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**PROPOSAL**

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Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

Encl.: COM(2011) 804 final



EUROPEAN COMMISSION

Brussels, 2.12.2011  
COM(2011) 804 final

2011/0380 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation(EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy**

{SEC(2011) 1416 final}

{SEC(2011) 1417 final}

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

The Commission proposal for the Multiannual Financial Framework (MFF) 2014-2020 adopted on June, 29<sup>th</sup>, set the budgetary framework and main orientations for the funding of Common Fisheries Policy (CFP) and the Integrated Maritime Policy (IMP).

Further, the Commission adopted on July 13<sup>th</sup>, 2011 a package laying down the new CFP legislative framework. The Integrated Maritime Policy (IMP) was financed in the years 2008-2010 through a series of pilot schemes and preparatory actions. A new financial instrument has been proposed by the Commission for the period between 2012 and 2013. With the launch of the new MFF, it becomes necessary to adopt a long-term instrument for financial support of the IMP.

The Commission adopted on October 6<sup>th</sup> 2011 a **proposal for a "Common Provisions"** Regulation which lays down common rules for the shared-management funds, with the main aim of simplification of policy delivery. The European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development and the future European Maritime and Fisheries Fund (CSF Funds) pursue complementary objectives and share the same management mode. The "Common Provisions" Regulation sets out a series of common rules for these funds. These provisions concern the general principles such as partnership, multi-level governance, equality between men and women, sustainability and compliance with applicable EU and national law. The proposal also contains the common elements of strategic planning and programming, including a list of thematic objectives derived from the Europe 2020 Strategy, provisions on the Common Strategic Framework at Union level and on Partnership Contracts to be concluded with each Member State. It introduces macroeconomic conditionalities and sets out a common approach to the performance orientation of the CSF funds. Accordingly, it includes ex-ante conditionalities and performance review, but also the arrangements for monitoring, reporting and evaluation. Common provisions are also set out with regard to eligibility rules, and special arrangements are defined for financial instruments and community led local development. Some management and control arrangements are also common to all CSF Funds.

The current proposal for the Regulation on **European Maritime and Fisheries Fund** (EMFF) aims at achieving the objectives of the reformed CFP and of IMP. It is based on these objectives, re-defined in terms of funding:

- (1) promotion of sustainable and competitive fisheries and aquaculture;
- (2) fostering the development and implementation of the Union's Integrated Maritime Policy, in a complementary manner to cohesion policy and to CFP;
- (3) promotion of balanced and inclusive territorial development of fisheries areas (including aquaculture and inland fishing);
- (4) contribution to the implementation of the CFP.

The World Trade Organisation negotiations on new fisheries subsidies disciplines are ongoing. Their preliminary nature does not allow anticipating the outcome. However, if new

EU obligations arise as the result of these negotiations, the compatibility of the EMFF proposal should be ensured. For this purpose, a compatibility analysis of the relevant EMFF measures may be needed.

## **2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS**

On the basis of the FIGG ex-post evaluation, the interim evaluation of the EFF and the impact assessment for the CFP reform, the impact assessment of the EMFF assesses three alternative scenarios: (i) the "EFF+", which is a continuation of the current EFF without most of the direct fleet subsidies and the support focused on the objectives of the CFP reform (ii) the "EFF+ integration", in which the other CFP funding instruments are integrated into a post EFF fund, but keep the same management mode as today and (iii) the "EFF+ convergence" in which support to IMP is also integrated under the new single fund and all the instruments are brought to the extent possible under the shared management.

These three policy scenarios were aligned with the preferred scenario for the CFP reform and evaluated against the same baseline scenario. They also took into account the results of the consultations launched with the adoption of the Green Paper in April 2009. The outcome of these consultations is summarised below:

- Many contributions ask for the continuation of public funding for the fisheries, although a few Member States and most NGOs argue that they preserve unviable structures, contribute to overcapacity and maintain industry dependence on subsidies.
- There is an agreement that any future support should accompany the implementation of CFP reform and ease adjustment costs of the industry.
- EU funding should focus on research and innovation, enhancing marine protection, and supporting fishermen's organisations and local development.
- The link to the IMP is considered important: maritime policies can no longer act in isolation, and the coherence of the CFP with the IMP needs to be reinforced.
- More conditionality between EU financing and reaching CFP objectives is needed. Compliance with rules/targets should have a bearing on fund availability.
- A more sectoral approach to the allocation of funding (linked to the size of the fisheries sector instead of the level of economic development, as it is the case today) is strongly supported by a group of Member States while the EP opposes this.
- There is general agreement on the importance of the small-scale coastal fleets which remain a significant source of jobs in coastal communities. Some Member States want a privileged access of this fleet to financing, while others do not favour a specific approach.
- An overwhelming majority of industry and MS consider that common services (such as control and data collection) should continue to be supported under EU funding.

In addition to the public consultation, around 200 meetings with the stakeholders were organized. Meetings during which the CFP reform and funding were discussed took also place

in 2010 and 2011. In particular: (i) a dedicated seminar on the future EFF with the stakeholders from industry, trade unions, EP and Member States was organised on April 13<sup>th</sup>, 2010, in Brussels (ii) two meetings with the Member States took place in Gand (12-14 September 2010) and Noordwijk (9-11 March 2011) (iii) a conference on the future of local development in fisheries areas took place in Brussels, 12-13<sup>th</sup> April, 2011. Finally, the validity of the integrated approach to maritime affairs and the need for IMP funding have been confirmed by the Commission, the Council and the EP.

The impact assessment concluded that the "EFF+ Convergence" performs better than the two other options on the three impact indicators chosen for the analysis: the reduction of the impact of fisheries on the environment, the closure of the innovation gap in fisheries and aquaculture and the number of jobs created in communities dependent on fisheries.

### 3. LEGAL ELEMENTS OF THE PROPOSAL

It is proposed that most of the current CFP and IMP financial instruments are integrated into one fund, with the exception of Sustainable Fisheries Agreements (SFAs) and the compulsory contribution to RFMOs. The EMFF is structured around 4 pillars:

- **Smart, Green Fisheries** (shared management) to foster the transition to sustainable fishing which is more selective, produces no discards, does less damage to marine ecosystems and thus contributes to the sustainable management of marine ecosystems; and to provide support focused on innovation and value added, making the fisheries sector economically viable and resilient to external shocks and to competition from third countries.
- **Smart, Green Aquaculture** (shared management) - to achieve economically viable, competitive and green aquaculture, capable of facing global competition and providing EU consumers with healthy and high nutrition value products.
- **Sustainable and Inclusive Territorial Development** (shared management) - to reverse the decline of many coastal and inland communities dependent on fishing, through adding more value to fishing and fishing related activities and through diversification to other sectors of the maritime economy.
- **Integrated Maritime Policy** (direct centralised management) to support those cross cutting priorities which generate savings and growth but which the Member States will not take forward on their own – such as marine knowledge, maritime spatial planning, integrated coastal zone management and integrated maritime surveillance, the protection of the marine environment, in particular its biodiversity, and adaptation to the adverse effects of climate change on coastal areas.

In addition to the four pillars, the EMFF will include accompanying measures: data collection and scientific advice, control, governance, fisheries markets (including outermost regions), voluntary payments to RFMOs and technical assistance.

The proposal **complies with the principle of subsidiarity**. The general objective of the EMFF is to **support the objectives of the CFP**, a policy on which the EU has exclusive competence, and to further develop the EU Integrated Maritime Policy. Acting on their own, the MS are not in a position to achieve these objectives which will be better achieved at EU level by multi-annual financing focussed on the relevant priorities.

#### 4. Lessons learned and new features of the EMFF

##### Contribution to Europe 2020

EMFF will contribute to achieving the objectives of the Europe 2020 strategy under three flagship initiatives: i) a resource efficient Europe, ii) an innovation union and iii) the agenda for new skills and jobs.

Supporting the transition to sustainable fishing, based on maximum sustainable yields, the elimination of discards and the reduction of the impact of fisheries on the marine environment, the promotion of aquaculture with high levels of environmental protection and an increased coordination of maritime policies leading to more sustainable use of resources will be a key contribution of the EMFF to "Resource Efficient Europe".

Under "An agenda for new skills and jobs" the priority of the EMFF will be to increase employment, territorial cohesion and social inclusion in fisheries dependent communities. The diversification of local economies, in particular towards other sectors of the maritime economy, will create new jobs and growth opportunities in coastal areas.

The EMFF will also contribute to "Innovation Union", through the support for product and process innovation at all levels of the production, marketing and distribution chains of the fisheries and aquaculture sectors, increase in added value of fisheries and aquaculture products, support to eco-innovation and further development of new, innovative, cross-cutting policy tools such as Marine Knowledge, Maritime Spatial Planning and Integrated Maritime Surveillance.

##### Reinforced social dimension

EMFF will promote social cohesion and job creation in fisheries dependent communities through adding more value to fisheries and through diversification into other maritime sectors. The community-led approach to the sustainable development of fisheries areas will be reinforced. EMFF also recognises for the first time the role that spouses – mostly women - often play in the family fishing business, in many cases without any legal recognition. They can benefit *inter alia* from EMFF support for training, in particular for the acquisition of skills linked to entrepreneurship and business management.

The EMFF will also promote human capital and foster diversification by enabling local communities to acquire skills needed for entering new activities emerging in other maritime sectors. This approach will also build on natural and cultural heritage, turning them into important assets for local development.

In view of the importance of small-scale coastal fleets for coastal communities, the EMFF proposes to apply to them a higher aid intensity rate and introduces some special measures eligible only for these fleets. These measures include professional advice on business and marketing strategies, business start ups outside fishing and special support for innovation; the latter is particularly important considering that the majority of these fishing businesses are micro enterprises with restricted access to funding.

Priority will be given to collective approaches, *inter alia* by producer organisations, which build on social capital and permit the achievement of critical mass of investment. These collective approaches will also benefit from a higher aid intensity rate.

## Environmental sustainability

The existing measures have been streamlined and reviewed in order to establish a strong link to environmental sustainability. Overcapacity remains the major problem of the CFP and is one of the key drivers of overfishing. The removal of overcapacity through public aid such as scrapping has proven ineffective; despite €1.7 billion spent since 1994, actual fishing capacity has not decreased in most of EU fleets. The EMFF will therefore not support scrapping anymore and deploy thus saved financial resources towards more effective forms of assistance to sustainable fishing.

EMFF will support the transition to Maximum Sustainable Yield (MSY) and facilitate the gradual introduction of a discard ban through the integral approach, involving measures such as support for more selective gears and fishing techniques, investment in equipment on board and port facilities necessary for the use of unwanted catches, marketing measures and processing. With the same objective, the financial allocation to data collection and scientific advice (to increase the number of stocks for which scientific advice is available) and to control expenditure (to ensure better compliance) has been substantially increased.

There will also be a focus on the development of aquaculture with high level of environmental protection and support for aquaculture which has a positive effect on ecosystems.

Worldwide fisheries represent around 1.2% of the global fuel consumption. There is a need to increase resource efficiency and reduce emissions in the catching sector and, to a lesser extent, in aquaculture in order to contribute to the Europe 2020 headline target on climate change. Accordingly, the EMFF will support some measures to mitigate climate change.

## Focus on innovative, viable and competitive fisheries and aquaculture

Both fisheries and aquaculture have difficulties to innovate. Supply, marketing and commercialisation are currently organised in such a way that fishing and aquaculture businesses are rarely involved in selling and marketing their products.

1. New measures with a strong focus on innovation have been included in the EMFF to promote the development of new or improved products, processes, management and organisation systems throughout the whole value chain, in order to help the fisheries and aquaculture to add value to their products, reduce the environmental impact of their activities and lower production costs. Innovation will also be fostered by measures to stimulate co-operation between scientists and fishermen. The support for community-led local development will also disseminate innovation at the local level, taking into account that such innovation is often defined in the local context, and may be technological or non technological, and based on new or traditional practices.
2. The EMFF will also seek, for the first time, to promote new forms of aquaculture with high growth potential, such as offshore and non food aquaculture and to encourage business start ups. The new features include also support to multifunctional aquaculture, allowing diversifying the income of aquaculture enterprises through activities such as angling, direct sale, eco tourism or aquaculture related educational activities. Support for the use of advisory services by aquaculture firms and measures increasing the potential of aquaculture sites (through, inter alia, funding for maritime spatial planning and improvement of infrastructures) are also proposed.

Complementarity and synergy with research and innovation programmes foreseen with the new Research Framework programme in preparation (Horizon 2020) will be encouraged.

### New impetus to the development of Integrated Maritime Policy (IMP)

The IMP was launched in 2007 to facilitate maritime coordination across borders and sectors (maritime transport, industry, coastal regions, offshore energy, fisheries or the marine environment). Coordination between previously compartmentalized policies results in the reduction of costs and more efficiency.

Funding for the IMP in the EMFF will focus on the development of cross-sectoral policy tools: initiatives that benefit different sectors but that cannot be accomplished within individual policy areas. Maritime Spatial Planning provides a stable legal framework for the management of marine areas, resources and ecosystem services in a sustainable way. It has been shown to accelerate maritime investments and lower legal and administrative costs for companies. Integrated Maritime Surveillance allows public actors to share data in order to efficiently cope with real time events at sea. It avoids costly duplications of resource-consuming maritime surveillance activities. Integrated surveillance means cost-effective synergies for the better use of public money. Marine Knowledge 2020 aims at pooling together Europe's fragmented marine knowledge into a resource that is freely and publicly accessible. The Marine Strategy Framework Directive, which is the environmental pillar of the IMP, will further define the boundaries of sustainability of human activities that have an impact on the marine environment.

Managing maritime affairs in an integrated way means spending public money better and maximising the effect of the various policies affecting the sea. On that line, funding will also support the development of integrated maritime governance at sea basin level. Coordination at sea basin level ensures that funds are spent within a consistent policy framework, combining different sources of funding. The inclusion of the IMP in the EMFF also supports the mainstreaming of maritime objectives into other funds enabling maritime policies to make a stronger contribution to the Europe 2020 strategy.

### Simplification and reduction of the administrative burden

The integration of five CFP and IMP financial instruments into a single fund will lead to a major simplification due to the streamlined and unified rules and procedures. In addition, data collection, control and market measures, including the compensation for the outermost regions, will be managed together with the ex-EFF measures under the shared management. This means that four sets of financial decisions, reporting, monitoring and evaluation procedures will be replaced by one.

Moreover, the interim evaluation of the EFF shows that the main administrative burden was due to the setting up of the Management and Control System. The proposal for the "Common Provisions" Regulation envisages a management and control system which is similar for CSF funds and is based on common principles. A system of national accreditation is put in place to emphasize the commitment of Member States to sound financial management. The arrangements underpinning the assurance of the Commission with regard to the regularity of expenditure have been harmonised and new common elements such as a management declaration of assurance and annual clearance of accounts have been introduced. This approach shall significantly reduce the amount of the time necessary for setting up management and control systems and accelerate the implementation. In particular the

alignment of the delivery mechanism with that of the rural development fund, will give the Member States a possibility to use the same bodies for the management of the EARDF and EMFF Operational Programmes. This will further reduce the administrative costs due to the unified approach in terms of management and control, including reporting, evaluation and monitoring.

