support would no longer be needed. It remains to be understood to what extent this assumption still holds and what its implications for the fishery sector will be. The impact of ending this traditional intervention mechanism may be geographically concentrated (e.g. IT).

Although beyond the scope of the study, it should be noted that support to enterprises other than SMEs under Union Priority 5 is granted only through financial instruments (art. 69.2). The limitations of these instruments have already been addressed for the whole fund (see section 1.2.3) and the particular impact in the Outermost Regions is addressed in section 2.4.

2.1.5 How is UP6 Fostering the implementation of the Integrated Maritime Policy performing?

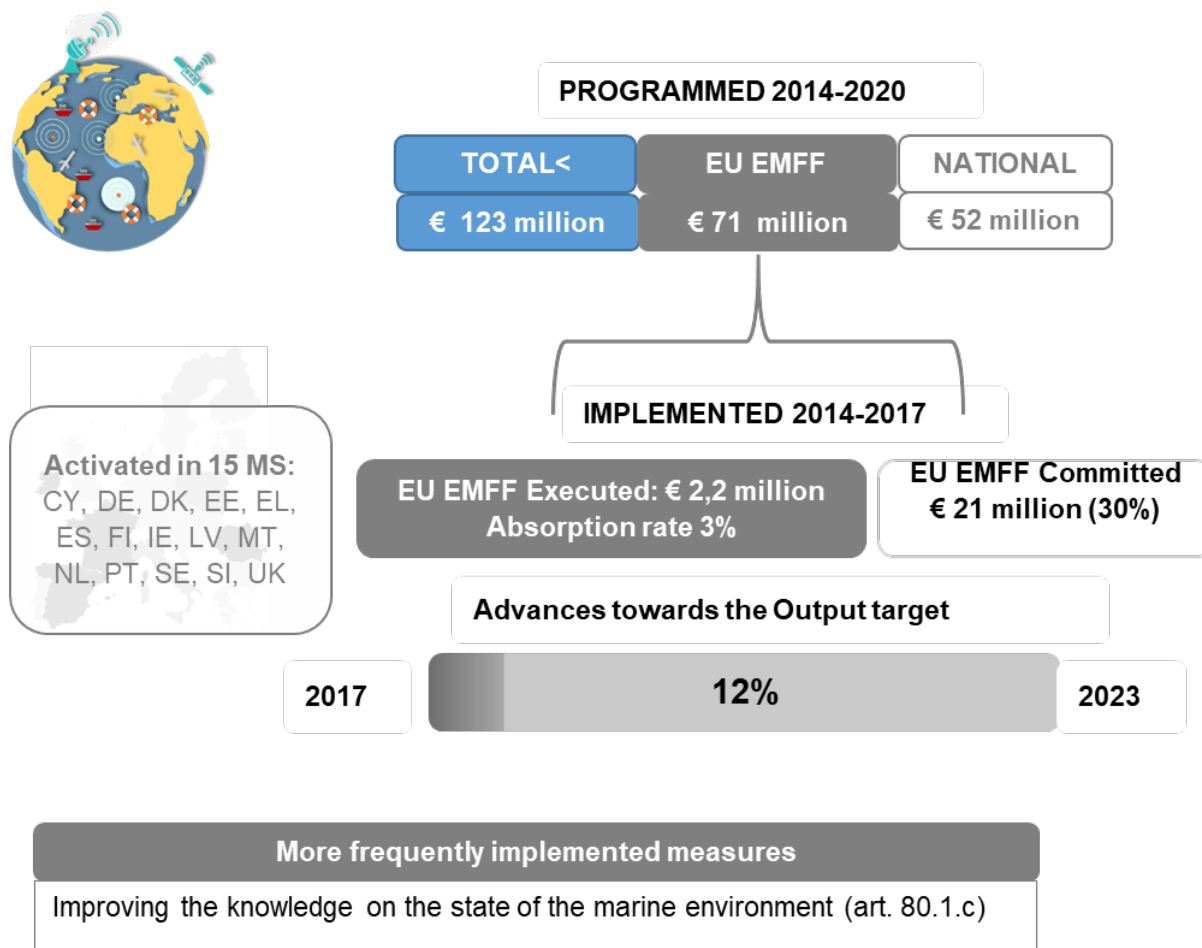
The Integrated Maritime Policy covers cross-cutting policies that do not fall under a sectorial approach: blue growth, marine data and knowledge, maritime spatial planning, integrated maritime surveillance and the sea basin strategies. In the EMFF the financial support is split between shared management (art. 80 EMFF) and direct management modes (art. 83 EMFF Regulation⁵⁴).

The shared management component aims to contribute to achieving the objectives of the Integrated Maritime Surveillance (IMS) – particularly the Common Information Sharing Environment (CISE) – and the promotion and protection of the marine environment (art. 79 EMFF Regulation). As shown in Box 7, this is the priority with the lowest allocated budget (1,2% of the EMFF). The average budget programmed by the Member States is 2%, while Finland and Malta have the highest financial allocation (8% and 6% of their total budget respectively).

Being a new area of support for the fisheries fund, it has taken some time to design and start up its implementation. Nevertheless, as public authorities are the only potential beneficiaries of operations, it should not come as a surprise that this priority shows the highest level of financial performance in terms of committed budget (30%).

⁵⁴ The IMP measures under direct management mode have been recently evaluated. See European Commission (2018b).

Box 7. The UP6 Integrated Maritime Policy measures in figures (2017)



Source: own elaboration. Denmark only included in the Programmed budget and the EU EMFF executed and committed.

2.2 The performance of UP1 Promoting the development of Sustainable Fisheries

Addressing the structural and evolving challenges of European fisheries has been at the core of the financial support mechanisms since 1970⁵⁵. In the nearly forty years elapsed since then, the shifts in slowly changing factors (e.g. societal values) and rapidly changing factors (e.g. global competitiveness) have deeply affected the way in which fisheries are managed and what are the goals that the EU fisheries policy should try to achieve. In support of those set in the Common Fisheries Policy (CFP) (art. 2 CFP Regulation), the European Maritime and Fisheries Fund (EMFF) aims to strike the right balance between fishing activities and protection of the marine environment.

This complex and delicate balance is reflected in the specific objectives under Union Priority 1 “Promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries” (art. 6 EMFF regulation):

- the reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches;
- the protection and restoration of aquatic biodiversity and ecosystems;
- the ensuring of a balance between fishing capacity and available fishing opportunities;

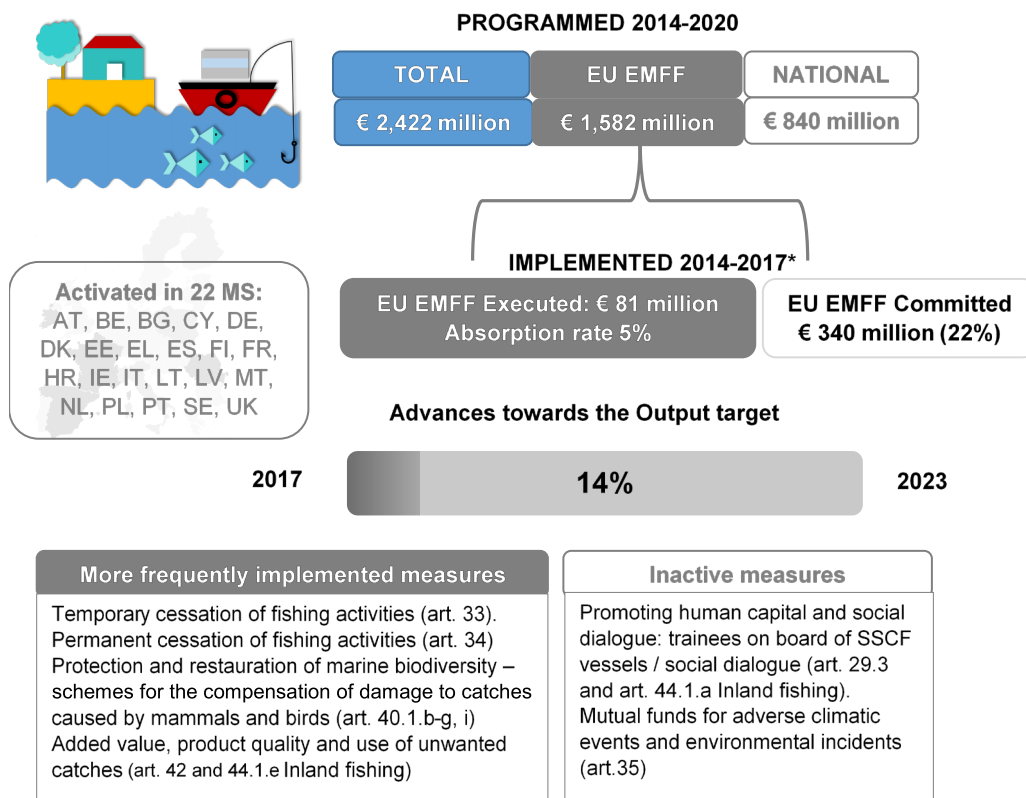
⁵⁵ The first financial support for the fisheries sector was included in the 1970 European Agricultural Guidance Guarantee Fund (EAGCGF), Guidance Section.

- the enhancement of the competitiveness and viability of fisheries enterprises, including of small-scale coastal fleet, and the improvement of safety and working conditions;
- the provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer;
- the development of professional training, new professional skills and lifelong learning.

Sustainable fisheries accounts for the largest share of the programme (30% of the total including EU and national contribution⁵⁶). The total budget allocated by Member States (MSs) to Union Priority (UP) 1 is the highest of all the UPs: 24% (± 15). Spain has the larger budget share (EUR 524 million, 22% of the total public contribution to the UP1) while Italy has allocated the largest national contribution to the priority (EUR 186 million; 23%); however, considering the relative relevance of UP1 in the MSs, Latvia (59%) and Denmark (37%) are the ones that have assigned the largest part of their total European Maritime and Fisheries Fund (EMFF) to sustainable fisheries.

Overall, the UP1 financial implementation is on the average of all UPs (22% of the programmed budget has been allocated); the budget spent nonetheless is slightly lower (5% vs. 7% all the UPs). From the aforementioned specific objectives, the largest budget commitments have taken place in the balancing of the fishing capacity (42%; see also Table 6) and to a lower extent in the protection and restoration of aquatic biodiversity and ecosystems (26%).

Box 8. The UP 1 Sustainable fisheries in figures (2017)



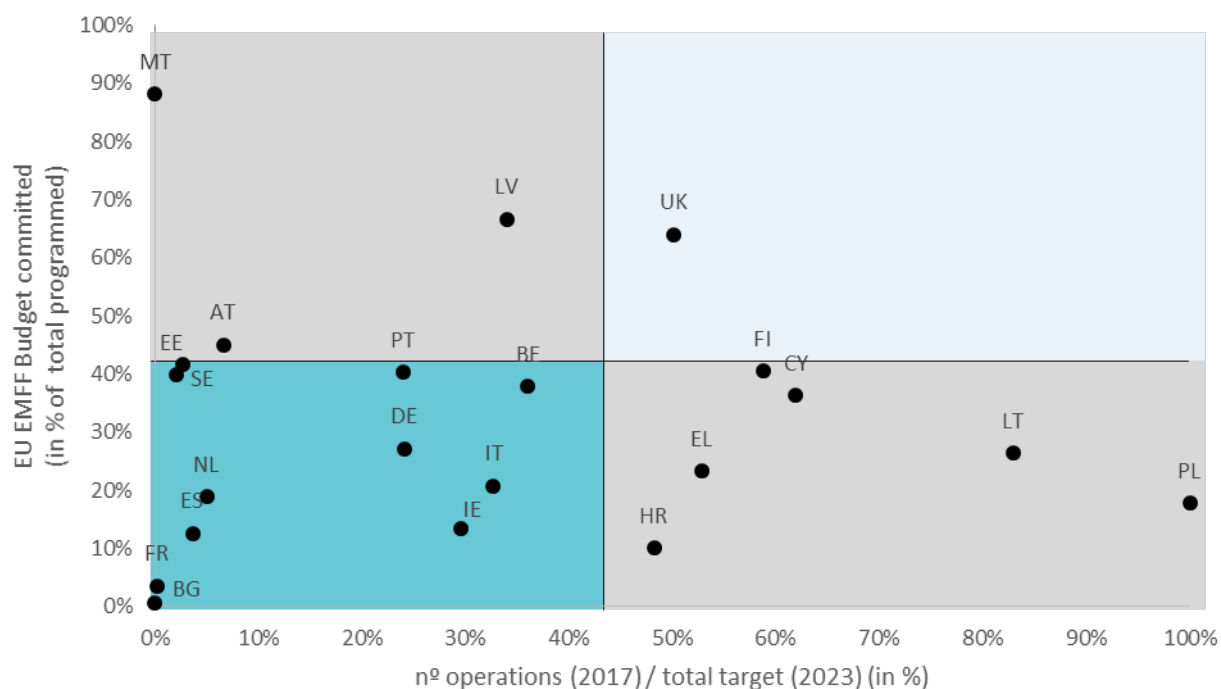
Source: own elaboration. Denmark is included in the Programmed budget, the EU European Maritime and Fisheries Fund executed and committed and the relation of Member States implementing the UP.

Combining financial and output data, a preliminary assessment indicates that by 2017 UK and FI are the countries that appear to be performing better in the implementation of Union Priority (UP) 1.

⁵⁶ Resources allocated to UP1 are quite similar in % to these under Axis 1 of the EFF.

Figure 15 illustrates Member States (MSs) performance regarding budget allocated and operations reported over the total programmed in their Operational Programmes (OPs) nearly halfway through the programming period (2014-2020). These figures, however, should be taken with caution. First, the output indicators were set by the MSs in their OPs using different criteria and therefore they might not be comparable with a sufficient degree of precision. Second, the dataset excludes Denmark, while secondary sources indicate that it is performing quite well. Third, in countries with a large budget (e.g. ES, FR, IT) the programme implementation is becoming effective in 2018.

Figure 15. UP1. Sustainable Fisheries. Financial and output performance by MS (in %)



Source: own elaboration. Data from FAME SU, DG-MARE, European Commission. DK is not included.

Union Priority (UP) 1 is structured in five specific objectives and embraces 28 measures. In order to gain a better understanding of the current performance and implementation challenges, the study narrows the scope to three of them: fishing ports, landing sites, auction halls and shelters (article 43); energy efficiency and mitigation of climate change (article 41) and added value, product quality and use of unwanted catches (article 42).

Notwithstanding the scope, to provide the proper context the main findings regarding the following issues are provided ahead of the analysis:

- Inactive measures
- Fleet measures
- The landing obligation
- Innovation measures
- Main barriers for taking up and using the funds under UP1.

2.2.1 Sustainable fisheries: inactive measures

Amongst other things, the fieldwork looked at the reasons why there are some **inactive measures**. Regarding **mutual funds** (art. 35 European Maritime and Fisheries Fund, EMFF, regulation), six Member States have programmed a total budget of EUR 21 million for this specific measure (DE, EL, ES, FR, IE, IT)⁵⁷. The measure is considered highly relevant for recurrent events as storm damages. However, the specific measure criteria have made it impractical. For instance, they do not allow providing support to capitalise the fund to begin with or to cover the cost of its establishment (art. 35.7 EMFF regulation). The mutual fund has to be established by fishermen upfront, without financial support from the European Maritime and Fisheries Fund (EMFF). The legal, administrative and financial costs for setting up are substantial; the criteria also require having money in place at the onset and the mutual should have to be activated – paying financial compensations to individual fishermen for damages – before the potential beneficiaries apply for EMFF support. Therefore, the viability of the fund relies on the fishing sector support and affiliations. The conclusion is that it aims for a goal worth pursuing, but the **specific criteria need to be redefined**.

In relation to the measure **promoting human capital and social dialogue: trainees on board of small-scale coastal fisheries (SSCF) vessels** (art. 29.3 and art. 44.1.a Inland fishing), five Member States (MSs) have programmed EUR 17 million (DE, EL, ES, IT, UK). This measure requires practical training on a fishing vessel shorter than 12 metres. The implementation has been affected by the ambiguity in the definition of the beneficiary – which affects all training activities under Union Priority 1⁵⁸. In this particular case, to implement the measure the Managing Authority (MA) has the option to pay the ship-owner, who will then pay the trainee who is in turn receiving training on board; but this is perceived as highly complicated, particularly within the administrative and financial procedures of the EMFF. Another option could be to use a public agency to manage the training on board. This, however, may face some further barriers not written in the regulation but derived from the Commission interpretation of art. 29 of the EMFF Regulation. Initially, state agencies were considered as not eligible for EMFF support as training providers.

The implications of excluding public organisations from being potential beneficiaries as training suppliers are extensive, especially in those countries with a long tradition of vocational training developed by the organisations themselves. If the support from the EMFF can only be provided to the operators who are trained and at a 50% rate, this would be a major deterrent to raising the qualifications and skills of the sector. The providers of training would have to charge expensive fees for the courses to fully recover their cost, which would most certainly discourage participation.

As a matter of fact, **training** (art. 29 EMFF Regulation) is the specific objective under Union Priority 1 with the lowest implementation rate. The acute problems of generational renewal and shortage of qualified professionals in the sector contrast with the fact that only 13% of the EU EMFF contribution has been committed. In 2017, seven out of the eleven Member States that intended to apply this measure had not yet activated it (FR, EL, IT, MT, PL, PT, SE). Spain reported 94% of the total 197 training operations, which represent 20% of the 2023 target.

⁵⁷ The disaggregated data from Denmark were not available so it is excluded from all the references to countries and budget involved by specific measure.

⁵⁸ A Commission response to an interpretation question from the Spanish MA [date 20/03/2018] the Commission services clarify that the art. 29 does not state clearly that it is limited to the catching sector. Therefore, we should refer to the “definition of fisheries and aquaculture sector” included in the Regulation 1379/2013 which is applicable at all the effects to the FEMP. Therefore, the art. 29 regulates the marketing and processing. Nevertheless, it is not applicable to the aquaculture sector, which is specifically covered by the art 50”. Translation from the Spanish text in the original.

2.2.2 Sustainable fisheries: fleet measures

The EMFF includes a limited number of fleet measures in comparison to previous funds⁵⁹: scrapping operations (art. 34 EMFF), temporary cessation operations (art. 33 EMFF) and engine replacement (art. 41.2 and art. 44.1.d for inland fishing). The programme capped the support at EUR 6 million or 15% support to Union Priority 1, 2 and 5; only two countries (HR and IT) have reached the maximum cap (15%) and the average EMFF support is 4.1% (DG-MARE, 2015).

One third of the total European Maritime and Fisheries Fund (EMFF) contribution programmed (EUR 278 million⁶⁰) has been committed (EUR 93 million) and the 10% implemented (EUR 27 million). At Member State (MS) level, Greece and Italy have allocated the largest amounts to the selected operations, whereas Poland has executed the highest budget (EUR 17 million).

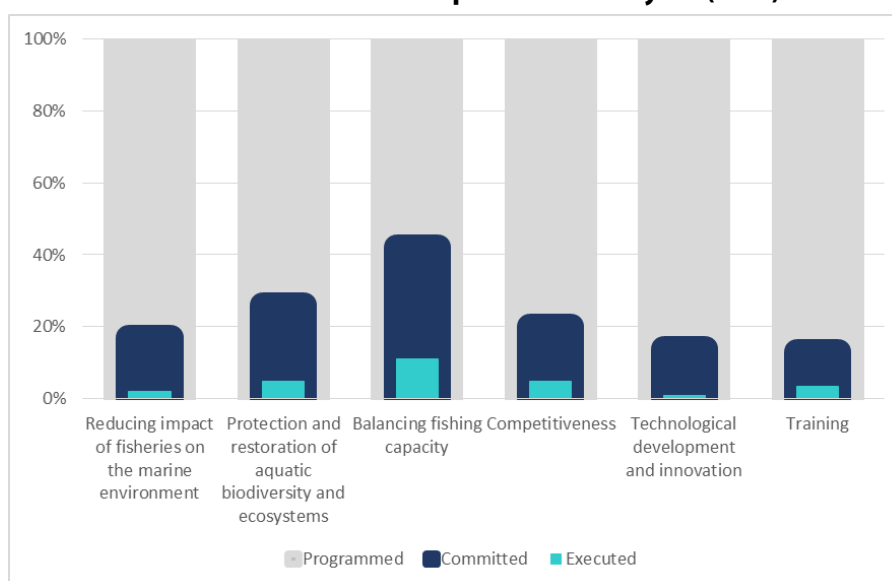
Table 5. Operations related to fleet measures (2017)

Typology	Programmed MS OP	Reported (2017)	%
Scrapping operations	1,190	1,274	107%
Temporary cessation operations	38,008	4,551	12%
Engine replacement	2,953	72	2%
Total	42,151	5,897	14%

Source: FAME SU, DG-MARE, European Commission. DK is not included.

The comparative analysis of the specific objectives under Union Priority (UP) 1 shows that the balance of fishing capacity (art. 34 and art. 36 EMFF regulation) is financially well advanced due to the phasing out of the permanent cessation measure set for 31 December 2017 (art. 34.4). Overall, near half of the budget has been committed and 7% executed. It is worth noting that this measure was not available until 2016-2017 in the most relevant countries (e.g. FR, HR, IT and ES) due to the late approval of their Operational Programmes (OPs). The Figure 16 below offers a snapshot of the financial performance of UP1 by specific objective.

Figure 16. UP1. Sustainable Fisheries. Financial performance by SO (in %). EU EMFF Contribution



Source: FAME SU, DG-MARE, European Commission. DK is excluded.

⁵⁹ In the EFF EUR 764 million were allocated to fleet measures, compared to the 285 of the EMFF.

