Market Advisory Council

# Advice

## Budget Expenditure Tracking and Performance Framework under the Next Multiannual Financial Framework (2028-2034)

Brussels, 17 September 2026

### 1. Background

On 16 July 2025, the European Commission published a proposal for the next Multiannual Financial Framework covering the 2028-2034 period[1]. Under the proposal, there would be National and Regional Partnership Plans, a European Competitiveness Fund, and a Global Europe Fund[2]. A minimum allocation for fisheries and aquaculture is foreseen within the National and Regional Partnership Plans, while Member States would be able to allocate non-ring-fenced funding according to their policy priorities.

The European Commission also published a proposal for the budget expenditure tracking and performance framework[3]. The entire budget would be under a single system to track EU spending and results achieved, covering horizontal principles (climate and environment, do no significant harm to environmental objectives, social policies, gender equality), monitoring spending and

[1] https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget_en

[2] The 11 Advisory Councils have called for the continuation of a sectorial fund with adequate financing (see Multi-AC Letter on the Future of the Multiannual Financial Framework (MFF) (15 April 2025)). The MAC recommended the continuation of a dedicated fund for the fisheries and aquaculture value chain, at least maintaining the allocation under the existing framework (see, e.g., MAC Advice on “Upcoming EU Strategies for Coastal Communities and for Islands” (24 April 2026)).

[3] Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities



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results (expenditure tracking through intervention fields, performance indicators), and reporting (performance reporting, single gateway portal).

## 2. Do No Significant Harm Principle

The proposal for a Performance Regulation foresees the Do No Significant Harm (DNSH) principle as a horizontal principle. Activities receiving EU support must not significantly harm any of the six environmental objectives defined in the EU Taxonomy Regulation[4]. The EU taxonomy sets a common definition of economic activities that can be considered environmentally sustainable to help direct investments.

To satisfy the Taxonomy Regulation's DNSH requirements, activities in or near sensitive areas (e.g., Natura 2000 sites) must generally undergo environmental assessment and mitigation measures. Guidance on the application of the DNSH principle in the context of the Multiannual Financial Framework is expected to be published by the Commission by January 2027. According to Article 5 of the proposal, the Commission's guidance will distinguish between policy areas or activities that are always in line with the DNSH principle.

The MAC agrees that EU funds should contribute to the Union's environmental objectives and that the funded actions should not cause significant harm. At the same time, the MAC considers that the application of the DNSH principle to the fisheries and aquaculture value should be carried out with clear, proportionate criteria, taking into account the specificities of the sectors, including adaptation to the realities of microenterprises, while providing sufficient legal certainty for beneficiaries and managing authorities.

[4] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. The six objectives are: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.



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### 2.1. Applicability to the fisheries and aquaculture value chain

The fisheries and aquaculture value chain must comply with the Common Fisheries Policy Regulation, the Common Market Organisation Regulation, the Fisheries Control Regulation, the IUU Regulation, and various environmental legislation, designed to ensure a sustainable exploitation of marine resources and sustainable aquaculture farming. In the view of the MAC, the DNSH principle should be coherent with the existing legislative framework and avoid creating overlapping, duplicative or contradictory requirements.

In the view of the MAC, aquaculture production should be included in the category of activities always in line with the DNSH principle. The environmental permitting regime governing aquaculture, under EU and national legislation, already addresses the environmental objectives underpinning the DNSH principle. Therefore, authorised aquaculture activities should be presumed to comply with the DNSH requirements.

In the view of the MAC, regarding capture fishing, the application of the EU taxonomy, a tool designed for infrastructure investments, to an activity exploiting a natural resource could be challenging. The fishing industry is already comprehensively regulated, and the Common Fisheries Policy already incorporates binding environmental objectives. Therefore, the introduction of additional financial conditionality, without explicit articulation with existing obligations under the Common Fisheries Policy and other environmental legislation (e.g., Marine Strategy Framework Directive), risks creating a double layer of control over the same matters.

In the view of the MAC, regarding the specialised retail of fishery and aquaculture products, the proposal should consider its reduced environmental impact due to the size of the companies and the type of activity carried out. Many eligible actions in the specialised retail (e.g., improving the energy efficiency of establishments, digitising traceability, reducing food waste, providing sustainability training, modernising facilities, informing consumers, promoting sustainable



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mobility, and adding value to EU fishery and aquaculture products) have a positive or neutral environmental impact.