Common rules on the use of the financial instruments give clearer framework and clarify that financial instruments can be used for all types of investment and beneficiary. This allows for bringing the EMFF contribution to already existing financial institutions, where collaboration agreements have already been developed for other EU funds, thus avoiding administrative burden and duplication and making financial engineering a more attractive alternative to co-financing through grants.

The integrated approach for community led local development (current Axis 4) facilitates joint ventures funded by CSF funds, by allowing joint assessment and approval of local development strategies, allowing the financing of management costs from one source only and avoiding reporting on these costs to different bodies.

The use of common indicators will facilitate the reporting by the Member States, focusing it on quantified data on progress and reducing the descriptive elements.

EMFF also clarifies rules of compliance with CFP, in particular with data collection framework, control and IUU Regulations, thus giving the Member States and beneficiaries more legal certainty.

In order to further simplify the implementation of the EMFF, eligibility rules are harmonised with other EU funds. This will make projects easier to handle for both beneficiaries and national authorities and will also facilitate the implementation of integrated projects. A wider utilisation of simplified cost options will be allowed for the shared management part of the EMFF (standard costs, lump sum payments and flat rate financing for grants) thus reducing the costs of control and error rate.

#### Strategic approach:

The CSF and Partnership Contracts cover five shared-management funds under the "Common Provisions" Regulation. This framework allows a better strategic fit between these funds at Union level. The CSF will be implemented through a Partnership Contract, coordinating the CSF funds at national level.

Currently, the coordination of the EFF with other strands of EU funding is done using the principle of "demarcation lines" between the funds, which led to both overlaps and gaps in policy coverage. A better coordination mechanism is therefore needed and the new delivery mechanism reinforcing the strategic approach should answer those problems. CSF and Partnership Contracts will replace the strategic approach (National Strategic Plans) introduced in the current EFF, which has serious limitations and required a disproportionate effort for Member States receiving limited EFF funding.

#### Strategic programming

EMFF focuses on CFP and IMP long-term strategic objectives including sustainable and competitive fisheries and aquaculture, consistent policy framework for the further development of IMP and balanced and inclusive territorial development of fisheries areas. In

line with the Europe 2020 strategy, these broad objectives for 2014-2020 are translated into the following six Union priorities for the EMFF:

- Increasing employment and territorial cohesion;
- Fostering innovative, competitive and knowledge based fisheries;
- Fostering innovative, competitive and knowledge based aquaculture;
- Promoting sustainable and resource efficient fisheries;
- Promoting a sustainable and resource efficient aquaculture;
- Fostering the implementation of the CFP.

These priorities will form the basis of financial programming, including the definition of target indicators in relation to each of them.

### Conditionality

The "Common Provisions" Regulation introduces new conditionality provisions to ensure that Union funding creates strong incentives for Member States to deliver Europe 2020 objectives and targets. Conditionality will take the form of both 'ex ante' conditions that must be in place before funds are disbursed and 'ex post' conditions that will make the release of 5% of the EMFF allocation contingent on performance. Ex post' conditionality will be based on the achievement of milestones related to targets for outputs and results linked to Europe 2020 objectives set for programmes in the Partnership Contract.

Union financial assistance under the EMFF will be made conditional upon the compliance of Member States and operators with the objectives and rules of CFP, in particular control obligations, the IUU Regulation and data collection obligations. In addition ex ante conditionality will apply to aquaculture, requiring the Member States to prepare multiannual national strategic plans on the basis of Union strategic guidelines. As foreseen by the CFP Regulation, the objective of these plans, based on the Union strategic guidelines, will be to facilitate sustainable development of aquaculture in relation to the business security, access to waters and space, and administrative simplification of licensing. These conditionalities will foster the compliance with CFP rules and increase the coherence of the whole policy.

### Monitoring and evaluation

The interim evaluation of the EFF concluded that the existing indicators are focused on output and are too numerous. Moreover, they lack common approach and a common definition of the units to be measured.

Accordingly, the EMFF proposes a Common Strategic Monitoring and Evaluation Framework (CMEF) in which a set of common output, result and impact indicators will be defined in cooperation with the MS and adopted in an implementing act. These indicators will be linked to the priorities of the EMFF, allowing the aggregation of data at Union level and the assessment of the progress, efficiency and effectiveness of policy implementation necessary, inter alia, for allocation of the performance reserve. Ex-ante evaluation will be used to set baseline, milestones and target indicator values which will feed into the Partnership Contracts

and the OPs. Two special annual reports in 2017 and 2019 will look at the state of delivery and the lessons for the next programming period.

#### **4. BUDGETARY IMPLICATION**

The MFF proposal provides that a significant part of the EU budget should continue to be dedicated to fisheries and maritime policies. The envelope for 2014-2020, in current prices, is set at €7,535 billion, including SFAs and the compulsory contributions to RFMOs, which will be funded separately. The EMFF budget amounts, in current prices to € 6567 million. Details on the financial impact of the EMFF proposal are set out in the financial statement accompanying the proposal.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation(EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42, Article 43(2), Article 91(1), Article 100(2), Article 173(3), Article 175, Article 188, Article 192(1), Article 194(2) and Article 195(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the "Reform of the Common Fisheries Policy" (hereinafter "the CFP Communication") set out potential challenges, objectives and orientations for the Common Fisheries Policy (hereinafter "the CFP") after 2013. In the light of the debate on that Communication, the CFP should be reformed with effect from 1 January 2014. That reform should cover all the main elements of the CFP, including its financial aspects. In order to address the objectives of the reform, it is appropriate to repeal Council Regulation (EC) No 1198/2006 on the European Fisheries Fund<sup>3</sup>, Regulation (EC) No 861/2006 establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea<sup>4</sup>, the provisions of Regulation (EC) No 1290/2005 Guarantee Fund concerning the fishery and aquaculture products<sup>5</sup>, Regulation (EC) No 791/2007 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> OJ L223, 15.8.2006, p.1

<sup>4</sup> OJ L 160, 14.6.2006, p.1.

<sup>5</sup> OJ L209, 11.8.2005, p.1.

products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion, as a result of those regions' remoteness<sup>6</sup> and to replace them with a new Regulation on the European Maritime Fisheries Fund (EMFF). Recognizing that all matters related to Europe's oceans and seas are interlinked, the new Regulation should also support the further development of the Integrated Maritime Policy (IMP) covered in [Regulation of the European Parliament and of the Council establishing a Programme to support the further development of an Integrated Maritime Policy].

- (2) The scope of the EMFF should cover the support of the CFP which extends to conservation, management and exploitation of marine biological resources, fresh water biological resources and- aquaculture, as well as to the processing and marketing of fishery and aquaculture products, where such activities take place on the territory of Member States, or in Union waters, including by fishing vessels flying the flag of, and registered in, third countries, or by Union fishing vessels, or by nationals of Member States, without prejudice to the primary responsibility of the flag State, bearing in mind the provisions of Article 117 of the United Nations Convention on the Law of the Sea.
- (3) The success of the Common Fisheries Policy depends on an effective system of control, inspection and enforcement as well as on reliable complete data, both for scientific advice and for implementation and control purposes; therefore the EMFF should support these policies.
- (4) The scope of the EMFF should cover the support to the IMP which extends to the development and implementation of coordinated operations and decision-making in relation to the oceans, seas, coastal regions and maritime sectors complementing the different EU policies that touch upon them, notably the Common Fisheries Policies, transport, industry, territorial cohesion, environment, energy and tourism. Coherence and integration should be ensured in the management of different sectoral policies within the Baltic Sea, North Sea, Celtic Seas, Bay of Biscay and the Iberian Coast, Mediterranean and Black Sea sea basins.
- (5) In line with the conclusions of the European Council of 17 June 2010, whereby the Europe 2020 Strategy was adopted, the Union and Member States should implement the delivery of smart, sustainable and inclusive growth, while promoting harmonious development of the Union. In particular, resources should be concentrated to meet the Europe 2020 objectives and targets and effectiveness should be improved by an increased focus on results. The inclusion of the IMP in the new EMFF also contribute to the major policy objectives set out in the Communication from the Commission of 3 March 2010 "Europe 2020 - A strategy for smart, sustainable and inclusive growth"<sup>7</sup> ("Europe 2020 Strategy") and is in line with the general objectives to increase economic, social and territorial cohesion set out in the Treaty.
- (6) To ensure that the EMFF contributes to the achievement of the objectives of the CFP, the IMP and the Europe 2020 Strategy, it is necessary to focus on a limited number of core priorities relating to fostering innovation and knowledge based fisheries and aquaculture, promoting sustainable and resource-efficient fishing and aquaculture, and

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<sup>6</sup> OJ L176, 6.7.2007, p 1.

<sup>7</sup> COM(2010) 2020 final, 3.3.2010.

increasing employment and territorial cohesion by unlocking the growth and job potential of coastal and inland fisheries communities and promoting diversification of fisheries activities into other sectors of the marine economy.

- (7) The Union should at all stages of implementation of the Fund, aim at eliminating inequalities and promoting equality between men and women, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.
- (8) The overall objective of the Common Fisheries Policy is to ensure that fishing and aquaculture activities contribute to long-term sustainable environmental conditions which are necessary for economic and social development. It should contribute moreover to increased productivity, a fair standard of living for the fisheries sector, stable markets, ensure the availability of resources and that supplies reach consumers at reasonable prices.
- (9) It is paramount to better integrate environmental concerns into the CFP which should deliver on the objectives and targets of the Union's environmental policy and the Europe 2020 Strategy. The CFP is aimed at an exploitation of living marine biological resources that restores and maintains fish stocks at levels which can produce the maximum sustainable yield, not later than 2015. The CFP shall implement the precautionary and eco-system approaches to fisheries management. Consequently the EMFF should contribute to the protection of the marine environment as set out in the Directive 2008/56/EC of the European Parliament and the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive)<sup>8</sup>.
- (10) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States given the scale and effects of the operations to be financed under the operational programmes and the structural problems encountered in the development of the fisheries and maritime sectors as well as the limited financial resources of the Member States, these objectives can therefore be better achieved at Union level by providing multi-annual financial assistance focused on the relevant priorities, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5(3) of the Treaty on the European Union. In accordance with the principle of proportionality as set out in Article 5(4) of that Treaty, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (11) The financing of the Common Fisheries Policy and Maritime Integrated Policy expenditure through a single fund, the EMFF, should address the need for simplification as well as strengthening the integration of both policies. The extension of shared management to Common Markets Organisations including the compensation for the outermost regions, control and data collection activities should further contribute to simplification and reduce the administrative burden both for the Commission and the Member States as well as achieve greater coherence and efficiency of the support granted.

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<sup>8</sup> OJ L 164, 25.6.2008, p. 19

- (12) The Union budget should finance the Common Fisheries Policy and the Integrated Maritime Policy expenditure through a single fund, the EFMF, either directly or in the context of shared management with the Member States. Shared management with the Member States should apply not only to measures to support fisheries, aquaculture and community-led local development but also to Common Markets Organisations and the compensation for the outermost regions, control and data collection activities. Direct management should apply to scientific advice, voluntary contributions to Regional Fisheries Management Organisations, advisory councils and operations for the implementation of an Integrated Maritime Policy. The types of measures that can be financed using the EMFF should be specified.
- (13) It is necessary to distinguish between control and enforcement measure categories being co-financed within the framework of shared management and those within the framework of direct management. It is crucial to ring-fence the resources to be allocated to control under shared management.
- (14) According to Articles 50 and 51 of the [Regulation on the Common Fisheries Policy] (hereinafter CFP Regulation) Union financial assistance under EMFF should be made conditional upon compliance by Member States as well as by operators with the rules of the CFP. This conditionality is intended to reflect the responsibility of the Union to ensure, in public interest, conservation of marine biological resources under the CFP, as enshrined in Article 3 of the TFEU.
- (15) The achievement of the objectives of the CFP would be undermined if Union financial assistance under EMFF is disbursed to operators who, *ex-ante*, do not comply with requirements related to the public interest of conservation of marine biological resources. Therefore only operators should be admissible who, within a particular period of time before lodging an application for aid, were not involved in the operation, management or ownership of fishing vessels included in the Union IUU vessel list as set out in Article 40(3) of Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulation (EEC) No 2847/93, (EC) No 1936/2001 and (EC) No 601/2004 and repealing Regulations (EC) No 1093/94 and (EC) No 1447/1999<sup>9</sup>, and who have not committed a serious infringement under 42 of the Regulation (EC) No 1005/2008 or Article 90(1) of the Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations (EC) No 847/96, (EC) No 2371/2002, (EC) No 811/2004, (EC) No 768/2005, (EC) No 2115/2005, (EC) No 2166/2005, (EC) No 388/2006, (EC) No 509/2007, (EC) No 676/2007, (EC) No 1098/2007, (EC) No 1300/2008, (EC) No 1342/2008 and repealing Regulations (EEC) No 2847/93, (EC) No 1627/94 and (EC) No 1966/2006<sup>10</sup>. or other cases of non-compliance with CFP rules which particularly jeopardise the sustainability of the stocks concerned and constitute a serious threats to the sustainable exploitation of living marine biological resources that restores and maintains populations of harvested species above levels which can produce the Maximum Sustainable Yield (hereinafter MSY).

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<sup>9</sup> OJ L286, 29.10.2008, p.1.

<sup>10</sup> OJ L 343, 22.12.2009, p. 1.

- (16) In addition, the beneficiaries should continue to comply with requirements related to the public interest of conservation of marine biological resources after lodging the aid application, during the whole period of implementation of operation and, for certain types of operation, also for an identified period of time after the last payment. Support disbursed to or retained by beneficiaries who do not respect the requirements related to the public interest of conservation of marine biological resources might be possibly linked to infringements and thus might jeopardize the achievements of the objectives of the CFP.
- (17) The consequences laid down for the failure to fulfil the eligibility conditions should apply in case of infringements of the CFP rules by the beneficiaries. In order to determine the amount of ineligible expenditure, the gravity of the non compliance by the beneficiary with CFP rules, the economic advantage derived from the non-compliance with CFP rules or the importance of the EMFF contribution to the economic activity of the beneficiary should be taken into account.
- (18) The achievement of the objectives of the CFP would also be undermined if Union financial assistance under EMFF is paid to Member States who do not comply with their obligations under the CFP rules related to the public interest of conservation of marine biological resources, such as collecting data and implementing the control obligations. Moreover, without complying with those obligations there is a risk that inadmissible beneficiaries or ineligible operations are not detected by the Member States.
- (19) As precautionary measures, in order to prevent that non compliant payments take place as well as incentivise the Member State to comply with CFP rules or require compliance by the beneficiary, interruption of the payment deadline and suspension of payments, which are timely limited in their scope of application, should both be used. In order to respect the principle of proportionality, the financial corrections which have definite and irrevocable consequences should only apply to expenditure directly linked to operations during which the cases of non-compliance with CFP rules have been committed.
- (20) In order to improve coordination and harmonise implementation of the Funds providing support under the cohesion policy, namely the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), with the Funds for rural development, namely the European Agricultural Fund for Rural Development (EAFRD), and for the maritime and fisheries sector, namely the European Maritime and Fisheries Fund (EMFF), common provisions have been established for all these Funds (the 'CSF Funds') in the [Regulation (EU) No [...] laying down Common Provisions]<sup>11</sup>. In addition to this Regulation, the EMFF contains specific provisions due to the particularities of the CFP and the IMP.
- (21) Taking into account the size of the future EMFF and in the light of the principle of proportionality, the provisions relating to the strategic planning have been derogated from the Regulation [on Common Provisions], henceforth the consultation of the stakeholders should take place at least twice during the programming period however

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<sup>11</sup> COM(2011) 615 final.

not obligatory once each year as it would constitute a excessive administrative and financial burden both for the Commission and the Member States.