⁶⁰ Total EU EMFF programmed including DK: EU 285 million.

The figures presented here (see Table 6) will vary significantly by the end of 2018. For instance, Spain has already selected 114 operations for a total EU EMFF contribution of EUR 10,325 million until September 2018⁶¹. In the case of Ireland, which included a permanent cessation scheme in its OP, the Managing Authority commissioned a cost-benefit analysis and the findings concluded that it would yield a positive return. But the consultants recommended not to implement the scheme based on value for money, because of the risk of re-entry back into the fleet due the availability of inactive capacity in the licensed fleet. It should be noted that where there is not inactive capacity this risk is non-existent.

Table 6. Financial and output indicators for the specific measure permanent cessation of fishing activities in 2017 (art. 34 EMFF Regulation)

MS	EU EMFF programmed (million EUR)	Committed (% of the total programmed)	Executed (% total)	Output indicator (2017)	Outcome target (2017)*
BG	0,4	28%	0%	28	0
CY	1,5	99%	194%	55	66
DE	1	27%	15%	35	6
EL	20	115%	0%	500	766
ES	59	3%	0%	250	0
FR	15,1	5%	0%	120	4
HR	13,2	43%	21%	110	60
IE	8,3	0%	0%	25	0
IT	33,1	94%	0%	250	230
LV	2	34%	23%	35	19
PL	12,4	55%	51%	60	123
PT	6	16%	0%	7	0
TOTAL	172	42%	7%	1475	1274

* Support under this measure may be granted until 31 December 2017. **Source:** FAME SU, DG-MARE, European Commission. DK is excluded.

The findings regarding temporary measures are also relevant. The temporary measures contribute to the achievement of good environmental status as set in the Marine Strategy Framework Directive, as well as to ensure compliance with management regulations. The scientific community has established that temporary cessation of fishing has a positive impact on descriptors D1, D3, D4 and D6 (Utizi: 2018: 245). Used as a mitigation tool linked to conservation measures, on-going actions show that it might favour Member States cooperation: in Jabuka Pit, a deep-sea area in the Adriatic hosting vulnerable marine ecosystems and the most important nursery and spawning grounds for a number of fishing species, Italy and Croatia have cooperated using temporary cessation measures to apply a total ban on all forms of demersal fishing in a central large area and limited fishing in two zones.

⁶¹ Data provided by the MA during the field work.

2.2.3 Sustainable fisheries: the landing obligation⁶²

Enabling the transition and readiness for new legal requirements is critical to their successful implementation. In this sense, the European Maritime and Fisheries Fund (EMFF) has been a golden opportunity to support the fishing sector in developing operations for complying with the so-called landing obligation introduced by the Common Fisheries Policy (art. 15 CFP Regulation). The phased implementation from 2015 through to 2019 for all commercial species provided a suitable time frame for the use of EMFFs, in spite of the late launching of the Operational Programmes (OPs).

On the ground, however, the research has identified a certain impasse: on the one hand, the public authorities expected the sector to be proactive and use the EMFF financial support; on the other, the sector has adopted a “wait-and-see approach”, while there is still uncertainty about how the regulation will be fully developed. Some countries appear to be well-ahead and consider that the EMFF has contributed to an acceleration in the implementation of the landing obligation (e.g. Denmark), while others recognise that there has generally not yet been a large demand for support (e.g. Spain or Ireland). In addition, some potential beneficiaries have suggested that actions should be led not only by fisheries organisations but also by competent authorities (e.g. fisheries ports).

According to the data available until 2017, a total of 177 operations for the reduction of discards (art. 38 EMFF regulation) or to deal with unwanted catches (art. 42 EMFF Regulation) have been reported (Denmark included⁶³) with an EU contribution committed through the European Maritime and Fisheries Fund (EMFF) of EUR 4 million. Other 322 operations are related to gear selectivity, with an allocation of EUR 6 million. In general, the Managing Authorities (MAs) and stakeholders interviewed and surveyed perceive a low contribution of the fund to the elimination of discards and to making the best use of unwanted catches, with the former holding a more positive view (33% of the MAs vs. only 10% of the stakeholders).

Nevertheless, the investments to facilitate compliance with the obligation to land all catches under fishing ports, landing sites, action halls and shelters (art. 43.2 EMFF regulation) show a considerable absorption rate (4,5%), namely in Portugal (17,6%), United Kingdom (14%) and Ireland (16%). The EMFF contribution committed in 2017 reached near EUR 14 million (figures are available in the analysis of the target measure; see 2.3.3). In addition, there is a specific measure for the processing of fishery and aquaculture products (Union Priority 5) include support the processing of catches of commercial fish that cannot be destined for human consumption (art. 69.1.c). Since the available information has aggregated data at measure level, it is not possible to identify which ones from the total pool are related to this topic.

2.2.4 Sustainable fisheries: Innovation

Innovation is a major driver for competitiveness and growth as stated in the EMFF Regulation: “In order to increase the competitiveness and economic performance of fishing activities, it is vital to stimulate and to provide support for investment in innovation. In order to encourage a higher level of participation, the application procedure for support for innovation should be simplified” (recital 30).

⁶² A detailed overview of the EMFF implementation regarding the landing obligation is available in COM (2018)c). The European Parliament has released two studies regarding the landing obligation: Rihan, D (2018) Research for PECH Committee-Landing Obligation and Choke Species in Multispecies and Mixed Fisheries –The North Western Waters, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels; Prelezo, R. et al. (2018) Research for PECH Committee-Landing Obligation and Choke Species in Multispecies and Mixed Fisheries-The South Western Waters, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels.

⁶³ In the ad-hoc consultancy report on the Landing obligation released by the FAME SU in 2017 Denmark was the country that committed the most landing obligation related projects at EUR 14.7 million.

Under Union Priority 1, innovation is included in two specific measures: innovation in marine (art. 26 EMFF regulation) and inland fishing (art. 44.3 EMFF regulation) and Innovation linked to the conservation of marine biological resources (art. 39 EMFF regulation).

In the Operational Programmes nineteen Member States (MSs)⁶⁴ programmed EUR 164 million to implement 533 innovation operations by 2023. Currently, 14 MSs have ongoing or completed operations that represent 7% of the target set and 10% of the total budget.

Table 7. Financial and output indicators for the Innovation under UP1 in 2017

Innovation	Programmed EMFF Contribution (EUR million)	Committed (EUR million of the total programmed)	Output indicator (2017)	Outcome target (2023)
UP1 Fisheries (art. 26, 39 and 44.3)	164.1	17	39	533

Source: FAME SU, DG-MARE, European Commission. DK is excluded.

In practice, stakeholders and potential beneficiaries perceive innovation measures as the most difficult to apply for (60%). During the interviews, special emphasis was placed in the limited budget allocated in the calls by some MAs (e.g. ceilings of EUR 150 thousand per project) that favour micro-operations without multiplier effects. As a result, fisheries organisations and research institutes look towards other funds (e.g. Horizon 2020) with larger budgets and better EU funding rates. The drawback is that in those funds they have to compete with other sectors, frequently in a disadvantaged situation; this is a paradox, considering that there exists a dedicated fisheries fund. If the big challenges of the fisheries sector are to be addressed, the European Maritime and Fisheries Fund (EMFF) needs to mobilise resources more effectively.

Some features of innovation require not only quantitative but also qualitative appreciation. Innovation projects frequently use longer implementation periods and cannot always demonstrate positive results. But learning that something does not work is also a valuable lesson. In this sense, the monitoring system of the EMFF could be defined as innovation-blind: the indicator used to assess the result of the innovation measures is 'change in net profits'. Therefore, there is no effective way to assess the contribution of innovation to achieve the specific objectives under Union Priority 1.

2.2.5 Barriers for uptake and use of the funds

Besides the overarching issues analysed for the EMFF, the biggest barrier to uptake identified in the research is the underlying conflict about the goals and intents of the policy programme. For most potential beneficiaries in the fisheries sectors the measures that would address their needs are ineligible; and the measures that are financed lack attractiveness due to the low level of aid intensity, the specific criteria set at measure level, etc. Furthermore, what the sector demands is stability to make significant investments. Uncertainties due to the stock status or foreseen policy/regulatory changes are a deterrent to the use of funds. The concerns over the post-Brexit scenarios or the anticipated restriction of fishing effort in the Mediterranean are just two examples.

Below is a summary of the most common barriers identified by Managing Authorities (MAs), stakeholders and beneficiaries:

⁶⁴ The MS are BE, BG, EE, FI, FR, DE, EE, EL, ES, HR, IE, IT, LV, NL, PL, PT, RO, SE and UK. DK has also set an output target of 23 operations, but no detailed data are available for the analysis.

- There is a limited number of operations for the development of the fleet and the application is heavily constrained by the criteria stated for eligibility.
- Some measures appear to be unrealistic. For instance, the habitability of the vessel for better working conditions (art. 32 EMFF) is unlikely to be applied at the expense of fishing capacity. Other measures have been poorly designed, such as the start-up support to young fishers (art. 31 EMFF regulation). As it is written now, it is too cumbersome and lacks attractiveness, including a double ceiling of 25% of the acquisition cost of the vessel and EUR 75,000 per young fisher (art- 31.1 EMFF regulation)⁶⁵. Only 4% of the 610 programmed operations have been reported and 5% of the EU EMFF contribution committed (EU 1.1 million). Incentives need to be included to address the generation cleavage: generally, fishers seem to prefer to scrap the vessel, get the money and give it to their son/daughter, rather than getting them involved into fishing.
- Excessive bureaucracy penalises small operators. Some calls require as many as nineteen annexes for application, including documents that are difficult to produce for a fisher.
- Unfamiliar measures generate initial scepticism in the sector, which aggravates the lack of capacity of some subsectors/fleet segments to handle the eligible operations.
- Some Operational Programmes have set thresholds for the operations that add additional barriers for the use of funds. For instance, a threshold at EUR 5,000, which may appear irrelevant, could be substantive for a small-scale coastal fisheries operator. On the other hand, some MAs are implementing contingency plans to increase the use of funds under Union Priority 1. Besides raising awareness, in Romania the Managing Authority (MA) is activating support (complementary to the European Maritime and Fisheries Fund) for the financial capacity of the beneficiaries: advance payments, invoice-based payments and loan guarantees.
- Admissibility of operations (art. 10) is by far the most frequent barrier pointed out by the MA. The criteria set have increased dramatically the workload and added extra difficulties in accessing information (e.g. on infringements across Member States).
- Belonging to a balanced fleet segment is an admissibility criterion for several measures. The report of fishing capacity (art 22.2 Common Fisheries Policy regulation) that defines the fleets falling under that category may come with a time lag between preparation and publication up to two years in some countries, which may affect the potential support for some fleets.
- The storage aid is a phasing-out measure under UP5 (art. 67.3 European Maritime and Fisheries Fund, EMFF) under the assumption that production activities will be balanced with market demand through the production and marketing plans. As mentioned above, the extent to which this assumption holds and the implications for the fishery sector remain to be seen.

⁶⁵ Also included in the CPMR assessment (2017).

2.3 Target measures under UP1

A deeper analysis of selected measures under Union Priority 1 provides further evidence for the assessment.

The target measures are:

- i. Energy efficiency and mitigation of climate change (art. 41 EMFF regulation).
- ii. Added value, product quality and use of unwanted catches (art. 42 EMFF regulation).
- iii. Fishing ports, landing sites, auction halls and shelters (art. 43 EMFF regulation).

For each of them, financial, output and result indicators will be presented, together with the qualitative insights gathered through the field work and the online survey. If applicable, those are complemented with findings from the literature and specialised press review.

In spite of the low absorption rate presented by all the target measures in 2017 (average 2.7%), the assessment indicates that the ones under art. 42 and art. 43 will improve their performance in the forthcoming years and are likely to achieve their financial and output targets. Conversely, energy efficiency and mitigation of climate change measures are underperforming due to the combination of admissibility criteria and low aid intensity. Therefore, their implementation is unlikely to improve, which has serious implications in relation to the EMFF and Europe 2020 climate change targets.

2.3.1 Energy efficiency and mitigation of climate change

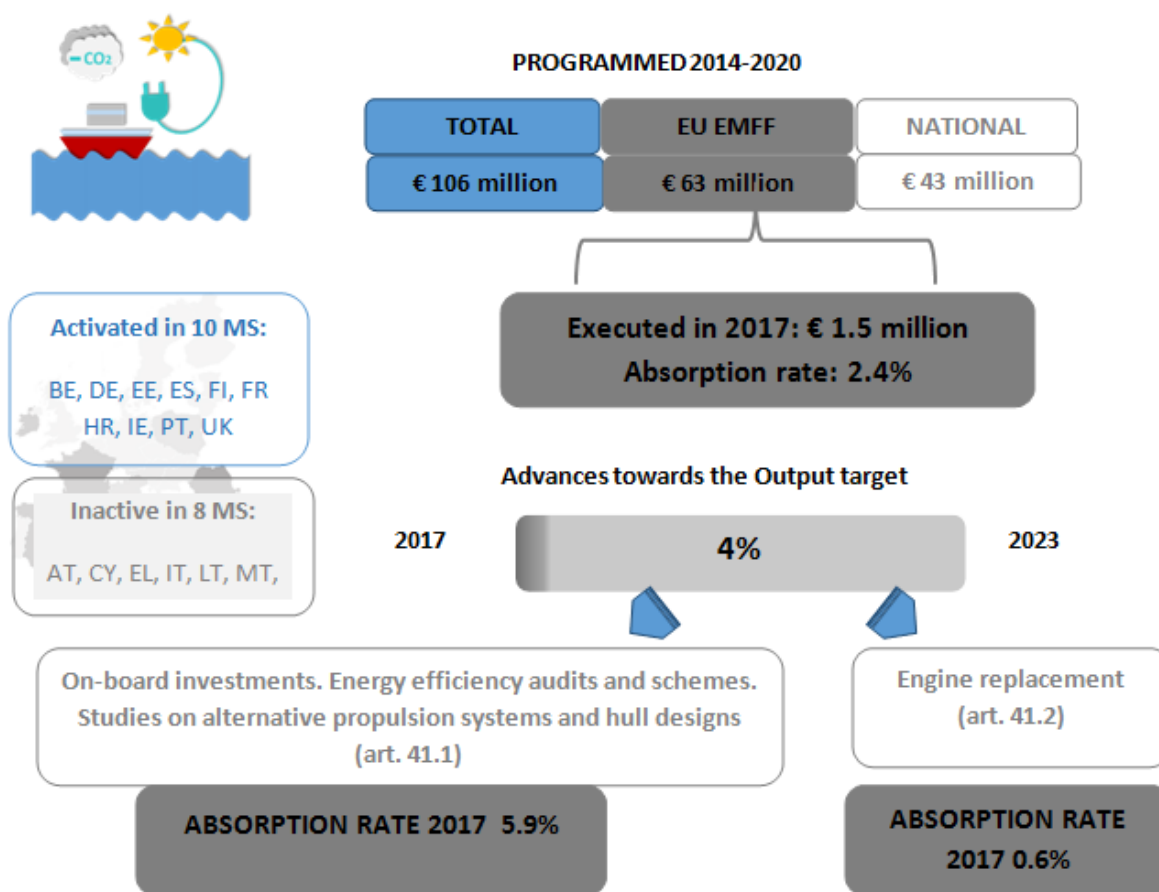
According to the Joint Research Centre (2014: 5), fishing is the most intense food production method in the world and depends almost completely on the use of internal combustion engines based on diesel fuels. The lack of alternative energy sources to substitute the internal combustion engine emphasises the need for improving energy efficiency. What stands in front of significant advances are structural deficiencies which the EMFF should be able to tackle.

Mitigation of climate change and energy efficiency are a target of the Europe 2020 strategy. The EMFF has programmed 10% of its contribution to achieve that target of EUR 949 million through 32 measures under Union Priority (UP) 1 to UP6. The focus here is limited to the specific measure energy efficiency and mitigation of climate change (art. 41) that supports:

- Investments in equipment or on board aimed at reducing the emission of pollutants or greenhouse gases and increasing the energy efficiency of fishing vessels. Investments in fishing gear are also eligible provided that they do not undermine the selectivity of that fishing gear.
- Energy efficiency audits and schemes.
- Studies to assess the contribution of alternative propulsion systems and hull designs to the energy efficiency of fishing vessels.
- Support for the replacement or modernisation of main or ancillary engines, with priority to small-scale coastal fisheries up to 60% of the total support allocated during the programming period.

Until 2017 more than one hundred operations were supported with a committed budget of EUR 2.5 million. The absorption rate (executed European Maritime and Fisheries Fund contribution compared to the total programmed) is 2.4 % (EUR 1.5 million; this figure excludes DK). However, the performance of the different measures regulated under art. 41 is substantially different (see Box 9).

Box 9. Energy efficiency and mitigation of climate change in figures (2017)



Source: FAME SU, DG-MARE, European Commission. Denmark does not support energy efficient measures under their OP as indicated in the questionnaire of its MA.

The figures for this first half of the programming period might be reflecting the late launching of the Operational Programmes (OPs) (see also Table 8). To ascertain whether this is the case, during the field work the Managing Authorities were given the chance to update their figures up to September 2018 in order to estimate that impact. Three MAs provided their most recent data (IE, ES and RO) and there is only an imperceptible change in the absorption rate of ES (from 0% to 0.1%).

Table 8. Financial indicators for the specific measure energy efficiency and mitigation of climate change (art. 41 and 44.1.e)

MS	EU EMFF Programmed (EUR)	EU EMFF Committed (EUR)	EU EMFF Executed (EUR)	Absorption rate%
AT	5,000	0	0	0%
BE	700,000	59,036	40,380	5.8%
CY	132,500	0	0	0%
DE	1,865,000	78,300	12,649	0.7%
EE	3,775,000	6,368	51	0%
EL	2,687,500	0	0	0%
ES	14,013,970	201,393	1,976	0%

MS	EU EMFF Programmed (EUR)	EU EMFF Committed (EUR)	EU EMFF Executed (EUR)	Absorption rate%
FI	400,000	52,877	12,386	3.1%
FR	13,770,222	250,672	0	0%
HR	3,000,000	80,211	156	0%
IE	1,500,000	354,138	354,138	23.6%
IT	8,600,701	0	0	0%
LT	157,924	0	0	0%
MT	100,000	0	0	0%
PL	1,000,000	0	0	0%
PT	8,000,000	351,554	14,500	0%
RO	760,000	0	0	0%
UK	2,445,899	1,095,302	440,446	18%
Total	62,913,716	2,529,851	1,525,851	2.4%

Source: FAME SU, DG-MARE, European Commission. The financial dataset includes art. 44.1.e inland fishing. The total number of operations is indicated in the result table.

Overall, the performance is lagging behind due to the specific features of the measures (art. 41.2), in particular the combination of eligibility criteria and the low rate of public aid (30%).

Table 9. Eligibility criteria for the replacement or modernization of main or ancillary engines

Criteria	Vessel Length		
	< 12 m	12- 18 m	18-24 m
Power (Kw): change required	=	-20%	-30%
Report of fishing capacity (art. 22.2 CFP regulation)	Balanced fleet segment		
Engine power (art.40 and 41 Control regulation ⁶⁶)	Verification	Officially certified if > 120 kw	

Source: own elaboration from EMFF regulation.











The Managing Authorities (MAs) have recognised that it has been highly problematic for them to find beneficiaries: there has been no interest whatsoever among the fleet over 12 metres length and a low level of interest in < 12 metres. Both stakeholders and MAs suggest that, because of how the measure is written, it was known in advance that this was going to be the likely outcome. The failure of this measure impacts negatively on the European Maritime and Fisheries Fund (EMFF) contribution to achieving the climate change targets and weakens energy transition: there is a large segment of the fleet that is “fuel-hungry” and aging (the average EU fleet is older than 22 years), so the comparison with having a 20-year-old passenger car and reducing climate change was frequently used by stakeholders.

⁶⁶ Member States shall be responsible for certifying engine power and issuing engine certificates for Community fishing vessels whose propulsion engine power exceeds 120 kilowatts (kW), except vessels using exclusively static gear or dredge gear, auxiliary vessels and vessels used exclusively in aquaculture (art. 40.1). Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy.

Lack of clarity in the regulation has also hampered investments on board (art. 41.1). It is stated in the EMFF that operations that increase the fishing capacity of a vessel shall not be eligible (art. 11). However, the Commission Delegated Regulation 2015/531⁶⁷ allows for investment in operations aimed at promotion of energy efficiency and mitigation of climate change, as for instance investments on stability mechanisms such as bilge keels and bulbous bows that contribute to improving sea-keeping and stability (art.13 Delegated Regulation). Bulbous bows have proven to increase fuel efficiency (see Mur, 2015:69), but they affect the vessel gross tonnage, the indicator used for fishing capacity. The Spanish MA detailed a case where the gross tonnes increased by 0.02 and had to be considered as not admissible. Furthermore, the definition of the eligible cost for the art 41.1 in the delegated act is considered too vague by the MA.

The tables below report result, financial and output indicators of the measures supported for energy efficiency and mitigation of climate change. The data should be read with extreme precaution and take tentatively, due to the limitations in the indicators design, the process of data reporting and the likely assignation of operations to the measure that represents the largest component (although it may be related to more than one).

