

## MAC Opinion

### European Maritime and Fisheries Fund

27.02.2019

#### 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.

Having informed DG MARE of the impossibility of meeting the given deadline (5<sup>th</sup> of February 2018) as three weeks were particularly short for an advice of an Advisory Council, which have a complex structure and rules of procedure, the MAC was able to provide an opinion on the matter on the 15<sup>th</sup> of March 2018. This opinion was forwarded to DG MARE under the title “[MAC Opinion- Post-2020 EU funding for fisheries and maritime sectors](#)”.

In June 2018 the Commission presented its proposal 2018/0210 for a regulation on the European Maritime and Fisheries Fund. The MAC, understanding the importance this fund entails for the fisheries and aquaculture sectors, envisages its work on the matter as a long term process in which the advisory council intends to provide recommendations and advice at all stages. For this reason, and being conscious that the opinion presented below is not relevant at this moment for the European Commission as their proposal has been tabled, this paper is addressed to Member States following Part XI Advisory Councils Regulation 1380/2013 and forwarded to European Commission for information purposes.

#### General Remarks

The MAC recognises the importance of having the EMFF as a financial support to achieve the objectives of the Maritime Policy, the CFP and CMO, and highlights its relevance in putting in place the right conditions to ensure that support to the fisheries sector is adequate and conditioned to the sustainable management of the fisheries. 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 30 % of the total 2014-2020 allocation was decided, i.e. distributed among the selected projects, and 9% was reported as spent. These figures are eloquent in indicating that the implementation of the present fund is not properly functioning.



Market Advisory Council

It seems obvious the importance of receiving funds on time or in sufficient quantity to ensure compliance with the obligations laid out in the Maritime Policy, 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.

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, the delay by the Member States in the instrumentation of the EMFF measures, and internal administrative inefficiencies at national and local level. 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, which should however not be at the cost of strategic, accountable and transparent spending. 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.

**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.

## MAC Opinion

The MAC limits its opinion to the remits of its work, this is, and all articles in the proposal related to the markets of fishery and aquaculture products. In this regard, this opinion follows a pragmatic approach commenting directly on the articles provided on the proposal 2018/0210.

### TITLE I: GENERAL FRAMEWORK

#### CHAPTER I

#### General provisions

#### Article 4. Priorities



Market Advisory Council

*The EMFF shall contribute to the implementation of the CFP and of the maritime policy. It shall pursue the whole value chain priorities:*

*(2) Contributing to food security in the Union through competitive and sustainable aquaculture and markets.*

The MAC misses a reference to fisheries and processing in this particular priority, as the way it is drafted it seems to be suggesting that only aquaculture and markets contribute to food security. Although the relevance of sustainable fisheries is set out in priority 1, the MAC believes it is fundamental to stress that fisheries also contribute to food security.

## TITLE II: SUPPORT UNDER SHARED MANAGEMENT

### CHAPTER I

#### General principles of support

##### Article 13. Ineligible operations

###### A) Storage aid

*The following operations shall not be eligible under the EMFF:*

***(i) market intervention mechanisms aiming to temporarily or permanently withdraw fishery or aquaculture products from the market with a view to reducing supply in order to prevent price decline or drive up prices; by extension, storage operations in a logistics chain that would produce the same effects either intentionally or unintentionally;***

A majority of MAC members wish to propose the reintroduction of the storage aid.

The MAC therefore would like to stress here that storage aids have long been among the range of tools available to Producer Organizations.

The Regulation on the Common Market Organisation 1379/2013 provides the conditions of use of this mechanism, while stating that it must "promote a better stability of the market". This idea is reflected in Article 7:

##### *Article 7. Objectives of producer organisations*

- 1. Fishery producer organisations shall pursue the following objectives:  
(...)(c) stabilising the markets*

The storage aid has regularly prevented or mitigated price collapses, by allowing excess quantities to be carried forward over time, when the marketing conditions of certain products were degraded.