- (22) Action by the Union should be complementary to action carried out by Member States or seek to contribute to that action. In order to ensure significant added value the partnership between the Commission and Member States should be strengthened through arrangements for the participation of various types of partners with full regard to the institutional competences of the Member States. Particular attention should be paid to ensuring adequate representation for women and minority groups. This partnership concerns regional, local and other public authorities, as well as other appropriate bodies, including those responsible for the environment and for the promotion of equality between men and women, the economic and social partners and other competent bodies. The partners concerned should be involved in the preparation of Partnership Contracts, as well as in the preparation, implementation, monitoring and evaluation of programming.
- (23) According to the principle of proportionality, the means employed by the Commission and Member States may vary according to the total amount of public expenditure allocated to the operational programme. Such variation should apply in particular to the means used for evaluation, control, and reporting on implementation of operational programmes;
- (24) The Commission should establish an annual breakdown by Member States of available commitment appropriations using objective and transparent criteria; these criteria should include the historical allocations under Council Regulation (EC) No 1198/2006 and the historical consumption under Council Regulation No 861/2006.
- (25) The fulfilment of certain ex-ante conditionalities is of outmost importance in the context of the CFP, especially as regards the submission of a Multiannual National Strategy Plan on Aquaculture and proven administrative capacity to comply with the data requirements for fisheries management and to enforce with the implementation of a Union control, inspection and enforcement system.
- (26) In line with the goal of simplification, all activities of the EMFF which fall under shared management, including control and data collection, should take the form of one single operational programme per Member State, in accordance with its national structure. The programming exercise shall cover the period from 1 January 2014 to 31 December 2020. Each Member State should prepare a single operational programme. Each programme should identify a strategy for meeting targets in relation to the Union priorities for the EMFF and a selection of measures. Programming should comply with Union priorities, while being adapted to national contexts and complement the other Union policies, in particular rural development policy and cohesion policy.
- (27) In order to contribute to the goal of simplification in the implementation of the EMFF and to reduce the costs of control and the error rate, Member States should make use as much as possible of the possibility offered in the [Regulation laying down Common Provisions] to use lump sums and other simplified forms of grant.
- (28) For the purpose of enforcing control obligations under the CFP, Member States should draw up the section on control of the Operational Programme in line with the priorities of the Union adopted by the Commission for this policy area. In order to adjust the

operational programme to the evolving needs in terms of control and enforcement; the control section of the operational programmes may be reviewed regularly on the basis of the changes in the priorities of the Union in the control and enforcement policy under CFP. These amendments should be approved by the Commission.

- (29) In order to keep flexibility in the programming of activities in the field of control, the revision of the section of the operational programme concerning control should be subject to a simplified procedure.
- (30) Member States should draw up the section on data collection of the Operational Programme in line with a Multiannual Union programme; In order to adapt to the specific needs of data collection activities, Member States should elaborate annual work plan which should be adapted annually under the guidance of the Commission and which should be subject to its approval.
- (31) In order to increase the competitiveness and economic performance of fishing activities it is vital to stimulate innovation and entrepreneurship. Therefore the EMFF should support innovative operations and business development.
- (32) Investment in human capital is also vital to increase the competitiveness and economic performance of fishing and maritime activities. Therefore, the EMFF should support lifelong learning, co-operation between scientists and fishermen stimulating the dissemination of knowledge as well as for advisory services helping to improve the overall performance and competitiveness of operators.
- (33) Recognising the importance of the role that spouses of self-employed fishermen play in small scale coastal fishing, the EMFF should support training and networking contributing to their professional development and giving them the means to better fulfil the ancillary tasks they traditionally perform.
- (34) Conscious of the weak presence of small scale coastal fishermen in the social dialogue, the EMFF should support organisations promoting this dialogue in the appropriate fora.
- (35) Conscious of the potential that diversification offers for small scale coastal fishermen and their crucial role in coastal communities, the EMFF should help diversification by covering business start-ups and investments for the retrofitting of their vessels, in addition to the relevant training to acquire professional skills in the relevant field outside fishing activities.
- (36) In order to address health and safety needs on board, the EMFF should support investments covering safety and hygiene on board.
- (37) As a result of the establishment of systems of transferable fishing concessions envisaged in Article 27 of the [CFP Regulation] and in order to support Member States in the implementation of these new systems, the EMFF should grant support in terms of capacity building and exchange of best practices.
- (38) The introduction of the transferable fishing concessions systems should make the sector more competitive. Consequently, there may be a need for new professional opportunities outside the fishing activities. Therefore, the EMFF should support the diversification and job creation in fishing communities in particular by supporting

business start-ups and the reassignment of vessels for maritime activities outside fishing activities of small scale coastal fishing vessels. This last operation seems to be appropriate as the small scale coastal fishing vessels are not covered by the transferable fishing concessions systems.

- (39) The objective of the Common Fisheries Policy is to ensure a sustainable exploitation of fish stocks. Overcapacity has been identified as a major driver for overfishing. It is therefore paramount to adapt the Union fishing fleet to the resources available. The removal of overcapacity through public aid such as temporary or permanent cessation and scrapping schemes has proven ineffective. The EMFF will therefore support the establishment and management of systems of transferable fishing concessions aiming at the reduction of overcapacity and increased economic performance and profitability of the operators concerned.
- (40) With overcapacity being one of the key drivers of overfishing, measures need to be taken to adapt the Union fishing fleet to the resources available; in this context, the EMFF should support the establishment, modification and management of the systems of transferable fishing concessions introduced by the CFP as management tools for reducing overcapacity.
- (41) It is paramount to integrate environmental concerns into the EMFF and support the implementation of conservation measures under the CFP taking however into account the diverse conditions throughout the Union waters. For this purpose it is essential to develop a regionalised approach to conservation measures.
- (42) In the same vein, the EMFF should support the reduction of the impact of fishing on the marine environment in particular through the promotion of eco innovation, more selective gears and equipment as well as measures aiming at protecting and restoring marine biodiversity and ecosystems and the services they provide, in line with the EU Biodiversity Strategy to 2020.
- (43) In line with the discard ban introduced by the CFP, the EMFF should support investments on board aiming at make the best use of unwanted fish caught and valorise underused components of the fish caught. Considering the scarcity of the resources, in order to maximise the value of the fish caught, the EMFF should also support investments on board aiming at adding commercial value to fish caught.
- (44) Conscious of the importance of fishing ports, landing sites and shelters, the EMFF should support relevant investments in particular to increase energy efficiency, environmental protection, the quality of the product landed, as well as safety and working conditions.
- (45) It is vital for the Union that a sustainable balance be achieved between fresh water resources and their exploitation; therefore having due regard to environmental impact while ensuring that these sectors retain economic viability, appropriate provisions should support inland fishing.
- (46) In line with the Commission's Strategy for the Sustainable Development of European Aquaculture<sup>12</sup>, the CFP objectives and Europe 2020 Strategy, the EMFF should

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<sup>12</sup> [COM\(2002\) 511 final](#).

support the environmentally, economically and socially sustainable development of the aquaculture industry.

- (47) Aquaculture contributes to growth and jobs in coastal and rural regions. Therefore, it is crucial that the EMFF is accessible to aquaculture enterprises, in particular SMEs and contributes to bringing new aquaculture farmers into the business. In order to increase the competitiveness and economic performance of aquaculture activities it is vital to stimulate innovation and entrepreneurship. Therefore the EMFF should support innovative operations and business development, in particular non-food and off-shore aquaculture.
- (48) New forms of income combined with aquaculture activities have already shown their added value for business development. Therefore the EMFF should support these complementary activities outside aquaculture such as angling-tourism, educational or environmental activities.
- (49) An other important form of increasing the income of aquaculture enterprises is adding value to their products by processing and marketing their own production, as well as introducing new species with good market prospects and thus diversifying their production.
- (50) Conscious of the need to identify the most suitable areas for developing aquaculture taking into account access to waters and space, the EMFF should support national authorities in making their strategic choices at national level.
- (51) Investment in human capital is also vital to increase the competitiveness and economic performance of aquaculture activities. Therefore, the EMFF should support lifelong learning and networking stimulating the dissemination of knowledge as well as advisory services helping to improve the overall performance and competitiveness of operators.
- (52) In order to promote environmentally sustainable aquaculture, the EMFF should support aquaculture activities which are highly respectful of the environment, the conversion of aquaculture enterprises to eco-management, the use of audit schemes as well as the conversion to organic aquaculture. In the same vein, the EMFF should also support aquaculture providing for special environmental services.
- (53) Conscious of the importance of consumer protection, the EMFF should ensure adequate support to farmers in order to prevent and mitigate the risk for public and animal health that aquaculture rearing may generate.
- (54) Recognizing the risk of investments in aquaculture activities, the EMFF should contribute to business security by covering access to stock insurance and therefore safeguarding the income of producers in case of abnormal production losses due in particular to natural disasters, adverse climatic events, sudden water quality changes, diseases or pest infestations and destruction of production facilities.
- (55) Considering that the community-led approach for local development has, over a number of years, proven its utility in promoting the development of fisheries and rural areas by fully taking into account the multi-sectoral needs for endogenous development, support should be continued and reinforced in the future.

- (56) In fisheries areas, community-led local development should encourage innovative approaches to create growth and jobs, in particular by adding value to fisheries products and diversifying the local economy towards new economic activities, including those offered by "blue growth" and the broader maritime sectors.
- (57) The sustainable development of fisheries areas should contribute to the EU2020 objectives of promoting social inclusion and poverty reduction and to fostering innovation at local level as well as to the objective of territorial cohesion, a main priority in the Lisbon Treaty.
- (58) Community-led local development should be implemented through a bottom-up approach by local partnerships that are composed of representatives of the public, private and civil society sectors and mirror correctly the local society; these local actors are best placed to draw up and implement integrated multi-sectoral local development strategies to meet the needs of their local fisheries areas; it is important in order to ensure the representativeness of local action groups that no single interest groups has more than 49% of the voting right in the decision-making bodies.
- (59) Networking between local partnerships is an essential feature of this approach. Cooperation between these local partnerships is an important development tool which should be made available by the EMFF.
- (60) The support to fisheries areas through the EMFF should be coordinated with the local development support offered by other Union Funds and should cover all aspects of the preparation and implementation of local development strategies and operations of local action groups as well as the costs of animating the local area and running the local partnership.
- (61) In order to ensure the viability of fisheries and aquaculture in a highly competitive market, it is necessary to lay down provisions granting support for the implementation of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products]<sup>13</sup> as well as for marketing and processing activities carried by operators to maximise the value of fisheries and aquaculture products. Particular attention should be paid to the promotion of operations which integrate producing, processing and marketing activities of the supply chain. In order to adapt to the new discard ban policy, the EMFF should also support the processing of unwanted catches.
- (62) Priority should be given to producer organisations and associations of producer organisations by granting them support. The compensation for storage aid and aid for production and marketing plans should gradually be phased out as the importance of this particular kind of support has lost its interest in the light of the evolving structure of the Union market for this kind of products and the growing importance of strong producer's organisations.
- (63) Recognising the growing competition small scale coastal fishermen are confronted to, the EMFF should support entrepreneurial initiatives of small scale coastal fishermen adding value to the fish they catch, in particular by carrying out the processing or direct marketing of the fish they catch.

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<sup>13</sup> OJ L[.], [.],p.;

- (64) Fishing activities in the outermost regions of the European Union are facing difficulties, in particular because of the additional costs incurred in the marketing of certain fishery products, due to the particular handicaps recognised by Article 349 of the Treaty on the Functioning of the European Union.
- (65) In order to maintain the competitiveness of certain fishery products from the outermost regions of the European Union compared with that of similar products from other European Union's regions, the European Union introduced measures in 1992 to compensate for the related additional costs in the fisheries sector. The measures applying for the period 2007-2013 are laid down in Council Regulation (EC) No 791/2007<sup>14</sup>. It is necessary to continue providing support to offset the additional costs for the marketing of certain fishery products as of 1 January 2014.
- (66) In view of the different marketing conditions in the outermost regions concerned, the fluctuations in captures and stocks and of market demands, it should be left to the Member States concerned to determine the fishery products eligible for compensation, their respective maximum quantities and the compensation amounts within the overall allocation per Member State.
- (67) Member States should be authorised to differentiate the list and the quantities of fishery products concerned and the amount of compensation within the overall allocation per Member State. They should also be authorised to adjust their compensation plans if justified by changing conditions.
- (68) Member States should set the compensation amount at a level which allows appropriate off-setting of additional costs, arising from the specific handicaps of the outermost regions and in particular from the costs of transporting the products to mainland Europe. To avoid overcompensation, the amount should be proportional to the additional costs the aid off-sets and in no case exceed 100 % of the transport and other related costs to mainland Europe. To this end, it should also take into account other types of public intervention having an impact on the level of additional costs.
- (69) It is paramount that Member States and operators are equipped in such a way that controls can be carried out to a high standard and therefore ensure compliance with the rules of the Common Fisheries Policy while providing for the sustainable exploitation of living aquatic resources; the EMFF should therefore support Member States and operators in conformity with Council Regulation (EC) No 1224/2009. By creating a culture of compliance, this support should contribute to sustainable growth.
- (70) The support granted to Member States on the basis of the Regulation (EC) No. 861/2006 for the expenditure incurred relating to the implementation of the Union control system should be continued under the EMFF pursuing the logic of a single fund.
- (71) In line with the Union control and enforcement policy objectives, it seems appropriate that a minimum time is dedicated to fisheries control in the usage of patrol vessels, aircrafts and helicopters which should be set out precisely in order to provide a basis for the support under the EMFF.

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<sup>14</sup> OJ L 176, 6.7.2007, p. 1.