Table 10. Result indicators for the specific measure energy efficiency and mitigation of climate change (art. 41) (2017)

Specific measure/indicator	Number	Accuracy degree ⁶⁸
On-board investments, energy efficiency audits and schemes, Studies on alternative propulsion systems and hull designs art. 41 (1) (a) to (c) and art. 44 (1) (d)		
Operations related to the sea	118	
Number of fishermen benefiting from the operation	622	
% decrease in fuel consumption	10% on average	
% decrease in CO2 emissions if relevant	7% on average	
Engine replacement: art. 41 (2) and art. 44 (1) (d)		
Indication as to whether the operation relates to sea or inland fishing or both	91 in sea, 27 inland, 2 both	
o kW before intervention (certified or physically inspected)	105 on average	
o kW after intervention (certified or physically inspected)	83 on average	
o Number of fishermen benefiting from the operation	472	
o % decrease in fuel consumption	14.10%	
o % decrease in CO2 emissions if relevant	8.90%	

Source: FAME SU, DG-MARE, European Commission. DK is excluded.

⁶⁷ Commission Delegated Regulation (EU) 2015/531 of 24 November 2014 supplementing Regulation (EU) No 508/2014 of the European Parliament and of the Council by identifying the costs eligible for support from the European Maritime and Fisheries Fund in order to improve hygiene, health, safety and working conditions of fishermen, protect and restore marine biodiversity and ecosystems, mitigate climate change and increase the energy efficiency of fishing vessels.

⁶⁸ Accuracy degree indicates the quality of the indicator provided, according to the indications of the FAME SU.

Table 11. Financial and output indicators for measures under energy efficiency and mitigation of climate change: On-board investments, energy efficiency audits and schemes, Studies on alternative propulsion systems and hull designs art. 41 (1) (a) to (c) and art. 44 (1) (d)

MS	EMFF programmed (EUR)	Absorption rate (%)	Progress in reaching the outcome target 2023 (%)	Number of operations by type			
				Equipment on board	Fishing gear	Energy efficiency audits and schemes	Studies
AT	5,000	0%	0%				
BE	100,000	34.2%	70%	3	2	2	
CY	52,500	0%	0%				
DE	550,000	13.1%	12.5%	1			1
EE	3,025,000	0%	0%				
ES	10,802,842	0.7%	1.8%	8	5	2	
FR	6,452,854	0%	0%			1	
EL	1,687,500	0%	0%				
HR	2,000,000	0.1%	10%	31	3		
IE	250,000	141.7%	133%				
IT	7,000,700	0%	0%				
LT	150,000	0%	0%				
MT	80,000	0%	0%				
PT	3,000,000	4.1%	66.7%	15			
UK	1,215,899	32.8%	46.1%	33	6	6	
Total	36,372,295	5.9%	10.2%	91	16	11	1

Source: FAME SU, DG-MARE, European Commission. DK has not included these measures in its Operational Programme.

Table 12. Financial and output indicators for engine replacement or modernization (2017)

MS	EMFF programmed (EUR)	Absorption rate (%)	Progress in reaching the outcome target 2023 (%)	Number of operations by type	
				Replacement of engine	Modernisation
BE	600,000	0%	0%		
CY	80,000	0%	0%		
DE	1,315,000	0.4%	6.9%	3	2
EE	750,000	0.4%	5%	14	
ES	3,211,128	0.3%	0.4%	1	
FI	400,000	11.7%	41.3%	25	12
FR	7,317,368	0%	0%	2	
EL	1,000,000	0%	0%		
HR	1,000,000	0%	0%		
IE	1,250,000	0%	0%		
IT	1,600,001	0%	0%		
LT	7,924	0%	0%		
MT	20,000	0%	0%		
PL	1,000,000	0%	0%		
PT	5,000,000	1.5%	3.7%	46	
RO	760,000	0%	0%		
UK	1,230,000	1.3%	14.3%	12	1
Total	26,541,421	0.6%	2.4%	103	15

Source: FAME SU, DG-MARE, European Commission. DK has not included these measures in its OP.

2.3.2 Added value, product quality and use of unwanted catches

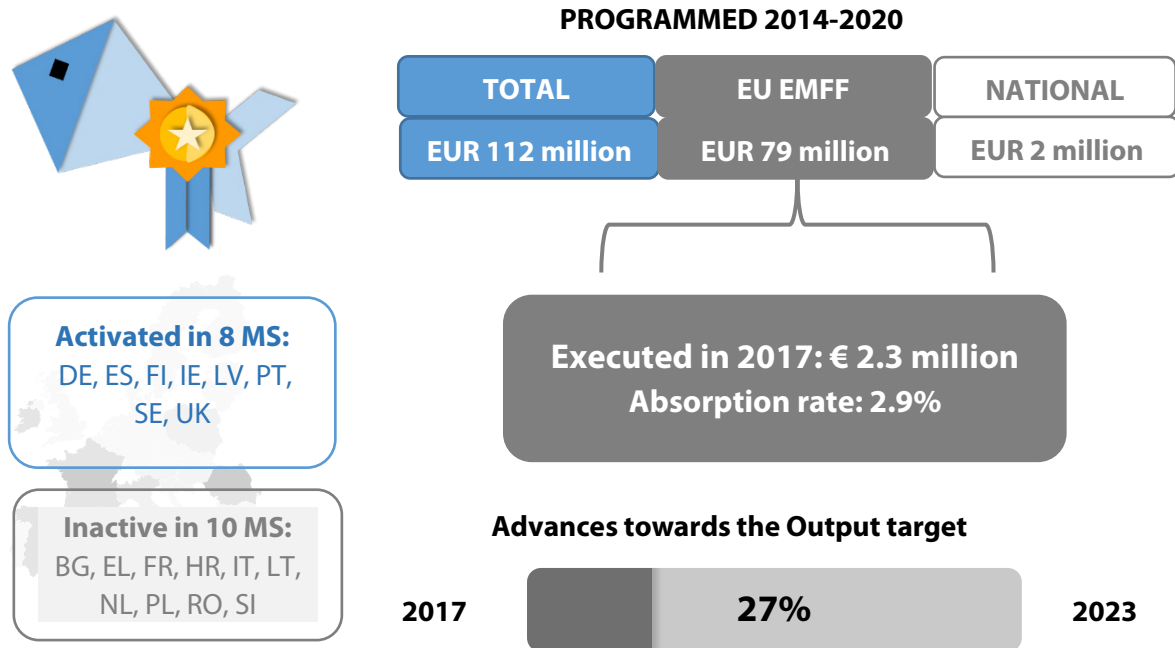
Competitiveness in a globalised seafood market is critical to the economic performance of the EU fisheries sector, even more with the increasing consumer concerns about high-quality products. In this sense, the European Maritime and Fisheries Fund (EMFF) provides support to the following specific measures (art. 42 EMFF regulation):

- investments that add value to fishery products, in particular by allowing fishermen to carry out the processing, marketing and direct sale of their own catches
- innovative investments on board that improve the quality of the fishery products.

During the first half of the programme 371 operations were reported, benefiting more than 7,000 fishers (see Table 16). The absorption rate for these specific measures is 2.9%. In spite of this rate, most Managing Authorities (MAs) and stakeholders confirm that this is one of the areas where the largest expenses are feasible to be incurred. Firstly, because it is a familiar measure that has continuity from

the European Fisheries Fund; secondly, because is essential for the improvement of business and allows to meet the growing requirements of the processing sector.

Box 10. Added value, product quality and use of unwanted catches in figures (2017)



Source: FAME SU, DG-MARE, European Commission. Denmark is only included in the budget programmed. Secondary sources estimate that they have reported approximately 95 operations.

The low absorption rate until 2017 is potentially related to the late adoption of the Operational Programmes (OPs). The updates for September 2018 provided by three of the interviewed MAs (IE, ES, RO) appear to confirm it. For instance, in the case of Ireland the absorption rate goes from 9.7% in 2017 to 37.5% in 2018, and the prevision is to spend the full allocation by the end of the programme. The figures vary considerably across Member States; Sweden stands out with a nearly 50% absorption rate. On the other hand, Poland has the largest European Maritime and Fisheries Fund contribution programmed and in 2017 none of the EUR 26 million were executed (although 75% is already committed). The table below report financial indicators for the specific measure ‘Added value, product quality and use of unwanted catches’.

Table 13. Financial indicators for the specific measure Added value, product quality and use of unwanted catches (art. 42 EMFF Regulation and 44.1.e inland fishing) (2017)

MS	EU EMFF Programmed (EUR)	EU EMFF Committed (EUR)	EU EMFF Executed (EUR)	Absorption rate%
BG	4,475,008	3,356,256		0%
DE	1,680,000	1,260,000	46,058	3.7%
EL	2,000,000	1,500,000		0%
ES	14,936,587	11,202,441	9,429	0.1%
FI	2,600,000	1,000,000	259,981	26.0%
FR	7,416,667	5,562,500		0%

MS	EU EMFF Programmed (EUR)	EU EMFF Committed (EUR)	EU EMFF Executed (EUR)	Absorption rate%
HR	3,333,360	2,500,020		0%
IE	4,000,000	2,000,000	194,666	9.7%
IT	13,142,930	6,571,465		0%
LT	5,549,318	4,161,988		0%
LV	9,000,000	6,750,000	783,155	11.6%
NL	2,800,000	2,100,000		0%
PL	26,000,000	19,500,000		0%
PT	7,500,000	5,625,000	19	0%
RO	1,333,600	1,000,200		0%
SE	476,758	286,055	132,641	46.4%
SI	266,667	200,000		0%
UK	5,413,230	4,059,922	883,952	21.8%
TOTAL	111,924,125	78,635,847 €	2,309,902 €	2.9%

Source: FAME SU, DG-MARE, European Commission. The CMES does include art. 42 and 44.1.e. together. The result indicator table provides the number of inland operations. DK is not included.

The admissibility criteria set for innovative investment on board (see table 14 and art. 42.2 European Maritime and Fisheries Fund Regulation) seem to create additional implementation problems. The request to use a selective gear is unnecessary, as this is at the core of the Common Fisheries Policy and a positive thing for the fishers. By including it in the regulation it adds a bureaucratic burden and excludes many vessels; in addition, the selective gear must be replaced, being difficult or impractical to verify existing gear and that it is destroyed⁶⁹.

Table 14. Admissibility criteria for innovative investments on board under art. 42

Criteria	
Gear	Use of selective gear to minimise unwanted catches
Fishing activity at sea	At least 60 days during two calendar years before the application

Source: own elaboration from EMFF regulation.

⁶⁹ Findings presented by the MA during the Informal EMFF Expert and MA Workshop, Clonakilty 8-9th March 2017.



The tables below report financial, output and result indicators for the specific measure 'Added value, product quality and use of unwanted catches'.

Table 15. Financial and output indicators for the specific measure Added value, product quality and use of unwanted catches (art. 42)

MS	EMFF programmed (EUR)	Absorption rate (%)	Progress in reaching the outcome target 2023 (%)	Number of operations by type	
				Investments that add value to products	Investments on board that improve the quality of the fishery products
BG	3,356,256	0%	0%		
DE	1,260,000	15%	16.1%	14	1
DK	n.a	n.a	n.a	26	69
EL	1,500,000	0%	0%		
ES	11,202,441	1.7%	8.7%	18	4
FI	1,000,000	18.6%	101%	105	8
FR	5,562,500	0%	0%		
HR	2,500,020	0%	0%		
IE	2,000,000	11.1%	28.2%	5	72
IT	6,571,465	0%	0%		
LT	4,161,988	0%	0%		
LV	6,750,000	8.9%	100%	8	
NL	2,100,000	0%	0%		
PL	19,500,000	0%	0%		
PT	5,625,000	0.2%	1.1%	1	
RO	1,000,200	0%	0%		
SE	286,055	35.9%	0%	1	
SI	200,000	0%	0%		
UK	4,059,922	26.3%	107.4%	68	65
Total	78,635,847	3.3%	17.9%	246	219

Source: FAME SU, DG-MARE, European Commission. Denmark is only included regarding the number of operations. N.a. not available.

Table 16. Result indicators for the specific measure Added value, product quality and use of unwanted catches (art. 42)

Indicator	Number	Accuracy degree ⁷⁰
I.22 art. 42 (2) and art. 44 (1) (e)		
Indication as to whether the operation relates to sea or inland fishing or both	378 (283 without DK) related to sea, 87 related to inland, 1 related to both	
Number of fishermen benefiting from the operation	7,016	

Source: FAME SU, DG-MARE, European Commission. Denmark is only included regarding the number of operations.

2.3.3 Fishing ports, landing sites, auction halls and shelters

Several objectives of the European Maritime and Fisheries Fund (EMFF) may be pursued through operations regarding fishing ports: increasing the quality, control and traceability of the products landed, increasing energy efficiency, contributing to environmental protection and improving safety and working conditions. The specific measures supported include the following operations in fishing ports, auctions halls, landing sites and shelters (art. 43):

- Investments improving the infrastructure, including investments in facilities for waste and marine litter collection.
- Investments to facilitate compliance with the landing obligation (art. 15 Common Fisheries Policy Regulation and 8.2.b Common Market Organisation Regulation) as well as to add value to under-used components of the catch.
- Construction or modernisation of shelters to improve the safety of fishermen.

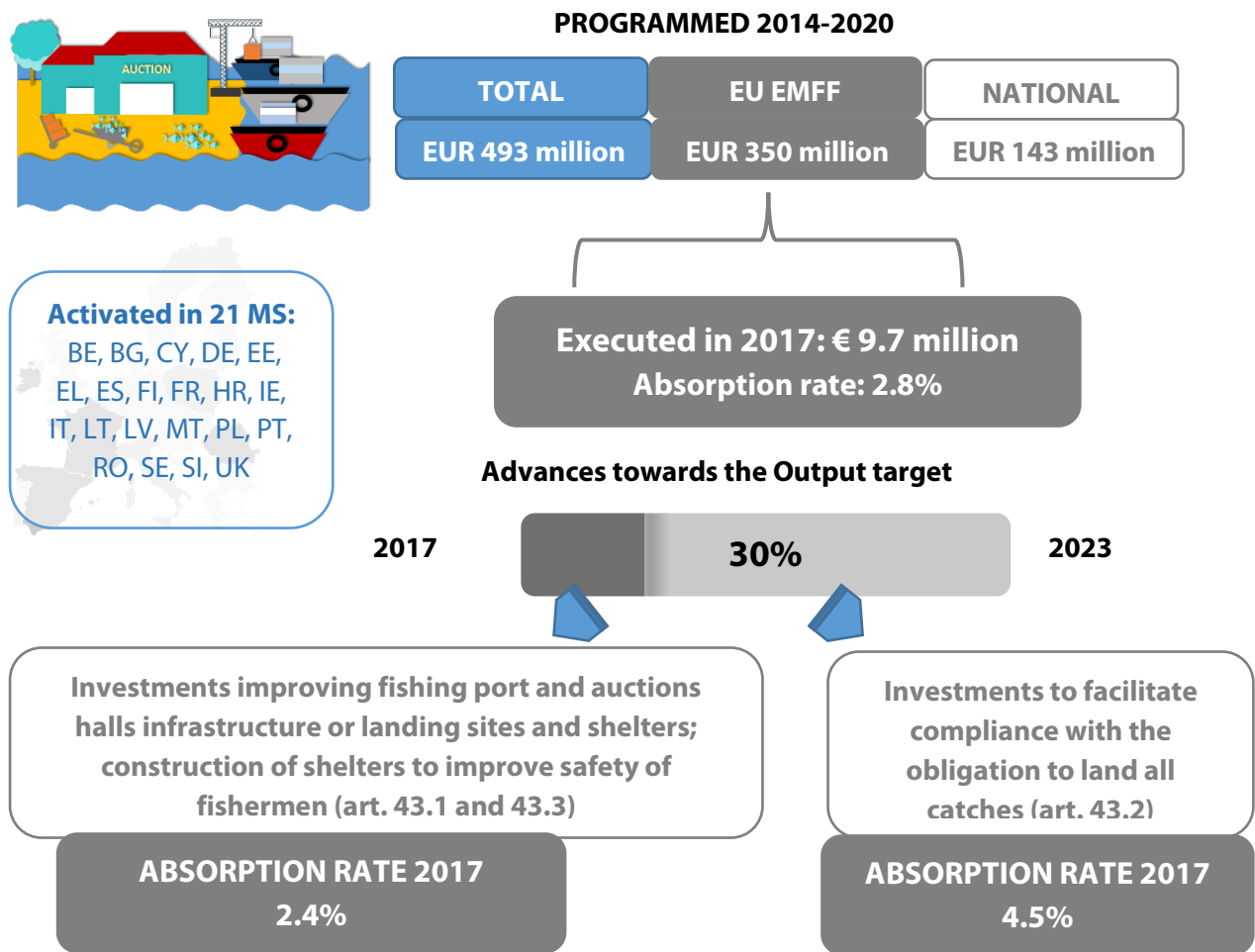
There is no exhaustive list of eligible measures, although the regulation explicitly excludes the support for the construction of new ports, new landing sites or new auction halls (art. 43.4) and investments in infrastructures outside the port cannot be financed. The Conference of Peripheral Maritime Regions (2017) assessment pinpointed that making landing sites or new auction houses ineligible for financing for the construction of new ports prevents direct sales from being developed in some coastal communities; if so, this might be a contradiction with the call for investments that allow fishers to directly sell their catches (art. 42.1.a EMFF regulation).

In cases of relocation and modernisation of ports the eligibility is subject to interpretation. According to the Commission services some aspects might be funded under specific measures of marketing or energy efficiency, but it is recommended to search complementarity with other funds (e.g. European Regional Development Fund).

The impact of these measures is generally widespread among fishers and areas. According to the result indicators (see Table 20), nearly 60,000 fishers have benefited from 273 operations that take place mainly in Spain, the UK and Portugal. The absorption rate is 2.8%, similar to the other two target measures analysed.

⁷⁰ Accuracy degree indicates the quality of the indicator provided, according to the indications of the FAME SU.

Box 11. Fishing port, landing sites, auction halls and shelters in figures (2017)



Source: FAME SU, DG-MARE, European Commission. Denmark is only included in the budget programmed. Secondary sources estimate that they have reported approximately 95 operations.

As confirmed during the field work, the forecast is that implementation will speed up in most cases. In France (EUR 37 million programmed) the Managing Authority foresees a higher commitment payment for port measures, since there is a large project under preparation. In Romania (EUR 7 million programmed), the investments costs are prohibitive for the private sector. Besides, the legal status of the land or assets that could benefit from European Maritime and Fisheries Fund support prevents the application of this measure. Efforts have been made to identify the possibility of modernising a fishing port under art. 43, but no application has been submitted yet. In inland waters one project has been selected and the selection of other two is pending. The implementation in 2018 almost doubled in Spain as far as the number of operations (from 69 to 117) and committed budget (from EUR 7 million to EUR 13) are concerned, but the absorption rate remains the same (increases 0.06%). Finally, Ireland foresees an expenditure of approximately EUR 10 million by the end of 2018, with a balance of EUR 20 million in 2019.

The table below reports financial indicators for the specific measure ‘Fishing port, landing sites, auction halls and shelters’.

Table 17. Financial indicators for the specific measure Fishing port, landing sites, auction halls and shelters (art. 43) (2017)

MS	EU EMFF Programmed (EUR)	EU EMFF Committed (EUR)	EU EMFF Executed (EUR)	Absorption rate%
BE	2,400,000	249,439	12,071	0.5%
BG	9,824,994	0	0	0%
CY	4,875,000	240,000	0	0%
DE	6,540,000	1,276,158	76,462	1.2%
EE	1,875,000	0	0	0%
EL	37,500,000	5,912,106	61,975	0.2%
ES	59,605,954	7,045,882	233,561	0.4%
FI	2,500,000	649,353	116,656	4.7%
FR	37,233,994	0	0	0%
HR	31,097,945	0	0	0%
IE	3,000,000	440,559	103,684	3.5%
IT	28,509,819	0	0	0%
LT	1,912,500	0	0	0%
LV	15,300,000	12,205,976	2,532,461	16.6%
MT	6,922,929	7,013,213	0	0%
PL	42,225,000	1,070,400	0	0%
PT	30,000,000	30,440,273	2,611,393	8.7%
RO	6,728,400	0	0	0%
SE	4,290,822	970,332	6,454	0.2%
SI	1,800,000	0	0	0%
UK	15,579,778	17,707,953	4,021,564	25.8%
Total	349,722,135	85,221,641	9,776,279	2.8%

Source: FAME SU, DG-MARE, European Commission. DK is not included.

Investments to facilitate compliance with the obligation to land all catches (art. 43.2) almost double the absorption ratio of the investments improving infrastructure and construction of shelters to improve safety of fishermen (art. 43.1 and 43.3), while progress towards achieving the 2023 output performs significantly better in the latter (14.4% vs. 5.1%).

The tables below report financial and output indicators for the specific measures under art. 43.1, 43.2 and 43.3.

Table 18. Financial and output indicators for the specific measure Investments improving fishing port and auctions halls infrastructure or landing sites and shelters; construction of shelters to improve safety of fishermen (art. 43.1 and 43.3)

MS	EMFF programme d (EUR)	Absorption rate (%)	Progress in reaching the outcome target 2023 (%)	Number of operations- type of investment					Number of operations - category of investment		
				Quality	Control and traceability	Energy efficiency	Environmental protection	Safety & working conditions	Auction halls	Fishing ports	Landing sites
BE	1,100,000	2.4%	100%	1			1	2		4	
BG	6,525,214	0%	0%								
CY	4,800,000	0%	12.5%					1		1	
DE	6,300,000	4.5%	18.2%					4		3	1
DK	n.a.	n.a.	n.a.							8	
EE	1,875,000	0%	0%								
ES	53,280,990	2.5%	10.9%	7	22	4		33	2	66	
FI	2,500,000	7.2%	100%	15	1	3		10		15	14
FR	28,246,601	0%	0%								
EL	36,750,000	0.8%	20%					5		5	
HR	25,200,000	0%	0%								
IR	250,000	0%	0%								
IT	28,509,819	0%	0%								
LT	1,275,000	0%	0%								
LV	15,300,000	15.6%	33.3%	9				10		19	
MT	6,922,929	0%	0%		1			2		3	
PL	36,225,000	0%	0%					1	1		
PT	26,000,000	4.7%	5%	3	1			45		48	
RO	6,728,400	0%	0%								
SE	2,860,548	0.5%	0%	3		1		4		7	1
SI	1,800,000	0%	0%								
UK	7,314,482	19.3%	120%	14	1	3	3	38	6	53	1
Total	299,763,983	2.4%	14.4%	52	26	11	4	155	9	232	17






Source: FAME SU, DG-MARE, European Commission. Denmark is only included regarding the number of operations. n.a.: not available.

