The European Maritime, Fisheries and Aquaculture Fund (EMFAF)

Frequently asked questions

Objectives, budget and framework

What is the EMFAF?

The EMFAF is an EU fund running from 2021 to 2027. It channels financial resources from the EU budget to support the EU common fisheries policy (CFP), the EU maritime policy and the EU agenda for international ocean governance.

It provides financial support for developing innovative projects ensuring that aquatic and maritime resources are used sustainably.

This helps fulfil the objectives of the **European Green Deal**, the roadmap for the EU environmental and climate policies.

What is the EMFAF's purpose?

As a global ocean actor and a major producer of seafood, the EU has a responsibility to protect and sustainably use the oceans and their resources. It is also in the EU's socioeconomic interest to guarantee the availability of food supplies, the competitiveness of the maritime economy and the livelihood of coastal communities.

The EMFAF helps achieve sustainable fisheries and conserve marine biological resources. This leads to:

- healthy, safe and sustainably managed seas and oceans
- **food security** through the supply of seafood products
- growth of a sustainable blue economy.

It also helps achieve the <u>UN's Sustainable Development Goal 14</u> ('conserve and sustainably use the oceans, seas and marine resources'), to which the EU is committed.

However, the EMFAF is a small fund, so it must be used strategically. Every euro invested should generate much more in terms of collective benefits and common good. Therefore, EMFAF funding should support investment that has a clear **added value**, in particular by addressing market failures or suboptimal investment situations.

Public support should not duplicate or crowd out private financing nor distort competition. Rather, it should facilitate private investment, especially where the private sector is profitable, like is the maritime economy in general.

What are the main actions supported by the EMFAF?

The EMFAF supports innovative projects that contribute to the sustainable use and management of aquatic and maritime resources.

In particular, it facilitates:

- sustainable and low-carbon fishing activities

- the protection of marine biodiversity and ecosystems
- the supply of quality and healthy seafood to European consumers
- the socio-economic attractiveness and the generational renewal of the fisheries sector, in particular as regards small-scale coastal fisheries
- the development of sustainable and competitive aquaculture contributing to food security
- the improvement of skills and working conditions in fisheries and aquaculture
- the economic and social vitality of coastal communities
- innovation in the sustainable blue economy
- maritime security contributing to a safe maritime space
- international cooperation contributing to healthy, safe and sustainably managed oceans.

What is the EMFAF's budget and how is it distributed?

The EMFAF is programmed for 2021-2027 with a budget of €6.108 billion.

The programme management is divided between 'shared management' and 'direct management':

- **shared management €5.311 billion** is provided through national programmes cofinanced by the EU budget and EU countries
- direct management €797 million is provided directly by the Commission.

What is the framework of the EMFAF?

Under 'shared management', the EMFAF is administered through national programmes approved by the Commission. In this case, EU countries outline in their programmes the best way for them to fulfil the objectives of the fund. They identify actions in line with their national strategy and select the eligible projects in line with their own criteria.

However, the EMFAF Regulation sets out a list of operations not eligible for support, thus preventing any harm to the sustainability of fisheries. Moreover, certain investments and compensation schemes for the fishing fleet are subject to specific conditions to ensure they are consistent with the CFP's conservation objectives.

Under 'direct management', the Commission directly administers the fund through work programmes adopted by the EMFAF Committee, which comprises a group of experts designated by EU countries.

Horizontal conditions

What conditions exist to ensure that the EMFAF targets actions with collective added value?

Several conditions ensure that actions with collective added value are prioritised (e.g. protection of biodiversity, sustainable fishing, innovation, collective organisation of the fisheries and aquaculture sectors, local development) rather than individual investments with lower added value.

- 5 categories of individual investments on fishing vessels are capped financially together they cannot exceed 15% of the budget allocated to each EU country to avoid crowding out resources from actions with more added value.
- At least 15% of the budget allocated to each EU country must go to 2 cornerstones of the CFP to ensure sufficient resources for their objectives: i) control of fishing activities and ii) collection of scientific data for fisheries management.
- The rate of public aid depends on the added value of the investment. Projects with a **high** collective added value (e.g. innovation, collective beneficiaries, public access to the results) can receive up to 100%, while certain individual fleet subsidies cannot exceed 40%.
- Support for investments on board cannot be granted simply for complying with requirements that are obligatory under EU law, except for certain equipment used to control fishing activities. Subsidies should encourage behaviour that goes **beyond simple compliance** with the law.
- Certain subsidies are reserved for small and medium-sized fishing vessels (i.e. less than 24m long). They are used to:
 - o replace or modernise engines
 - o help young fishers acquire, for the first time, a second-hand vessel
 - o increase the volume of the vessel to improve safety, working conditions or energy efficiency.