- (72) Considering the importance of cooperation between Member States in the field of control, the EMFF should provide support for that purpose.
- (73) Provisions should be laid down for support to collect, manage and use of fisheries data as specified in the multiannual Union programme, in particular to support national programmes and the management and use of data for scientific analysis and CFP implementation. The support granted to Member States on the basis of the Regulation (EC) No. 861/2006 for the expenditure incurred relating to the collection, management and use of fisheries data should be continued under the EMFF pursuing the logic of a single fund.
- (74) It is also necessary to support the cooperation among Member States, as well as with third countries where relevant, with respect to the collection of data within the same sea basin, as well as with the relevant international scientific bodies.
- (75) The objective of the IMP is to support sustainable use of seas and oceans and to develop coordinated, coherent and transparent decision-making in relation to the policies affecting the oceans, seas, islands, coastal and outermost regions and maritime sectors, in accordance with the Commission Communication "An Integrated Maritime Policy of the European Union"<sup>15</sup>.
- (76) Sustained funding is needed for the implementation and further development of the Integrated Maritime Policy for the European Union as reflected in the statements of the Council, the European Parliament and the Committee of the Regions<sup>16</sup>.
- (77) The EMFF should support the promotion of integrated maritime governance at all levels especially through exchanges of best practices and the further development and implementation of sea basin strategies. These strategies aim at setting up an integrated framework to address common challenges in European sea basins and strengthened co-operation between stakeholders to maximise the use of Union financial instruments and funds and contribute to the economic, social and territorial cohesion of the Union.
- (78) The EMFF should also support the further development of tools to create synergies between initiatives taken in different sectors and affecting the seas, oceans and coasts. This is the case for integrated maritime surveillance, which aims at improving maritime situational awareness through enhanced and secure information exchanges across sectors. However, operations related to maritime surveillance falling under the scope of Title V of the Treaty on the Functioning of the European Union should not be financed through the EMFF.
- (79) Interconnection of the certain information systems run by those sectors may require mobilisation of their own funding mechanisms in a coherent way and in line with Treaty provisions. Maritime spatial planning and integrated coastal zone management are essential for the sustainable development of marine areas and coastal regions and both contributing to the aims of ecosystem-based management and the development of land-sea links. These tools are also important to manage diverse uses of our coasts,

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<sup>15</sup> COM(2007)575 final of 10.10.2007.

<sup>16</sup> General Affairs Council conclusions of 14 June 2010, EP resolution of 21 October 2010 on Integrated Maritime Policy (IMP) – Evaluation of progress made and new challenges; opinion of the Committee of the Regions on 'The development of an Integrated Maritime Policy and Marine Knowledge 2020'.

seas and oceans to enable their sustainable economic development and to stimulate cross-border investment, whereas the implementation of the Marine Strategy Framework Directive will further define the boundaries of sustainability of human activities that have an impact on the marine environment. Furthermore, it is necessary to improve knowledge of the marine world, and stimulate innovation by facilitating collection, free sharing, re-use and dissemination of data concerning the status of oceans and seas.

- (80) The EMFF should also support sustainable economic growth, employment, innovation and competitiveness within maritime sectors and in coastal regions. It is particularly important to identify regulatory barriers and skill deficiencies hindering growth in emerging and prospective maritime sectors, as well as operations aimed at fostering investment in technological innovation necessary to enhance the business potential of marine and maritime applications.
- (81) The EMFF should be complementary and coherent with existing and future financial instruments made available by the Union and the Member States, at national and sub-national level, for promoting the protection and sustainable use of the oceans, seas and coasts, helping to foster more effective cooperation between the Member States and their coastal, island, and outermost regions, and taking into account the prioritisation and progress of national and local projects. The Fund will tie in with other Union policies that may encompass a maritime dimension, in particular the European Regional Development Fund, the Cohesion Fund and the European Social Fund as well the Horizon 2020 Programme for Research and energy policy
- (82) In order to achieve the objectives of the CFP at the global level, the Union plays an active role in the work of international organisations. It is therefore essential that the Union contributes to the activities of such organisations that help to ensure the conservation and sustainably exploitation of fisheries resources on the high seas and in third country waters. The support granted to international organisations on the basis of the Regulation No. (EC) 861/2006 should be continued under the EMFF pursuing the logic of a single fund.
- (83) In order to improve governance within the CFP and ensure the effective functioning of the Advisory Councils (ACs), it is essential for ACs to be provided with sufficient and permanent funding in order to pursue effectively their advisory role within the CFP. Pursuing the logic of a single fund, the support granted to ACs under the EMFF should replace the support given to Regional Advisory Councils (RACs) on the basis of the Regulation (EC) No. 861/2006.
- (84) By way of technical assistance the EMFF should provide preparatory, administrative and technical support as well as support for information measures, networking, evaluations, audits, studies and exchanges of experience in order to facilitate the implementation of the operational programme and to promote innovative approaches and practices for simple and transparent implementation. Technical assistance should also include the setting up of a European network of Fisheries Local Action Groups aiming at capacity building, disseminating information, exchanging experience and supporting cooperation between the local partnerships.
- (85) In relation to all operations financed under this Regulation, both under shared and direct management, it is necessary to ensure the protection of the Union financial

interests by the proper application of the legislation pertaining to the protection of those interests, and to ensure that appropriate controls are carried out by Member States and by the Commission.

- (86) [Regulation (EU) No [...] laying down Common Provisions] and the provisions adopted pursuant to it should apply to the provisions of this Regulation, which fall under shared management. In particular the [Regulation (EU) No [...] laying down Common Provisions]<sup>17</sup> lays down provisions related to the shared management of the Union funds with Member States based on the principles of sound financial management, transparency and non-discrimination, as well as provisions on the function of accredited bodies, the budgetary principles, provisions which should be respected in the framework of this Regulation.
- (87) Taking however into account the specificity of the EMFF, in particular its size, the types of operations financed, the strong link to the CFP and any other relevant factors, some of the common provisions relating to shared management should be adapted, derogated or supplemented in this regulation. Where required by the provisions of the [Regulation (EU) No [...] laying down Common Provisions], the EMFF should complete and supplement those common provisions.
- (88) Conscious of the importance of ensuring conservation of marine biological and protecting fish stocks in particular from illegal fishing and in the spirit of the conclusions drawn in the Green Paper on the Reform of the CFP<sup>18</sup>, those operators who do not comply with the rules of the CFP, and particularly jeopardise the sustainability of the stocks concerned and constitute therefore a serious threat to the sustainable exploitation of living marine biological resources that restores and maintains populations of harvested species above levels which can produce the MSY, and those who are involved in IUU fishing should be excluded from support under the EMFF. Union funding should not at any stage from the selection to the implementation of an operation be used to undermine the public interest of conservation of marine biological resources expressed in the objectives of the CFP Regulation.
- (89) Member States should adopt adequate measures to guarantee the proper functioning of management and control systems. To that end, a managing authority, a paying agency and a certification body should be designated for each operational programme and their responsibilities should be specified. These responsibilities should relate primarily to the sound financial implementation, organisation of evaluation, certification of expenditure, audit and compliance with Union law. Provision should be made for regular meetings between the Commission and the national authorities concerned in order to monitor the assistance. With respect to management and control it is necessary, in particular, to establish the modalities by which Member States give the assurance that the systems are in place and function satisfactorily.
- (90) The financial interests of the European Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention,

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<sup>17</sup> OJ L[...], [...], p.

<sup>18</sup> COM(2009)163 final of 22.4.2009.

detection, and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties.

- (91) Sums recovered by Member States following irregularities should remain available to the operational programmes of the Member State concerned. A system of financial responsibility of Member States should be designed in the absence of total recovery of irregularities and the Commission should be enabled to safeguard the interests of the Union budget by charging to the Member State concerned sums lost as a result of irregularities and not recovered within reasonable deadlines.
- (92) In the interest of a good working partnership and the proper promotion of Union assistance, the broadest possible information and publicity about it should be provided for. The authorities responsible for managing assistance should be responsible for this aspect and for keeping the Commission informed of measures taken.
- (93) The rules and procedures governing commitments and payments should be simplified so that a regular cash flow is ensured. A pre-financing of 4 % of the contribution from the EMFF should help speeding up the implementation of the operational programme.
- (94) In order to ensure the sound management of Union resources, improvements should be made to the forecasting and implementing of expenditure. To that end Member States should regularly send the Commission their forecasts regarding the use of Union resources and any delays in financial implementation should give rise to repayment of advances and to automatic decommitments.
- (95) In order to address the specific needs of the CFP mentioned in Articles 50 and 51 of the [CFP Regulation] and contribute to the compliance with the CFP rules, additional provisions to the rules on interruption of the payment deadline [Regulation (EU) No [...] laying down Common Provisions] should be laid down. Where a Member State or an operator has failed to comply with its obligations under the CFP or where the Commission has evidence to suggest this lack of compliance, as a precautionary measure, the Commission should be allowed to interrupt payments.
- (96) In addition to the possibility of interruption and, in order to avoid an evident risk of paying out ineligible expenditure, the Commission should be allowed to suspend payments linked to a non compliance of CFP rules as required by Articles 50 and 51 of the [CFP Regulation].
- (97) In order to establish the financial relationship between the accredited paying agencies and the Union budget, the Commission should clear the accounts of these paying agencies annually. The clearance of accounts decision should cover the completeness, accuracy and veracity of the accounts but not the conformity of the expenditure with Union legislation.
- (98) The operational programme should be subject to monitoring and evaluation in order to improve its quality and demonstrate its achievements. The Commission should set up a framework for a common monitoring and evaluation ensuring among others that relevant data is available on a timely manner. In this context a list of indicators should be determined and the impact of the EMFF policy assessed by the Commission in relation to specific objectives.

- (99) Responsibility for monitoring of the programme should be shared between the Managing Authority and a Monitoring Committee set up for this purpose. To this end the respective responsibilities should be specified. Monitoring of the programme should involve the drawing up of an annual implementation report, to be sent to the Commission.
- (100) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing information on operational programme, including the lists of operations supported under each operational programme, should be made available. This information should give a reasonable, tangible and concrete idea to the wider public and in particular to Union taxpayers on how Union funding is spent in the framework of the EMFF. In addition to this objective, the publication of relevant data should serve the purpose of further publicising the possibility of applying for Union funding. However in full respect of the fundamental right to data protection and in line with the judgment of the Court in the Joined Cases *Schecke*<sup>19</sup>, the publication of the names of natural persons should not be requested.
- (101) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on identification of the cases of non-compliance of CFP rules which could lead to inadmissibility of application and the timeframe of application, in order to ensure ex ante conditionality in a proportionate way, identification of eligible investments on board in order to avoid investments which would lead to increasing the fishing capacity of the vessel, on the method of calculation of net revenue in the case of eco-innovation, on the determination of the eligible operations and costs linked to the protection and restoration of marine protected areas, on the identification of eligible costs in the investments in off-shore and non-food aquaculture, the determination of the content of the action plan of local development strategies, determination of eligible costs under the preparatory support for local development strategies, definition of the eligible costs under running costs and animation costs for the local development strategies, the obligations of paying agencies, the determination of tasks of certification bodies, the clarification of the procedures for adequate audit trail, the clarification of the obligations of Member States in case of recoveries of undue payments, the determination of cases of non-compliance of CFP which might lead to suspension of payments, the establishment of the criteria and methodology to apply in case of flat rate or extrapolated financial corrections and the list of relevant cases of non-compliance with CFP rules which might lead to the application of financial corrections and on the content and construction of the monitoring and evaluation system.
- (102) The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.
- (103) The Commission should be empowered to adopt, by means of implementing acts, decisions on the annual breakdown of allocations, decisions approving the operational programmes and their amendments, decisions on the priority of the Union in the

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<sup>19</sup> Judgment of the Court of 9.11.2010, Joined Cases C-92/09 and C-93/09, *Schecke*.

control and enforcement policy, decision approving the annual work plans for data collection, decisions establishing evidence of non-compliance with CFP leading to possible interruptions of the payment deadline, decisions on the failure to comply with CFP rules leading to possible suspension of payments, decisions suspending payments and lifting suspension of payments, decisions on financial corrections and a decision on clearance of accounts.

- (104) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to the format of the operational programme, the procedures to adopt the operational programme, the procedures relating to the adoption of annual work plan for data collection, the concrete application of the percentage points of aid intensity of Annex I, the period of time for sending the intermediate declaration of expenditure, rules on the obligation of paying agencies as regard to management and control, specific tasks of the certification bodies, the rules for efficient management and control, rules for the determination of the payments to be suspended, the procedures for interrupting the payment deadline or for suspending payments, the procedure for additional on-the-spots controls by the Commission, the format of the Annual Implementation Reports, the elements to be included in the ex-ante and ex-post evaluations and the elaboration of technical elements for publicity measures should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers<sup>20</sup>.
- (105) In light of the procedural nature of the provisions to be adopted by the Commission with the implementing acts of Article 24, Article 98, Article 120 and Article 143, the advisory procedure should apply when adopting these latter.
- (106) In order to facilitate a smooth transition from the system established by Regulation (EC) No 1198/2006 to the system established by this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of establishing transitional provisions.
- (107) The new support scheme provided for by this Regulation replaces the support scheme set up by Regulation (EC) No 1198/2006, Regulation (EC) No 861/2006, Regulation of the European Parliament and of the Council establishing a Programme to support the further development of an Integrated Maritime Policy, Regulation (EC) No 1290/2005 Guarantee Fund, Regulation (EC) No 791/2007 and Article 103 of the Regulation 1224/2009. Therefore, these regulations and provision should be repealed from 1 January 2014.

HAVE ADOPTED THIS REGULATION:

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<sup>20</sup> OJ L55, 28.2.2011, p.13.

# TITLE I OBJECTIVES

## CHAPTER I Scope and Definitions

### *Article 1*

#### **Subject matter**

This Regulation defines Union financial measures for the implementation of:

- (a) the Common Fisheries Policy (CFP),
- (b) relevant measures relating to the Law of the Sea,
- (c) the sustainable development of fisheries areas and inland fishing,
- (d) and the Integrated Maritime Policy (IMP).

### *Article 2*

#### **Geographical scope**

This Regulation shall apply to operations carried out in the territory of the Union unless otherwise expressly provided for in this Regulation.

### *Article 3*

#### **Definitions**

1. For the purposes of this Regulation and without prejudice to paragraph 2, the definitions referred to in Article 5 of the [Regulation on the Common Fisheries Policy]<sup>21</sup>, Article 5 of the [Regulation on the Common Organisation of the markets in fishery and aquaculture products] and Article 4 of the Council Regulation (EC) No 1224/2009 and Article 2 of Regulation No [Regulation laying down Common Provisions]<sup>22</sup> shall apply.
2. For the purpose of this Regulation, the following definitions shall apply:
  - (1) 'Common Information Sharing Environment (CISE)' means a network of systems with a decentralised set-up developed for the exchange of information across users from different sectors to improve situational awareness of activities at sea;

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<sup>21</sup> COM(2011) 425 final.

<sup>22</sup> COM(2011) 615 final.