In the current EMFF Regulation 508/2014 the co-legislators decided to stop financing such schemes as from 2018, while limiting the intervention capacities of POs over the period 2014-2018. This entails the impossibility of assess the consequences of this decision before 2019.

Given all the above, the MAC wishes to propose the reintroduction of this tool within the measures that can be financed under the new EMFF and under the conditions provided by the current EMFF Regulation. Despite all efforts



## Market Advisory Council

to plan, structure and promote fishery products through CFP, it will never be possible to avoid crisis situations, particularly with regards to parameters outside of the producers' control (embargos, rough weather conditions...).

In order to limit the socio-economic consequences of such exceptional situations, the MAC wishes to reintroduce the funding of such tools, as provided for in the CMO Regulation.

It should, however, be noted that the processing and trading sectors, as represented by AIPCE and CEP do not support this recommendation.

### Section 3 Specific Areas of Support

#### Article 19. Control and enforcement

- The EMFF may support the development and implementation of a Union fisheries control system as provided for in Article 36 of Regulation (EU) No 1380/2013 and further specified in Council Regulation (EC) No 1224/2009.*
- By way of derogation from Article 13(j), the support referred to in paragraph 1 may also cover:*
  - the purchase and installation on vessels of the necessary components for compulsory vessel tracking and electronic reporting systems used for control purposes, only in the case of small-scale coastal fishing vessels;*
  - the purchase and installation on vessels of the necessary components for compulsory remote electronic monitoring systems used for controlling the implementation of the landing obligation referred to in Article 15 of Regulation (EU) No 1380/2013;*
  - the purchase and installation on vessels of devices for compulsory continuous measurement and recording of propulsive engine power.*
- The support referred to in paragraph 1 may also contribute to maritime surveillance as referred to in Article 28 and to the European cooperation on coastguard functions as referred to in Article 29.*
- By way of derogation from Article 2, the support referred to in paragraph 1 may also be granted to operations carried out outside the territory of the Union.*

The MAC considers that given that Chapter V of the proposal on Control Regulation elaborates on the EMFF's priority to 'Strengthen international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans' as laid out in Article 4, the EMFF proposal should also make specific reference to the harmonised electronic EU-wide database system that is envisaged in the current revision of the Control System.

The Revision of the Control System proposes amendments to Regulation 1005/2008 (the IUU Regulation) in adding a new Art 12 a-e which establishes a harmonised electronic EU-wide database system (CATCH) for the management of the Catch Certificate Scheme for fishery products entering the EU.

The MAC considers the successful development and implementation of the proposed common IT system to be vital. The current paper-based system which is currently managed with varying degrees of scrutiny across Member States provides a loophole for potential illegal fishery products to enter the EU and circumvent the measures set out in the IUU Regulation.

As a number of Member States have already developed national IT systems to implement the Catch Certificate Scheme, the MAC considers it important the proposal highlights the availability of funds for Member States to



Market Advisory Council

harmonise and implement the proposed CATCH system. Consequently, the MAC believes it is appropriate that this item be mentioned specifically in the proposal.

Finally, the MAC also considers that the proposed ring-fencing of 15% of the budget for effective control and data collection represents a small percentage of the budget for an area that should be considered the main priority of the fund, and therefore the amount allocated to enhance control and data collection should be increased.

### CHAPTER III

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

The MAC would like to stress here that promotion campaigns are measures related to priority 2. However, similar to fisheries measures, promotion campaigns should also be in line with and contributing to the priorities of 1 and 4 the CFP, namely:

- 1) Fostering sustainable fisheries and the conservation of marine biological resources; and
- 4) Strengthening international ocean governance and enabling safe, secure, clean and sustainably managed seas and oceans.

Promotion campaigns should focus on the advertising of consumption of fish and aquaculture products as healthy food, they should be eligible and encouraged.