Table 19. Financial and output indicators for the specific measure Investments to facilitate compliance with the obligation to land all catches (art. 43.2) (2017)

MS	EMFF programmed (EUR)	Absorption rate (%)	Progress in reaching the outcome target 2023 (%)	Number of operations by type-category of investments	
				Fishing ports	Landing sites
BE	1,300,000	0%	33.3%		
BG	3,299,779	0%	0%		
CY	75,000	0%	0%		
DE	240,000	0%	0%		
DK					2
ES	6,324,964	0.5%	28.6%	1	
FR	8,987,393	0%	0%		
EL	750,000	0%	0%		
HR	5,897,945	0%	0%		
IE	2,750,000	11.8%	10.0%	3	
LT	637,500	0%	0%		
PL	6,000,000	0%	0%	1	2
PT	4,000,000	17.6%	11.1%	8	3
SE	1,430,274	0%	0%		1
SI				2	
UK	8,265,297	14.1%	12.0%		
Total	49,958,152	4.5%	5.1%	15	8

Source: FAME SU, DG-MARE, European Commission. Denmark is only included regarding the number of operations. n.a.: not available.

Table 20. Result indicators for the specific measure fishing port, landing sites, auction halls and shelters (2017)

Indicator	Number	Accuracy degree ⁷¹
I.23 art. 43 (1) and (39 and Article 44 (1) (f))		
Indication as to whether the operation relates to sea or inland fishing or both	378 (283 without DK) related to sea, 87 related to inland, 1 related to both	
Indication as to whether the operation relates to sea or inland fishing or both	224 related to the sea, 16 to inland, 7 to both	
Number of fishermen benefiting from the operation	46 890	
Number of other port users or other workers benefiting from the operation	2 758 630	
I.24 art. 43 (2)		
Number of fishermen benefiting from the operation	10 768	

Source: FAME SU, DG-MARE, European Commission. Denmark is only included regarding the number of operations.

2.4 The EMFF performance in the Outermost regions⁷²

Allowing for a differentiated approach for the Outermost Regions (ORs), the European Maritime and Fisheries Fund (EMFF) has tried to respond to the features and challenges of these areas by setting:

- Specific aid intensity (art. 8 and annex I) benefiting operations other than the ones in the compensation plans with an increase by 35%;
- Compensation regimes aiming at offsetting operators' additional costs as a result of the specific handicaps of the regions, with ring-fenced allocation (Chapter V and art. 13) and a financing rate of 100% of additional costs (art. 94.3.b).
- Support for anchored fish aggregating devices, provided that such devices contribute to sustainable and selective fishing (art. 38.2) by way of derogation of the ineligibility of equipment increasing the ability of a vessel to find fish set in art. 11.1.a.

Despite taking into account the particular constraints of the ORs, apparently the programme design has failed to consider contextual and configurational factors that affect its current implementation in these areas:

- The limited fleet measures do not allow for the modernisation of the fishing fleets, largely excluded from the access to this type of fund in previous programmes.
- The incapacity of assessing the balance of the ORs fleet, as stated by the Scientific, Technical and Economic Committee for Fisheries in 2018⁷³; belonging to a balance fleet segment is an admissibility criterion for an extensive number of measures.

⁷¹ Accuracy degree indicates the quality of the indicator provided, according to the indications of the FAME SU.

⁷² The Outermost regions are entitled for specific attention under article 349 TFEU. There are 9 ORs in the EU: French Guiana, Guadeloupe, Martinique, Mayotte, Reunion and Saint-Martin (FR); Canary Islands (ES); Azores and Madeira (PT).

⁷³ STECF (2008) Assessment of balance indicators for key fleet segments and review of national reports on Member States' efforts to achieve balance between fleet capacity and fishing opportunities (STECF-17-18). Publications Office of the European Union, Luxembourg. Page 21.

- The challenges associated to the development of community-led local development under Union Priority 4, so far implemented only in the Canary Islands (7 Fisheries Local Action Groups, FLAGs) and Azores (3 FLAGs).
- The features of the compensation regime, embedded for the first time in the fisheries fund and in the Common Provisions Regulation framework. This has created a major administrative burden at multiple levels. For instance, before the European Maritime and Fisheries Fund (EMFF), the verification and control of expenses for operations under compensation plans was done through sampling, and now it covers 100% of the operations.

Box 12. Fisheries in the Outermost regions

Reference documents:

Caillart (2017) Research for PECH Committee –The management of fishing fleets in Outermost Regions. 53 pages
 European Parliament (2017) Report on the management of the fishing fleets in the Outermost Regions (2016/2016 (INI)). Committee on Fisheries. Rapporteur Ulrike Rodust. A8-0138/2017. 28 pages
 European Parliament (2018) Committee on Fisheries Implementation of the EMFF: Achievements since 2014 and perspectives after 2020 held the 20 June 2018. Presentations available on-line at: <http://www.europarl.europa.eu/committees/en/pech/events-hearings.html?id=20180605CHE04201>

During the Parliament Public Hearing celebrated in 2018⁷⁴, the advisor to the Regional Secretary of the Government of Azores highlighted that some features counterbalance the specific aid intensity for the ORs. For instance, by setting ceilings in specific measures such as engine replacement (art. 42.2), or by reducing support for non-SMEs (annex I). In addition, non-SMEs have a maximum aid intensity of 30%, which in the case of investment aid for the processing of fishery and aquaculture products shall only be granted through financial instruments (art. 69.2). The EMFF is the only European Structural and Investment Fund with this provision, which is comparatively considered as an additional burden for seafood processing companies.

On the ground, all the issues identified by Managing Authorities (MAs) and beneficiaries covered in the previous sections are even more difficult to deal with in the Outermost Regions (ORs). For instance, eligibility criteria require that fishers be up to date with their taxes and provide accountability documents that they may not have (e.g. French ORs).

Budget under-resourcing, combined with limited pre-financing and private financing environments severely hamper implementation. In the area where ORs are performing better, the compensation plans (art. 70), the administrative burden is barely manageable with limited human resources (e.g. an administrative file may content up to 12,000 bills in the Canary Islands).

The performance of Union Priority 5 shows that operations oriented to improved market performance have a higher performance rate (number of operations implemented vs. 2023 target; 28%) and a better absorption rate (10%), due to the compensation plans. Those plans represent 68% of the total target set for improved market performance in the EU, and have achieved 61% implementation rate in 2017.

Updated figures are available for the Canary Islands and presented in the table below here for illustrative purposes, although they should not be deemed representative of the current implementation in the other Outermost Regions (ORs).

⁷⁴ European Parliament- Committee on Fisheries Implementation of the EMFF: Achievements since 2014 and perspectives after 2020 held the 20 June 2018.

Table 21. Financial and output indicators for the Canary Islands (ORs, ES) September 2018

EMFF programmed (EUR)	EMFF Committed (EUR)	EMFF executed (EUR)	Absorption rate %	Operations (number)
82,896,390	25,577,845	24,906,473	30%	315

Source: Ministerio de Agricultura, Pesca y Alimentación, Spanish Government.

In view of the mismatch between the design of the current fisheries fund and the needs and features of the Outermost Regions, the EU Parliament, the Committee of the Regions, and the ORs themselves have expressed the urgency to apply targeted and tailored support, considering the profile of beneficiaries, administrative and accountability practices of fishers, local needs, local strategy, etc. Some of the provisions included in the post-2020 fund proposal (action plan and preferential treatment) may point out in the right direction. However, the list of ineligible operations (art. 13 post-2020 fund proposal), the public aid intensity and the likely constraints of the new Common Provisions Regulation under discussion would not allow to address the shortcomings for the ORs identified above.

2.5 Main findings of the performance assessment

Successful implementation requires **certainty, coherence and flexibility**. The European Maritime and Fisheries Fund (EMFF) performance up until now has depended critically on the late launching of the OPs and the massive impact of integrating the fund under the European Structural and Investment Funds' umbrella. This has dramatically increased the learning curve and administrative cost of the Managing Authorities (MAs) and negatively affected the uptake from stakeholders. The focus of the assessment has been on the implementation process and the financial and output performance, as the results can only be supported by anecdotal evidence at this early stage:

- Overall, Union Priority 1 shows a low implementation rate. The quantitative analysis (output and financial indicators) and the qualitative analysis (interviews and survey) suggest that the situation will improve shortly as several Member States (MSs) are actually getting up to speed in the implementation of their Operational Programmes (OPs).
- The measures that are performing well are the ones that do not have measure level specific/detailed rules (partnership between scientist and fishers, limitation of impact of fishing, protection and restoration of marine biodiversity, or added value). Consequently, the most difficult measures to apply are those having complex rules as well as substantial interpretation issues (start-up of young fishermen, training, engine replacement, etc.).
- Up until now, most efforts of the MAs have focused on understanding the programme, with a steep learning curve that seems to be mostly overcome in 2018. Legal uncertainty and the fear of **de-certification** after the European Fisheries Fund experience have led to an implementation approach more focused on compliance than on performance.
- Some issues are not progressing as expected, for instance support measures for the landing obligation have not shown a huge uptake by the sector. The landing obligation is a real need, so an increase in the operations is foreseen at a later stage over the programming period. The industry needs to be ready, but uncertainty on how the regulation will exactly be implemented prevents investment.
- According to the data of the Commission (2017:8) "over 3,600 fishing vessels benefited from the European Maritime and Fisheries Fund (EMFF), 57% of which belonged to the small-scale coastal fishing fleet". Short steps are being taken, however, for specific measures. For instance,

the EMFF presents significant investment opportunities to improve the control and enforcement of **small-scale coastal fisheries** (SSCF).

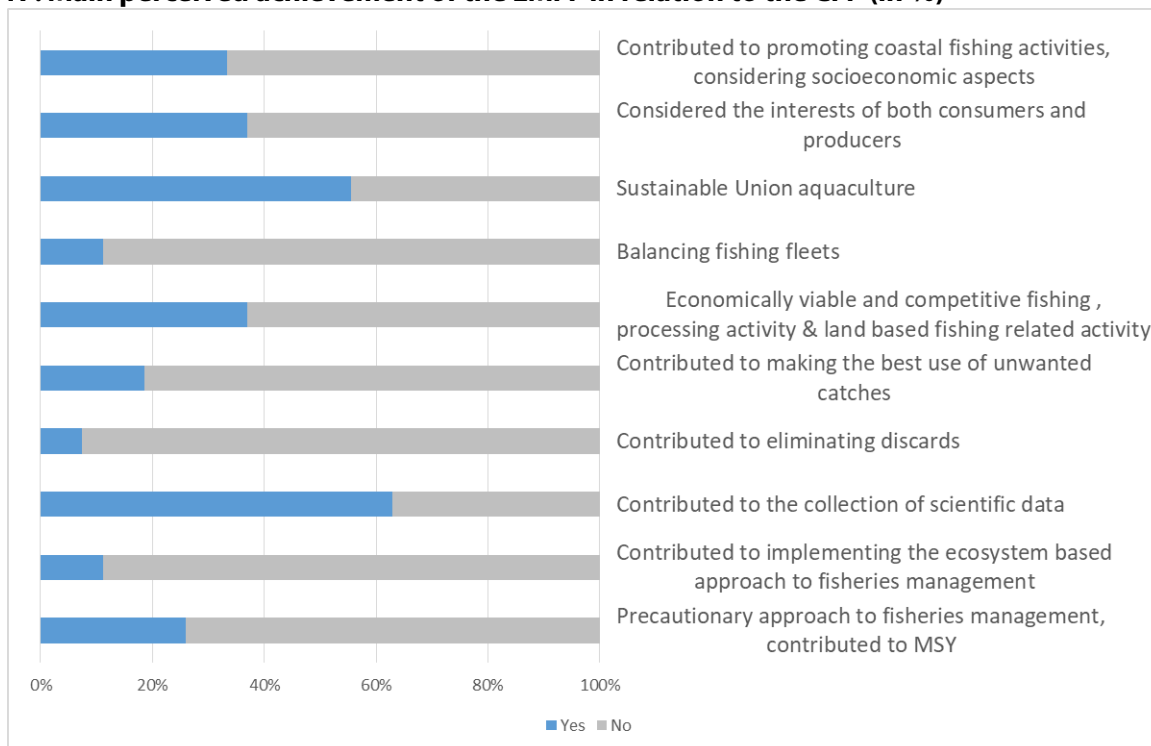
- The assessment of Union Priority (UP) 1 performance identifies some early warning signals: three of the four Managing Authorities (MAs) interviewed will **reallocate the budget** from UP1 to other priorities (e.g. IE EUR 10 million from the de-commissioning scheme). The decision is based on the low demand from potential beneficiaries under UP1.
- The EU funds are no longer addressing the **fishing sector** per se, but rather **“fisheries”**, and this is something that has not always been well understood and/or accepted. This affects the perception of the EMFF and generates increasing disaffection in the fisheries sector, which feels that the fund is no longer for them and that they are being displaced as economic activity. In order to ensure uptake and enable the transition to sustainable fishing, this issue needs to be addressed in so far as behaviour is – amongst others – based on perception.
- What seems to be missing is the basis of an agreement about *what needs to happen and who does it* regarding EU fisheries. In a multiple stakeholders Workshop held in Tallinn in 2017, the reflection was that “positions are still very much polarised between **“friends of fish”** and **“friends of fishermen”** regarding the type of support”⁷⁵. Advancing from confrontation to dialogue is a topic beyond the scope of this study, which deserves further research. However, the EMFF has tools available to foster this debate through inclusive and participatory processes under UP1 (art. 26 to 29) or UP4 facilitated by the Fisheries Local Action Groups at local, regional and EU level.
- Some underlying messages permeate the fund. For instance, UP4 result indicators include employment created and maintained in **aquaculture** (Annex Regulation 1410/2014). If generational renewal is an issue, maintenance in the fisheries sector should also be considered.
- The low uptake is prevalent among fishers and organisations. As stated in the survey, “the costs in time and energy of understanding the application process, completing and submitting forms together with the length of time needed to approve applications, outweighed the benefits of any funding”.
- The findings indicate some barriers for **supporting training** under UP1 (art.29; see inactive measures). Training is critical not only to raise the qualifications of the fishers, but also to ensure generational renewal and an effective transition towards sustainable fishing. In addition, a recent report on fishers training concluded that “there appears to be sub-optimal utilisation of, and lack of awareness about, available EU funds for the training of fishers” (Ackerman et al., 2018:15).
- Secondary information indicates that the support available for the SSCF may not be addressing the main problems for keeping in business or achieving new entries (Doering, 2017), in particular the lack of access to quotas.
- The phasing out of specific measures (e.g. art. 34) should be reconsidered due to the late launching of the OPs and calls for applications, which made most of the timeframe unavailable. Specifically on storage aid (art. 67), the sector claims that it is an adaptive measure which could be implemented very rapidly to minimise the impact of sudden changes in the markets (e.g. Russian sanctions to Estonia in 2015⁷⁶).

⁷⁵ EMFF stakeholder conference “Beyond 2020: supporting Europe’s coastal communities”. Tallinn, 2017.

⁷⁶ See Eurofish, March 2015 “Russian sanctions inspire search for new markets”.

- There are certain concerns about the situation of heavily-indebted countries, which are expected to underperform when it comes to implementing the European Maritime and Fisheries Fund (EMFF) (Ojeda, 2017).
- For all the Union Priorities (UPs) under the EMFF, the low level of budget spent (absorption rate average 6%) is a warning signal in light of the forthcoming performance assessment in 2019, and particularly the decommitment procedure, which is putting **potentially at risk** nearly EUR **500 million in 2018** (FAME SU)⁷⁷. If the performance reserve and the financial corrections apply, fisheries will have the largest implementation gap (difference between the budget committed and executed) of the sector-oriented priorities (17%), so it would be significantly penalised.
- The **higher implementation** rate is shown in those UP measures that include **standard concepts** (e.g. equipment) for which expenditure flows easily. On the contrary, larger and **complex operations** have **lower implementation** rates. This indicates that the expenditure level in priorities and measures should not be linked to the necessity or opportunity of a given measure and the explanatory factors have to be carefully analysed.
- Considering the whole EMFF, **75% of the stakeholders** participating in the study have been beneficiaries of the fund. One third of them consider the support received as essential to continue their activity and maintain employment. Around two thirds indicate that the support has been relevant to improve their activity or to increase their competitiveness. Although only 5% consider the EMFF useful to diversify their activity, this figure is likely to be biased towards the nature of the operations funded.
- According to the Managing Authorities and the stakeholders, the main contributions of the EMFF until now are to be found in the contribution to **data collection** (in line with the performance assessment of UP3 Common Fisheries Policy), and to sustainable Union **aquaculture** (which contrasts with the findings of the performance assessment).

⁷⁷ For the European Fisheries Fund total decommitment reduced the final amount of the EU funds programmed to 94%, affecting EUR 244 billion (EFF ex-post evaluation).

Figure 17. Main perceived achievement of the EMFF in relation to the CFP (in %)

Source: own elaboration. N=35. Managing Authorities and stakeholders.

- In terms of efficiency of the European Maritime and Fisheries Fund (EMFF) performance, Managing Authorities (MAoos) highlight fostering **processing and marketing** (75%), and fostering the implementation of the Common Fisheries Policy (CFP) (55%), consistently with the findings presented in section 2; for the stakeholders, main achievements are fostering sustainable aquaculture (44%) and fostering marketing and processing (38%).
- An efficient EMFF is crucial for short-term goals with a set deadline, as the **landing obligation** in 2019 (analysed in section 2.2.3) or the exploitation of fisheries stocks at their **maximum sustainable yield (MSY)** by 2020⁷⁸. Only 20% of the MAs and stakeholders participating in the study established a clear link between the EMFF and the performance of the MSY; but connecting the specific measures to the MSY goal is not straightforward. Equally challenging is to disentangle to what extent the EMFF intervention contributed to any observed change, and to what extent other factors may add or counterbalance the impact. What seems clear is that the MSY is appropriately covered both in terms of allocated financial resources for the programming cycle and in terms of the outputs generated until 2017. By connecting the achievement of MSY levels of the commercial fishing species to the Specific Objectives 1.1, 1.2, 1.3, 3.1 and 3.2 (see intervention logic in the Annex) the financial performance has been positive with near half of the budget potentially allocated already spent⁷⁹, boosted by the accompanying measures of the CFP (UP3).

⁷⁸ The EMFF Regulation explicitly refers to MSY: "The CFP seeks to achieve an exploitation of living marine biological resources that restores fish stocks to and maintains them above levels which can produce the maximum sustainable yield, by 2015, where possible, and at the latest by 2020" (recital 10).

⁷⁹ It is estimated that potentially, up to 31% of the total of public contribution (EU EMFF and National contribution) excluding Denmark, the technical assistance by Member States (Art. 59 CPR) and the technical assistance by EC (Art.92 EMFF) could be allocated to contribute to the achievement of the MSY-

3 THE LEGISLATIVE PROPOSAL FOR THE POST-2020 FUND

KEY FINDINGS

- **There are several regulatory proposals heavily affecting the post-2020 fund under current negotiation or forthcoming, in particular the new common provisions for the EU funds and the review of the fisheries policy.**
- **The post-2020 proposal avoids setting a detailed catalogue of eligible measures by introducing a basic principle: “if it is not ineligible, it can be funded”. Such a principle needs to be clearly stated in the legal text.**
- **The ineligible measures differ slightly from the ones of the current European Maritime and Fisheries Fund (EMFF).**
- **There are significant budget changes that affect resources distribution between shared and direct management.**
- **Changes in the maximum co-financing rates may reduce the attractiveness of the fund and limit collective action.**
- **Reporting requirements are likely to increase the administrative burden for the Managing Authorities (MAs).**
- **The stricter the conditions for specific measures the harder their implementation.**

The general question to be addressed is to what extent the new post-2020 fund proposal is able to mobilise financial support, in order to deal with the challenges related to the fisheries and maritime policies in the EU. In that regard, the findings from the assessment of the current EMFF will guide the comparative analysis and feed into the **policy recommendations**.

The post-2020 fund will be the sixth fisheries fund available since 1970. Historically the fisheries funds were always approved in challenging contexts and nearly paired with the mandatory review of the Common Fisheries Policy (CFP) every ten years. This new fund is no exception, since the impact of **Brexit** and of the **2022 CFP** reform will frame the negotiations. What seems to be different is that for the first time the learning curve from one fund to its successor would not be so steep for all the actors involved.

The complex policy and regulatory framework within which the post-2020 fund operates are yet to be defined. As a consequence, the uncertainty is high and there are some key elements that should be taken into account for the evaluation of the new proposal:

- The overarching strategic objectives for the period 2020-2030 after the EU strategy will be set by the Commission resulting from the forthcoming elections in 2019.
- The proposal for the Multi-Annual financial framework for 2021-2027 is currently under discussion in the European Parliament. As presently formulated, the Commission’s proposal for the EMFF is to increase co-financing rates (COM, 2018:11), which may cause financial difficulties for some Member States (see section 1).
- The new proposal for the future Common Provisions Regulation (CPR) has been presented by the Commission. The post-2020 fund is proposed to continue under the European Structural

and Investment Fund CPR's umbrella, unlike the European Agricultural Fund for Rural Development.