- (2) 'cross-sectoral operations' means initiatives that mutually benefit different sectors and/or sectoral policies, as referred to in the Treaty on the Functioning of the European Union, and that cannot be accomplished entirely through measures encompassed within respective policy areas;
- (3) 'electronic recording and reporting system' (ERS) means a system for the electronic recording and reporting of data as referred to in Articles 15, 24 and 63 of Council Regulation (EC) No 1224/2009;
- (4) 'European Marine Observation and Data Network' means a network that integrates national marine observation and data programmes into a common and accessible European resource;
- (5) 'fisheries area' means an area with sea or lake shore or including ponds or a river estuary with a significant level of employment in fisheries or aquaculture and designated as such by the Member State;
- (6) 'fisherman' means any person engaging in professional fishing, as recognised by the Member State, on board of an operational fishing vessel or engaging in professional harvesting of marine organisms, as recognised by the Member State, without a vessel;
- (7) "Integrated Maritime Policy" (IMP) means a Union policy whose aim is to foster coordinated and coherent decision making to maximise the sustainable development, economic growth and social cohesion of Member States, and notably the coastal, insular and outermost regions in the Union, as well as maritime sectors, through coherent maritime-related policies and relevant international cooperation;
- (8) 'Integrated Maritime Surveillance' is a EU initiative aiming to enhance effectiveness and efficiency in surveillance activities of the European seas through information exchange and collaboration across sectors and borders;
- (9) "irregularity" means irregularity as defined in Article 1(2) of the Council Regulation 2988/95;
- (10) 'inland fishing' means fishing carried out for commercial purposes by vessels operating exclusively in inland waters or by other devices used for ice fishing;
- (11) 'integrated coastal zone management' means such strategies and measures as defined in the Recommendation of the European Parliament and of the Council (2002/413/EC) of 30 May 2002 concerning the implementation of Integrated Coastal Zone Management in Europe<sup>23</sup>;
- (12) 'integrated maritime governance' means the coordinated management of all sectoral policies of the EU affecting the oceans, seas, and coastal regions;

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O.J. L 148 of 6.6.2002

- (13) 'marine regions' means the geographical areas set out in Annex I to Council Decision 2004/585/EC and the areas established by the regional fisheries management organisations;
- (14) 'maritime spatial planning' means a process by which public authorities analyse and allocate the spatial and temporal distribution of human activities in marine areas to achieve ecological, economic and social objectives;
- (15) 'measure' means a set of operations;
- (16) 'public expenditure' means any contribution to the financing of operations derived from the Member State's budget or from the budget of regional or local authorities, or the European Union and any similar expenditure. Any contribution to the financing of operations whose origin is the budget of public-law bodies or associations of one or more regional or local authorities or public-law bodies acting in accordance with Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts shall be regarded as a public contribution<sup>24</sup>;
- (17) 'sea basin strategy' means a structured framework of cooperation in respect to a given geographical area, developed by European Institutions, Member States, their regions and where appropriate third countries sharing a sea basin; the strategy takes into account the geographic, climatic, economic and political specificities of the sea basin;
- (18) 'small scale coastal fishing' means fishing carried out by fishing vessels of an overall length of less than 12 metres and not using towed gear as listed in Table 3 Annex I of Commission Regulation (EC) No 26/2004 of 30 December 2003 regarding the fishing vessels register of the Union<sup>25</sup>;
- (19) 'vessels operating exclusively in inland waters' means vessels engaged in commercial fishing in inland waters and not included in the Union fishing fleet register.

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<sup>24</sup> OJ L 134, 30.4.2004, p.114.

<sup>25</sup> OJ L 5, 9.1.2004, p.25.

## **TITLE II**

### **GENERAL FRAMEWORK**

#### **CHAPTER I**

#### **Establishment and objectives of the European Maritime and Fisheries Fund**

##### *Article 4*

##### **Establishment**

The European Maritime and Fisheries Fund (EMFF) is hereby established.

##### *Article 5*

##### **Objectives**

The EMFF shall contribute to the following objectives:

- (a) promoting sustainable and competitive fisheries and aquaculture;
- (b) fostering the development and implementation of the Union's Integrated Maritime Policy in a complementary manner to cohesion policy and to the Common Fisheries Policy;
- (c) promoting a balanced and inclusive territorial development of fisheries areas;
- (d) fostering the implementation of the CFP.

##### *Article 6*

##### **Union priorities**

The achievement of the objectives of the EMFF shall contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth. It shall be pursued through the following six Union priorities, which translate the relevant Thematic Objectives of the Common Strategic Framework (hereinafter CSF):

- (1) Increasing employment and territorial cohesion through the following objectives:
  - (a) promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal and inland communities depending on fishing and aquaculture;
  - (b) diversification of fisheries activities into other sectors of maritime economy and growth of maritime economy, including mitigation of climate change.

- (2) Fostering innovative, competitive and knowledge based fisheries through the focus on the following areas:
  - (a) support to strengthening technological development, innovation and knowledge transfer;
  - (b) enhancement of the competitiveness and viability of fisheries, in particular of small scale coastal fleet, and improvement of safety or working conditions;
  - (c) development of new professional skills and lifelong learning;
  - (d) improved market organisation for fishery products.
- (3) Fostering innovative, competitive and knowledge based aquaculture through the focus on the following areas:
  - (a) support to strengthening technological development, innovation and knowledge transfer;
  - (b) enhancement of the competitiveness and viability of aquaculture enterprises, SMEs in particular;
  - (c) development of new professional skills and lifelong learning;
  - (d) improved market organisation for aquaculture products.
- (4) Promoting a sustainable and resource efficient fisheries through the focus on the following areas:
  - (a) reduction of the impact of fisheries on the marine environment;
  - (b) protection and restoration of marine biodiversity and ecosystems including the services they provide.
- (5) Promoting a sustainable and resource efficient aquaculture through the focus on the following areas:
  - (a) enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture;
  - (b) promotion of aquaculture with high level of environmental protection and of animal health and welfare and of public health and safety.
- (6) Fostering the implementation of the CFP through:
  - (a) the supply of scientific knowledge and collection of data;
  - (b) the support to control and enforcement, enhancing institutional capacity and an efficient public administration.

## **CHAPTER II**

### **Shared and direct management**

#### *Article 7*

#### **Shared and direct management**

1. Measures covered by Title V and technical assistance under Article 92 shall be financed by the EMFF in accordance with the principle of shared management between the Member States and the Union and under the common rules laid down by the [Regulation (EU) No [...] laying down Common Provisions].<sup>26</sup>
2. Measures covered by Title VI with the exception of the technical assistance under Article 92 shall be financed by the EMFF in accordance with the principle of direct management.

## **CHAPTER III**

### **General Principles of Assistance under Shared Management**

#### *Article 8*

#### **State aid**

1. Without prejudice to paragraph 2 of this Article, Articles 107, 108 and 109 of the Treaty shall apply to aid granted by the Member States to enterprises in fisheries and aquaculture.
2. However Articles 107, 108 and 109 of the Treaty shall not apply to payments made by Member States pursuant to, and in conformity with, this Regulation within the scope of Article 42 of the Treaty.
3. National provisions setting up public financing going beyond the provisions of this Regulation concerning financial contributions, as provided for in paragraph 2, shall be treated as a whole on the basis of paragraph 1.

#### *Article 9*

#### **Partnership**

By derogation to Article 5(4) of the [Regulation (EU) No [...] laying down Common Provisions] the Commission shall consult at least twice during the programming period the organisations which represent the partners at Union level on the implementation of support from the EMFF.

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<sup>26</sup> OJ L, P..

*Article 10*  
**Coordination**

In addition to the principles enounced in Article 4 of the [Regulation (EU) No [...] laying down Common Provisions], the Commission and the Member States shall ensure coordination and complementarity between support from the EMFF and from other Union policies and financial instruments, including the Regulation (EC) No [establishing the Framework Programme for Environment and Climate Change Action (LIFE Framework Programme)]<sup>27</sup> and those in the framework of the Union's external action. Coordination between assistance from the EMFF and LIFE Framework Programme shall be achieved in particular, by promoting the funding of activities that complement integrated projects funded under LIFE Framework Programme, as well as by promoting the use of solutions, methods and approaches validated under LIFE Framework Programme.

*Article 11*  
**Ex ante conditionalities**

The *ex ante* conditionalities referred to in Annex III of this Regulation shall apply for the EMFF.

**CHAPTER IV**  
**Admissibility of applications and ineligible operations**

*Article 12*  
**Admissibility of applications**

1. Applications submitted by the following operators shall not be admissible for support from the EMFF for an identified period of time:
  - (a) operators that have committed a serious infringement under 42 of the Regulation (EC) No 1005/2008 or Article 90(1) of the Regulation (EC) No 1224/2009;
  - (b) operators involved in the operation, management or ownership of fishing vessels included in the Union IUU vessel list as set out in Article 40(3) of the Regulation (EC) No 1005/2008;
  - (c) operators who committed other cases of non compliance with the CFP rules which seriously jeopardise the sustainability of the stocks concerned.
2. Applications submitted by operators that have committed an irregularity under the EFF or the EMFF shall not be admissible for an identified period of time.
3. The Commission shall be empowered to adopt delegated act in accordance with Article 150 concerning:

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<sup>27</sup> OJ L[.], [...],P.

- (a) the identification of the period of time referred to in paragraphs 1 and 2 which shall be proportionate to the seriousness or to the repetition of the infringement or non-compliance;
  - (b) the relevant starting or ending dates of the period referred to in paragraph 1;
  - (c) the identification of the other cases of non compliance referred to in paragraph 1(c) which seriously jeopardise the sustainability of the stocks concerned.
4. Member States shall require that operators submitting an application under the EMFF provide to the managing authority a signed statement confirming that they respect the criteria listed in paragraph 1 and have not committed an irregularity under the EEF or the EMFF as referred to in paragraph 2. Member States shall verify the veracity of the statement before the approval of the operation.
5. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 on delegation concerning the establishment of a system for the exchange of information of non-compliance between Member States.

*Article 13*  
**Ineligible operations**

The following operations shall not be eligible under the EMFF:

- (a) operations increasing the fishing capacity of the vessel;
- (b) construction of new fishing vessels, decommissioning or importation of fishing vessels;
- (c) temporary cessation of fishing activities;
- (d) experimental fishing;
- (e) transfer of ownership of a business;
- (f) direct restocking, unless explicitly foreseen as a conservation measure by a Union legal act or in the case of experimental restocking.

# **TITLE III**

## **FINANCIAL FRAMEWORK**

### *Article 14*

#### **Budget implementation**

1. The Union budget allocated to the EMFF under Title V shall be implemented within the framework of shared management according to Article 4 of [Regulation (EU) No [...] laying down Common Provisions].
2. The Union budget allocated to the EMFF under Title VI shall be implemented directly by the Commission in accordance with Article 55(1)(a) of the [new Financial Regulation].
3. The Commission shall cancel all or part of the budget commitment under direct management in accordance with the [new Financial Regulation] and in accordance with Article 147 of this Regulation.
4. The principle of sound financial management shall be applied in accordance with Articles 27 and 50 of the [new Financial Regulation].

### *Article 15*

#### **Budgetary resources under shared management**

1. The resources available for commitments from the EMFF for the period 2014 to 2020 under shared management shall be EUR 5 520 000 000 in current prices in accordance with the annual breakdown set out in Annex II.
2. EUR 4 535 000 000 of the resources referred to in paragraph (1) shall be allocated to the sustainable development of fisheries, aquaculture and fisheries areas under Chapters I, II and III of Title V.
3. EUR 477 000 000 of the resources referred to in paragraph (1) shall be allocated to control and enforcement measures referred to in Article 78.
4. EUR 358 000 000 of the resources referred to in paragraph (1) shall be allocated to measures on data collection referred to in Article 79.
5. The resources allocated to compensation of outermost regions under Chapter V of Title V, shall not exceed per year:
  - EUR 4 300 000 for the Azores and Madeira;
  - EUR 5 800 000 for the Canary Islands;
  - EUR 4 900 000 for the French Guiana and Réunion.

6. EUR 45 000 000 of the resources referred to in paragraph (1) shall be allocated to the storage aid referred to in Article 72 from 2014 to 2018 included.

*Article 16*

**Budgetary resources under direct management**

An amount of EUR 1 047 000 000 of the EMFF shall be allocated to measures under direct management as specified in Chapter I and II of Title VI. This amount includes technical assistance under Article 91.

*Article 17*

**Financial distribution for shared management**

1. The resources available for commitments by Member States referred to in Article 15 (2) to (6) for the period 2014 to 2020 as set out in the table in Annex II are determined on the basis of the following objective criteria:
- (a) As regards Title V:
    - (i) the level of employment in fisheries and aquaculture,
    - (ii) the level of production in fisheries and aquaculture, and
    - (iii) the share of small scale coastal fishing fleet in the fishing fleet;
  - (b) As regards Article 78 and Article 79:
    - (i) the extent of the control tasks of the Member state concerned approximated by the size of the national fishing fleet, the amount of landings and the value of imports from third countries;
    - (ii) the available control resources compared to the extent of the control tasks of the Member State, whereby available means are approximated by number of controls conducted at sea and of landing inspections;
    - (iii) the extent of data collections tasks of the Member State concerned, approximated by the size of the national fishing fleet, the amount of landings, the amount of scientific monitoring activities at sea and the number of surveys the Member State is taking part in, and
    - (iv) the available data collection resources compared to the extent of the data collection tasks of the Member State, where available means are approximated to the number of observers at sea and the amount of human resources and technical means needed to implement the national sampling programme for data collection.
  - (c) As regards all measures, the historical allocations under Council Regulation (EC) No 1198/2006 and the historical consumption under Council Regulation (EC) No 861/2006.

2. The Commission shall adopt a decision, by means of implementing act, setting out the annual breakdown of the global resources by Member State.

# **TITLE IV PROGRAMMING**

## **CHAPTER I**

### **Programming for measures financed under shared management**

#### *Article 18*

##### **Preparation of operational programmes**

1. Each Member State shall draw up a single operational programme to implement the Union priorities to be co-financed by the EMFF.
2. The operational programme shall be established by the Member State following close co-operation with the partners referred to in Article 5 of the [Regulation (EU) No [...] laying down Common Provisions]. Consultation of the partners on the preparatory documents shall be organised in such a way as to allow the partners to examine them.
3. For the section of the operational programme referred to in Article 20(1)(n) the Commission shall adopt by means of implementing act the priorities of the Union for enforcement and control policy by 31 May 2013 at the latest.
4. The section of the operational programme referred to in Article 20(1)(o) covering the part of the multiannual programme referred to in Article 37(5) of the [Regulation on Common Fisheries Policy] for the year 2014 shall be transmitted by 31 October 2013 at the latest.

#### *Article 19*

##### **Guiding principles for the operational programme**

In the preparation of the operational programme, the Member State shall take into account the following guiding principles:

- (a) relevant combinations of measures are included in relation to each of the Union priorities, logically following from the ex-ante evaluation and the strengths, weaknesses, opportunities and threats (hereinafter "SWOT") analysis;
- (b) a pertinent approach towards innovation and climate change mitigation and adaptation is integrated into the programme;
- (c) appropriate action is envisaged to simplify and facilitate the implementation of the programme;
- (d) where applicable, consistency of the measures under Union priorities for EMFF referred to in Article 6(3) and (5) of this Regulation with the Multiannual National Strategic Plan for Aquaculture referred to in Article 43 of the [Regulation on Common Fisheries Policy].