#### Article 23. Aquaculture

2. *Productive aquaculture investments under this Article may only be supported through the financial instruments provided for in Article 52 of Regulation (EU) No [Regulation laying down Common Provisions] and through InvestEU, in accordance Article 10 of that Regulation.*

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. The use of financial instruments should be optional and Member states should be able to combine grants and financial instruments at their discretion. In this regard, Member states should be obliged to perform a feasibility study on the use of financial instrument within 2 years.

Specifically in aquaculture, the MAC would like to note the financing of the stocks of young farmers. A European Guarantee fund backed for livestock insurance must be put in place for the development of EU aquaculture.

#### Article 24. Marketing of fishery and aquaculture products

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

#### A) Production and Marketing Plans

The Regulation on the Common Market Organization 1379/2013 has notably changed the role and means of the Producer Organizations concerning the marketing conditions for fishery products. Overall, the European institutions then decided to put an end to most financial engineering mechanisms using public money, in favour of a better structuring of the offer, organized by the Producer Organizations. This transformation was based on the implementation of the Production and Marketing Plans, deployed by the POs.

As real toolboxes, these Plans have contributed significantly to organizing the supply to the market, and have aimed at the achievement of several objectives set within the CFP, in particular Article 35. As such, the EMFF, via Article 66 Support for Production and Marketing Plans, accompanies POs in the implementation of actions promoting the viability and sustainability of fishing activities in accordance with the objectives set in Articles 3 and 7 of the CMO.

In order to harmonize the implementation of these Plans at European level, and in addition to Implementing Regulation 1418/2013, the MAC adopted in 2018 Guidelines and good practices in drafting and implementing the Production and Marketing Plans, aiming to detail their potential content, to define guidelines for their development and implementation, and to identify good practices.

The MAC is therefore surprised to see that the PMPs are no longer specifically mentioned for funding under the new EMFF proposal formulated by the Commission for the period 2021 - 2027, probably in an attempt from the European Commission to simplify the regulation.

The MAC understands these plans as fundamental to support the organisation of the marketing of fish products in Europe, therefore the MAC wishes to include in this article the funding of these Plans together with a cross reference to article 28 of the CMO:

*1. Each producer organisation shall submit a production and marketing plan for, at least, its main marketed species to its competent national authorities for approval. Such production and marketing plans shall have the aim of achieving the objectives laid down in Articles 3 and 7.*

*6. Producer organisations shall receive financial support for the preparation and implementation of production and marketing plans in accordance with a future Union legal act establishing the conditions for the financial support for maritime and fisheries policy for the period 2014–2020.*

B) Promotion of EU aquaculture products

At the same time, the MAC would like to add a reference to the need to support actions EU aquaculture products. The EU aquaculture production has been stagnating for decades, the sector is fragmented and dominated by SMEs/microenterprises: In this regard collective actions, irrespective of whether or not they refer to aquaculture or fishing or processing activities, should be 100% funded.

C) Comprehensive consideration of the value chain and marketing

Finally, the MAC would like to stress the importance of understanding the value chain and marketing activities from a comprehensive point of view. In this regard, and being aware of the simplified architecture this article aims for, the MAC considers legit to infer from this article that marketing activities thorough the whole value chain can be covered under the EMFF.

MAC is in favour of a general frame at EU level; it falls in the remits of the single Member States the choice of the activities to be supported, promoted, facilitated and developed. Some examples could be:

- Supporting the consolidation of technological development, innovation and transfer of knowledge



Market Advisory Council

- Promoting the competitiveness and viability of companies
- Facilitating the improvement of safety and working conditions, in particular of SMEs
- Facilitating entrepreneurship, leadership and investment
- Protecting and recovering biodiversity
- Developing professional training and new professional skills

The MAC understands that these activities are essential to promote commercialization, quality, added value, traceability and safety of fishery and aquaculture products; to inform consumers through commercial and educational campaigns on the importance of fish in the diet.