- The review of the Common Fisheries Policy (CFP) is due by December 2022. The most likely scenario, based on previous reviews, is that a discussion document might be circulated and a public consultation might take place between 2019 and 2020. There is also an ongoing review of the Fisheries Control system proposed by the Commission in 2018.

On top of that, the CFP has a short-term agenda with two deadlines, whose effects at policy and sectoral level remain to be seen: the full application of the landing obligation (art. 15 CFP Regulation) and the achievement of Maximum Sustainable Yield (MSY) for all stocks in 2020 (art. 2 CFP regulation). Disentangling the complexity of any of these topics is a huge undertaking, prone to create unanticipated problems. A perfect storm for the fisheries sector combined with Brexit and the multi-layered impacts associated to it.

Broadening the policy scope to the Integrated Maritime Policy and the marine environmental policies, the achievement of Good Environmental Status by 2020 (Marine Strategy Framework Directive) and the Maritime Spatial Plans by 2021 (art. 15 MSP Directive) are just but two additional deadlines to add to the pipeline.

Furthermore, the international context plays a role that should not be dismissed, from the strategic orientation of the United Nations Sustainable Development Goals (SDGs) or the **Paris Climate Agreement**, to the on-going **World Trade Organisation** (WTO) negotiation of fisheries subsidies. The latter started in 2001 and was mentioned in the European Maritime and Fisheries Fund (EMFF) proposal (2011), indicating the need for a compatibility analysis of the EMFF relevant measures with the obligations derived from the agreement. This compatibility analysis has not been included in the new post-2020 proposal, as the fund is very much aligned with the context of the seven proposals being discussed since 2017⁸⁰. The WTO aims to secure the agreement by the end of 2019.

In any case, the post-2020 fund needs to integrate in its design mechanisms that will help navigate anticipated scenarios in the policy frameworks, also considering that new issues will emerge in the programming cycle (2021-2027) as the implementation process unfolds. Therefore, the success of the post-2020 fund will depend critically on its resilience.

3.1 Contextualising the proposal in relation to Brexit

The breadth and depth of Brexit implications in the EU fisheries policy and through the entire value chain are at the centre of research and political debate. Recent studies cover this topic in detail (see Box 13). It should be noted that the Impact Assessment of the Commission proposal for the post-2020 fund does not cover the looming impact of Brexit, postponing it to a later stage.

Impacts are expected in the seafood production and producer prices, on trade, on consumption, and on ancillary and related services through the value chain. Brexit could be also a driver for changes in the distributional keys of the forthcoming EU fisheries policy review in 2022. The studies undertaken have underlined the following issues:

⁸⁰ The draft text calls for the achievement of the SDG 14.6 by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to Illegal, Unreported and Unregulated fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation".

- The fisheries negotiation will be strongly conditioned by core issues such as the **internal market** or fundamental freedoms. The leverage of the negotiation lays between access to resources and access to market.
- There will be a redistribution of the UK's fishing opportunities among Member States (MSs), initially based on the **relative stability principle**, unless other distributional keys are negotiated and applied.
- The access to fishing grounds in UK and EU waters will be regulated by the criteria set out in United National Convention on the Law of the Sea until future agreements between the two parties are reached. Impacts are expected in the access to EU waters by UK flagged vessels belonging ship-owners from an EU MS. There are also potential investments at risk that were established under the internal market.
- Geographical impacts through the EU are widespread across areas and sectors: catching, marketing and processing. In absolute terms France is globally the most exposed country (catching and trade), whereas the Netherlands, Germany and Belgium are relatively more dependent on UK waters for their catching activity.

Box 13. The implications of Brexit for the EU Fisheries sector

Reference documents:

Heredia et al. (2017) Research for PECH-Committee- Common Fisheries Policy and Brexit. Legal framework for governance European Parliament.

Le Gallic et al. (2017) Research for PECH-Committee- Common Fisheries Policy and Brexit. Trade and economic related issues. European Parliament-

Doering et al. (2017) Research for PECH-Committee –BREXIT Consequences for the Common Fisheries Policy- Resources and Fisheries-a Case Study, European Parliament.

Bartelings and Kristova (2018) Impact of hard Brexit on European fisheries. Scenario Analysis using the MAGNET Model. European Success Project. Wageningen University and Research.

UK future fisheries policy: DEFRA (2018) Fisheries white paper: sustainable fisheries for future generations. 60 pages

The shadow of Brexit has already affected the implementation of the European Maritime and Fisheries Fund (EMFF), putting on hold expected investments and creating uncertainty in potential beneficiaries. On the other hand, there are specific measures, such as the support to system of allocation of fishing opportunities (art. 36 EMFF regulation) or innovation (art. 26 EMFF regulation), which may come handy now to explore alternative options for topics such as the distributional keys.

Initially, **the shift from specific measures to areas of support gives the post-2020 fund enough flexibility to accommodate a wide range of interventions.** Nevertheless, in light of the impacts expected, the **timeline could be an important issue.** Depending on the final arrangements between the EU and the UK, it could be the EMFF, implemented until 2020 (+ 2 years for operations approved in 2020), the post-2020 fund to be launched in 2021, or an overlapping of the two to be applicable. If it is the first, the limitations and barriers described in Chapter 2 will apply. If it is the second, specific analysis would be required to determine to what extent the ineligible operations would be a restraint to deal with the aforementioned impacts. In addition, the impact of Brexit in the regionalisation of the Common Fisheries Policy and the sea-basin approach fostered by the new post-2020 fund may benefit from further reflection.

3.2 Remarks on the Common Provisions Regulation reform

The proposal for a Regulation on the Common Provisions Regulation (CPR)⁸¹ is briefly considered as far as it drafts rules for policy programming and enforcement for the post-2020 fund. The declared aim of undertaking a comprehensive simplification will be a critical need, more than an asset, to harmonise and speed up the programming and implementation process.

Remarkably, the regulation established the roll-over of existing systems – there is no need to re-appoint institutions for the next programming period – which will be a game changer for the launch of the new fund. However, special attention should be paid to the following topics:

- The number of thematic objectives that will guide the common provisions (see section 1) are reduced from the current 11 to 5⁸², although the proposed design makes the translation into measurable results or targets difficult, with the risk of weakening the performance-oriented approach of the previous programme, according to the European Court of Auditors (2018).
- Regarding the intervention logic, the post-2020 fund would be the only one in which one priority could be associated to one or more single objectives (art.17). Specific objectives correspond to the areas of support defined in the post-2020 fund proposal.
- The mechanism to withdraw the budget allocated to the MS if not spent reduces the activation period from 3 to 2 years (so-called the “n+2” rules), under the assumption that the formal simplification of the funds will reduce delays in the launching of the programmes. Evidence from previous programming periods demonstrates that simplification devices designed do not always work as expected in practice (e.g. in the current EMFF).
- Reduction of the pre-financing to an annual payment of 0.5%, which may exacerbate the financial difficulties of the Member States (MSs).
- A common programme template (annex V), to confirm that there will be no additional administrative burden to the limited resources of Managing Authorities (MAs).
- Programming: a threshold at priority level (5%) below which it will be possible to adjust allocations within the programme without the need for formal programme amendment. It also includes the possibility to request the **transfer of up to 5%** of financial allocations from any of the funds to any other fund under shared management or to any instrument under direct or indirect management. There are some potential risks considering the weight of the MAs in charge of the fisheries fund compared to the ones in charge of the other funds within the same MS.
- Ex-ante conditionalities will be replaced by enabling conditions: four general (public procurement, state aid, fundamental rights and rights of persons with disabilities) without retaining any of the specific conditionalities set in the EMFF.
- Ex-ante evaluation of the Operational Programme (art. 55 CPR regulation) is no longer required.

⁸¹ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument. COM/2018/375 final - 2018/0196.

⁸² Five specific objectives: a smarter Europe by promoting innovative and smart economic transformation; greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management; more connected Europe by enhancing mobility and regional ICT connectivity; a more social Europe implementing the European Pillar of Social Rights; a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives.

- The performance framework will continue but without the performance reserve mechanism (6% of the total budget under shared-management).

In addition, the recommendation for the High-Level Group (HLG) monitoring simplification for beneficiaries of European Structural and Investment Funds should be followed: “one topic should be tackled either in the act covering common provisions or in the fund-specific regulation, with no overlaps” (HLG, 2017). This has come at the price of the **Common Provisions Regulation (CPR) increasingly regulating not only the framework but also operational and functional elements of the fisheries fund**, as the analysis below will show.

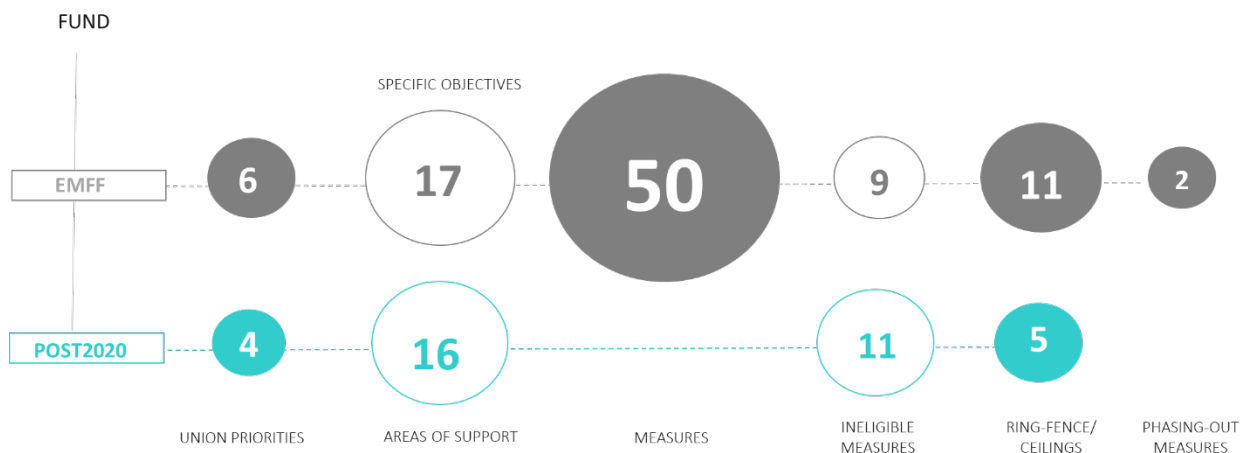
3.3 The Post-2020 Fund proposal: main components

In this section the core elements of the legislative proposal are described, comparing them to the ones of the current European Maritime and Fisheries Fund (EMFF): design, priorities and areas of support, programming, ineligible measures, maximum co-financing and public aid rates, admissibility and measure specific criteria.

The post-2020 fund proposal presented by the Commission in 2018 is a step further towards a result-oriented approach in the financial instrument for the Common Fisheries Policy and the Integrated Maritime Policy. The programme consolidates the shift from capital support to supporting enabling conditions for the sectors involved; this philosophy is aligned with a debate led by large international organisations (Food and Agriculture Organisation, United Nations Environment Programme, World Bank, World Trade Organisation, Organisation for Economic Co-operation and Development) and the scientific community regarding fisheries subsidies worldwide.

Overall, the change from a prescriptive fund (the EMFF) to a flexible one would contribute to management, effectiveness and a better impact of the programme for the benefit of the Member States and the stakeholders involved. The basic principle of the post-2020 proposal is that “if it is not ineligible, it can be funded”; i.e., as far as an operation is in accordance with the priorities of the fund and it is not listed under the ineligible measures (art. 13 proposal), it will be acceptable for financial support. Under this premise, there is no longer need for a long catalogue of potential measures with fully detailed admissibility criteria as in the EMFF. A comparative analysis of the **architecture of the post-2020 fund** with the EMFF (see Figure 18) highlights the simplification of the former.

Figure 18. Comparative analysis of the architecture of the Post-2020 Fund and the EMFF



Source: own elaboration.

The simplification has been applied also to the Common Monitoring and Evaluation System (CMES), after a troublesome application in the European Maritime and Fisheries Fund (EMFF). As detailed in section 1 the CMES includes the intervention logic, the set of indicators, an information system (Infosys), the annual performance report, an evaluation plan and a performance review plan. The demand from the Managing Authorities (MAs) to find a better balance between the needed information and cost/burden has been partially addressed. So far what has been included in the proposal is a list of common indicators (9; Annex I legislative proposal) to report on progress towards the achievement of priorities at EU level; therefore, they are not intended to be included in the CMES for the Operational Programmes. Although the details of the CMES will be regulated through a delegated act, significant work has been advanced with the technical support of the Fisheries and Aquaculture Monitoring and Evaluation Support Unit⁸³.

Nevertheless, the **frequency of the reporting requirements** (see Table 22) **may overload the day-to-day operations of the MAs**. In some cases, it is not only the frequency of reporting that has increased, but also the volume of information to be provided. For instance, the list of operations to be made publicly available by the MAs on their website includes simple topics under the EMFF (operation name, starting and final date, etc.; art. 119 and Annex V EMFF Regulation). For the Post-2020, the list is considerably more detailed, with information on the achievements of an operation to be gathered each three months. Other data requested, such as location or geolocation indicator, clearly fall under the need/cost trade-off (art.44 Common Provisions Regulation, CPR, proposal).

Table 22. Reporting requirements in the Post-2020 Fund

Report	POST-2020	EMFF
Annual Report	Annual Performance Report Annually one month before the annual review meeting From 2023-2029 (art. 38)	Annual Implementation Report Annually by 31 May From 2016 ⁸⁴ -2023 (art. 114)
Progress report on the implementation of the Partnership Agreement	-	31 August 2017 31 August 2019 (art. 52 CPR regulation)
Electronic transmission of cumulative data on operations	6 times per year (every two months) (art. 37 CPR regulation proposal)	Annually by 31 March (art. 97)
Financial data: forecast of payment applications for the current and subsequent financial year	2 times per year 31 January 31 July (art. 68 CPR regulation proposal)	2 times per year 31 January 31 July (art. 98)
List of operations selected available at the Website	List updated each 3 months (art. 44 CPR regulation proposal)	List updated each 6 months (art. 119)

Source: own elaboration.

Overall, the four priorities of the post-2020 fund mimic the ones of the European Maritime and Fisheries Fund (EMFF); also, the new “areas of support” are similar to the EMFF “specific objectives”. These connections are graphically represented in Figure 19 (the colour code is used to illustrate the location of the current objectives in the new fund):

⁸³. FAME concept for CMES II, background paper. Final August 2018.

⁸⁴ The 2016 report includes de years 2014 and 2015.

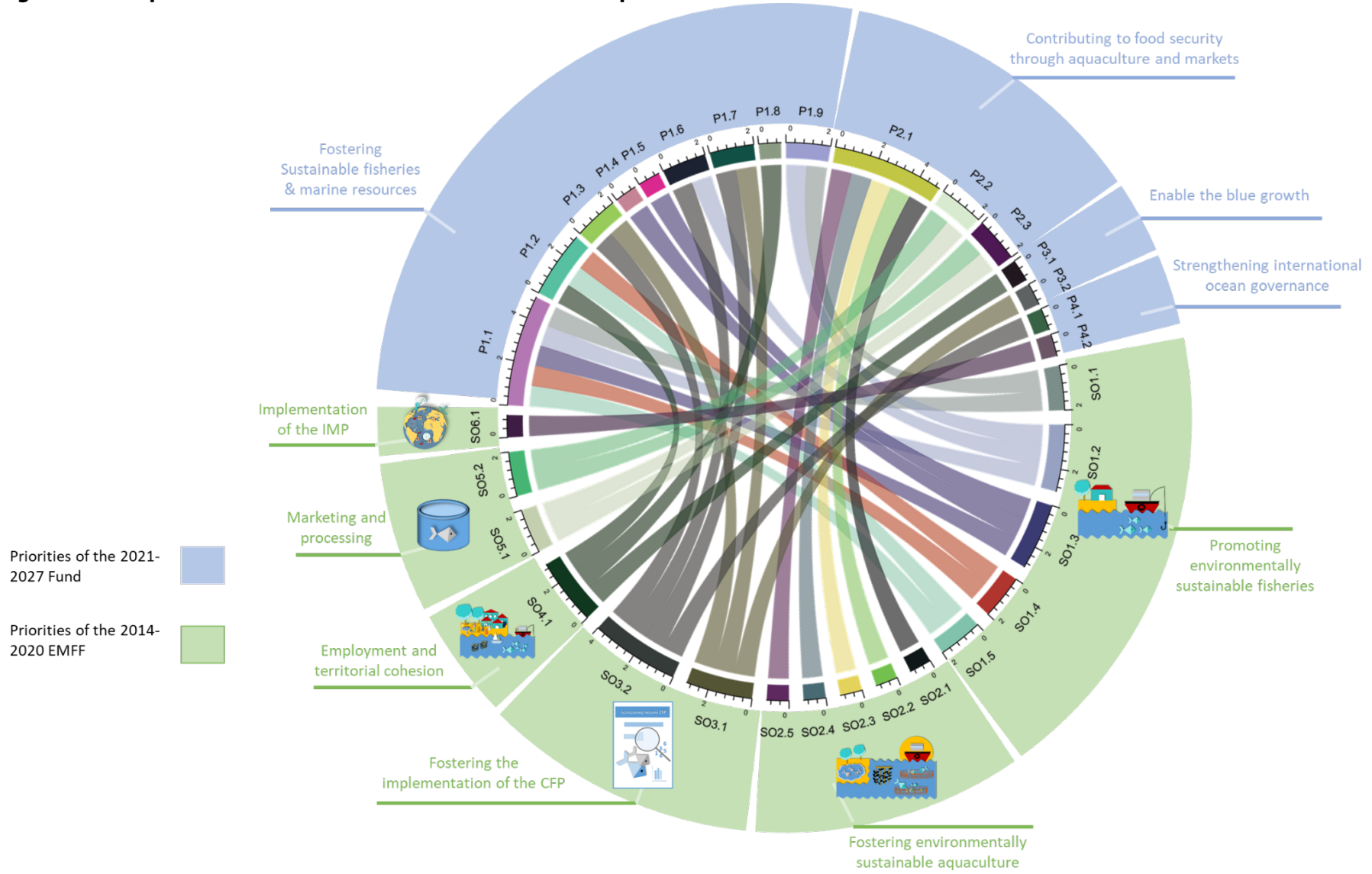
- Priority 1 “Fostering sustainable fisheries and the conservation of marine biological resources” integrates now most of the Common Fisheries Policy (CFP) measures⁸⁵.
- The blue growth gains visibility at Priority level, combining former Union Priorities 4 and 6.
- Small-scale coastal fisheries (SSCF) have a specific area of support that integrates the action plan and the SSCF fleet measures.
- Transversal measures of the EMFF such as innovation or training can be developed under different areas of support.

The **management modes** are enriched by adding to the shared and direct management the **indirect one**. This mode will allow the Commission to entrust budget implementation tasks to third parties⁸⁶ countries, international organisations, development agencies of Member States (MSs). The **programming** also introduces some novelties. First, the **Outermost Regions (ORs) gain relevance** by requesting the MS concerned to include an action plan for them in their OPs (art. 9.4 legislative proposal). The mandatory components of the plan are a strategy for the sustainable exploitation of fisheries and the development of sustainable blue economy sectors as well as a description of the main actions and financial measures associated. Second, the regional approach of the CFP is reinforced by an analysis of **each sea basin**, indicating common strengths and weaknesses with regard to the achievements of the CFP (art. 9.4.5). Finally, the OPs will be assessed also considering their contribution to reducing **marine litter**, according to the forthcoming directive on the reduction of the impact of certain plastic products on the environment (proposal presented in 2018).

⁸⁵ Except some components that will go under the new UP4. See figure 19.

⁸⁶ Third parties include third countries or the bodies they have designated, international organizations and their agencies, the EIB and the European Investment fund, public law bodies, bodies governed by the private law with a public services mission, among others (see art. 58 Financial regulation).

Figure 19. Comparison of Priorities between the EMFF and the post-2020 Fund



Source: own elaboration.

The **operations that would not be allowed in the post-2020 period are nearly the same that are excluded under the current European Maritime and Fisheries Fund (EMFF)** (see Table 23) with **two exceptions**: first, the acquisition of vessels, which would become ineligible except for the acquisition of second-hand <12 metres vessels for young fishermen, whereas it is supported now for vessels < 24 metres; second, the EMFF includes an exception allowing support for anchored fish-aggregating devices in the Outermost Regions (ORs) that is not incorporated in the new proposal.

Table 23. Ineligible measures: comparison between Post-2020 and the EMFF

Measure	POST-2020 art. 13	EMFF (art. 11)
Operations increasing the fishing capacity of a fishing vessel or equipment that increases the ability of a fishing vessel to find fish	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Exception: anchored fish aggregating devices in the ORs
Construction and acquisition of fishing vessels or the importation of fishing vessels	<input checked="" type="checkbox"/> Exception first young fishermen SSCF <12 m(art. 16)	<input checked="" type="checkbox"/> Construction and importation ineligible. Acquisition: eligible for vessels <24 m (art. 31)
Transfer or reflagging of fishing vessels to third countries including through the creation of joint ventures with partners of those countries	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The temporary or permanent cessation of fishing activities, unless otherwise provided for in this Regulation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exploratory fishing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The transfer of ownership of a business	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Direct restocking, except explicitly provided for as a conservation measure by a Union legal act or in the case of experimental restocking	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The construction of new ports, new landing sites or new auction halls;	<input checked="" type="checkbox"/>	≈ Specific measure criteria (art. 43.3)
Market intervention mechanisms	<input checked="" type="checkbox"/>	≈ Phasing out measure to end by 31 December 2018
investments on board fishing vessels 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;	<input checked="" type="checkbox"/> Exception, control and enforcement (art. 13.2)	≈ Specific measure criteria (art.32.1)

Source: Own elaboration.

