

MAC Opinion
Post-2020 EU funding for fisheries and maritime sectors
15.03.2018
Ref. 01/2018

Introduction

On the 12 of January 2018, the Market Advisory Council was informed in written by DG MARE of their intention to present a proposal for the next Multiannual Financial Framework in May 2018. In this context, DG MARE started its own reflection process as part of the spending review, which was launched with the Tallinn stakeholder conference “Beyond 2020” in October 2017.

In the letter addressed to this Advisory Council, the European Commission requested the advice of the MAC on post-2020 EU funding for fisheries and maritime sectors.

While thanking DG MARE for the trust shown in the MAC as a stakeholder body able to agree on a common position regarding this matter, the MAC would like to underline the impossibility of meeting the deadline given: 5th of February 2018. The three weeks given appear to be short, particularly for the Advisory Councils, which have a complex structure and rules of procedure aiming at ensuring the transparency and respect for the wide range of opinions manifested in their fora.

It is for this reason that this advice is presented to DG MARE in the second half of March 2018.

General Remarks

The MAC recognises the importance of having the EMFF as a financial support to achieve the CFP objectives and highlights its relevance in putting in place the right conditions to ensure that support to the sector is adequate. The MAC also welcomes the better alignment of this fund to CFP objectives.

However, and from a general perspective, the MAC would like stress the difficulties the EMFF has been entailing for those wishing to benefit from the fund. This issue has been stressed in different forums and by different stakeholders and organisations and finds its roots in flaws throughout the implementation process of the EMFF. According to the Commission's Open Data Platform, in 2017 only 11 % of the total 2014-2020 allocation was decided, i.e. distributed among the selected projects, and 3 % was reported as spent. These figures are eloquent in indicating that the implementation of the fund is not properly functioning.

It seems obvious the importance of receiving funds on time or in sufficient quantity to ensure compliance with the obligations laid out in the CFP and CMO. This has not been the case, as the figures on the Open Data Platform reveal. The delays in the funding prevent the sector from requesting these financial resources, which may lead to policy makers questioning the need for such funds.



Market Advisory Council

The main reason for this weak implementation has been a chain reaction of delays: the late adoption of the 2014-2020 MFF, the late agreement on the EMFF regulatory framework, the late approval of Operational Programmes and the delay by the Member States in the instrumentation of the EMFF measures. The overlapping with the previous programming period and the difficulties encountered to adapt to the new rules and administrative requirements, considered particularly complex, contributed to the poor implementation of the fund.

In this regard, and in order to avoid an overlapping between programming periods, the MAC would like to highlight the importance of ensuring that all the legal basis for the implementation of the next fund is in place and sorted out in advance.

The MAC believes it is essential to aim at a greater simplification of its implementation at all levels. EU standards are key for the fisheries fund, as there needs to be a level playing field between the beneficiaries in different Member States. The red tape is especially heavy for the applications for funding of small projects, which should be made easier in terms of bureaucratic burden than large projects. The MAC calls for proportionality rules to be introduced in the new fisheries fund.

This also affects Member States, which play a fundamental role in the implementation of the EMFF as 5749 million of the whole fund (6396.6 million) is under shared management. Some governments fear making mistakes in allocating the funds that may lead to the withdrawal of these, with such a complex system of bureaucratic requirements and controls. There are examples where the rigidity in interpretation and too little focus on reaching objectives do not help MS in their role.

Ensuring the downsizing of the administrative burden for both beneficiaries and administrations both at EU and national level is, therefore, fundamental.

The MAC would like to encourage as well the consideration of other modern financial instruments (loans, bank guarantees and insurances) as public support foreseen in Operational Programmes, rather than confine it only to grants or procurement. With regards to aquaculture, the MAC would like to note the financing of the stocks of young fish farmers. A European Guarantee fund backed for livestock insurance must be put in place for the development of EU aquaculture.

Questionnaire

The letter abovementioned from DG MARE to this Advisory Council was accompanied by a brief questionnaire addressed equally to all Advisory Councils. The MAC aims at responding to them only from the perspective of its remit, focusing on those articles laid out on the EMFF that have an impact on the market of fisheries and aquaculture products.

The questions proposed by DG MARE are divided in three categories, as follows:

1. Policy Objectives

What should be the priority areas of intervention? What should no longer be eligible for support?

Marketing and processing related measures

- The EMFF rests on six main priorities, one of them Marketing and Processing representing 17.6% of the total Fund. This priority aims at improving marketing organisation, market intelligence and consumer information and is mainly contained in Chapter IV – Market and processing related measures Articles 65-69 of the EMFF.

The MAC supports the preservation and enhancement of these measures except for article 67 relating to storage aid where the MAC does not have a consensus opinion.

Support to POs should refer to their needs, among them, sustainable fisheries management, research and certification. Research projects could include for example projects investigating the effect of plastic on the marine environment either from packaging or discarded fishing gear.

Promotion campaigns, including collective ones involving different stakeholders along the value chain, could include measures to emphasise the health benefits of fish consumption.

- It is of utmost importance that the EMFF continues to support the processing sector in order to improve the business environment for a strong and sustainable industry able to compete globally and create jobs in the EU. Training for the processing and trading sector must be included.

The MAC considers fundamental to include research and innovation lines for the processing companies and/or their representative associations, in order to develop actions that could address the improvement and optimization of the productive processes, the valorisation of by-products, the development of new products, technologies and systems and the guarantee of the quality and food safety in the whole value chain.