Bigger vessels are more profitable overall and should use private money for these specific investments.

What happens if EMFAF beneficiaries or EU countries do not comply with CFP rules?

EMFAF support is provided subject to **compliance with CFP rules**. In cases where a beneficiary commits a serious infringement (e.g. illegal fishing) or an EU country does not comply with a specific obligation, funding is interrupted, suspended or corrected.

Why are conditions needed for investments in the fishing fleet?

Subsidies for investing in fishing vessels may increase their fishing capacity and, consequently, their ability to catch fish, which can lead to **overfishing**. For example, a vessel

with a bigger hull and/or a more powerful engine can catch fish for a longer time at a faster rate and travel further to do so, thus increasing pressure on fish stocks.

Moreover, there is structural overcapacity in certain segments of the fishing fleet, meaning that **too many vessels are chasing too few fish**. Increasing fishing capacity in these segments would result in continued overfishing.

Therefore, the EMFAF includes **safeguards** for certain fleet subsidies to avoid these harmful effects. For example, the vessel must belong to a segment of the fishing fleet without structural overcapacity, and support cannot be granted to increase the power of the vessel.

However, not all fleet subsidies are harmful. With appropriate conditions, they can **contribute positively** to environmental, social and economic sustainability, e.g. investments in low-impact fishing techniques, in safety on board or in energy efficiency. These investments are eligible to EMFAF support.

Are there harmful fisheries subsidies in the EMFAF?

No, the EMFAF contains no harmful fisheries subsidies.

<u>UN's Sustainable Development Goal 14.6</u> describes these as 'fisheries subsidies which contribute to overcapacity and overfishing, and (...) that contribute to illegal, unreported and unregulated fishing'. The EU has committed to banning them.

To avoid these subsidies, the EMFAF Regulation includes **a list of ineligible operations** (e.g. building new fishing vessels, increasing the power of fishing vessels) and a **set of conditions** to prevent harmful effects, including indirect effects (e.g. certain investments can be supported only in segments of the fishing fleet without structural overcapacity).

Specific areas of support

How does the EMFAF help protect/restore biodiversity?

As part of the European Green Deal, the EU has adopted a <u>biodiversity strategy</u> to better protect nature and reverse the ecosystem degradation. The EMFAF is a key contributor as regards achieving the strategy's objectives. In particular, it helps:

- promote **sustainable**, **low-impact** and **low-carbon fishing activities** (e.g. collecting scientific data to underpin sustainable fisheries management, eliminating unwanted catches, protecting sensitive species, improving energy efficiency of fishing vessels)
- protect and restore **marine biodiversity and ecosystems** to achieve a <u>good environmental</u> <u>status</u> of marine waters (e.g. by creating and managing marine protected areas, implementing the spatial protection measures established by the <u>Marine Strategy Framework Directive</u>, protecting species in line with the <u>Habitats Directive</u>)
- promote **the circular economy** (e.g. through collecting and recycling lost fishing gears and marine litter and increasing the value of waste from fisheries and aquaculture)
- promote sustainable and energy-efficient aquaculture production.

How does the EMFAF contribute to climate change mitigation and adaptation in fisheries and aquaculture?

The EMFAF can be used to reduce the carbon footprint of fisheries and aquaculture. Possible actions include:

- innovation in **CO2-efficient technology** for the propulsion of fishing vessels (e.g. trials on lower-carbon fuels such as liquefied natural gas, liquefied biogas or hybrid-electrical propulsion; preparatory research on hydrogen fuelling)
- replacing or modernising engines of fishing vessels to reduce their CO₂ emissions (under specific conditions to avoid an increase of power, and thus of fishing capacity)
- improving the **energy efficiency** of fishing vessels (e.g. through a better hydrodynamic)
- developing aquaculture feed sources with lower impact
- shifting to energy-efficient aquaculture production (e.g. use of renewable energy)

The EMFAF also helps fisheries and aquaculture adapt to the consequences of climate change by:

- funding the collection of **scientific data** to better understand how climate change affects fisheries management (e.g. as regards the impact of fish stocks migration and invasive species)

- helping aquaculture to become more **resilient** to climate change (e.g. by diversifying production to species more resilient to climate change, managing unforeseen diseases/parasites stemming from changes in temperature ranges, strengthening resilience to extreme events, droughts and other variable conditions).

To what extent does the EMFAF help achieve the climate and biodiversity targets set in the EU multiannual budget?