#### **Article 25. Processing of fishery and aquaculture products**

*1. The EMFF may support investments in the processing of fishery and aquaculture products. Such support shall contribute to the achievement of the objectives of the common organisation of the markets in fishery and aquaculture products as provided for in Article 35 of Regulation (EU) No 1380/2013 and further specified in Regulation (EU) No 1379/2013.*

*2. Support under this Article shall only be granted through the financial instruments provided for in Article 52 of Regulation (EU) No [Regulation laying down Common Provisions] and through InvestEU, in accordance Article 10 of that Regulation.*

As stated under Article 23, 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 but it should not be confined to these instruments only grants should still be available. The use of financial instruments should be optional and Member states should be able to combine grants and financial instruments at their discretion. In this regard, Member states should be obliged to perform a feasibility study on the use of financial instrument within 2 years.

### **TITLE III: SUPPORT UNDER DIRECT AND INDIRECT MANAGEMENT**

#### **CHAPTER I**

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

#### **Article 40. Implementation of the CFP**

**The EMFF shall support the implementation of the CFP through:**

*(c) the functioning of Advisory Councils established in accordance with Article 43 of Regulation (EU) No 1380/2013, which have an objective forming part of, and supporting, the CFP;*

The CFP fully recognises in several articles and in the preamble the value of Advisory Councils as the appropriate fora for dialogue with stakeholders. It specifically states number 65 of CFP:

*“Dialogue with stakeholders has proven to be essential for achieving the objectives of the CFP. Taking into account the diverse conditions throughout Union waters and the increased regionalisation of the CFP, Advisory Councils should enable the CFP to benefit from the knowledge and experience of all stakeholders.”*

Article 40 (c) *only provides funding to the ACs for administrative purposes*. It does not provide funding for ACs to carry out markets, technical, scientific, and economic projects of direct relevance to the ACs to fully enable the ACs



Market Advisory Council

to fulfil its advisory role as envisaged under the CFP. The MAC is requesting that capital funding is provided under the EMFF to ACs to carry out well defined costed projects of direct relevance to the ACs and its role under the CFP.

## CHAPTER II

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

#### Article 42. Market intelligence

The MAC would like to stress the importance of the continuity and enhancement of EUMOFA, the main analytical tool for marketing intelligence. Initiatives at Member State level should be included in the Member States Operational Programmes.

The MAC would like to stress the importance of the continuity and enhancement of EUMOFA, an important analytical tool for market intelligence, having a role to coordinate national instruments and gather data from national sources in an harmonized format. Initiatives at Member State level should be encouraged in the Member States Operational Programmes

## CHAPTER V

### Rules for implementation under direct and indirect management

#### Article 50. Information, communication and publicity

- 2. The Commission shall implement information and communication actions relating to the EMFF, and its actions and results. Financial resources allocated to the EMFF shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the priorities referred to in Article 4.*

The MAC considers of utmost importance that the stakeholders are also invited to seminars, together with Member States, in order to be informed as well on the actions and results of the implementation of the EMFF. For this reason, the MAC suggests a redraft on this paragraph that would read as follows:

- 1. The Commission shall implement information and communication actions relating to the EMFF, including stakeholders, and its actions and results. Financial resources allocated to the EMFF shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the priorities referred to in Article 4.*

## TITLE V: FINAL PROVISIONS

#### Article 55. Transitional provisions

- 1. In order to facilitate the transition from the support scheme established by Regulation (EU) No 508/2014 to the scheme established by this Regulation, the Commission shall be empowered to adopt delegated acts, in accordance with Article 52, laying down the conditions under which support approved by the Commission under Regulation (EU) No 508/2014 may be integrated into support provided for under this Regulation.*



Market Advisory Council

2. *This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) No 508/2014, which shall continue to apply to the actions concerned until their closure.*
3. *Applications made under Regulation (EU) No 508/2014 shall remain valid.*

The MAC suggests adding a 4<sup>th</sup> item:

*Regulation (EC) No 508/2014 or any other act applicable to the 2014-2020 programming period shall continue to apply to programmes and operations supported by the EMFF during that period.*