In the view of the MAC, the environmental assessments under the Taxonomy Regulation were generally designed from the perspective of large-scale projects. On the other hand, the fisheries and aquaculture value chain is mainly composed of SMEs, including family-run microenterprises[5]. Even though the DNSH principle pursues a legitimate objective, it could become an administrative barrier to small businesses across the value chain, potentially excluding companies with a low environmental impact. If the requirement for an assessment is maintained, it should be under a simplified regime appropriate to small businesses and small-scale actions. The simplified regime should apply in accordance with a *de minimis* threshold for a self-declaration, in similar manner to those under the Recovery and Resilience Facility.

In the view of the MAC, the DNSH principle should be applied in a proportionate and risk-based manner. Investments that improve energy efficiency, decarbonisation, resource efficiency, product quality, food safety, circularity or resilience of the fisheries and aquaculture value chain should not be excluded solely due to limited environmental impacts already addressed under existing legislation. Furthermore, the application of the DNSH principle should not undermine the objectives of ensuring food security, strengthening the competitiveness of the EU value chain, or supporting resilience. A balanced implementation is needed to ensure that environmental objectives are pursued alongside economic and social sustainability.

### 2.2. Legal certainty

[5] As an example, in the case of the shellfish sector, in France, which is the leading Member State in production of shellfish by value, 98.3% of shellfish aquaculture enterprises are micro-enterprises (fewer than ten employees), and 79.3% have fewer than five employees. As another example, the vast majority of the EU's specialised retail of fishery products is composed of microenterprises with fewer than ten employees (on average, two employees per establishment) and limited human, technical, and financial resources.



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In the view of the MAC, in the absence of guidance until January 2027, Members States and managing authorities may adopt divergent interpretations of the applicable requirements, impacting legal certainty, and potentially resulting in an overly restrictive approach to activities located within or near protected areas.

In the view of the MAC, given the significant political implication of the introduction of the DNSH principle within the Multiannual Financial Framework, the principle should be adopted through a delegated act, allowing some involvement by the co-legislators, rather than through a guidance document.

Under the EU taxonomy, compliance with the DNSH principle is assessed at the level of the individual economic activity, in accordance with the applicable technical screening criteria. By contrast, the proposed 2028-2034 Multiannual Financial Framework appears to extend the role of the DNSH principle by allowing Union funding to be suspended or reduced where the conditions linked to a plan are not fulfilled.

In the view of the MAC, the proposal does not clearly specify whether compliance with the DNSH principle is to be assessed at the level of individual measures or at the level of the plan as a whole, creating legal uncertainty as to the consequences of non-compliance. Findings of non-compliance could affect the implementation or financing of a broader expenditure envelope rather than only the measure concerned. More clarity is needed on whether the DNSH principle will operate as an eligibility requirement, an evaluation criterion, or a subsequent justification obligation. As funding decisions for the fisheries and aquaculture value chain are governed by sector-specific legislation, the tracking framework of the Performance Regulation should not be used as a condition for eligibility, nor should be used to determine, influence, or restrict the allocation, distribution or implementation of funding between administrations or towards beneficiaries.



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Furthermore, it is worth recalling that the Multiannual Financial Framework and the Performance Regulation follow the ordinary legislative procedure, requiring co-decision by the Council and the European Parliament. On the other hand, the technical screening criteria are adopted by the Commission through delegated acts, limiting the direct involvement of the co-legislators in defining the substantive DNSH criteria.

In the view of the MAC, the upcoming guidance should be practical, understandable, and tailored to the different links of the fisheries and aquaculture value chain, including small operators. When relevant, the Commission should provide sector-specific guidance.

### 3. Social coefficients

Annex I of the proposal for a Performance Regulation foresees social coefficients to monitor expenditure on social policies (e.g., interventions in areas such as employment, food and material support, education, youth housing, migrant integration, social infrastructure, gender equality, support to people with disabilities and support to marginalised communities such as the Roma), currently covered by specific programmes (e.g., European Social Fund Plus, European Regional Development Fund, Cohesion Fund, Just Transition Fund). Fisheries and aquaculture are not covered, as the sector has dedicated objectives linked to the Common Fisheries Policy. The exclusion is meant to be an accounting choice, not a policy statement on the social benefits provided by fisheries and aquaculture.

The MAC considers that the monitoring of fisheries and aquaculture expenditure exclusively through climate and environmental coefficients, while meant as an accounting choice, is concerning. Even though these objectives are fundamental, they do not reflect the social, economic, and territorial contribution of the fisheries and aquaculture value chain, including support for employment, female participation in the workforce, generational renewal, food security, healthy nutrition, informed consumer choices, and structuring and resilience of rural



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and coastal communities. The Performance Regulation should recognise that many investments in the fisheries and aquaculture value chain simultaneously deliver environmental, economic and social benefits, including for land-based related operators (e.g., ports, auctions, processors, logistic service providers), in line with the objectives of the Common Fisheries Policy.