The <u>EU budget</u> for 2021-2027 (i.e. the 'multiannual financial framework') sets spending targets for climate and biodiversity objectives:

- 30% of the budget will be spent on fighting climate change
- In 2026 and 2027, 10% of the annual spending under the budget will contribute to halting and reversing the decline of **biodiversity**.

Despite the EMFAF not including a specific binding target or a ring fencing of financial resources for climate and biodiversity, it is actively helping to achieve the common targets set in the multiannual financial framework.

The Commission regularly monitors the level of the EMFAF contribution in this respect by using all available data. If insufficient progress is made towards reaching the overall ambition, the Commission will actively engage with EU countries to adopt remedial measures, including amending their EMFAF programme.

How does the EMFAF help achieve the CFP's objectives?

The CFP aims to ensure that fishing and aquaculture activities are environmentally sustainable in the long-term and are managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies.

The EMFAF supports these objectives through the following main actions:

- fostering **sustainable fishing activities** in the long term (promoting low-impact and selective fishing techniques, avoiding unwanted catches)
- providing conditions for the fisheries sector to be **competitive**
- supporting the **structural management** of fisheries and fishing fleets (eliminating fleet overcapacity, supporting measures for the conservation of marine biological resources)
- promoting an efficient market for fishery products
- contributing to a fair standard of living in coastal areas
- collecting scientific data to underpin fisheries management

- supporting the **control** of fishing activities and promoting a culture of compliance to ensure a level-playing field.

Under which conditions does the EMFAF support investments on board fishing vessels?

The EMFAF can support innovation and investments on board fishing vessels in order to achieve the CFP's objectives. That support includes actions that improve sustainability, gear selectivity, safety, working conditions, energy efficiency and the quality of catches.

However, there are targeted restrictions to ensure the sustainability and added value of investment.

- Acquiring equipment that increases a fishing vessel's ability to find fish is not eligible, because it would help a vessel become overly efficient to the detriment of sustainability.
- Support must not increase a vessels' fishing capacity, unless it directly results from an increase in gross tonnage (i.e. volume of the vessel) that is necessary for improving safety, working conditions or energy efficiency.
- Support cannot be granted simply for complying with requirements that are obligatory under EU law, except for certain equipment used to control fishing activities. Subsidies should encourage behaviour that goes beyond simple compliance with the law.
- Investments on board cannot be granted for vessels that have been mostly inactive over the previous 2 years because investment should focus on active vessels.
- Certain investments in the fishing fleet are subject to specific eligibility rules to prevent them from generating overcapacity or overfishing. In particular, support given i) to young fishers to help them acquire, for the first time, a second-hand vessel and ii) to replace or modernise a vessel's engine are subject to conditions, e.g. the vessel must belong to a segment of the fishing fleet without structural overcapacity and the new or modernised engine must not have more power than the engine being replaced.

Why is the construction of new fishing vessels not eligible for EMFAF support? Are new modern vessels not safer and more sustainable?

EU subsidies for building or acquiring new fishing vessels ended in 2004 because they had contributed to a very serious situation of **overcapacity and overfishing**. Even if new vessels are safer and more efficient, they can catch fish for a longer time at a faster rate, and travel further to do so, thus increasing pressure on fish stocks.

Moreover, there has been no market failure or collective benefit justifying public support for building new vessels. Overall, the European fishing fleet is profitable and access to credit does not seem to be a problem for the fisheries sector. Therefore, there is no reason to use taxpayers' money to finance new fishing vessels for individual private gain.

The CFP rules allow new fishing vessels to be built with private money along with safeguards to prevent the fleet's fishing capacity from increasing. Concretely, any new fishing capacity

(quantified in volume and power of vessels) entering the fleet must be compensated by at least the same amount of capacity being withdrawn (e.g. through decommissioning an old vessel). Under the CFP, EU countries thus have sufficient flexibility to manage entries and exits in and out of their fleet and to address the investment needs of the fisheries sector in a sustainable manner.

The EMFAF can support the increase of volume (quantified in 'gross tonnage') of fishing vessels. Since gross tonnage is a parameter of fishing capacity, what conditions are in place to prevent overcapacity?

Increasing the volume of a fishing vessel means making it bigger. It can improve safety on board but can also increase a vessel's ability to catch and store fish, hence the risk of overfishing.

The EMFAF supports such renovation only if it directly aims to improve safety, working conditions or energy efficiency. Only small and medium-sized vessels (i.e. less than 24m long) can receive support.

There are clear safeguards in place to prevent the increase in volume leading to overcapacity and overfishing.