- The resources laid out in the EMFF are available from a period comprised between 2014 and 2020, while the Commission shall report to the European Parliament and to the Council on the functioning of the CFP by 31 December 2022. Given these terms and durations, there is an interregnum of two years (2021-2022) for which is not clear which resources are going to apply.

This needs clarification which is particularly relevant for Producers Organisations (POs), with a major role in effectively implementing the CFP and compelled to draw up Production and Marketing Plans (PMPs) by article 28 of the Common Markets Organisation (1379/2013). The MAC is requesting the Commission to clarify whether or not the PMPs will be funded in 2021 and 2022 under the EMFF and if so what will be the mechanism to draw down these funds.

Long-term funding through financial support for drawing up and implementation of these plans is therefore fundamental. Member States should also make sure PMPs are adequately financed ensuring a sufficient endowment.

In this regard, the MAC is drawing up best practices in terms of PMPs from the POs and MSs point of view. These experiences could help in improving the implementation of the funds in this regard and avoid repeating the present difficulties.

- The MAC would like to point out that with regard to article 67 covering Storage aid, members have not found a consensus. Therefore this Advisory Council refrains from providing an opinion on the matter.



Market Advisory Council

- The MAC believes that funding for inter branch organisations (IBO) should be maintained during 2021-2022 as well as in the next programming period.
- The EU IUU Regulation requires Member States to apply effective controls of seafood imports. This, however, is currently not occurring in a uniform manner across the EU. The European Commission is developing an IT system that will facilitate uniform implementation of the rules, but member states will need to make the necessary technical and procedural transitions to make the IT system operational at national level. The MAC recommends that MS authorities should have the possibility to access EMFF funds in order to facilitate this transition.

Accompanying measures for the FP and the IMP under direct management

The MAC will also like to underline articles 85 and 86.a). Article 86.a), intended to fund projects within the ACs, has not been utilised, even though it was pursued by other ACs. Due to its recent establishment, the MAC did not have the opportunity to apply for the funds available.

Both articles 85 and 86.a) are covered under direct management, therefore the potential research projects do not depend on the operational program of a MS, but directly from the European Commission. However, as the COM informed other Advisory Councils, these can only apply whenever a relevant call is published by the services of the European Commission and provided that the specific eligibility conditions set by each call are met.

In order to unlock the full potential of this budgetary line, the MAC calls for the possibility for ACs to request these funds without relying on a call from the European Commission.

The MAC would like to stress the importance of the continuity of EUMOFA, main analytical tool for marketing intelligence, foreseen in article 90.

Measures financed under shared management

The MAC believes that article 42.a) on added value, product quality and use of unwanted catches (*...the EMFF may support: a) 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*), should be covered under Chapter IV as it is directly related to marketing issues.

Financial framework

Article 13.2 on budgetary resources under shared management, establishes a figure which covers 4 objectives, one of them marketing and processing-related measures. The MAC would like to underline the convenience of establishing a budget line exclusively for market issues. The only figure directly addressed refers to the storage aid.

The same idea applies to article 14 on budgetary resources under direct management.

Intensity of public aid

The MAC believes that under article 95.2 covering the intensity of public aid, Member States should also be able to apply an intensity of public aid of 100% of the eligible expenditure of the operation where that operation is related to the production and marketing plans referred to in article 66 of the EMFF.

2. Regional solutions to tackle regional challenges

The MAC is unsure of what the COM meant with sea basin in this context. According to the Tallinn event, the sea basins refer only to The Atlantic and the Baltic Strategies (EUSBRs), which have been an inspiration for the planning for funds at national level.

From a MAC perspective, it is difficult to fit our remit in sea basins although differences exist in between regions, as it is the case of the PMPs. It appears adequate for the EMFF to continue supporting the CFP with a regional perspective and with rules that should be proportionate to the dimension of the new fund and to the budget allocation in the Member States.

In order to boost the regional approach, a more flexible catalogue of eligible measures would be welcomed, as MS are best placed to choose the right measures to deliver the right objectives. It is important to highlight, though, that the regional scope should not lead to the establishment of new overarching regional management bodies in each sea basin or additional bureaucratic requirements and procedures.

In general the MAC believes more cooperation is needed between operators in different Member States. The adequate support to the reinforcement of the role of the Producers Organizations (PO's) could help in terms of marketing of the species and a better management of the fishing stocks involved in those sea basins.

3. Support for small-scale coastal fisheries

The viability of SSCF operations depends on the benefits of value addition accruing directly to SSCF enterprises. Value addition, geographic indicators, market diversification and development of alternative short chain marketing channels, bringing SSCF operators closer to consumers and reflecting the seasonality of supply inherent in SSCF operations, could all play a role in improving the plight of SSCF.

Under Article 68 of the EMFF Regulation on Marketing Measures, support for SSCF under EMFF includes, under 68.1. c) promoting the quality and the value added by facilitating the certification and the promotion of sustainable fishery and aquaculture products, including products from small-scale coastal fishing, and of environmentally-friendly processing methods; and (iii) the direct marketing of fishery products by small-scale coastal fishermen.

The achievement of these objectives is often constrained by inadequate reporting procedures. EMFF support for SSCF could be particularly beneficial in providing support for SSCF operators to develop and use mobile and electronic technologies for recording and sharing catch related data with markets.

The CMO regulation highlights that “Fish Producer Organizations are the key to achieving the objectives of the CFP and of the CMO”, and that “When achieving those objectives, producer organisations should take into account the different conditions of the fishery and aquaculture sectors... and in particular the special characteristics of small-scale fisheries”. Therefore, it is important to ensure that EMFF funding is used to enhance the role of SSCF in POs.