## Article 20

### Content of the operational programme

1. In addition to the elements referred to in Article 24 of the [Regulation (EU) No [...] laying down Common Provisions], the operational programme shall include:
  - (a) ex-ante evaluation referred to in Article 48 of the [Regulation (EU) No [...] laying down Common Provisions];
  - (b) an analysis of the situation in terms of SWOT and identification of the needs that have to be addressed in the geographical area covered by the programme;

The analysis shall be structured around the Union priorities. Specific needs concerning climate change mitigation and adaptation and promotion of innovation shall be assessed across Union priorities, in view of identifying relevant responses in these two areas at the level of each priority; a synthesis of the situation of the policy areas eligible for support in terms of strengths and weaknesses;
  - (c) a demonstration of a pertinent approach integrated into the programme towards innovation, the environment, including the specific needs of Natura 2000 areas, and climate change mitigation and adaptation;
  - (d) the assessment of the *ex ante* conditionalities and, where required, the actions referred to in Article 17(4) of the [Regulation (EU) No [...] laying down Common Provisions], and the milestones established for the purpose of Article 19 of the [Regulation (EU) No [...] laying down Common Provisions];
  - (e) a list of measures selected organised by Union priorities;
  - (f) description of selection criteria for projects;
  - (g) description of selection criteria for local development strategies under Chapter III of Title V ;
  - (h) a clear indication of the operations under Chapter III of Title V that may be undertaken collectively and therefore may benefit from higher aid intensity according to Article 95(3);
  - (i) an analysis of needs relating to monitoring and evaluation requirements and the evaluation plan referred to in Article 49 of the [Regulation (EU) No [...] laying down Common Provisions]. The Member States shall provide sufficient resources and capacity building activities to address the identified needs;
  - (j) a financing plan to be designed taking into account Articles 18 and 20 of the [Regulation (EU) No [...] laying down Common Provisions] and in accordance with the Commission's decision referred to in Article 17(3), comprising:
    - (i) a table setting out the total EMFF contribution planned for each year;
    - (ii) a table setting out the applicable EMFF resources and co-financing rate for the objectives under the Union priorities of Article 6 and the technical

assistance. Where applicable, this table shall indicate separately the EMFF resources and the co-financing rates which apply by way of derogation to the general rule of Article 94(1) for support referred to in Article 72, Article 73, Article 78(2)(a) to (d) and (f) to (j), Article 78(2)(e) and Article 79.

- (k) information on the complementarity with measures financed through other CSF Funds or the LIFE Framework Programme;
- (l) programme implementing arrangements including:
  - (i) the designation by the Member State of all authorities referred to in Article 107 and, for information, a summary description of the management and control structure;
  - (ii) a description of the monitoring and evaluation procedures, as well as the composition of the Monitoring Committee;
  - (iii) the provisions to ensure that the programme is publicised in accordance with Article 143.
- (m) the designation of the partners referred to in Article 5 of the [Regulation (EU) No [...] laying down Common Provisions] and the results of the consultation of the partners;
- (n) for the objective of increased compliance through control referred in under Article 6(6) and in accordance with article 18 (3):
  - (i) a list of bodies implementing the control, inspection and enforcement system and a brief description of their human and financial resources available for fisheries control, inspection and enforcement, their equipment available for fisheries control, inspection and enforcement in particular the number of vessels, aircraft and helicopters;
  - (ii) overall objectives of the control measures to be implemented using common indicators to be set in accordance with Article 133;
  - (iii) specific objectives to be achieved in line with the Union priorities of Article 6 and detailing how many items of every expenditure category shall be purchased over the entire programming period;
- (o) For the objective of collection of data for sustainable fisheries management referred in under Articles 6(6) and 18(4) and in accordance with the multiannual Union programme referred to in Article 37(5) of the [Regulation on Common Fisheries Policy]:
  - (i) a description of activities of data collection to be carried out to allow the following:
    - an evaluation of the fishing sector (biological, economical and transversal variables as well as research surveys at sea),

- an evaluation of the economic situation of aquaculture and processing industries,
  - an evaluation of the effects of the fishing sector on the ecosystem.
- (ii) a description of data storage methods, data management and data use,
- (iii) a demonstration of the capability to achieve sound financial and administrative management of the data collected.

This section of the operational programme shall be supplemented by Article 23.

2. The operational programme shall include the methods for the calculation of simplified costs, additional costs or income foregone in accordance with Article 103, or method to calculate compensation according to relevant criteria identified for each of the activities deployed under Article 38(1).
3. In addition, the operational programme shall include a description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, including the arrangements to ensure the integration of gender perspective at operational programme and operation level.
4. The Commission shall lay down, by means of implementing acts, rules for the presentation of the elements described in paragraphs 1, 2 and 3. These implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 151(2).

#### *Article 21*

#### **Approval of the Operational Programme**

1. In addition to the provisions of Article 25 of the [Regulation on (EU) No [...] laying down Common provisions] the Commission shall assess the consistency of the operational programmes with this Regulation and their effective contribution to the Union priorities for EMFF referred to in Article 6 and taking account of the *ex ante* evaluation.
2. The Commission shall approve the operational programme by means of implementing act.

#### *Article 22*

#### **Amendment of the Operational Programme**

1. The Commission shall approve the amendment of an operational programme by means of implementing acts.
2. In order to adapt to the evolving technical needs of control activities, the section of the operational programme referred to in Article 20(1)(n) may be amended every two years, for the first time with the effect from 1 January 2015.

For this purpose, the Commission shall adopt a decision, by means of implementing act, detailing the changes in the priorities of the Union in the enforcement and control policy mentioned in Article 18(3) and the corresponding eligible operations to be prioritised.

Taking into account the new priorities laid down in the decision mentioned in the second sub-paragraph of this paragraph, Member States shall submit to the Commission by 31 October of the year preceding the year of implementation concerned, the amendment to the Operational Programme.

3. In line with the principle of proportionality, the programmes amendments referred to in paragraph 2 shall benefit from a simplified procedure adopted in line with Article 24.

#### *Article 23*

#### **Annual work plan for data collection**

1. For the purpose of application of Article 20(1)(o), Member States shall submit to the Commission an annual work plan before 31 October each year. Annual work plans shall contain a description of the procedures and methods to be used in collecting and analysing data and in estimating their accuracy and precision.
2. Member States shall submit each annual work plan by electronic means.
3. The Commission shall approve, by means of implementing act, the annual work plan for each year by 31 December of each year.
4. The first annual work plan shall include the activities for the year 2014 and has to be submitted to the Commission by 31 October 2013 at the latest.

#### *Article 24*

#### **Rules on procedures and timetables**

1. The Commission may adopt, by means of implementing acts, rules on procedures, format and timetables for:
  - the approval of operational programmes;
  - the submission and approval of proposals for amendments to operational programmes, including their entry into force and frequency of submission during the programming period;
  - the submission and approval of proposals for amendments referred to in paragraphs 2 of Article 22;
  - the submission of annual workplans for data collection.

The procedures and timetables shall be simplified in case of amendments to operational programmes concerning:

- (a) a transfer of funds between Union's priorities;
- (b) introduction or withdrawal of measures or types of operations;
- (c) changes in the description of measures, including changes of eligibility conditions;
- (d) amendments referred to in Article 22(2) as well as further amendments of the programme of the section referred to in Article 20(1)(n).

Amendments referred to in (a) and (b) shall not exceed 5 % of the amount allocated to the Union priority and 10 % of the amount allocated to each measure in order to benefit from this simplified procedure.

- 2. These implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 151(2).

## **CHAPTER II**

### **Programming for measures financed under direct management**

#### *Article 25*

#### **Annual work programme**

- 1. To implement Chapters I and II of Title VI and Article 92, the Commission shall, by means of implementing acts, adopt annual work programme in accordance with objectives set out in those Chapters. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).
- 2. The annual work programme shall set out the objectives pursued, the expected results, the method of implementation and its total amount. It shall also contain a description of the activities to be financed, an indication of the amount allocated to each activity, an indicative implementation timetable, as well as information on their implementation. It shall include for grants the priorities, the essential evaluation criteria and the maximum rate of co-financing.

# **TITLE V**

## **MEASURES FINANCED UNDER SHARED MANAGEMENT**

### **CHAPTER I**

#### **Sustainable development of fisheries**

##### *Article 26*

##### **Specific Objectives**

Support under this Chapter shall contribute to the achievement of the Union priorities identified in Article 6(2) and (4).

##### *Article 27*

##### **General conditions**

1. The owner of a fishing vessel having received support under Articles 32(1)(b), 36, 39(1)(a), or 40(2) of this Regulation shall not transfer the vessel to a third country outside the Union during at least 5 years following the date of actual payment to the beneficiary.
2. Operating costs are not eligible unless otherwise expressly provided for in this Chapter.

##### *Article 28*

##### **Innovation**

1. In order to stimulate innovation in fisheries, the EMFF may support projects aiming at developing or introducing new or substantially improved products compared to the state of art, new or improved processes, new or improved management and organisation systems.
2. Operations financed under this Article must be carried out in collaboration with a scientific or technical body recognised by the Member State which shall validate the results of such operations.
3. The results of operations financed under this Article shall be subject to adequate publicity by the Member State according to Article 143.

##### *Article 29*

##### **Advisory services**

1. In order to improve the overall performance and competitiveness of operators, the EMFF may support:

- (a) feasibility studies assessing the viability of projects potentially eligible for support under this Chapter;
  - (b) the provision of professional advice on business and marketing strategies.
2. The feasibility studies and advice referred to respectively in paragraph 1(a) and (b) shall be provided by recognised scientific or technical bodies with the required advisory competences as recognised by the national law of each Member State.
  3. The support referred to in paragraph 1 shall be granted to operators or organisations of fishermen, recognised by the Member State, who commissioned the feasibility study referred to in paragraph 1.
  4. Member States shall ensure that operations to be financed under this Article are selected through an accelerated procedure.
  5. The support referred to in paragraph 1 shall take the form of lump sums not exceeding the amount of 3 000 Euro. This limit shall not apply when the beneficiary is an organisation of fishermen.

#### *Article 30*

#### **Partnerships between scientists and fishermen**

1. In order to foster the transfer of knowledge between scientists and fishermen, the EMFF may support:
  - (a) the creation of a network composed by one or more independent scientific bodies and fishermen or one or more organisations of fishermen;
  - (b) the activities carried out by a network as referred in point (a).
2. Activities referred to in paragraph 1(b) may cover data collection activities, studies, dissemination of knowledge and best practices.
3. The support referred to in paragraph 1 may be granted to public law bodies, fishermen, organisations of fishermen and non-governmental organisations recognised by the Member State or FLAGs as defined under Article 62.

#### *Article 31*

#### **Promoting human capital and social dialogue**

1. In order to promote human capital and social dialogue, the EMFF may support:
  - (a) lifelong learning, dissemination of scientific knowledge and innovative practices, and acquisition of new professional skills in particular linked to the sustainable management of marine ecosystems, activities in the maritime sector, innovation and entrepreneurship;

- (b) networking and exchange of experience and best practice between stakeholders including among organisations promoting equal opportunities between men and women;
  - (c) promoting the social dialogue at national, regional or local level involving fishermen and other relevant stakeholders.
2. The support referred to in paragraph 1 shall also be granted to spouses of self-employed fishermen or, when and in so far as recognised by national law, the life partners of self-employed fishermen, not being employees or business partners, where they habitually, under the conditions laid down by national law, participate in the activities of the self-employed fishermen or perform ancillary tasks.

### *Article 32*

#### **Facilitating diversification and job creation**

1. In order to facilitate diversification and job creation outside fishing, the EMFF may support:
- (a) business start-ups outside fishing;
  - (b) retrofitting of small scale coastal fishing vessels in order to reassign them for activities outside fishing.
2. Support under paragraph 1 (a) shall be granted to fishermen who:
- (a) submit a business plan for the development of their new activities;
  - (b) possess adequate professional skills which may be acquired through operations financed under Article 31(1)(a).
3. Support under paragraph 1(b) shall be granted to small scale coastal fishermen owning a Union fishing vessel registered as active and which have carried out fishing activities at sea at least 60 days during the two years preceding the date of submission of the application. The fishing licence associated with the fishing vessel shall be permanently withdrawn.
4. Beneficiaries of the support referred to in paragraph 1 shall not engage in professional fishing in the five years following the reception of the last payment of the support.
5. Eligible costs under paragraph 1(b) shall be limited to the costs of modification of a vessel undertaken for the purpose of its reassignment.
6. The amount of financial assistance granted under paragraph 1 (a) shall not exceed 50% of the budget foreseen in the business plan for each operation and shall not exceed a maximum amount of 50 000 EUR for each operation.

### *Article 33*

#### **Health and safety on board**

1. In order to improve working conditions on board for fishermen the EMFF may support investments on board or in individual equipments providing that these investments go beyond standards required under national or Union law.
2. The support shall be granted to fishermen or owners of fishing vessels.
3. When the operation consists in an investment on board, the support shall not be granted more than once during the programming period for the same fishing vessel. When the operation consists of an investment in individual equipment, the support shall not be granted more than once during the programming period for the same beneficiary.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 in order to identify the types of operations eligible under paragraph 1.

### *Article 34*

#### **Support to systems of transferable fishing concessions of the CFP**

1. In order to establish or modify systems of transferable fishing concessions under Article 27 of the [Regulation on the CFP], the EMFF may support:
  - (a) the design and development of technical and administrative means necessary for the creation or functioning of a transferable fishing concessions system;
  - (b) stakeholder participation in designing and developing transferable fishing concessions systems;
  - (c) the monitoring and evaluation of transferable fishing concessions systems;
  - (d) the management of transferable concessions systems.
2. Support under paragraph 1 (a), (b) and (c) shall only be granted to public authorities. Support under paragraph 1 (d) of this Article shall be granted to public authorities legal or natural persons or recognized producer organizations involved in collective management of pooled transferable fishing concessions in accordance with Article 28(4) of the Regulation on Common Fisheries.

### *Article 35*

#### **Support to the implementation of conservation measures under the CFP**

1. In order to ensure efficient implementation of conservation measures under Articles 17 and 21 of the [Regulation on Common Fisheries Policy] the EMFF may support:
  - (a) the design and development of technical and administrative means necessary for the implementation of conservation measures in the meaning of Articles 17 and 21 of the [Regulation on Common Fisheries Policy];

- (b) stakeholder participation in designing and implementing conservation measures in the meaning of Articles 17 and 21 of the [Regulation on Common Fisheries Policy]
2. The support referred to in paragraph 1 shall only be granted to public authorities.

#### *Article 36*

#### **Limiting the impact of fishing on the marine environment**

1. In order to reduce the impact of fishing on the marine environment, foster the elimination of discards and facilitate the transition to exploitation of living marine biological resources that restores and maintains populations of harvested species above levels which can produce the MSY, the EMFF may support investments in equipment:
- (a) improving size selectivity or species selectivity of fishing gear;
  - (b) reducing unwanted catches of commercial stocks or other by-catches;
  - (c) limiting the physical and biological impacts of fishing on the ecosystem or the sea bed.
2. Support shall not be granted more than once during the programming period for the same Union fishing vessel and for the same type of equipment.
3. Support shall only be granted when the gear or other equipment referred under paragraph 1 has demonstrably better size-selection or lower impact on non-target species than the standard gear or other equipment permitted under Union law or relevant national law of Member States adopted in the context of regionalisation as referred to in the [Regulation on the CFP].
4. Support shall be granted to:
- (a) owners of Union fishing vessels whose vessels are registered as active vessels and which have carried a fishing activity of at least 60 days at sea during the two years preceding the date of submission of the application;
  - (b) fishermen who own the gear to be replaced and who have worked on board of a Union fishing vessel for at least 60 days during the two years preceding the date of submission of the application;
  - (c) organisations of fishermen recognised by the Member State.

#### *Article 37*

#### **Innovation linked to the conservation of marine biological resources**

1. In order to contribute to the elimination of discards and by-catches and facilitate the transition to exploitation of living marine biological resources that restores and maintains populations of harvested species above levels which can produce the MSY, the EMFF may support projects aiming at developing or introducing new

technical or organisational knowledge reducing impacts of fishing activities on the environment or achieving a more sustainable use of marine biological resources.