Major changes are introduced to the budget. First, the total budget allocated has been **reduced by 4.01%**. Apparently, this should not be too far from the status quo, since it is roughly the budget of the UK under the European Maritime and Fisheries Fund (EMFF). However, upon closer analysis, the figures show that the **changes are not only related to the budget allocation, but also to the distribution between the shared and management component of the fund**. Bearing in mind that those

percentages unequally assign the budget cut and the fact that the new approach places the burden of proof on the Member State (MS), the rationale for the ratio distribution should be reconsidered.

Table 24. Post-2020 budget allocation proposal in current prices

	Total (EUR billion)	Shared management component	Direct management component
POST-2020	6.14	5.31	0.83
Main changes (in %)	POST-2020	EMFF	
Shared Management	86%	89%	
Direct Management	13.5%	11%	
Technical Assistance under shared management	6%	6%	
Technical assistance under direct management	1.7%	1.1%	

Own elaboration with data from European Commission.

Although the performance framework will have continuity in the post-2020 fund, the performance reserve (6% total shared management allocation) is discontinued.

Both the EMFF and the post-2020 proposal use ring-fencing and capped budget allocations applicable to the shared management component (see Table 25). In the proposal, there is no total amount to be allocated to given priorities, while the EMFF sets a 76% of the budget for actions under Union Priorities 1, 2, 4, and 5⁸⁷ and technical assistance at the initiative of the MS (art. 13.2 EMFF Regulation).

For the first time, the Outermost Regions (ORs) have a ring-fence that covers measures besides the compensation plan; nearly 6% of the total EMFF contribution is allocated to the ORs, thus endowing the now mandatory OR action plan with financial capacity. Other ring-fences disappear, as the one for the Integrated Maritime Policy measures (Union Priority 6), which are now under the post-2020 fund priority "Strengthening international ocean governance". It should be noted that the suggested ceiling for the fleet measures is more restrictive.

⁸⁷ Except art. 67 (storage aid).

Table 25. Budget Ring-fences and ceilings in the Post-2020

Ring-fence/ceilings	POST-2020	EMFF
Priorities	-	EUR 4,340 million UP1, 2, 4 and 5
OR total allocation (including compensation plan)	5.9%	
Compensation plan for OR	3%	3.3%
Data collection and control	15%	19%
Permanent and temporary cessation	EUR 6 million or 10% Union support per MS	EUR 6 million 15% of Union support for UP1, 2 and 5 per MS
Storage aid	ineligible	0.8%
IMP measures	-	1.2%
Acquisition fishing vessel young fishers	30%	25% acquisition cost, maximum EUR 75,000

Source: Own elaboration with data from European Commission.

Other changes have been introduced in the **maximum co-financing rates** and the **intensity of public aid**. The first sets out the proportion of the public expenditure to be borne by the fisheries fund; the second defines the proportion of the expenditure of an operation supported by public aid, considering the EU and Member States (MSs) contribution. Table 26 and Table 27 present the main changes, whose impacts are detailed in the analysis. Among them, the ones related to policy-related measures (control and enforcement, maritime surveillance and coastguard cooperation in the framework of the Integrated Maritime Policy) will largely impact on the MSs' budgets, whereas the ones associated to sectoral measures (fisheries, aquaculture, marketing and processing) remove the incentives for collective action and may reduce the attractiveness of the fund.

Table 26. Post-2020 changes in the maximum co-financing rates (% of public expenditure to be borne by the EU contribution) compared to EMFF

Main changes (in %)	POST-2020	EMFF
General EMFF contribution	.*	75% maximum 20% minimum
Data Collection	85%	80%
Control and enforcement	85%	70% or 90%**
CLLD	75%	+10% [†] to general EMFF contribution Up to 85%

Source: own elaboration with data from European Commission. Only the ones that have changed are included. * No general co-financing rate applies. This is set by areas of support (annex II of the new proposal) between 50 and 100%. ** Limited to 70% for art. 76.2.e European Maritime and Fisheries Fund Regulation: the modernisation and purchase of patrol vessels, aircrafts and helicopters, provided that they are used for fisheries control for at least 60 % of the total period of use per year. Art. 94.4 By way of derogation from paragraph 2, the maximum EMFF contribution rate applicable to the specific objectives under a Union priority shall be increased by ten percentage points, where the whole of the Union priority set out in Article 6(4) is delivered through community-led local development

The comparison of the maximum aid intensity rate between the two funds is not straightforward, because the EMFF and the post-2020 fund use different models. The first applies a given bonus (additional percentage) to specific measures and operations, whereas the new proposal sets maximum rates. For the sake of analysis, Table 27 compares both funds considering the maximum rate allowed. In the case of the EMFF, the bonus is added to the standard rate to calculate the figure; for instance,

“control and enforcement measures” have a bonus of 30% under the current EMFF. By adding this bonus to the standard rate such measures could achieve up to 80% of maximum aid intensity.

Table 27. Post-2020 changes in the maximum aid intensity rates (% of public aid EU and MS contribution)

Main changes	POST-2020	EMFF
Maximum aid intensity rate (standard rate)	50%	50%
Control and enforcement	85% 100% SSCF	80% 90% SSCF
Operations related to SSCF	100%	80%
Investments in SSCF vessels	30%	80% *30% engine replacement
Operations implemented by organization of fishermen or other collective beneficiaries under priorities other than fisheries and aquaculture		60%
Operations implemented by POs, POs associations or interbranch organisations		75%
Operations implemented by enterprises that fall outside the definition of SMES	50%	30%
CLLD (collective interest, collective beneficiary, innovative features)		50-100%

Source: own elaboration with data from European Commission.

In terms of eligibility, the fleet measures have increased the number of restrictive criteria (see Table 28). For instance, temporary measures are conceptualised as “exceptional”, narrowing the application and overlapping conditions in a way that may de facto complicate its implementation.

Table 28. Fleet measures: admissibility criteria in the Post-2020 and the EMFF

Fleet measures	POST-2020 Admissibility criteria	EMFF Admissibility criteria
Permanent cessation	At least 120 days at sea per year in the last 3 years	At least 90 days at sea per year in the last 2 years*
Temporary measures	At least 120 days at sea per year in the last 3 years** Economic losses >30% of the annual turnover Ceiling: maximum 6 months per vessel during the period 2021-2027	At least 90 days at sea per year in the last 2 years

Source: own elaboration.* In the European Maritime and Fisheries Fund traditional wood vessels for maritime heritage purposes are eligible for permanent cessation without scrapping. ** Do not apply for eel fishery.

Additional changes are introduced in the mechanisms for the programme development. Although the exercise of delegation by the Commission basically covers the same issues (eligibility, payments

interruption, financial corrections, Common Monitoring and Evaluation System, compensation plans for the Outermost Regions and transitional provisions), the support to the permanent cessation of fishing activities is the only specific measure in which the Commission retains such powers. On the other hand, the reference to delegated acts may give rise to legal uncertainty. For instance, the interruption of payment deadlines is set in the Common Provisions Regulation proposal (art. 90) and refers to a delegated act (art. 33 legislative proposal) but the deadlines that would be applicable are unclear. In the same sense, the proposal does not clarify requirements and procedures for the transition from interruption to payment.

3.4. The Post-2020 Fund: proposal analysis

The analysis of the Commission legislative proposal tackles four questions:

1. Does the post-2020 fund respond to the weaknesses identified in the current European Maritime and Fisheries Fund (EMFF)?
2. How it affects the financial performance of Member States (MSs) and the sectors involved?
3. How well the new proposal addresses the challenges of the forthcoming Common Fisheries Policy (CFP)?
4. What are the potential risks associated to programme development and implementation?

1. Does the post-2020 fund respond to the weakness identified in the current EMFF?

The changes introduced in the post-2020 will address some of the weaknesses of the current EMFF (see section 1). Against complex administrative delivery the proposal brings **simplification** and **a greater flexibility** of the programme. Notwithstanding, **in its current formulation it might fail to reduce legal uncertainty**, and will only partially deal with administrative burden and costs. The new proposal is not prescriptive, and its potential success relies on the assumption that all that is not excluded will be acceptable and payable. In this sense, **the MSs will need reassurance** that once the regulation is approved and the Operational Programmes (OPs) launched, there will not be a risk for them to select and certify operations, only to see them declared inadmissible by the Commission based on delegated, implementing legislation or further Commission services interpretation (see also policy recommendations).

A **flexible intervention logic** will better accommodate the needs of the MSs. However, the actual degree of flexibility **could only be examined once the proposal for the monitoring and evaluation system is in place**. This will be addressed through a delegated act, although ongoing discussions facilitated by the Fisheries and Aquaculture Monitoring and Evaluation Support Unit suggest a positive outcome.

Some of the **de facto barriers** hindering the EMFF might not be removed entirely by the flexibility of the post-2020 fund. Formally the MSs are now allowed to re-programme, and simplified procedures are envisaged. In practice, the adjustment of the planning set in the OPs has encountered reluctance from the Commission. It is clear that process issues need to be handled between the MS and the Commission besides the legislative proposal, setting countervailing rules to avoid the misuse of flexibility.

Remarkably, **the post-2020 simplification may not produce its effects on the beneficiaries of the financial support**. The formal requirements for application are potentially the same that exist now and nothing prevents MSs from continuing using the ones in place. **Unless the simplification measures** (see 1.2) are **targeted as a strategic action during the programming phase across MSs**, and further

mechanisms are explored in advance, based on the lessons learnt from the current EMFF, excessive bureaucracy might continue to be a hallmark of the fund.

An asset of the **proposal is that, despite the change of paradigm, it builds on the previous programme.** The learning-by-doing approach of the EMFF has implied a higher cost for its current performance, but is likely to be fruitful for the new fund. Managing Authorities and stakeholders do not have to invest resources in learning and adapting to a whole new setting, which should speed up the implementation process.

2. How it affects the financial performance of Member States (MSs) and the sectors involved?

Financially, the proposal might worsen MSs' performance:

- the shared management component will have less budget available (86% vs. 89% in the European Maritime and Fisheries Fund, EMFF).
- the list of tasks to be performed by the MSs with a reduced budget has increased substantially. The mandatory tasks to be performed by the MSs in terms of control and enforcement will have a lower co-financing rate (85% vs. 90% in the EMFF). Conversely, for data collection the EU contribution increases 5% (85% vs. 80%). The proposal also integrates under the shared management mode the support for the MSP directive, the European Marine Observation and Data network (EMODnet) and coastguard cooperation (art. 27 and 29 legislative proposal).
- the Common Provisions Regulation proposal severely reduce the availability of resources: the reduction of the pre-financing rate (0.5% vs 1-1.2% in the EMFF) and the application of decommitment rules (N+2) imply a lower initial liquidity and a report of results one year earlier, with the associated decommitment risks.
- Setting a threshold at priority level (5%) below which it will be possible to adjust allocations within the programme without the need for formal amendment is a valuable resource.

The financial support available is likely to hamper the uptake and use of the funds by the different sectors:

- The **aid intensity rates are set at a level that reduce the attractiveness of the fund.** When low rates are combined with strict overlapping conditions, some measures become unusable as demonstrated in the EMFF. For illustrative purposes, the start-up for young fishers is failing in one of the inactive measures in the current programme (see 2.2.1). In the post-2020 fund, the intensity rate (30%) and a list of requests similar to the EMFF would likely produce the same outcome.
- The **positive incentives for collective action** by associations, Producers' Organisations, and other organisations **have been removed.**
- **Support to productive investments in aquaculture and processing is limited to financial instruments.** The rationale is sound, but so far it has faced several **challenges on the ground, as seen in the current EMFF** (see 1.2). Experience from other funds (e.g. European Agricultural Fund for Rural Development) illustrates that the procedures for financial instruments tend to be longer compared to the ones for grants in the related local context, creating an additional time gap. Further steps are needed to ensure that the financial products are tailored to the production and organisational structure of businesses, particularly for aquaculture.

Business management and financial expertise is diverse across the EU. In order to avoid disruptive changes some supporting actions are needed to bring the production categories closer to the financial ones. Generally speaking, as of today the financial sector tends to have linkages only with a subset of companies, which are characterised by an advanced entrepreneurial culture. The paradox is that these companies can probably liaise with finance by themselves, regardless of the EMFF framework.

Data from the interviews and the survey signal that 77% of Managing Authorities (MAs) and stakeholders consider grants as the type of public support that should be provided by the post-2020 fund. The combination **of grants and financial instruments** is supported by 46% while only 11% value the mandatory use of financial instruments instead of grants.

3. How well the new proposal addresses the challenges of the forthcoming Common Fisheries Policy (CFP)?

Reducing administrative burden and cost is fundamental. Providing financial resources for achieving the stated goals is equally relevant. However, the central question that needs to be asked is if, assuming a smoother administrative delivery of the post-2020 fund, this would be able to support the implementation of the forthcoming CFP. The challenges ahead combine persistent problems with newcomers and opportunities. In considering alternative options, the features of the EU fisheries management system are essential:

- 1. Policy advancements since 2002 are producing results** in terms of resources (stock status, number of total allowable catches in line with Maximum Sustainable Yield, rebuilding stocks), data availability and scientific advice (ecological and biological status and trends, economic performance) control and enforcement⁸⁸ and policy governance. It is clear that significant shortcomings are still in place and that the call for improvement is imperative; but showing positive outputs is a valuable tool to achieve the transformations required to make EU fisheries more sustainable.
- 2. Resources available for conditioning financial support to sustainability** were not in place in previous funds. Therefore, the suitability of a given measure cannot be restricted based only on its past performance. For instance, fleet measures linked to multiannual plans (art. 22.4 CFP Regulation), eligibility criteria (unbalanced fleet segment included in a Member State's (MS) action plan according to common indicators assessed by the Scientific Technical and Economic Committee for Fisheries) and admissibility criteria (beneficiary showing current and five subsequent years compliance with the CFP) do not resemble previous schemes with a different design, resources and policy setting.
- 3. Coherence between the future CFP and the post-2020 fund requires attention to the environmental, economic and social pillars.** The MAs and stakeholders participating in this research set the top-5 priorities for public financial support: creating and maintaining jobs in the fisheries, aquaculture and processing sector (60%); strengthening the competitiveness of the fisheries sector (54%); support for scientific data collection (49%); protecting and enhancing the environment and natural resources related to the fisheries and aquaculture sector (37%) and support for fisheries control and enforcement measures (34%).

⁸⁸ Report from the Commission to the European Parliament and the Council. Implementation and evaluation of Regulation (EC) 1224/2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy as required under Article 118 REFIT Evaluation of the impact of the fisheries regulation.

In the face of conflicting objectives, narrowing the scope to the ones with less dissension may prove to be a valid strategy in the short term. However, antagonist views do not contribute to policy action. The set off of “friends of the sea” to “friends of the fishers” defines a “losers and winners” policy scenario and limits the range of feasible choices. Illustrative examples of collaboration of fishers, public authorities, scientist and non-governmental organisations are showing that there is a path for a sustainable balance among the environmental, economic and social pillars of the CFP.

Table 29 sums up the problems/challenges/opportunities that the post-2020 fund aims to address, as defined in the legislative proposal and the Impact Assessment. It is indicated whether these are being tackled in the current European Maritime and Fisheries Fund, and the alternative options for how to address those issues are included for policy guidance.

Table 29. Policy options for the post-2020 Fund

What is the problem /challenge /opportunity	How post-2020 fund plans to address it	Is it being addressed in the EMFF	What are the options
Overcapacity	Fleet measures targeted to specific segment, included in unbalanced fleet action plans	Yes. Phasing out measure until December 2017	<ul style="list-style-type: none"> - Permanent cessation included in the list of ineligible measures. As fleet ceilings do not longer address the issue, this exit option will leave the Common Fisheries Policy with very limited tools to adjust fleet capacity in practice⁸⁹. Extensive comparative analysis has shown that buyback systems may work⁹⁰ - Activity threshold: setting the number of days per year: <ul style="list-style-type: none"> o Higher: remove active fleet; harder for small-scale coastal fisheries (SSCF) o Lower: remove inactive fleet and latent capacity⁹¹. - Connect buy-back schemes to other specific measures (training, diversification or community-led local development strategies).
Fisheries management	Data Collection Control and enforcement Scientific and stakeholder's advice	Yes	<ul style="list-style-type: none"> - Funding and coordination are critical to policy implementation (no-exit option) - Positive incentives for compliance or voluntary participation in Data Collection framework (DCF) initiatives (beneficiary) could be introduced in the Operational Programmes. - Ring-fence for data collection and control: <ul style="list-style-type: none"> o Fixed: guarantees budget allocation o Flexible range: accommodates to the uneven situation of the different Member States. - If the CFP reform includes new distributional keys, provision for monitoring systems and coordination at EU and MS level should be considered. - SSCF: species do not subject to Total Allowable Catch do not benefit from systematic data monitoring and analysis. Proximity fisheries may be included in the DCF if associated to a management or co-management plan.
Small-scale coastal fisheries (SSCF)	Area of support 100% co-financing rate (except fleet measures)	Yes	<p>SSCF definition:</p> <ul style="list-style-type: none"> o Combining structural and functional criteria: difficult to agree at EU level and to monitor at Member State (MS) level. o Flexible upper limit up to <15 metres to be set by the MS in their Operational Programmes. <ul style="list-style-type: none"> - Data Collection Framework: see above. - Scaled strategies for innovation: "Smart" SSCF through pilot projects or collective actions

⁸⁹ See Penas (2016) for further elaboration on this argument.

⁹⁰ See among others Squids, 2010 and Holland et al, 2017

⁹¹ According to the STECF (2018) the estimated inactive number of vessels in 2017 was 15 875 (without the EL fleet).

What is the problem /challenge /opportunity	How post-2020 fund plans to address it	Is it being addressed in the EMFF	What are the options
Lack of attractiveness of the fisheries sector	Improving health and working conditions Community-led local development (CLLD)	Yes Start-up for young fishers	<ul style="list-style-type: none"> - Pilot plans for generational renewal with higher rates of public support. - Measures under direct management mode: career path development. - CLLD to design specific action plan to increase attractiveness.
Coherence with environmental policy	Area of support	Yes	<ul style="list-style-type: none"> - Ensure coherence of the Marine Strategy Framework Directive with the Common Fisheries Policy: consider additional financial support for MS to implement their strategies to achieve Good Environmental Status. - Measures under direct management mode: foster transnational cooperation and joint recommendations.
Competitiveness and resilience	Areas of support	Partially	<ul style="list-style-type: none"> - Add innovation as a transversal area of support with a high maximum co-financing rate to ensure that relevant research and technological developments for the seafood industry do have financial support.
Brexit	Flexibility to adapt to likely impacts	Partially	<p>In the event of disruptive changes with concentrated geographic and fleet segment impacts, as per a no-deal exit of the UK, consider a restrictive exceptionally clause that can be called upon to increase co-financing rates and maximum aid rates.</p>

What is the problem /challenge /opportunity	How post-2020 fund plans to addresses it	Is it being addressed in the EMFF	What are the options
Outermost Regions(ORs)	Budget Ring-fence Action plan	Partially	<p>- Use of POSEI (Programmes of Options Specifically Relating to Remoteness and Insularity⁹²) to set a specific instrument for the ORs. Following the design for the agriculture sector, the scheme would include two categories of measures: specific supply agreements aimed at mitigating the additional costs and measures to support the local seafood production.</p> <p>The system shares a common framework and rules at EU level but it is decentralised at Member State level to ensure flexibility to the ORs needs while meeting common general objectives.</p> <p>The current performance of the instrument in agriculture shows high financial implementation rates and has been positively assessed in a recent study by the Commission⁹³.</p> <p>The feasibility of this option is constrained by the limited time to set up a new instrument. The transaction costs and administrative burden at EU and OR level should also be considered.</p> <ul style="list-style-type: none"> - Set the OR compensation regime as an autonomous financial instrument. - Set a specific simplified procedure for the compensation regime within the Common Provisions Regulation proposal. - Pilot projects to tailor the Data Collection Framework

Source: own elaboration.

⁹² Regulation No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006.

⁹³ European Commission (2016) Evaluation of measures for agriculture carried out for the outermost regions (POSEI) and the smaller Aegean islands Final Report, Directorate-General for Agriculture and Rural Development.