In the view of the MAC, the indicators monitoring expenditure related to fisheries, aquaculture, and ocean activities should also measure the corresponding social contributions. Potential indicators could include, among others: employment maintained or created, support for microenterprises, participation of women and young people, vocational training, generational renewal, digitalisation of small-scale operators, improved consumer information, adoption of innovative tools, preservation of local operators, commitment to the marketing of products with high social and environmental sustainability standards, and the strengthening of local and regional value chains. The indicators should be linked to the socio-economic data collected via the EU data collection processes and the Scientific, Technical and Economic Committee for Fisheries (STECF).

The proposal for a Performance Regulation foresees 62 interventions for “agriculture and fisheries” as “policy area (level 1)”. In the view of the MAC, the proposed name of the heading effectively renders aquaculture production invisible behind the term “fisheries”. None of the performance indicators focuses on the specific trajectory of aquaculture production. There should be a specific category of indicators for sustainable aquaculture production, separated from the indicators designed for capture-based fisheries.

In the view of the MAC, the proposed percentages appear somewhat erratic and may not accurately reflect the extent to which the fisheries and aquaculture expenditure contributes to the different objectives. The percentages seem to follow a financial logic aimed at fitting the various and objectives, rather than reflecting the actual impact or contribution of the fisheries



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and aquaculture value chain to the environment and society. Therefore, the Commission should clearly explain the rationale of the percentages, including through the planned public platform on performance.

## 4. Performance framework of the National and Regional Partnership Plans:

Annex I of the proposal for a Performance Regulation foresees, for each intervention field, various output indicators and result indicators. For example, policy intervention #41 "Advisory Councils" includes "number of advisory councils" as output indicator and "number of recommendations received" as result indicators.

In the view of the MAC, in general, the performance framework should remain simple and focus on indicators that measure the real impact of EU finding, including capacity to generate economic activity and resilience across the value chain, rather than administrative processes. Output and result indicators should reflect improvements in the sustainability, competitiveness, resilience and innovation of the fisheries and aquaculture value chain, while avoiding unnecessary reporting burdens for beneficiaries and managing authorities. The output and result indicators should cover both primary production and downstream operators, including auctions, ports, processors, and retailers, as well as coastal communities.

In the view of the MAC, the proposed model merely measures financial flows rather than the actual impact of regulations on businesses. Where possible, indicators should capture tangible outcomes, such as increased resource efficiency, business resilience, market performance or improved implementation of EU policies, rather than simply counting activities or processes, ensuring accountability. Various indicators concerning the fisheries and aquaculture value chain could be introduced, such as on value added generated throughout the chain, volumes marketed through recognised market structures and auctions, employment sustained across the chain,



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investments mobilised in port, auction and processing infrastructure, and contribution to market organisation, traceability, and food security.

As an example of the lack of focus on the actual impact of the expenditure, the result indicator "number of recommendations received" does not communicate anything on the quality of the advice. Instead, the rate at which the recommendations of the Advisory Councils are incorporated into final regulatory texts should be tracked. The proportion of recommendations that received a formal response from the Commission and the Member States within the regulatory timeframe could also be tracked.

Under intervention field #51, "support to create and maintain attractive fishery, aquaculture and processing sectors" would be tracked. In the view of the MAC, a tangible outcome, such as measuring the number of new vessels entering the fishing fleet, demonstrating how an attractive fishery sector provides for fleet renewal, would be relevant.

As recognised by the European Commission, Producer Organisations play a key role in the structuring of the fisheries and aquaculture value chain. Therefore, in the view of the MAC, there should be a dedicated intervention field for these, as proposed for agriculture (interventions #19 and #20). Overall, the Performance Regulation should recognise the contributions of the entire fisheries and aquaculture value chain, including processing, trade, and retail.

## 5. Reporting and evaluation

The Commission will annually inform the European Parliament and the Council on the level of implementation of the programmes and activities under a single report: The Annual Management Performance Report, based on the performance indicators relevant to each programme. Performance data will also be published via a single, user-friendly online portal: the Single Gateway.



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The MAC welcomes the proposal for an Annual Management and Performance Report and of the Single Gateway. A single reporting system and a user-friendly portal can improve transparency and simplify access to information, provided they do not create additional reporting obligations for beneficiaries or managing authorities. As previously mentioned, communication on fisheries and aquaculture should reflect the sector's contributions, across the entire value chain, to environmental, social, and economic performance. Where possible, reporting should use simple, comparable indicators and practical examples to demonstrate the value and impact of EU funding.