2. Operations financed under this Article must be carried out in collaboration with a scientific or technical body recognised by the national law of each Member State which shall validate the results of such operations.
3. The results of operations financed under this Article shall be the subject to adequate publicity by the Member State according to Article 143.
4. Fishing vessels involved in projects financed under this Article shall not exceed 5% of the vessels of the national fleet or 5% of the national fleet tonnage in gross tonnage, calculated at the time of submission of the application.
5. Operations consisting of testing new fishing gear or techniques shall be carried out within the limits of the fishing opportunities allocated to the Member State.
6. The net revenue generated by the participation of the fishing vessel in the operation shall be deducted from the eligible expenditure of the operation.
7. The Commission shall be empowered to adopt delegated act in accordance with Article 150 in order to specify the calculation of net revenue referred to in paragraph 6 linked to a relevant period of time.

#### *Article 38*

### **Protection and restoration of marine biodiversity and ecosystems in the framework of sustainable fishing activities**

1. In order to stimulate the participation of fishermen in the protection and restoration of marine biodiversity and ecosystems including the services they provide in the framework of sustainable fishing activities, the EMFF may support the following operations:
  - (a) collection of waste from the sea such as the removal of lost fishing gears and marine litter;
  - (b) the construction or installation of static or movable facilities intended to protect and enhance marine fauna and flora;
  - (c) the contribution to a better management or conservation of resources;
  - (d) management, restoration and monitoring NATURA 2000 sites in accordance with Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora<sup>28</sup> and Council and European Parliament Directive 2009/147/EC of 30 November 2009 on the conservation of wild birds<sup>29</sup>, in accordance with prioritised action frameworks established pursuant to Council Directive 92/43/EEC;

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<sup>28</sup> OJ L 206 , 22.7.1992 p.7.

<sup>29</sup> OJ L 20, 26.1.2010, p. 7.

- (e) management, restoration and monitoring of marine protected areas in view of the implementation of the spatial protection measures referred to in Article 13(4) of the European Parliament and Council Directive 2008/56/EC;
  - (f) the participation in other actions aimed at maintaining and enhancing biodiversity and ecosystem services, such as the restoration of specific marine and coastal habitats in support of sustainable fish stocks.
2. Operations under this Article shall be implemented by public law bodies and shall involve fishermen or organisations of fishermen, recognised by the Member State, or non-governmental organisation in partnership with organisations of fishermen or FLAGs as defined under Article 62.
  3. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 in order to:
    - (a) identify the types of operations eligible under paragraph 1 of this Article;
    - (b) specify the eligible costs under paragraph 1.

#### *Article 39*

#### **Mitigation of climate change**

1. In order to mitigate the effects of climate change the EMFF may support:
  - (a) investments on board aimed at reducing the emission of pollutants or greenhouse gases and increasing energy efficiency of fishing vessels;
  - (b) energy efficiency audits and schemes.
2. Support shall not contribute to the replacement or modernisation of main or ancillary engines. Support shall only be granted to owners of fishing vessels and not more than once during the programming period for the same fishing vessel.
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 in order to define the investments eligible under paragraph 1(a).

#### *Article 40*

#### **Product quality and use of unwanted catches**

1. In order to improve the quality of the fish caught the EMFF may support investments on board for this purpose.
2. In order to improve the use of unwanted catches the EMFF may support investments on board to make the best use of unwanted catches of commercial stocks and valorise underused components of fish caught, in line with Article 15 of the [Regulation on Common Fisheries Policy] and Article 8(b) of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].

3. Support under this Article shall not be granted more than once during the programming period for the same fishing vessel or the same beneficiary.
4. The support referred to in paragraph 1 shall only be granted to owners of Union fishing vessels whose vessels are which have carried a fishing activity for at least 60 days at sea during the two years preceding the date of submission of the application.

#### *Article 41*

#### **Fishing ports, landing sites and shelters**

1. For the purpose of increasing the quality of the product landed, increasing energy efficiency, contributing to environmental protection or improving safety and working conditions, the EMFF may support investments improving fishing port infrastructure or landing sites, including investments in facilities for waste and marine litter collection.
2. In order to facilitate the use of unwanted catches the EMFF may support investments in fishing ports and landing sites which enable to make the best use of unwanted catches of commercial stocks and which valorise under-used components of the fish caught, in line with Article 15 of the [Regulation on Common Fisheries Policy] and Article 8(b) of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].
3. In order to improve the safety of fishermen, the EMFF may support investments for the construction or modernisation of shelters.
4. Support shall not cover the construction of new ports, new landing sites or new auction halls.

#### *Article 42*

#### **Inland Fishing**

1. In order to reduce the impact of inland fishing on the environment, increase energy efficiency, increase the quality of fish landed, or to improve safety or working conditions, the EMFF may support the following investments:
  - (a) on board or in individual equipment as referred to in Article 33 and under the conditions set out in that Article;
  - (b) in equipment as referred to in Article 36 and under the conditions set out in that Article;
  - (c) on board and energy efficiency audits and schemes as foreseen in Article 39 and under the same conditions set out in that Article;
  - (d) on existing ports and landing sites as referred to in Article 41 and under the conditions set out in that Article.
2. For the purposes of paragraph 1:

- (a) References made in Articles 33, 36 and 39 to fishing vessels shall be understood as references to vessels operating exclusively in inland water;
  - (b) References made in Article 36 to the marine environment shall be understood as references to the environment in which the inland fishing vessel operates.
3. In order to sustain diversification by inland fishermen, the EMFF may support the reassignment of vessels operating in inland fishing to other activities outside fishing under the conditions of Article 32 of this Regulation.
  4. For the purposes of paragraph 3, references made in Article 32 to fishing vessels shall be understood as references to vessels operating exclusively in inland water.
  5. In order to protect and develop aquatic fauna and flora, the EMFF may support the participation of inland fishermen in managing, restoring and monitoring NATURA 2000 sites where these areas directly concern fishing activities as well as the rehabilitation of inland waters, including spawning grounds and migration routes for migratory species, without prejudice of Article 38(1)(d).
  6. Member States shall ensure that vessels receiving support under this Article continue to operate exclusively in inland waters.

## **CHAPTER II**

### **Sustainable development of aquaculture**

#### *Article 43*

#### **Specific objectives**

Support under this Chapter shall contribute to achieving the Union priorities identified in Article 6(2) and (4).

#### *Article 44*

#### **General conditions**

1. Support under this Chapter shall be limited to aquaculture enterprises unless otherwise expressly established.
2. Where operations consist of investments in equipment or infrastructure ensuring compliance with requirements on the environment, human or animal health, hygiene or animal welfare under Union law, and entering into force after 2014, may be granted until the date on which the standards become mandatory for the enterprises.

#### *Article 45*

#### **Innovation**

1. In order to stimulate innovation in aquaculture, the EMFF may support operations:

- (a) introducing new technical or organisational knowledge in aquaculture farms which reduces their impact on the environment or fosters a more sustainable use of resources in aquaculture;
  - (b) developing or introducing in the market new or substantially improved products compared to the state of art, new or improved processes, new or improved management and organisation systems.
2. Operations under this Article must be carried out in collaboration with a scientific or technical body as recognised by the national law of each Member State which shall validate the results of such operations.
3. The results of operations receiving support shall be subject to adequate publicity by the Member State according to Article 143.

#### *Article 46*

#### **Investments in off-shore and non-food aquaculture**

1. In order to foster forms of aquaculture with high growth potential, the EMFF may support investment in the development of off-shore or non food aquaculture.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 in order to identify the type of operations and the eligible costs.

#### *Article 47*

#### **New forms of income and added value**

1. In order to foster entrepreneurship in aquaculture, the EMFF may support investments contributing to:
  - (a) adding value to aquaculture products, in particular by allowing the aquaculture enterprise to carry out the processing, marketing and direct sale of its own aquaculture production;
  - (b) diversification of the income of aquaculture enterprises through the development of new aquaculture species with good market prospects;
  - (c) diversification of the income of aquaculture enterprises through the development of complementary activities outside aquaculture.
2. Support under paragraph 1(c) shall be granted only to aquaculture enterprises provided that the complementary activities outside aquaculture relate to the core aquaculture business of enterprise, such as angling tourism, aquaculture environmental services or educational activities on aquaculture.

*Article 48*

**Management, relief and advisory services for aquaculture farms**

1. In order to improve the overall performance and competitiveness of aquaculture farms, the EMFF may support:
  - (a) the setting up management, relief and advisory services for aquaculture farms;
  - (b) the provision of farm advisory services of technical, scientific, legal or economic nature.
2. Advisory services under paragraph 1(b) shall cover:
  - (a) the management needs for aquaculture to comply with Union and national environmental protection legislation as well as Maritime Spatial Planning requirements;
  - (b) Environmental Impact Assessment;
  - (c) the management needs for aquaculture to comply with Union aquatic animal health and welfare or public health legislation;
  - (d) health and safety standards based on Union and national legislation;
  - (e) marketing and business strategies.
3. Support under paragraph (1)(a) shall only be granted to public law bodies selected to set up the farm advisory services. Support under paragraph (1)(b) shall only be granted to aquaculture SMEs or aquaculture producer's organisations.
4. Aquaculture farms shall not receive support for the advisory services more than once for each category of services covered under paragraph 2 (a) to (e) during the programming period.

*Article 49*

**Promoting human capital and networking**

1. In order to promote human capital and networking in aquaculture, the EMFF may support:
  - (a) lifelong learning, dissemination of scientific knowledge and innovative practices and acquisition of new professional skills in aquaculture;
  - (b) networking and exchange of experience and best practice among aquaculture enterprises or professional organisations and other stakeholders, including scientific bodies or those promoting equal opportunities between men and women.
2. Support referred to in paragraph 1(a) shall not be granted to large aquaculture enterprises.

*Article 50*

**Increasing the potential of aquacultures sites**

1. In order to contribute to the development of the aquaculture sites and infrastructures, the EMFF may support:
  - (a) identification and mapping of most suitable areas for developing aquaculture, and where applicable, taking into account maritime spatial planning processes;
  - (b) improvement of infrastructures of aquaculture areas including through land consolidation, energy supply or water management;
  - (c) action taken and implemented by competent authorities under of Article 9(1) of Directive 2009/147/EC or Article 16(1) of Directive 92/43/EC with the aim of preventing serious damages to aquaculture.
2. Beneficiaries of support under this Article shall only be public law bodies.

*Article 51*

**Encouraging new aquaculture farmers**

1. In order to foster entrepreneurship in aquaculture, the EMFF may support the setting up of aquaculture enterprises by new starting farmers.
2. Support 1 shall be granted to aquaculture farmers entering the sector provided that they:
  - (a) possess adequate professional skills and competence;
  - (b) are setting up for the first time an aquaculture micro or small enterprise as heads of such enterprise;
  - (c) submit a business plan for the development of their aquaculture activities.
3. In order to acquire adequate professional skills, aquaculture farmers entering the sector may benefit from support under Article 49(1)(a).

*Article 52*

**Promotion of aquaculture with high level of environmental protection**

In order to substantially reduce the impact of aquaculture on the environment the EMFF may support investments:

- (a) allowing for a substantial reduction of impact of aquaculture enterprises on water, in particular through reducing the amount of water used or improving the output water quality, including through the deployment of multi-trophic aquaculture systems;
- (b) limiting the negative impact of aquaculture enterprises on nature or biodiversity;

- (c) the purchase of the equipment protecting aquaculture farms from wild predators benefitting from protection under Council and European Parliament Directive 2009/147/EEC and Council Directive 92/43/EC;
- (d) increasing energy efficiency and promoting conversion of aquaculture enterprises to renewable sources of energy;
- (e) the restoration of existing aquaculture ponds or lagoons through removal of silt, or possible measures aimed at the prevention of silt deposition.

### *Article 53*

#### **Conversion to eco-management and audit schemes and organic aquaculture**

1. In order to promote the development of organic or energy efficient aquaculture, the EMFF may support:
  - (a) conversion of conventional aquaculture production methods into organic aquaculture within the meaning of Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91<sup>30</sup> and according to Commission Regulation (EC) No 710/2009 of 5 August 2009 amending Regulation (EC) No 889/2008 laying down detailed rules for the implementation of Council Regulation (EC) No 834/2007, as regards laying down detailed rules on organic aquaculture animal and seaweed production<sup>31</sup>;
  - (b) the participation in the Union eco-management and audit schemes established by Regulation (EC) No 761/2001 of the European parliament and of the council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)<sup>32</sup>.
2. Support shall only be granted to beneficiaries who commit themselves for a minimum of 3 years to participate in the EMAS or for a minimum of 5 years to comply with the requirements of organic production.
3. Support shall take the form of compensation for a maximum of two years during the period of the conversion of the enterprise to organic production or during the preparation for participation in the EMAS scheme.
4. Member States shall calculate the compensation on the basis of:
  - (a) the loss of revenue or additional costs incurred during the period of transition from conventional into organic production for operations eligible under paragraph 1(a) of this Article;
  - (b) the additional costs resulting from the application and preparation to the participation in EMAS in the case of operations eligible under paragraph 1(b).

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<sup>30</sup> OJ L 189, 20.7.2007, p. 1

<sup>31</sup> OJ L 204, 6.8.2009, p. 15

<sup>32</sup> OJ L 114, 24.4.2001, p. 1

*Article 54*

**Aquaculture providing environmental services**

1. In order to foster the development of aquaculture providing environmental services, the EMFF may support:
  - (a) aquaculture methods compatible with specific environmental needs and subject to specific management requirements resulting from the designation of NATURA 2000 areas in accordance with Council Directive 92/43/EEC and Council and European Parliament Directive 2009/147/EC;
  - (b) participation in ex-situ conservation and reproduction of aquatic animals, within the framework of conservation and biodiversity restoration programmes developed by public authorities, or under their supervision;
  - (c) forms of extensive aquaculture including conservation and improvement of the environment, biodiversity, and management of the landscape and traditional features of aquaculture zones.
2. Support under paragraph 1 (a) shall take the form of annual compensation for the additional costs incurred or income foregone resulting from management requirements in the areas concerned, related to the implementation of Council Directive 92/43/EEC or Council and European Parliament Directive 2009/147/EC.
3. Support under paragraph 1 (c) shall be granted only where beneficiaries commit themselves for a minimum of five years to aqua-environmental requirements that go beyond the mere application of Union and national law. The environmental benefits of the operation shall be demonstrated by a prior assessment conducted by competent bodies designated by the Member State, unless the environmental benefits of a given operation are already recognised.
4. Support provided under paragraph 1 (c) shall take the form of annual compensation for the additional costs incurred.
5. The results of operations receiving support under this Article shall be subject to adequate publicity by the Member State according to Article 143.

*Article 55*

**Public health measures**

1. The EMFF shall support compensation to mollusc farmers for the temporary suspension of harvesting of farmed molluscs exclusively for reasons of public health.
2. Support may only be granted where the suspension of harvesting due to contamination of molluscs is the result of the proliferation of toxin-producing plankton or the presence of plankton containing biotoxins, and when:
  - (a) it lasts for more than four months consecutively; or

- (b) the loss, resulting from the suspension of the harvest, amounts to more than 35 % of the annual turnover of the business concerned, calculated on the basis of the average turnover of the business over the preceding three years.
3. The duration for which compensation may be granted shall be of maximum 12 months over the entire programming period.