4. What are the potential risks associated to programme development and implementation?

As it is currently written, the post-2020 fund proposal may pose some risks connected to implementation:

1. The result-based approach translates the negotiation processes from the basic regulation to the Operational Programme (OP). This is a sound design which will not be implemented from scratch:
 - Most Member States (MSs) have usually included in their OPs a long list of measures that are potentially eligible for funding. OPs lack focus and the emphasis is spread too thinly, including nearly every measure and making difficult to make strategic decisions. For a successful implementation, the OPs need to target investment opportunities strategically.
 - MSs have to strike a balance between competing demands from the different sectors. Stakeholders have learned that the measures that were not included in the list of potential ones did not get funded and the ones that were removed did not get back to the list again. This inertia may be at odds with the new approach.
 - The reduced budget could contribute to greater competition among stakeholders to place their demands in the text in order to ensure the allocation of funds.
 - MSs would have to start working on their next OP by 2019 to have it ready and in place for 2021. That would require having regulation, delegated acts and guidelines in place already.
2. Proactive MSs may gain the most from the new framework, enabling the conditions for individual or collective initiatives to emerge rather than reacting to demands that may or not may arise (e.g. landing obligation).
3. Horizontal simplification is being pursued through the Common Provisions Regulation proposal: elimination of the ex-ante evaluation and ex-ante conditionalities for the post-2020 fund, suspension of the performance reserve, or roll-over of the existing system allow for better balance between the planning (OP) and implementing phases of the programme. On the other hand, day-to-day administrative burdens should not be increased either for beneficiaries or for Managing Authorities (e.g. the request to report to the Commission every two months vs. the current Annual report).
4. Despite the notable simplification of the proposal, most barriers to the implementation of measures identified in section 2 for the European Maritime and Fisheries Fund (EMFF) have been inherited by the Post-2020 fund. For illustrative purposes, we recall one of the target measures analysed: energy efficiency and mitigation of climate change (see 2.3.1). With a large aging fleet, only small-scale coastal fisheries would be eligible for engine replacement and with the same admissibility criteria that have failed so far to incentive a greener fishing fleet in the EU. Other sources have also claimed that support to less energy intensive, more sustainable fishing practices seems necessary (Doering, 2017). Even though fisheries have a low climate footprint compared to other sectors, energy efficiency is worth pursuing and it is an area where public support should incentivise and smooth the transition.
5. The ring-fence among specific areas of support is prescriptive (e.g. data collection). Considering the need for pairing the EMFF allocation with the national budget, this creates a limitation to what MSs are able to do.

6. There are growing areas (Integrated Maritime Policy, Maritime Spatial Planning, Marine Strategy Framework Directive) which may be better placed as an entity in the new European Structural and Investment Funds regulation. Otherwise, there is a risk of high competition from interventions that are costly and mandatory in an already shrinking budget.
7. The Impact Assessment of the European Maritime and Fisheries Fund reported that Blue Growth is not delivering. The Blue Growth agenda under the post-2020 fund would be better positioned if tied to how interlink mature and emergent sectors. For instance, developing the seafood logistic and marketing structures to provide the raw material for biotechnology.

4 CONCLUSIONS AND POLICY RECOMMENDATIONS

KEY FINDINGS

- **The eligibility principle “what is not ineligible can be funded” should be clearly stated in the text of the regulation.**
- **The proportion of budget under shared management mode should at least be maintained.**
- **Attention should be paid to the legislative development through delegated and implementing acts.**
- **11 policy recommendations focus on areas of support or specific measures.**
- **4 policy recommendations are suggested for the current European Maritime and Fisheries Fund (EMFF).**

The research findings from the assessment of the EMFF performance as well as from the analysis of the new legislative proposal support the policy recommendations. Attention has been paid to the shortfalls and factors hindering the current implementation as well as to the challenges ahead to ensure the capability of the new fund to deliver. The policy recommendations are related to the text of the legislative proposal (8), to the delegated and implemented acts (4), to the Member States regulatory frameworks (1), to areas of support and specific measures (11). In addition, four actionable policy recommendations for the current EMFF are included.

Policy recommendations related to the text of the legislative proposal:

- The eligibility principle “what is not ineligible (art. 13) can be funded” should be clearly stated in the text of the regulation to ensure legal certainty for the Member States (MSs) and the beneficiaries.
- The list of mandatory tasks to be carried out by the MSs regarding common policies has increased. Likewise, the policy and environmental standards affecting competitiveness of the EU in a global market have been raised. Hence, the budget under the shared management mode should at least be maintained in the same proportion as the current EMFF fund.
- To the extent possible, it is recommended to maximise flexibility in the reallocation of funds; at present, not spending money causes more problems than it should solve, particularly in the elapsing time between budget allocation and effective expenditure. Multi-annual budget allocation is an option worth exploring.
- Consideration could be given to the possible extension of well-functioning Operational Programmes (OPs). A comparison of the OPs from one programming cycle to the next might show that some core elements remain broadly the same. Further research on this topic would allow assessing its viability.
- The Common Monitoring and Evaluation System should use indicators that are collected at MS/sector level and not at the level of each operation. MSs shall be responsible for having information at operational level available.
- Consideration should be given to waive the obligation of financial instruments. Given the limited uptake in the EMFF, they should not be mandatory.

- It is recommended that the MSs and the Commission consider the allocation of funds for communication activities, especially if aimed at increasing the attractiveness of the activities through the value chain.
- The Common Provisions Regulation proposal is not only setting the framework in which the fund operates, but it also includes detailed operational issues (e.g. reporting of the Member State to the Commission or the role of the Monitoring Committee in the follow up of the programme). Therefore, it would have been sound if the PECH-Committee had been designated as an associated committee in the legislative procedure to ensure the proper development of the co-legislator role. In the absence of such role, concerted action at European Parliament level will be required (see section 5).

Policy recommendations related to delegated and implementing acts:

- The amendment of the Operational Programmes (OPs) should be regulated as an agile procedure that respond to Member States' (MSs) needs.
- The Common Monitoring and Evaluation System should strike a balance between needed information and cost/burden.
- Legislative micro-management through delegated acts regarding investment measures is perceived as a real killer. The available mechanisms (EMFF Committee and EMFF Expert Group (see Section 1) are advised to remain vigilant to avoid prescriptive regulation.
- There should be a simplification of the tendering procedures in those cases where there is only one potential beneficiary (e.g. measures related to the data collection).

Policy recommendations for the MSs:

- In order to ensure legal certainty from the launch of the programme, MSs are advised to develop a regulatory framework and to validate with the Commission any potential issues from the outset.

Policy recommendations related to areas of support and specific measures:

- Non-market measures that respond to mandatory requests and have an impact on the competitiveness of the sector (e.g. the operations to support the implementation of landing obligation) should have a 100% co-financing rate from the fund.
- Innovation is a major driver for environmental, economic and social sustainability. The major innovation funds focus on the agri-food sector (e.g. H2020 and forthcoming R&D framework at EU level) and the limited calls available for the seafood sectors are shrinking. There is a serious risk for innovation in the seafood value chain to lack financial support, if not explicitly addressed in the post-2020 fund.
- Pilot projects for targeted decommissioning schemes should be encouraged, in order to fine-tune the design to the specific fisheries/fleet/ MS features.
- Fleet measures thresholds (120 days for the last three years) may prove excluding for small-scale coastal fisheries depending on the local features. The MSs are better suited to accommodate those thresholds for this specific segment in their OPs.
- The time ceilings to support temporary measures needs more leeway, based on the profitability of the fleet. Temporary measures are useful for management and have proven to support the achievement of Good Environmental Status requested by the Marine Strategy Framework Directive. It is suggested that the maximum duration of the support – now set to 6 months for

the period 2021-2027 – be extended and linked to the economic performance of the fleet indicated in the Scientific, Technical and Economic committee on Fisheries' Annual Economic Report.

- The criteria for small-scale coastal fisheries (SSCF) measures, in particular the start-up for young fishers, needs to consider the ship-owning structure that characterises this fleet segment.
- Building on the lessons learnt from the European Fisheries Fund and the European Maritime and Fisheries Fund (EMFF), community-led local development measures may allow for continuity of groups under specific provisions.
- The Blue Growth agenda could be better tied up to the endogenous development needs of the fisheries communities. How the outputs of fisheries, aquaculture and processing may find the way to feed emerging new sectors such as biotechnology – and vice versa – seems a line of thought worth pursuing.
- Increasing attractiveness of the fisheries sector to achieve the elusive generational renewal could be fostered by developing a career path for fishers.
- It is recommended that the definition of SSCF sets an upper limit between 12-15 metres, to be decided by the Member States (MSs) in their Operational Programmes (OPs) according to the features of their particular fleets.
- In considering the options suggested for the compensation regimes in the Outermost Regions, a simplified procedure is recommended to reduce the lopsided administrative burden and cost of the current system.

Policy recommendations related to the current EMFF fund:

- The Commission provides MSs with critical support. In this sense, the on-line publication of the interpretations of the regulations by the Commission services to the questions raised by the different MSs will be an asset.
- Due to the overlapping between the EMFF (2014-2020) and the post-2020 fund -already experienced in former programmes- it is recommended to design a transitional period. The Managing Authorities in charge of the programmes have limited resources and a peak of tasks and commitments coinciding with the end of one programme and the starting of the other.
- The Commission may provide MSs with further assistance to adopt the simplified cost options which proved very difficult to apply. A case study on failures (e.g. using simplified cost) may help to advance alternatives for the new fund.
- A specific call for attention is derived from the current assessment. Due to the features of the programme there is a potential risk of the EMFF providing financial support only for those who have an easy access to the fund (e.g. companies) or to easy measures (e.g. data collection and control and enforcement) lagging behind the priority actions or beneficiaries that may need it the most.

5 RECOMMENDATIONS FOR PECH COMMITTEE MEMBERS

KEY FINDINGS

- The actions taken to improve the text should not come at the price of making it prescriptive or unnecessarily complex. A set of criteria for considering the amendments is presented.
- Concerted action at European Parliament level is suggested regarding the Common Provisions Regulation (CPR) proposal.
- Timely approval of the basic regulation is an asset for successful programme development and implementation.
- Direct comparison between the European Maritime and Fisheries Fund (EMFF) and the post-2020 fund should be carefully done during budget negotiations.
- A follow-up action for the current EMFF would benefit on-going PECH-Committee activities.

The PECH Committee endeavour to effectively design the new financial instrument could be reinforced by **five actions**: using specific criteria when considering the amendments to the legislative proposal; addressing the potential risks of the overarching legislative framework; facilitating the timeline procedure; remaining vigilant in the comparison of the EMFF and the new fund; and using the resources available for a closer follow up of the implementation.

1. There is always a **trade-off between improving and over-engineering a legal text**. The 84 amendments of the draft report and the 944 **amendments proposed should be considered** in response to the following **criteria**:
 - Does the amendment address any of the identified weaknesses of the fund?
 - Does it limit the capability of the Member States (MSs) to decide which actions to include in their Operational Programmes (OPs)?
 - Does it have any impact on tasks allocation to the Managing Authorities (MAs), to the Commission, to the potential beneficiaries?
 - What are the likely consequences if the amendment is not included?
 - Would it be better suited for inclusion in the OPs at MS level?

In particular, the amendments oriented to give visibility to an activity or specific measure should be avoided, under the risk of ending with a catalogue of measures and an extensive text that complicates the programme delivery as illustrated by the EMFF.

2. The procedure for the approval of the “Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027” (2018/0196 COD) is open. The Regional Development is the Committee responsible. Consideration should be given by the **PECH-Committee to liaise** with the members of the **Regional Committee** using formal and informal links to set two red lines:

- Pre-financing should remain at the current level 1-1.2% and not at 0.5% as suggested.
- Financial discipline in the implementation of the OPs should not penalise the frequent delays due to the complexity of the fund. The proposal to set a rule for applying the mechanism to withdraw the budget allocated to the MS after two years if not spent (decommitment, so called N+2 rule) puts Member States (MSs) in a worse position than under the current European Maritime and Fisheries Fund (EMFF) (N+3). The current rule should be maintained to ensure liquidity and proper launching of the fund.

If pertinent for the preferences of the PECH-Committee, the rationale for removing the European Agricultural Fund for Rural Development (EAFRD) from the Common Provisions Regulation should be explored to consider its applicability for the post-2020 fund.

3. Ideally the basic regulation will be approved in 2019. Due to the political calendar of the European Institutions that may prove to be challenging. It is recommended that the PECH Committee speed up the process and create the enabling conditions for advance in the procedure.

Attention should be paid also to the **delegated regulation**, due to the relevance of the topics to be developed, e.g. the Monitoring and Evaluation framework, the procedures for suspension of payments or the conditions for specific measures.

4. The direct comparison between the EMFF and the post-2020 fund in **terms of budget allocation** should pay attention to the **details**. Some are easily visible, like the fact that the budget reduction is unevenly distributed between shared and direct management measures; but the Commission has also proposed a higher ceiling for its technical assistance than for the one of the MSs (1.7 vs 1.1%).

Comparing priorities may also be misleading. For instance, Union Priority (UP) 1 Sustainable Fisheries (EMFF) and UP1 Sustainable fisheries under the post-2020 fund may appear alike at a glance. But the new fund integrates now former UP1 and most of UP3 'Accompanying measures for the Common Fisheries Policy'. Budget balances and relative allocation among priorities should be studied with this in mind.

5. The PECH-Committee would benefit from **an annual briefing** from the Fisheries and Aquaculture Monitoring and Evaluation (FAME) Support Unit regarding the status of the EMFF implementation.

ANNEX

METHODOLOGY AND APPROACH

The research aims to provide useful, authoritative and timely information to the Members of the PECH Committee on the implementation and impact of some key measures of the European Maritime and Fisheries Fund (EMFF), and the post-2020 EMFF proposal.

The methods adopted required a combination of desk research, quantitative data analysis, interviews and on-line surveys. These sources provided data, information and views about how the current EMFF is performing and what are the priorities for the post-2020 fund (see Table 30). The desk research looked at peer review literature, specialised press, legal texts, working documents and other grey literature at EU and Member State (MS) level.

Figure 20. Geographical coverage of the fieldwork: interviews



Fieldwork was planned in six countries (France, Ireland, Italy, Poland, Romania and Spain). The selection criteria aimed to build a representative sample of MSs in terms of country size, EMFF budget allocated, weight of Union Priority 1 Sustainable Fisheries over the total budget, and geographic location. The interviewees included three profiles: EMFF Managing Authorities at national level; stakeholders (e.g. producers organisations, fishermen associations, etc.) and selected beneficiaries of payments (unless already included under the former group). Despite all the documented efforts by the research team, face-to-face interviews in Italy and Poland could not be carried out. The Polish Managing Authority and stakeholders finally did participate replying to the online survey. The Italian Managing Authority never set an appointment with the research team, nor did they reply to the questionnaire.

Figure 21. Geographical and profile coverage of the online survey

In order to obtain a comprehensive picture, an on-line consultation was designed and launched at EU level. Replies came from 17 Member States (MSs): 11 from Managing Authorities and 16 from stakeholders.

Given the small size of the sample, the survey findings should not be generalised across the entire EU.

The **period under consideration spans from 2014 to 2017**; for the sake of providing the best information available and in light of the delays in the programme implementation, the qualitative analysis includes updated information provided by the Managing Authorities until October 2018.

A quantitative data analysis was carried out on a dataset from the European Maritime and Fisheries Fund (EMFF) Common Monitoring and Evaluation System of the shared management measures. DG-MARE Unit D3 and the Fisheries and Aquaculture Monitoring and Evaluation (FAME) Support Unit (SU) provided all the information requested regarding output, results and financial indicators. For the review of the Common Monitoring and Evaluation System (CMES), the FAME Support Unit was also interviewed.



Table 30. Data sources for the performance assessment of the EMFF shared management component

Question	Data sources	Comments
Current implementation level	ESIF Funds Open data Portal ESIF and EMFF data set	EMFF data updated to 31/12/2017. Data are not available at UP level
	FAME Support Unit: AIR Reports (2017) and Infosys Financial Indicators Output Indicators Result Indicators	Dataset: Implementation of the EMFF shared management component current status as 31.12.2017 based on AIR (2017) and Infosys, as delivered by 30.09.2018 Financial information, output indicators and result indicators from Denmark were not available (AIR 2017) as of September 2018. DG-MARE/D3 and FAME SU implement a quality check procedure and pay due attention to correctness of the data. As errors are still possible, the data presented in this report should be read as limited to the analytical purposes of the research.
	MS Managing authorities interviewed in the field work	Update of the figures to 30/09/2018. Quantitative data and qualitative insights to analyse the most recent trends

Question	Data sources	Comments
Implementation progress: understanding	Specialised press review Field work On-line survey	Design-implementation gaps
Achieving the CFP objectives	Literature review Quantitative data Qualitative information Policy design, policy implementation	Limited to the CFP (IMP excluded)

Source: own elaboration.

The performance assessment carried out would not have been feasible without the Common Monitoring and Evaluation System (CMES) reporting system at EU level, which confirms its added value for on-going and future policy programming; at the same time, the findings should be read considering the limitations of the system. This is the first attempt to evaluate the shared management component of the European Maritime and Fisheries Fund (EMFF), exception made for the previous work carried out by the Conference of Peripheral Maritime Regions⁹⁴.

This report was prepared at an intensive stage of the policy cycle, with a significant amount of information and documentation being released in a short-time period by all the actors involved. For the sake of clarity, those that are relevant for the analysis are indicated as sources but their findings are not repeated here.

The research team acknowledge with grateful thanks the input, feedback and expertise provided by the EU institutions, the Fisheries and Aquaculture Monitoring and Evaluation Support Unit, the Managing Authorities, and the wide range of stakeholders and experts who kindly cooperated in the compilation of this study.

⁹⁴ Information available: Contributing regions Ostrobothnia, Skåne, Nordjylland, Schleswig-Holstein, Niedersachsen, Aberdeenshire, Brittany, Pays de la Loire, Basque Country, Galicia, Andalucía, Murcia, Catalunya, Provence-Alpes Côte d'Azur, Corsica, Tuscany, Sicily, Marche, Western Greece, Peloponnese, Attica, Crete, Tulcea, Réunion, Azores, Madeira, Occitanie, Guyane.

TIMELINE AND PROCESS

EMFF 2014-2020	2 December 2011	Legislative proposal published by the Commission Council: proposal debate
	15 December 2011	European Parliament: responsible Committee of Fisheries (PECH) 1 st reading/single reading
	19 March 2012	Council: debate
	14 May 2012	Council: debate
	22 October 2012	Council: debate
	28 January 2013	Council: debate
	10 July 2013	European Parliament: vote in PECH
	15 July 2013	Council: debate
	22 October 2013	European Parliament: debate
	23 October 2013	European Parliament: decision
	16 December 2013	Council: debate
	16 April 2014	European Parliament: text adopted
	06 May 2014	Council: adoption of the legislative act after EP 1 st reading
	20 May 2014	Final act published in the Official Journal
New Fund 2021-2027	12 June 2018	Legislative proposal published by the Commission
	18 June 2018	Council: Commission presented its proposal
	20 June 2018	European Parliament: Committee of Fisheries (PECH). Public Hearing on the current EMFF and first exchange of views on the proposal
	29 August 2018	European Parliament: PECH. Second exchange of views on the proposal
	4 September 2018	European Parliament: PECH. Draft report on the proposal
	12 September 2018	European Parliament: PECH. Publication of the draft report
	March 2019 (forecast)	European Parliament: vote in PECH scheduled

INTERVENTION LOGIC

The intervention logic is defined as “the logical link between the problem that needs to be tackled (or the objective that needs to be pursued), the underlying drivers of the problem, and the available policy options (or the EU actions actually taken) to address the problem or achieve the objective”⁹⁵.

The detailed intervention logic of the EMFF is presented here. The logic builds on the guidelines for the Operational Programmes provided by the Commission and the Commission delegated regulation (EU) 1014/2014. For the sake of readability, the inputs are not detailed in the table. The inputs include: Common Provisions Regulation (1303/2013) and implementing decisions and regulations; EMFF Regulation (508/2014) and implementing decision and regulations; the 27 Member States (MS) Partnership Agreements and the 27 MS Operational Programmes; the staff of the Managing Authorities, Intermediate and Certifying Authorities (if applicable), Audit Authorities; and the EUR 5,743 million programmed to the shared management between the MSs and the Commission for the period 2014-2016.

Table 31 Intervention logic for the shared management component of the EMFF Regulation

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
UNION PRIORITY 1 - PROMOTING ENVIRONMENTALLY SUSTAINABLE, RESOURCE-EFFICIENT, INNOVATIVE, COMPETITIVE AND KNOWLEDGE-BASED FISHERIES				
Reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches.	<ul style="list-style-type: none"> Projects and stakeholder participation for developing conservation measures and regional cooperation⁹⁶ (art. 37, 38) Direct restocking for conservation measures under Union legal act (art.37) Investment on board and or in equipment to eliminate discards, to fisheries selectivity, for anchoring fishing devices only in OR (art. 39; art.44.1.c) Collection of waste by fishermen from the sea Investment in fishing ports, auction halls, landing sites and shelters for the implementation of the landing obligation (art. 43.2) 	<ul style="list-style-type: none"> Innovation, advisory services and partnership with scientists. System of allocation of fishing opportunities Added value, quality, use of unwanted catches and fishing ports, landing sites, actions halls and shelters Conservation measures 	<ul style="list-style-type: none"> Change in volume (tonnes) and % of the unwanted catches Change in fuel efficiency of fish capture (in litres of fuel/EUR landed catch) 	<ul style="list-style-type: none"> Environmental and biological sustainability (art. 2 CFP) Good environmental status of the marine ecosystem (MSFD) Protection and restoration of biodiversity and ecosystems

⁹⁵ Commission Staff Working Document (2017) Better Regulation Guidelines. Brussels 7 July 2017 SWD (2017) 350.