In the view of the MAC, to avoid the dilution of the expenditure dedicated to fisheries and aquaculture value chain across the aggregated budget, the Single Gateway should enable data extraction by area of intervention and by sector and sub-sector[6]. The data should be made available in a format that is comparable across Member States and available as open data, while guaranteeing continuity with the time series of the European, Maritime, Fisheries and Aquaculture Fund.

In the view of the MAC, the Annual Management and Performance Report should include information broken down by Member State, region, type of beneficiary, company size, stage of the value chain, and intervention objective. The report should differentiate the share of the funds reaching microenterprises, SMEs, and value chain operators. The Commission should explain to the co-legislators the impacts of fisheries and aquaculture expenditure on businesses, workers, consumers, citizens, and local communities. Prior to the budgetary debate, the European Commission should submit a standardised sectoral factsheet to the European Parliament's Committee on Fisheries.

[6] For example, "aquaculture" as a sector and "finfish", "bivalves", and "algae" as sub-sectors.



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In the view of the MAC, the Annual Management and Performance Report and the Single Gateway should include concrete examples of funded projects, best practices, and tangible results, for example on modernisation, digitalisation, traceability, training, consumer information, food waste reduction, promotion of sustainable fishery and aquaculture products, and improved energy efficiency.

## 6. Recommendations

The MAC considers that, in the context of the budget tracking and performance framework under the next Multiannual Financial Framework (2028-2034), the European Commission should:

a) Take a value chain-approach that recognises the added value of public funding and their multiplier effect across fishers, aquaculture farmers, Producer Organisations, ports, auctions, processors, retailers, coastal communities, and other stakeholders;
b) Ensure that discussions on any potential revision of the Common Market Organisation Regulation and/or of the Common Fisheries Policy Regulation take place in parallel with the legislative developments on the Performance Framework Regulation, as this policy framework sets important policy parameters by directing the allocation of EU funds;
c) Apply the DNSH principle to the fisheries and aquaculture value chain in a risk-based manner, through clear and proportionate criteria that are coherent with the existing regulatory framework, including, where appropriate, presumptions of compliance and/or simplified procedures, with due regard to microenterprises and SMEs;
d) Promote a coherent interpretation of the requirements of the DNSH principle across the EU, preventing the development of diverging interpretations and implementations by Member States, which could result in legal uncertainty and overly restrictive approaches;
e) Clarify how compliance with the DNSH principle will be assessed and whether the DNSH principle will operate as an eligibility requirement, an evaluation criterion, or a

subsequent justification obligation – in due respect of the sector-specific legislation, the tracking framework should not be used as a condition for eligibility;

f) Ensure that the upcoming guidance on the DNSH principle remains practical, understandable, and tailored to the different links of the fisheries and aquaculture value chain, including small operators – when relevant, sector-specific guidance should be provided;
g) To recognise the corresponding environmental, economic and social benefits, propose social coefficients for fisheries and aquaculture expenditure, in line with the Common Fisheries Policy, while also adding coefficients related to food sovereignty;
h) Amend the heading of "policy area (level 1)" of the proposed interventions to duly acknowledge aquaculture production, and put forward performance indicators focused on the specific trajectory of sustainable aquaculture production;
i) Clarify the reasoning for the proposed percentages on climate change mitigation and climate change adaptation and resilience of the intervention fields related to the fisheries and aquaculture value chain;
j) Propose output and result indicators that reflect the actual contribution of the fisheries and aquaculture value chain to the environment and society, through tangible outcomes, including improvements in sustainability, competitiveness, resilience, and innovation, while avoiding unnecessary reporting burdens for beneficiaries and managing authorities;
k) Propose an intervention field for fisheries and aquaculture Producer Organisations;
l) Enable, via the Single Gateway, the extraction of data by area of intervention and by sector and sub-sector, in a format that is comparable across Member States and available as open data, while guaranteeing continuity with the time series of the European, Maritime, Fisheries and Aquaculture Fund;
m) Under the Annual Management and Performance Report, provide information broken down by Member State, region, type of beneficiary, company stage, stage of the value



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chain and intervention objectives, including through the differentiation of the share of the funds reaching microenterprises, SMEs, and value chain operators;

n) Explain to the co-legislators the impacts of fisheries and aquaculture expenditure on businesses, workers, consumers, citizens, and local communities, including through the submission of a standardised sectoral factsheet;

o) Under the Annual Management and Performance Report and the Single Gateway, provide concrete examples of funded projects, best practices, and tangible results.



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