- It is conditional upon the subsequent installation of a facility or equipment that improves safety, working conditions or energy efficiency (e.g. accommodation for the crew).
- It is possible only in segments of the fishing fleet where there is no structural overcapacity.
- It must be compensated by the withdrawal of at least the same amount of volume in the same segment of the fleet or in a segment of the national fleet subject to overcapacity (e.g. through decommissioning an old vessel), therefore not increasing the fleet's overall capacity.

How can the EMFAF provide conditions for economically viable and competitive fisheries?

The main drivers for profitability in the fisheries sector are abundant fish stocks, stable fish prices, low fuel prices, energy-efficient vessels and skilled fishers. Some of these are external factors and do not rely on structural investments.

The EMFAF can contribute to the structural enabling conditions for profitability and competiveness, such as through the following ways below.

- It can **invest** in fishing vessels, in particular to increase energy efficiency and improve the quality of catches. Lower fuel consumption reduces operating costs, and higher quality fish helps market prices remain stable.
- It can develop **skills and knowledge** through feasibility studies, advisory services, impact assessments and pilot projects disseminated throughout the fisheries sector.

- It can **mobilise private investment** by leveraging financial instruments (public loans and guarantees). Financial instruments are particularly suitable for new investments expected to be financially viable but which do not receive sufficient funding from market sources.
- It can help fishers **diversify their income** and develop complementary activities in the local blue economy, e.g. tourism, direct sales, environmental services and cultural maritime activities.

How does the EMFAF support the development of skills?

Skills development is essential for the competitiveness of the fisheries, aquaculture and maritime sectors. In this respect, the EMFAF can support for example:

- advisory services
- cooperation between scientists and fishers
- professional training
- lifelong learning
- the promotion of social dialogue
- knowledge sharing.

How does the EMFAF contribute to social welfare and generational renewal in fisheries?

The CFP aims to provide a fair standard of living for people who depend on fishing activities. This is key to ensuring generational renewal in fisheries.

There are **3 main conditions** for making fisheries more attractive:

- sustainable management of fishing activities and fleets in the long term, required for profitability
- good working conditions on board
- high-level skills.

The EMFAF can support investments for these purposes, for example by:

- fostering human capital and **skills** (e.g. professional training, lifelong learning and sharing of knowledge and experience)
- attracting young people into the fisheries sector through educational and communication measures
- granting a **start-up support** to young fishers, e.g. by paying for a share of their first fishing vessel scheme limited to the purchase of <u>second-hand</u> small and medium-sized vessels (i.e. less than 24m long)
- improving safety and working conditions on board fishing vessels
- improving **gender balance** (e.g. promoting the role of women in fishing communities)
- facilitating **labour relations** involving all relevant stakeholders.

How does the EMFAF contribute to scientific knowledge to improve the management of fisheries and of the marine environment?

Fisheries management is based on the best available scientific advice. This relies on harmonised, reliable and accurate scientific data.

Therefore, the CFP requires EU countries to **collect data on fleets** and on their fishing activities, especially biological data on catches, and on the potential environmental impact of fishing activities on the marine ecosystem.

To this end, the EMFAF supports the following actions:

- It helps EU countries collect and process data on fleets and fishing activities in line with the Data Collection Framework Regulation.
- It supports the provision of scientific advice for fisheries management.
- It supports the collecting and managing of data to strengthen the sustainable management of the marine environment. To this end, the EMFAF finances the 'European marine observation and data network' (EMODnet) established to make marine data more available to public and private users. This data facilitates 'maritime spatial planning' to coordinate human activities at sea in a sustainable manner. It also helps implement measures to protect marine biodiversity and ecosystems.

How does the EMFAF help reduce unwanted catches?

Reducing and avoiding unwanted catches is one of the CFP's main objectives. Unwanted catches involve fish that either have a low market value or cannot be sold because CFP rules do not allow their capture, e.g. if:

- they are below the minimum size
- their quota is exhausted
- they are damaged
- their capture is prohibited.

Discarding unwanted catches at sea is a substantial waste of marine biological resources and negatively affects the financial viability of fisheries.

Therefore, the CFP obliges fishing vessels to land all their catches ('the landing obligation'). This obligation encourages fishers to adapt their fishing patterns to avoid a waste of resources. Indeed, landing unwanted catches that fishers cannot sell in the normal marketing circuit or that have low market value generates additional costs, hence economic losses. Avoiding them would make the activity more profitable.