⁹⁶ Conservation measures include: multiannual plans, minimize the impact of fishing on the marine environment, balance of fishing capacity, fisheries selectivity, distributional keys, minimum conservation reference sizes (art. 7 of the CFP); establishing fisheries recovery areas (art. 8) measures to ensure compliance with environmental legislation (art.11) and regional cooperation on conservation measures This includes also projects that may support the objectives of achieving and maintaining a good environmental status (GES) as required by Directive 2008/56/EC.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
Protection and restoration of aquatic biodiversity and ecosystems	<ul style="list-style-type: none"> • Construction, installation or modernisation of devices to protect and enhance marine fauna and flora, including scientific research associated (art. 40b, 44.7) • Projects on improving management or conservation of marine biological resources (art. 40c) • Studies and plans for Natura 2000, spatial protection areas and special habitats and MPAS (art. 40d-f; 44.7) • Environmental awareness projects involving fishermen (art. 40g) 	<ul style="list-style-type: none"> • Advisory services and partnership with fishermen • Plans for fishery-related activities in special areas 	<ul style="list-style-type: none"> • Change in fuel efficiency of fish capture (in litres of fuel/€ landed catch) • Change in the coverage of marine protected areas (MPAs) relevant for UP 1: (a) Change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives (km²) (b) Change in the coverage of other spatial protection measures under Article 13.4 of Directive 2008/56/EC (km²) 	<ul style="list-style-type: none"> • Protection and restoration of biodiversity and ecosystems. • Environmental awareness increases among fishers
Ensuring a balance between fishing capacity and available fishing opportunities	<ul style="list-style-type: none"> • Scrapping of fishing vessels (art. 34)⁹⁷ • Projects to design, develop, monitor, evaluate and manage systems for allocating the fishing opportunities (art. 36) 	<ul style="list-style-type: none"> • Number of vessels scrapped (permanent cessation). • Systems of allocation of fishing opportunities 	<ul style="list-style-type: none"> • Change in the % of unbalanced fleets. • Change in net profits (thousand euros) 	<ul style="list-style-type: none"> • Biological and economic sustainability. • Fisheries management tools.
Enhancement of the competitiveness and viability of fisheries enterprises, including of small-scale coastal fleet, and the improvement of safety and working conditions	<ul style="list-style-type: none"> • Feasibility studies and advisory services to assess projects under UP1, including environmental sustainability, business and marketing strategies (art. 27) • Investments contributing to the diversification through complementary activities related to the fisherman's core fishing business (art. 30) • Acquisition of a fishing vessel for the first time for young fishermen (art. 31) • Investments on board or in individual equipment to improve health and safety beyond legal requirements (art. 32) 	<ul style="list-style-type: none"> • Innovation, advisory services and partnership with scientists • Added value, quality, use of unwanted catches and fishing ports, landing sites, actions halls and shelters • Operations for the protection and restoration of biodiversity and maritime ecosystems 	<ul style="list-style-type: none"> • Change in the value of production (thousand €) • Change in the volume of production (tonnes) • Change in net profits (thousand €) • Change in fuel efficiency of fish capture (in litres of fuel/€ landed catch) • Employment created (FTE) in the fisheries sector or complementary activities • Change in the work-related injuries and accidents (a) Change in the number of work-related 	<ul style="list-style-type: none"> • Economic and social sustainability. • Competitive fisheries sector • Increased attractiveness of the sector • Generational renewal

⁹⁷ Support was granted only until the 31 December 2017 (art. 34.4 EMFF).

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<ul style="list-style-type: none"> • Support for the temporary cessation of fishing activities (art. 33) • Contributions to mutual funds for adverse climatic events and environmental incidents (art. 35) • Schemes for compensation for damage to catches caused by mammals and birds⁹⁸ (art. 40.1.h) • Investments that add value to the fishery products (art. 42) • Innovative investments on board that improve the quality of the fishery products (art. 42) • Investments in the construction or modernisation of shelters. 	<ul style="list-style-type: none"> • Promoting human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety • Operations of temporary cessation • Operations of mutual funds 	injuries and accidents; (b) Change in the % of work-related injuries and accidents in relation to total fishers	
Provision of support to strengthen technological development and innovation, including increasing energy efficiency, and knowledge transfer;	<ul style="list-style-type: none"> • Innovation projects: product, equipment, processes, techniques, organization and management systems for fisheries, processing and marketing (art. 26). • Creation and activities developed by networks, partnership agreements or associations between scientist and fishermen (art. 28). • Investment on equipment, on board and on fishing gear to: reduce emission of pollutants, greenhouse gases; increase energy efficiency (art. 41.1.a). • Energy efficiency audits and schemes (art. 41.1.b). • Studies of alternative propulsion systems and hull designs to contribute to the energy efficiency of fishing vessels (art. 41.1.c) 	<ul style="list-style-type: none"> • Innovation, advisory services and partnership with scientists • Operations of energy efficiency and mitigation of climate change • Operations of replacement or modernisation of engines 	<ul style="list-style-type: none"> • Change in the value of production (thousand €) • Change in the volume of production (tonnes) • Change in net profits (thousand €) 	<ul style="list-style-type: none"> • Environmental sustainability • Reduced contribution of the fisheries activities to climate change • Contribution to removing barriers to innovation • Transfer of knowledge between scientist and fishermen • Increased social capital

⁹⁸ Mammals and Birds protected by Directives 92/43/EEC and 2009/147/EC.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<ul style="list-style-type: none"> Support for the replacement or modernisation of main or ancillary engines (art. 41.2) 			
Development of professional training, new professional skills and lifelong learning.	<ul style="list-style-type: none"> Professional training, lifelong learning, acquisition of new professional skills (art. 29.1.a) Dissemination of knowledge and innovative practices (art. 29.1.a) Networking and exchange of experiences and best practices between stakeholders (art. 29.1.b) Social dialogue at all levels involving fishermen, social partners and other relevant stakeholders (art. 29.1.c) 	<ul style="list-style-type: none"> Promoting human capital and social dialogue, diversification and new forms of income, start-ups for fishermen and health/safety 	<ul style="list-style-type: none"> Employment created (FTE) in the fisheries sector and complementary activities Employment maintained (FTE) in the fisheries sector and complementary activities Change in the work-related injuries and accidents (a) Change in the number of work-related injuries and accidents; (b) Change in the % of work-related injuries and accidents in relation to total fishers 	<ul style="list-style-type: none"> Economic and social sustainability Knowledgeable and adaptive workforce Reinforced collective action
UNION PRIORITY 2 – FOSTERING ENVIRONMENTALLY SUSTAINABLE, RESOURCE-EFFICIENT, INNOVATIVE, COMPETITIVE AND KNOWLEDGE-BASED AQUACULTURE				
Provision of support to strengthen technological development, innovation and knowledge transfer	<ul style="list-style-type: none"> Innovation projects in aquaculture farms (art. 47.1.a) Projects to develop or introduce on the market new aquaculture species, products, processes, organization or management systems (art. 47.1.b) Projects to explore the feasibility of innovative products or processes (art. 41.1.c) Setting-up of management and relief services and the setting-up or purchase of advisory services for aquaculture farms (art. 49.1) 	<ul style="list-style-type: none"> Innovation, advisory services 	<ul style="list-style-type: none"> Change in the volume of aquaculture production (tonnes) Change in the volume of aquaculture production (thousand €) Change in net profit (thousand €) 	<ul style="list-style-type: none"> Environmental and economic sustainability Contribution to removing barriers to innovation Introduction of new species/products in the market
Enhancement of the competitiveness and viability of aquaculture enterprises,	<ul style="list-style-type: none"> Productive investments in aquaculture, diversification of species and methods (art. 48.1.a-b) Modernisation and improvement of aquaculture units (art. 48.1.c) 	<ul style="list-style-type: none"> Number of productive investments in aquaculture Operations promoting human capital of 	<ul style="list-style-type: none"> Change in the volume of aquaculture production (tonnes) Change in the volume of aquaculture production (thousand €) Change in net profit 	<ul style="list-style-type: none"> Economic sustainability. Increased attractiveness of the sector.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
including the improvement of safety and working conditions, in particular of SMEs	<ul style="list-style-type: none"> • Improvements and modernizations related to animal health and welfare (art. 48.1.d) • Investments to enhance the quality or the added value of the aquaculture products (art. 48.1.f) • Projects for the removal of silt in existing aquaculture ponds or lagoons. Investments to prevent silt deposits. (art. 48.1.g) • Projects for development of complementary activities (art. 48.1.h) • Setting-up of sustainable aquaculture enterprises by new aquaculture farmers (art. 52) 	aquaculture in general and new aquaculture farmers	• (thousand €)	
Protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture	<ul style="list-style-type: none"> • Investments increasing energy efficiency and promoting the conversion of aquaculture enterprises to renewable sources of energy (art. 48.1.k). • Investments reducing the negative impact or enhancing the positive ones on the environment and increasing resource efficiency (art.48.1.e) • Investment reducing water usage and improving water quality (art. 48.1.i) • Projects on closed circulatory systems (art. 48.1.j). • Projects to identify and map the most sustainable areas for aquaculture (art.51.1.a) • Projects to improve and develop support facilities and infrastructures (art. 51.1.b) • Actions by competent authorities⁹⁹ to prevent serious damage to aquaculture (art. 51.1.c) . 	<ul style="list-style-type: none"> • Number of productive investments in aquaculture • Operations limiting the impact of aquaculture on the environment (eco-management, audit schemes, organic aquaculture • environmental services). • Increasing potential of aquaculture sites and measures on public and animal health 	<ul style="list-style-type: none"> • Change in the volume of production organic aquaculture (tonnes) • Change in the volume of production recirculation system (tonnes) • Change in the volume of aquaculture production certified under voluntary sustainability schemes (tonnes) • Aquaculture farms providing environmental services (number of farms) 	<ul style="list-style-type: none"> • Environmental sustainability. • Reduced impact of aquaculture activities to the environment. • Reduced contribution of aquaculture to climate change

⁹⁹ Actions taken and adopted under art. 9.(1) of Directive 2009/147/EC on the conservation of birds or art. 16(1) of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<ul style="list-style-type: none"> • Actions by competent authorities¹⁰⁰ following the detection of increased mortalities or diseases (art. 51.1.d) 			
Promotion of aquaculture having a high level of environmental protection, and the promotion of animal health and welfare and of public health and safety	<ul style="list-style-type: none"> • Projects on aquaculture methods compatible with specific environmental needs (art. 54.1.a) and on improvement of the environment and of biodiversity, management of landscape and traditional features (art.54.1.c) • Costs directly related to the participation in ex-situ conservation and reproduction of aquatic animals programmes developed by public authorities (art.51.1.d) • Compensation to molluscs farmers for temporary cessation of harvesting due to public health reasons (art. 55) • Cost of control and eradication of diseases in aquaculture (art. 56.1.a) • Studies, initiatives, best-practices and groups related to animal health and welfare (art. 56.1.b-e) • Compensations to molluscs farmers for temporary cessation of harvesting due to exceptional mass mortality (art. 56.1.f) • Contribution to insurance covering economic losses due to adverse climate events, natural disasters, sudden water quantity and quality diseases and failure or destruction of production facilities (art. 57) 	<ul style="list-style-type: none"> • Operations limiting the impact of aquaculture on the environment (eco-management, audit schemes, organic aquaculture • environmental services). • Increasing potential of aquaculture sites and measures on public and animal health • Projects on aquaculture stock insurance 	<ul style="list-style-type: none"> • Change in the volume of production organic aquaculture (tonnes) • Change in the volume of production recirculation system (tonnes) 	<ul style="list-style-type: none"> • Environmental sustainability. • Sector resilience to unforeseen environmental impacts
Development of professional training, new professional	<ul style="list-style-type: none"> • Professional training, lifelong learning, acquisition of new professional skills (art. 50.1.a) 	<ul style="list-style-type: none"> • Projects promoting human capital of aquaculture in general and new aquaculture farmers 	<ul style="list-style-type: none"> • Employment created (FTE) • Employment maintained (FTE) 	

¹⁰⁰ As provided by art 10 of Council Directive 2006/88/EC on animal health requirements for aquaculture animals and products thereof, and on the prevention and control of certain diseases in aquatic animals.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
skills and lifelong learning	<ul style="list-style-type: none"> Projects improving the working conditions and promoting occupational safety (art. 50.1.b) Networking, exchange of experiences and best practices (art. 50.1.c) 			
UNION PRIORITY 3 – FOSTERING THE IMPLEMENTATION OF THE CFP				
Improvement and supply of scientific knowledge as well as the improvement of the collection and management of data	<ul style="list-style-type: none"> Projects for the collection, management and use of data for scientific analysis and implementation of the CFP: sampling programmes, at sea-monitoring, research surveys at sea, participation of MS representatives in scientific advice groups (art. 77.2 a-e) Projects and pilot projects for improving the data collection and data management systems (art. 77.2.f). Actions plans to correct the weaknesses identified in the ex-ante conditionality on control (capacity for control obligations) (art.1.a implementing decision 2014/464/EU) Projects to support the control and enforcement of the obligation to land all catches (art.1.d 2014/464/EU) Projects to support the control and enforcement of the IUU regulation¹⁰¹ (art. 1.e 2014/464/EU) Projects for the verification and measurement of engine power (art. 1.f 2014/464/EU) 	<ul style="list-style-type: none"> Number of operations supporting the collection, management and use of data 	<ul style="list-style-type: none"> Amount of serious infringement detected 	<ul style="list-style-type: none"> Fulfilment of the DCF Directive Better informed management system Increased compliance

¹⁰¹ Chapter III of Council Regulation (EC) No 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fish.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
<p>Provision of support to monitoring, control and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden.</p>	<ul style="list-style-type: none"> Control and inspection programmes of the control regulation¹⁰² (art. 1.g 2014/464/EU), including traceability requirements 			
	<ul style="list-style-type: none"> Purchase, installation and development of technology for the implementation of a Union control, inspection and enforcement system related to fisheries (art. 77.2.a) Development, purchase and installation of components necessary for data transmission from actors involved in fishing and the marketing of fishery products to the MS and Union authorities (art. 77.2.b) Development, purchase and installation of components necessary to ensure the traceability of fisheries and aquaculture products (art.77c) Implementation of programmes for data exchange and analysis among MS (art. 77.d). The purchase of control means for fisheries (art. 77.e, f) Pilot projects and projects developing innovative control systems, training and exchange programmes, analysis and audit of performance and expenses in control (art. 77.1.e-i). Initiatives to raise awareness among both fishermen and other players and the general public on the need to fight IUU and the implementation of the CFP (art. 77.1.j). Operational costs incurred in carrying out specific control and inspection programmes (art. 77.1.k) 	<ul style="list-style-type: none"> Operations oriented to implementing the Union’s control, inspections and enforcement system 	<ul style="list-style-type: none"> Amount of serious infringement detected 	<ul style="list-style-type: none"> Improved resources at MS level for control, inspection and enforcement. Increased compliance

¹⁰² Art. 95 of Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy. Traceability requirements are set in article 58 as well as in the Article 67(6) of Implementing Regulation (EU) No 404/2011.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<ul style="list-style-type: none"> Action plans and operational cost incurred associated to the audits of the Commission audits of the control systems of the MS¹⁰³ 			
UNION PRIORITY 4 – INCREASING EMPLOYMENT AND TERRITORIAL COHESION				
Promotion of economic growth, social inclusion and job creation, and providing support to employability and labour mobility in coastal and inland communities which depend on fishing and aquaculture. Diversification of activities within fisheries and into other sectors of maritime economy	<ul style="list-style-type: none"> Projects of preparatory support for CLLD (art. 62.1.a) Projects, running and animation costs of the implementation of CLLD strategies (art. 63). Interterritorial or transnational cooperation CLLD projects, including their preparatory technical support (art. 64). 	<ul style="list-style-type: none"> Number of local development strategies implemented Operations of preparatory support. Number of projects of cooperation 	<ul style="list-style-type: none"> Employment created (FTE) in the aquaculture sector Employment maintained (FTE) in the aquaculture sector Number of businesses created 	<ul style="list-style-type: none"> Strengthened coastal communities Diversified economy and reinforced business and social networks.
UNION PRIORITY 5 – FOSTERING MARKETING AND PROCESSING				
Improvement of market organisation for fishery and aquaculture products	<ul style="list-style-type: none"> Project for preparing and implementing of Production and Marketing Plans (PMPs) (art. 66). Compensation for storage of fishery products¹⁰⁴ (art.67) 	<ul style="list-style-type: none"> Number of POs or associations of POs supported for production and marketing plans 	<ul style="list-style-type: none"> Change in the EU production with distinction between POs and non-POs: (a) Change in value of first sales in POs (thousand euros) (b) Change in volume of first sales in POs (tonnes) 	<ul style="list-style-type: none"> EU seafood market supplied by competitive EU companies. Collective management matches supplies with market demands.

¹⁰³ Art. 102 (4) of Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy.

¹⁰⁴ The support shall end by 31 December 2018 (art. 67.2 EMFF Regulation).

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<ul style="list-style-type: none"> • Creation of producers' organizations (POs), associations of POs or inter-branch organizations (art. 68.1.a). • Projects to find new markets and improving the marketing conditions of new species, unwanted catches, organic aquaculture products (art. 68.1.b). • Registration of a given product and adaptation of concerned operators to a quality scheme¹⁰⁵, certification of sustainable products, direct marketing by SSCF, presentation and packaging of products (art. 68.1.c) • Projects to increase the transparency, market surveys and studies on the Union's dependence on imports (art. 68.1.d) • Projects on traceability and ecolabelling (art. 68.1.e) • Drawing up standard contracts for SMEs (art. 68.1.f) • Communication and promotional campaigns to raise public awareness of sustainable fishery and aquaculture products (art. 68.1.g) • Compensation of additional costs incurred by operators from the OR (art. 70). 	<ul style="list-style-type: none"> • Number of marketing measures and storage aid • Number of OR operators benefitting from compensation schemes 	<ul style="list-style-type: none"> • © Change in value of first sales in non-POs (thousand euros) • (d) Change in volume of first sales in non-POs (tonnes) 	<ul style="list-style-type: none"> • Strengthened EU value chain
Encouragement of investment in the processing and marketing sectors	<ul style="list-style-type: none"> • Investment in the processing that contribute to energy saving or reducing environmental impact (art. 69.1.a) • Investments that improve safety, hygiene, health and working conditions (art. 69.2). • Investments for the processing of catches of commercial fish that cannot be destined for human consumption (art. 69.1.c), by-products 	<ul style="list-style-type: none"> • Number of processing operations 	<ul style="list-style-type: none"> • Change in the EU production with distinction between POs and non-POs: (a) Change in value of first sales in POs (thousand euros) (b) Change in volume of first sales in POs (tonnes) • © Change in value of first sales in non-POs (thousand euros) 	<ul style="list-style-type: none"> • Promotion of investments in the processing and marketing sectors

¹⁰⁵ In accordance with Regulation 1151/2012 of the European Parliament and the Council on quality schemes for agricultural products and foodstuffs.

Results (Specific Objectives)	Activities (Eligible Operations)	Outputs	Outcomes: Operational Objectives	Impacts
	<p>resulting from main processing activity (art. 69.1.d) and organic aquaculture products (art. 69.1.e).</p> <ul style="list-style-type: none"> • Innovation investments: new or improved products, processes or management and organisation systems (art. 69.1.f). 		<ul style="list-style-type: none"> • (d) Change in volume of first sales in non-POs (tonnes) 	
UNION PRIORITY 6 – FOSTERING THE IMPLEMENTATION OF THE IMP				
Fostering the implementation of the IMP	<ul style="list-style-type: none"> • Projects to support the Integrated Maritime Surveillance (art. 80.1.a) • Projects to protect the marine environment (art. 80.1.b). • Projects to improve the knowledge on the state of the marine environment to establish the monitoring and measures programmes provided in the MSFD 	<ul style="list-style-type: none"> • Number of projects on Integrated Maritime surveillance • Number of projects on protection and improvement of knowledge on marine environment 	<ul style="list-style-type: none"> • Increase in the Common Information Sharing Environment (CISE) for the surveillance of the EU maritime domain (%) 2. Change in the coverage of marine protected areas (MPAs) relevant for UP 6: (a) Change in the coverage of Natura 2000 areas designated under the Birds and Habitats directives (km²) (b) Change in the coverage of other spatial protection measures under Article 13.4 MSFD (km²) 	<ul style="list-style-type: none"> • Environmental sustainability • Safer European maritime area • Improved knowledge of the marine environment

Source: own elaboration.

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Regulatory framework of the EMFF

Type	Code
Basic regulation	REGULATION (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund (EMFF)
Commission implementing decision	2014/372/EU : setting out the annual breakdown by Member State of the global resources of the EMFF available in the framework of shared management
Commission implementing decision	2014/464/EU : identifying the priorities of the Union for enforcement and control policy in the framework of the European Maritime and Fisheries Fund
Commission implementing regulation	763/2014 on information and publicity
	771/2014 on OP template, template for transmission of information, compensation to outermost regions.
	772/2014 on intensity of public aid
	1242/2014 on the presentation of cumulative data on operations
	1243/2014 on the information sent by Member States and on data needs and synergies between sources
	Amendment - Commission Implementing Regulation (EU) 2017/788 of 8 May 2017
	1362/2014 on amendments to operational programmes and presentation of EMFF annual implementation reports
Commission delegated regulation	2015/288 on the period of time and the dates for the inadmissibility of operations
	2015/2252 on the period of inadmissibility of applications for support from the EMFF
	1014/2014 on the common monitoring and evaluation system
	2015/531 on eligible costs to improve health and safety as well as working conditions of fishermen, to protect the marine environment and to increase the energy efficiency and to mitigate climate change
	2015/616 adapting references to EMFF in Delegated Regulation (EU) No 480/2014
	2015/852 on cases of non-compliance with the Common Fisheries Policy that may lead to interruptions or suspension of EMFF payments
	2015/895 on transitional provisions
2015/1930 on financial corrections	

The Commission implementing regulations and delegated regulations derived from the CPR have been excluded. The complete list is available online at https://ec.europa.eu/fisheries/cfp/emff_en

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This Report is a research on the current performance of the shared management component of the European Maritime and Fisheries Fund (EMFF) and its impact on the Common Fisheries Policy. Based on quantitative data collection as well as on interviews with Managing Authorities of Member States and stakeholders, the Report also analyses the legislative proposal for the post-2020 EMFF and seeks to support the Members of the PECH Committee of the EU Parliament in their consideration.

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