In this context, adapting fishing techniques is key to helping fishers catch only the fish they target, thus eliminating unwanted catches in the first place. To this end, the EMFAF can support innovation and investments that make fishing techniques and gear more selective, with a particularly high rate of public aid (100%).

Also, EMFAF support can help mitigate the consequences of the landing obligation as regards unwanted catches that cannot be avoided. In this respect, it can help improve the infrastructure of fishing ports to:

- facilitate the landing and storage of unwanted catches
- find outlets for unwanted catches landed, although without creating a structured market for those catches.

These actions can benefit from a rate of public aid of 75%.

How does the EMFAF help reduce fleet overcapacity?

Certain segments of the fishing fleet are subject to overcapacity, resulting in marine biological resources being overexploited.

If there is structural overcapacity, profitability is low because too many vessels are chasing too few fish. Therefore, to prevent this situation from happening, a structural adaptation of the fishing fleets concerned is necessary.

To eliminate overcapacity, the CFP requires EU countries to take specific measures to align the number of fishing vessels with the available resources. These measures are based on an assessment of the balance between the fleets' fishing capacity and the fishing opportunities available to them, at the level of each segment of the fishing fleet.

In this context, the EMFAF can grant financial compensation to fishers if they permanently cease their fishing activities. The fishing capacity eliminated thanks to this support is then permanently removed from the fleet.

Permanent cessation can be carried out either by scrapping the fishing vessel or by decommissioning it and retrofitting it for other activities. However, changing over to recreational fishing must not lead to an increased pressure on the marine ecosystem.

How does the EMFAF help control fishing activities?

It is of the utmost importance that EU countries control fishing activities in their waters to **enforce the CFP**, **prevent illegal fishing** and foster a **culture of compliance** in the fisheries sector. This ensures a level-playing field for fishers across the EU.

To this end, the EMFAF helps EU countries implement the fisheries control system established under the EU Control Regulation. In particular, it can support the purchase of control means, e.g. drones and patrol vessels, which can also contribute to maritime surveillance and coast guard missions.

The EMFAF also supports investments in digital tools to enable transparent, efficient and user-friendly fisheries control and monitoring, e.g.:

- remote electronic monitoring systems
- automated data analysis
- radio-frequency identification
- continuous measurement and recording of engine power
- closed-circuit television on board.

Under which conditions does the EMFAF compensate fishers for temporarily ceasing their activities?

Certain **conservation measures** under the CFP and certain **exceptional circumstances** require fishing activities to stop temporarily. In specific cases, the EMFAF can support financial compensation to fishers for this temporary cessation to alleviate their economic losses.

Compensation is possible if the cessation of activities is caused by:

- measures for the conservation of marine biological resources (e.g. a temporary biological recovery closure for a given species and/or in a given area)
- an interruption, due to reasons of force majeure, to the application of a 'sustainable fisheries partnership agreement' (i.e. an agreement signed between the EU and a non-EU country to allow EU fishing vessels to fish in that non-EU country's waters)
- a natural disaster
- an environmental incident
- a health crisis (including the COVID-19 pandemic).

Cessations stemming from conservation measures must lead to **fishing effort being reduced** based on scientific advice, to ensure they actually contribute to protecting or restoring marine biological resources.

Compensation for the temporary cessation of fishing activities must be targeted and should not replace the structural adaptation of fishing fleets where it is needed. Therefore, it cannot be granted for more than 12 months per vessel during the EMFAF's period of programming.

Why is the construction of new fishing ports not eligible for EMFAF support?

There is **no economic need** for new ports. The EU's coastal areas are already well equipped. New capacities would crowd out activity from existing ports, thus undermining their economic viability.

Moreover, new ports are **expensive** and the EMFAF has a small budget.

Therefore, investments should focus on existing infrastructure.

How does the EMFAF contribute to sustainable aquaculture?

Aquaculture contributes to the EU's potential to produce food on a sustainable basis, thus playing an important role in providing long-term food security and food supplies. Aquaculture can also have non-food purposes, for example pharmaceuticals and biotechnology.

The CFP requires each EU country to develop a <u>'multiannual national strategic plan'</u> to promote the **sustainability**, **competitiveness** and **diversification** of aquaculture. The EMFAF supports the actions set out in these plans, for example as regards:

- environmental sustainability (including through organic aquaculture, resource efficiency and nature management services)
- productive investments

- innovation
- diversification of production and activities
- development of professional skills
- improvement of working conditions
- public health actions
- aquaculture stock insurance schemes
- animal health and welfare.

How does the EMFAF help improve markets for fishery and aquaculture products?

Food security and food supplies rely on efficient and well-organised markets for fishery and aquaculture products to ensure the transparency, stability, quality and diversity of the **supply chain**, as well as **consumer information**.

For this purpose, the CFP includes a <u>'common organisation of the markets'</u>, which officially recognises 'producer organisations' as bodies representing fishery and aquaculture producers.

These organisations develop and implement 'production and marketing plans' to collectively manage their members' activities, in particular to help them match supplies with market demands.

The common organisation of the markets also recognises 'inter-branch organisations', consisting of different categories of operators in fisheries and aquaculture, which coordinate marketing activities along the supply chain (i.e. vertical integration of producers, distributors and retailers).

The EMFAF supports the marketing of fishery and aquaculture products in line with these objectives. In particular, it can help:

- create producer organisations and implement their production and marketing plans
- develop new market outlets
- promote traceability and consumer information
- add value to products (e.g. through labelling on quality, sustainability or geographical origin)
- disseminate market intelligence throughout the supply chain.

Under which conditions does the EMFAF support the processing of fishery and aquaculture products?

The processing industry plays an important role in ensuring the availability and quality of fishery and aquaculture products.

The EMFAF can support targeted investments in that industry in order to achieve the objectives of the <u>common organisation of the markets</u>.

For larger companies (i.e. bigger than small and medium-sized businesses), support is provided through financial instruments (loans or guarantees). Direct grants are reserved for small and medium-sized businesses.

How does the EMFAF strengthen the resilience of fisheries and aquaculture?

Fisheries and aquaculture are exposed to increasing economic and environmental risks due to, among other things, the COVID-19 pandemic, climate change and price volatility.

The EMFAF can help them adapt to this changing situation and unlock new business opportunities as ways of strengthening their resilience.

In particular, the EMFAF can support the following actions:

- fostering **collective organisation** and capacity building to develop collective business strategies and share knowledge (e.g. set-up of producer organisations, market intelligence, advisory services)
- stimulating market-driven **research and innovation** to develop new services or products with high potential (e.g. feasibility studies and pilot projects, applied research for new products and new production processes)
- supporting **structural investments** expected to be financially viable but which cannot receive sufficient funding from market sources (key areas of investment: energy efficiency, quality of products, circular economy)
- **diversifying** business activities and sources of income (e.g. complementary activities in the local blue economy, partnerships within local communities)
- upgrading **skills** to cover the needs stemming from new business opportunities (e.g. professional training, mentoring young fishers, lifelong learning, sharing knowledge and experience)
- strengthening market organisation to add value to products and develop new outlets (e.g. implementing production and marketing plans, vertical integration of fisheries and aquaculture producers with distributors and retailers in inter-branch organisations)
- increasing the capacity of the fisheries and aquaculture sectors to **manage risks** and respond to adverse events (e.g. mutual funds, insurance instruments, collective management of environmental risks).

How is the EMFAF supporting fisheries and aquaculture during the COVID-19 pandemic?

If the pandemic significantly disrupts the markets of fishery and aquaculture products, the Commission can activate an **exceptional temporary emergency measure** to alleviate the immediate economic consequences. This measure allows for fishers and aquaculture farmers to receive **financial compensation** for their economic losses and additional costs. The Commission continuously monitors the situation in the markets and will consider all the necessary actions if there is evidence of markets being significantly disrupted.

The EMFAF can also help the fisheries and aquaculture sectors adapt to health and hygiene requirements, e.g. through the purchase of personal protection equipment.

Furthermore, it can facilitate the development of temporary alternative market outlets to compensate for restaurant closures (e.g. direct sales to customers).

In the longer term, the EMFAF can support investments towards stronger resilience (see the previous question for details).

How does the EMFAF support small-scale coastal fishing?

'Small-scale coastal fishing' is carried out by i) marine and inland fishing vessels with an overall length not exceeding 12 metres and which do not use towed fishing gear (i.e. trawled gear), and ii) fishers on foot.

It represents nearly 75% of all fishing vessels registered in the EU and **nearly half** of all employment in the fisheries sector. Therefore, it plays an important socio-economic role in local coastal communities.

In this context, the EMFAF has a specific focus on small-scale costal fishing.

- Projects related to small-scale coastal fishing can be supported with a rate of public aid of 100%, except for projects related to i) the first acquisition of a fishing vessel by a young fisher, ii) the replacement or modernisation of an engine and iii) the increase in volume of a fishing vessel. The maximum rate for these projects is 40%.
- EU countries must take into account the **specific needs** of small-scale coastal fishing in their EMFAF programmes, and describe therein the actions required for its development.
- EU countries must endeavour to introduce **simplified procedures** for small-scale coastal fishing businesses applying for EMFAF support.

How does the EMFAF support the EU's outermost regions?

The outermost regions face specific **challenges** linked to their remoteness, topography and climate. However, they also have specific **assets** on which to develop a sustainable blue economy.

In this context, the EMFAF has a specific focus on these regions.

- The EU countries concerned (France, Portugal and Spain) prepare an action plan for each of their outermost regions. It develops a strategy for developing sustainable blue economy sectors, including fisheries and aquaculture. Financial resources are reserved to help implement the action plans.
- The EMFAF can provide financial compensation to operators from the outermost regions for the additional costs they face in the fishing, farming, processing or marketing of fishery and aquaculture products due to the specific situation of those regions.
- Projects implemented in the outermost regions can benefit from a high rate of public aid (85%).

Are recreational fishers eligible for EMFAF support?

Recreational fisheries cover non-commercial fishing activities which use marine living aquatic resources for recreation, tourism or sport.

Recreational fishers are eligible for support insofar as their projects help achieve the fund's objectives. For example, they can participate in actions that protect the marine environment and in partnerships on sustainable maritime tourism in local communities.

How does the EMFAF help develop a sustainable blue economy?

The blue economy covers the traditional and emerging economic activities related to oceans, seas, coasts and inland waters. It relies on innovation and investment in maritime businesses that have the potential to create **jobs** and increase **development** in local coastal communities, e.g. the <u>bio-economy</u>, sustainable tourism models, ocean-based renewable energy, innovative shipbuilding and port service.

The EMFAF focuses on the enabling conditions for the development of the sustainable blue economy and on removing bottlenecks to **facilitate investment** in new markets, technologies and services.

In particular, it supports:

- maritime governance to coordinate human activities at sea in a sustainable manner (e.g. through 'maritime spatial planning')
- the transfer and uptake of research, innovation and technology in private investment
- the development of maritime skills
- the dissemination of marine and maritime environmental and socio-economic data
- the development of project pipelines to leverage private investment.

How does the EMFAF support local initiatives in coastal communities?

Developing a sustainable blue economy plays a key role in sustaining local coastal communities.

In this respect, the EMFAF supports **local partnerships** across maritime sectors to empower communities to maximise their environmental, cultural, social and human resources and **tap into the opportunities** offered by the blue economy in their specific areas.

Under a tool called 'community led local development', stakeholders from the community set up a 'local action group' to develop and implement a local strategy. It fosters small-scale collective initiatives and promotes innovations that help develop the local blue economy and protect the marine environment.

The local partnerships ensure a balanced involvement and representation of the relevant stakeholders across sectors. They can focus on traditional sectors (e.g. fisheries, aquaculture, tourism) and/or foster economic diversification through synergies with emerging maritime sectors (e.g. <u>blue bio-economy</u>).

'Community led local development' is available to any local community where the blue economy has potential for providing economic opportunities, including in inland areas.

How does the EMFAF support the EU agenda for international ocean governance?

60% of the World's oceans are outside of national jurisdictions. This implies shared international responsibility to manage them.

In this context, the EU aims to drive better ocean governance at bilateral, regional and multilateral levels in the following areas:

- fighting illegal, unreported and unregulated fishing
- reducing human pressure on the oceans
- creating the conditions for a sustainable blue economy
- strengthening international marine research.

This is helping to fulfil the <u>UN's Sustainable Development Goal 14</u> ('conserve and sustainably use the oceans, seas and marine resources for sustainable development') by ensuring that oceans are **healthy**, **safe** and **sustainably managed**.

The EMFAF supports actions carried out within the framework of international processes, agreements and institutions that regulate and manage human activities in the oceans (e.g. in the context of the <u>UN Convention on the Law of the Sea</u>).

How does the EMFAF contribute to maritime security and coast guard cooperation?

Border protection and maritime security are essential for enabling **safe conditions** for the maritime economy and preventing illegal behaviour that damages the marine environment.

In this respect, the EMFAF supports maritime surveillance and coast guard cooperation under the <u>'common information sharing environment'</u> (CISE), which facilitates information exchange between public authorities involved in maritime surveillance across EU countries and EU institutions.

Implementation and monitoring

What is the rate of EMFAF support (under 'shared management')?

The standard maximum rate of public aid granted to beneficiaries is 50%.

However, there are derogations depending on the added value of the project.

For example:

- there is a lower rate (40%) for certain individual investments in fishing vessels
- there is a higher rate (up to 100%) for projects combining innovation, collective interest and collective beneficiaries, as well as for those related to protecting marine biodiversity
- small-scale coastal fishers can receive 100% for most of their projects.

The **maximum co-financing rate** (i.e. the share paid by the EMFAF in the total public expenditure of a project) is **70%**, with the exception of 100% for compensation in the outermost regions to cover additional costs (see the question on the outermost regions).

To what extent is the EMFAF simpler than its predecessor, which covered 2014-2020 (the European Maritime and Fisheries Fund)?

The previous fund was based on a precise and rigid description of financing possibilities and eligibility rules ('measures'). This made it complicated for EU countries and beneficiaries to implement.

The EMFAF is based on a **simpler structure** without rigid measures, using the following approaches:

- It has *4 priorities* describing the overall scope of support in line with the objectives of the CFP, the EU maritime policy and the EU agenda for international ocean governance:
 - (1) fostering sustainable fisheries and the restoration and conservation of aquatic biological resources
 - (2) fostering sustainable aquaculture activities, and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union
 - (3) enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities
 - (4) strengthening international ocean governance and enabling seas and oceans to be safe, secure, clean and sustainably managed.

- Each priority comprises *specific objectives*, which broadly describe the operational scope of support along thematic areas (e.g. protection of biodiversity, promotion of sustainable aquaculture, collection of scientific data).
- There are **limited eligibility rules** at EU level. It is up to EU countries to develop in their national EMFAF programmes the most appropriate means for achieving the objectives set in line with the 4 priorities. They have flexibility in setting the eligibility rules.
- There are conditions and restrictions for certain types of subsidies. The EMFAF Regulation includes a list of ineligible operations to avoid detrimental impacts on sustainability (e.g. investments increasing fishing capacity). Moreover, certain categories of subsidies to the fishing fleet are subject to specific eligibility rules to ensure their consistency with the CFP's conservation objectives (e.g. a new engine installed on a fishing vessel cannot have more power than that being replaced).
- **Performance monitoring**: the implementation of the EMFAF is monitored with output and result indicators. EU countries report on progress made towards meeting targets established in their programmes and, in an annual review meeting, they discuss progress made on implementation with the Commission. This enables potential implementation issues to be detected early and identifies corrective actions, if necessary.

How does the Commission assess EMFAF programmes before approving them?

Under 'shared management', each EU country prepares a single national programme, which the Commission approves after an in-depth assessment. In this assessment, the Commission takes into account the programme's contribution to the EMFAF's common priorities and to the objectives of:

- resilience
- green transition
- digital transition
- environmental, economic and social sustainability
- climate change mitigation and adaptation
- development of sustainable small-scale coastal fishing.

The Commission also assesses the programmes based on the <u>Sea Basin Analysis</u>, a public document indicating the main challenges of each sea basin regarding the CFP's objectives. That analysis aims to guide EU countries in addressing common sea basin challenges in their programmes.

How are national EMFAF programmes structured?

A national EMFAF programme is a **strategic roadmap for public investment** between 2021 and 2027. It describes tailor-made actions to respond to the specific challenges identified by the EU country as regards the common EU priorities for marine biodiversity, maritime policy and sustainable fisheries and aquaculture.

There are 4 main sections in the programmes:

- The **identification of needs**: these are underpinned by an analysis on strengths, weaknesses, opportunities and threats.
- The **development of appropriate actions**: EU countries describe specific actions to respond to their needs with EMFAF support.
- The **setting of targets** to monitor implementation and results: EU countries set targets based on output and result indicators to reflect the expected effects of the actions supported by the EMFAF.
- The **distribution of financial resources** across the specific objectives of the fund in accordance with the overall strategy of the programme.

How is EMFAF implementation monitored?

The EMFAF's implementation is continuously monitored in a transparent manner.

- Twice per year, EU countries report on the values of the indicators selected in their EMFAF programmes. This information is aggregated at EU level and made publicly available.
- 5 times per year, EU countries report on the number of selected projects and on their financial cost. This information is aggregated at EU level and made publicly available. It is also broken down according to thematic areas.
- Twice per year, EU countries report on the detailed characteristics of each project and beneficiary. The Commission uses this information for regular *ad hoc* reporting.
- The Commission discusses the EMFAF's implementation with each EU country in an annual review meeting. This meeting aims to identify potential issues in the national EMFAF programme and corrective actions if necessary.
- By 30 June 2029, each EU country will evaluate its EMFAF programme to assess its impact.
- By the end of 2024 and subsequently by the end of 2031, the Commission will evaluate the effectiveness, efficiency, relevance, coherence and EU added value of the EMFAF as a whole.