#### *Article 56*

#### **Animal health and welfare measures**

1. In order to foster animal health and welfare in aquaculture enterprises, particularly in terms of prevention and bio-security, the EMFF may support:
- (a) the control and eradication of diseases in aquaculture under the terms of Council Decision 2009/470/EC on expenditure in the veterinary field;
  - (b) the development of general and species specific best practices or codes of conducts on bio-security or on animal welfare needs in aquaculture;
  - (c) increasing the availability of veterinary medicines for its use in aquaculture and promoting appropriate use of such medicines through the commissioning of pharmaceutical studies and the dissemination and exchange of information.
2. Support under paragraph 1(c) shall not cover the purchase of veterinary medicines.
3. The results of the studies financed under paragraph 1(c) shall be the subject to adequate reporting and publicity by the Member State according to Article 143.
4. Support may also be granted to public law bodies.

#### *Article 57*

#### **Aquaculture stock insurance**

1. In order to safeguard the income of aquaculture producers the EMFF may support the contribution to an aquaculture stock insurance which shall cover the losses due to:
- (a) natural disasters;
  - (b) adverse climatic events;
  - (c) sudden water quality changes;
  - (d) diseases in aquaculture or destruction of production facilities.
2. The occurrence of an adverse climatic event or the outbreak of disease in aquaculture shall be formally recognised as such by the Member State concerned.

Member States may, where appropriate, establish in advance criteria on the basis of which such formal recognition shall be deemed to be granted.

3. Support shall only be granted for aquaculture stock insurance contracts which cover economic losses under paragraph 1 exceeding 30% of the average annual production of the aquaculture farmer.

## **CHAPTER III**

### **Sustainable development of fisheries areas**

#### **SECTION 1**

##### **SCOPE AND OBJECTIVES**

##### *Article 58*

##### **Scope**

The EMFF shall support the sustainable development of fisheries areas following a community-led local development approach as set out in Article 28 of the [Regulation (EU) No [...] laying down Common Provisions].

##### *Article 59*

##### **Specific Objectives**

Financial support under this Chapter shall contribute to the achievement of the Union priorities identified in Article 6(1).

#### **SECTION 2**

### **FISHERIES AREAS, LOCAL PARTNERSHIPS AND LOCAL DEVELOPMENT STRATEGIES**

##### *Article 60*

##### **Fisheries areas**

1. A fisheries area eligible for support shall be:
  - (a) limited in size and, as a general rule, shall be smaller than NUTS level 3 of the common classification of territorial units for statistics within the meaning of Regulation (EC) No 1059/2003 of 26 May 2003 of the European Parliament and of the Council of 23 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)<sup>33</sup>; and
  - (b) functionally coherent in geographical, economic and social terms, taking specific account of the fisheries and aquaculture sectors and offer sufficient critical mass in terms of human, financial and economic resources to support a viable local development strategy..

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<sup>33</sup> OJ L 154, 21.6.2003, p. 1

2. In the operational programme Member States shall lay down the procedure for selecting the areas including the criteria applied.

#### *Article 61*

#### **Integrated local development strategies**

1. For the purposes of the EMFF, the integrated local development strategy referred to in Article 28(1)(c) of [Regulation (EU) No [...] laying down Common Provisions] shall be based on the interaction between actors and projects of different sectors of the local economy, in particular the fisheries and aquaculture sectors;
2. In order to contribute to the achievement of the objectives referred to in Article 59 local development strategies shall :
  - (a) maximise the participation of the fisheries and aquaculture sectors in the sustainable development of coastal and inland fisheries areas;
  - (b) ensure that local communities fully exploit and benefit from the opportunities offered by maritime and coastal development.
3. The strategy must be coherent with the opportunities and needs identified in the area and the Union priorities for the EMFF. Strategies may range from those which focus on fisheries to broader strategies directed at the diversification of fisheries areas. The strategy shall go beyond a mere collection of operations or juxtaposition of sectoral measures.
4. To be eligible for EMFF funding the integrated local development strategy referred to in Article 29 of the [Regulation (EU) No [...] laying down Common Provisions] shall also contain as a minimum the following elements:
  - (a) a description and justification of the membership of the FLAG;
  - (b) a justification of the proposed EMFF budget and allocation of resources between the local priorities identified.
5. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the content of the action plan referred to in Article 29(1)(e) of the [Regulation (EU) No [...] laying down Common Provisions].
6. Member States shall define in the operational programme criteria for the selection of local development strategies, which reflect the added value of the community-led approach.

#### *Article 62*

#### **Fisheries local action groups**

1. For the purposes of the EMFF the local action groups referred to in Article 28(1)(b) of [Regulation (EU) No [...] laying down Common Provisions] shall be designated as Fisheries Local Action Groups (hereinafter "FLAGs")

2. The FLAGs shall propose an integrated local development strategy based at least on the elements set out in Article 61 and be responsible for its implementation.
3. The FLAGs shall:
  - (a) broadly reflect the main focus of their strategy and the socio-economic composition of the area through a balanced representation of the main stakeholders, including private sector, public sector and civil society;
  - (b) ensure a significant representation of fisheries and aquaculture sectors.
4. If the local development strategy is supported by other Funds in addition to the EMFF a specific selection body for EMFF supported projects shall be established according to the criteria set out in paragraph (3).
5. The minimum tasks of FLAGs are set out in Article 30(3) of the [Regulation (EU) No [...] laying down Common Provisions]:
6. FLAGs may also carry out additional tasks delegated to them by the managing authority and/or the paying agency.
7. The respective roles of the FLAG, the managing authority /the paying agency for all implementation tasks relating to the strategy shall be clearly described in the operational programme.

### **SECTION 3**

#### **ELIGIBLE OPERATIONS**

##### *Article 63*

#### **Support from the EMFF for integrated local development**

1. The operations eligible under this Section are set out in Article 31 of the [Regulation (EU) No [...] laying down Common Provisions].
2. Local action groups may request the payment of an advance from the competent paying agency if such possibility is provided for in the operational programme. The amount of the advances shall not exceed 50% of the public support related to the running costs.

##### *Article 64*

#### **Preparatory support**

1. Preparatory support shall cover capacity building, training and networking with a view to preparing and implementing a local development strategy.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the definition of eligible costs of the activities under paragraph 1.

### *Article 65*

#### **Implementation of local development strategies**

1. Support for the implementation of local development strategies may be granted for the following objectives :
  - (a) adding value, creating jobs, and promoting innovation at all stages of the fisheries and aquaculture supply chain;
  - (b) supporting diversification and job creation in fisheries areas, in particular in other maritime sectors;
  - (c) enhancing and capitalising on the environmental assets of the fisheries areas including operations to mitigate climate change;
  - (d) promoting social well being and cultural heritage in fisheries areas including maritime cultural heritage;
  - (e) strengthening the role of fisheries communities in local development and the governance of local fisheries resources and maritime activities.
2. The support given may include measures provided for Chapters I and II of this Title, provided there is a clear rationale for their management at local level. When assistance is granted for operations corresponding to these measures, the relevant conditions and the scales of contribution per operation laid down in Chapters I and II of this Title shall apply.

### *Article 66*

#### **Cooperation activities**

1. Support referred to in Article 31(c) of the [Regulation (EU) No [...] laying down Common Provisions] may be granted to:
  - (a) inter-territorial or transnational cooperation projects;
  - (b) preparatory technical support for inter-territorial and transnational cooperation projects, on condition that local action groups can demonstrate that they are preparing the implementation of a project.

“Inter-territorial cooperation” means cooperation within a Member State.  
“Transnational cooperation” means cooperation between territories in several Member States and with territories in third countries.
2. Apart from other FLAGs, the partners of a FLAG under the EMFF may be a local public-private partnership that is implementing a local development strategy within or outside the Union.
3. In cases where co-operation projects are not selected by the FLAGs, Member States shall establish a system of ongoing application for cooperation projects. They shall make public the national or regional administrative procedures concerning the

selection of transnational cooperation projects and a list of eligible costs at the latest two years after the date of approval of their operational programme.

4. Approval of cooperation projects shall take place no later than four months after the date of submission of the project.
5. Member States shall communicate to the Commission the approved transnational cooperation projects.

#### *Article 67*

### **Running costs and animation**

1. Running costs referred to in Article 31(d) of the [Regulation (EU) No [...] laying down Common Provisions] shall be linked to the management of the implementation of the local development strategy through the FLAG.
2. Costs for the animation of the fisheries area referred to in Article 31(d) of the [Regulation (EU) No [...] laying down Common Provisions] shall cover operations to inform about the local development strategy as well as project development tasks.
3. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the definition of eligible costs of the operations referred to in paragraphs 1 and 2.

## **CHAPTER IV**

### **Marketing and processing related measures**

#### *Article 68*

### **Specific Objectives**

Support under this Chapter shall contribute to achieve the specific objectives of Chapter I and Chapter II of this Title.

#### *Article 69*

### **Production and Marketing Plans**

1. The EMFF may support the preparation and implementation of production and marketing plans referred to in Article 32 of [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].
2. Expenditure related to production and marketing plans shall be eligible for a contribution under the EMFF only after approval by the competent authorities in each Member State of the annual report referred to in Article 32(4) of [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].
3. Support granted per year under this Article shall not exceed 3 % of the average annual value of the marketed production at first sale of each producer organisation in

the period 2009-2011. For any newly recognised producer organisation, the support granted per year shall not exceed 3 % of the average annual value of the marketed production at first sale of their members in the period 2009-2011.

4. The Member State concerned may grant an advance of 50% of the financial assistance after approval of the production and marketing plan in conformity with Article 32(2) of [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].
5. The support referred to in paragraph 1 shall be granted to producer organisations and associations of producers organisations.

*Article 70*  
**Storage aid**

1. The EMFF may support compensation to recognised producer organisations and associations of producers organisations which store fishery products listed in Annex II of Regulation No. [ on the common organisation of the market in fishery and aquaculture products], provided that the products are stored in conformity with Articles 35 and 36 of Regulation No ...[on the common organisation of the markets in fishery and aquaculture products]:
  - (a) the amount of the storage aid shall not exceed the amount of the technical and financial costs of the actions required for the stabilisation and storage of the products in question;
  - (b) the quantities eligible for storage aid shall not exceed 15 % of the annual quantities of the products concerned put up for sale by the producer organisation;
  - (c) the financial assistance per year shall not exceed the following percentages of the average annual value of the marketed production at first sale of the members of producer organisation in the period 2009-2011. In the case that members of producer organisation did not have any marketed production in 2009-2011, the average annual value of marketed production in the first three years of production of such member shall be taken into account:
    - 1 % in 2014
    - 0,8 % in 2015
    - 0,6 % in 2016
    - 0,4 % in 2017
    - 0,2 % in 2018
2. By 2019 support referred to in paragraph 1 shall be phased out.
3. The support shall only be granted once the products are released for human consumption.

4. Member States shall fix the amount of the technical and financial costs applicable in their territories as follows:
  - (a) technical costs shall be calculated each year on the basis of direct costs relating to the actions required for stabilisation and storage;
  - (b) financial costs shall be calculated each year using the interest rate set annually in each Member State;
  - (c) technical and financial costs shall be made publicly available.
5. Member States shall carry out controls to ensure that the products benefiting from storage aid fulfil the conditions laid down in this Article. For the purposes of these inspection arrangements, beneficiaries of storage aid shall keep stock records for each category of products entered into storage and later reintroduced onto the market for human consumption.

#### *Article 71*

#### **Marketing measures**

1. The EMFF may support marketing measures for fishery and aquaculture products which aim at:
  - (a) improving the conditions for the placing on the market of:
    - (i) surplus or underexploited species;
    - (ii) unwanted catches landed in conformity with Article 15 of [Regulation on the Common Fisheries Policy] and Article 8 (b) second indent of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products];
    - (iii) products obtained using methods with low impact on the environment or organic aquaculture products as defined in Council Regulation(EC) No 834/2007 on organic production.
  - (b) promoting the quality by facilitating:
    - (i) the application for registration of a given product under the terms of Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs<sup>34</sup>;
    - (ii) certification and promotion including of sustainable fishery and aquaculture products and of environmentally friendly processing methods;
    - (iii) direct marketing of fishery products by small scale coastal fishermen.

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<sup>34</sup> OJ L 93, 31.3.2006, p. 12; OJ L 335M , 13.12.2008, p. 213 (MT).

- (c) contributing to the transparency of production and the markets and conducting market surveys;
  - (d) drawing up standard contracts which are compatible with Union law;
  - (e) creating producers' organisations, associations of producer organisations or inter-branch organisations recognised under Chapter II, Section III of Regulation [on the Common Organisation of the markets in fisheries and aquaculture products];
  - (f) conducting regional, national or transnational promotional campaigns for fishery and aquaculture products.
2. Operations under paragraph (1)(b) may include the integration of production, processing and marketing activities of the supply chain.

#### *Article 72*

### **Processing of fisheries and aquaculture products**

1. The EMFF may support investments in the processing of fisheries and aquaculture products:
- (a) contributing to energy saving or reducing the impact on the environment, including waste treatment;
  - (b) for the processing of species of limited or no commercial interest;
  - (c) for the processing of by-products resulting from main processing activities;
  - (d) for the processing of organic aquaculture products as regulated in Article 6 and 7 of Council Regulation(EC) No 834/2007.
2. The support referred to in paragraph 1 shall be granted exclusively through the financial instruments provided for in Title IV of the [Regulation (EU) No [...] laying down Common Provisions].

## **CHAPTER V**

### **Compensation for additional costs in outermost regions for fishery and aquaculture products**

#### *Article 73*

### **Compensation regime**

1. The EMFF may support the compensation regime introduced by Council Regulation (EC) No 791/2007 for the additional costs incurred by the operators in the fishing, farming and marketing of certain fishery and aquaculture products from the Azores, Madeira, the Canary Islands, French Guiana, and Réunion.

2. Each Member State concerned shall determine for the regions referred to in paragraph 1 the list of fishery and aquaculture products and the quantity of those products eligible for the compensation.
3. When establishing the list and the quantities referred to in paragraph 2, Member States shall take into account all the relevant factors, in particular the need to ensure that the compensation is fully compatible with the rules of the CFP.
4. The compensation shall not be granted for fishery and aquaculture products:
  - (a) caught by third country vessels, with the exception of fishing vessels which fly the flag of Venezuela and operate in Union waters;
  - (b) caught by Union fishing vessels that are not registered in a port of one of the regions referred to in paragraph 1;
  - (c) imported from third countries.
5. Paragraph 4 (b) of this Article shall not apply if the existing capacity of the processing industry in the outermost region concerned exceeds the quantity of raw material supplied according to the rules laid down in this Article.

#### *Article 74*

#### **Calculation of the compensation**

The compensation shall be paid to the operators carrying out activities in the concerned regions and shall take into account:

- (a) for each fishery or aquaculture product the additional costs resulting from the specific handicaps of the regions concerned, and
- (b) any other type of public intervention affecting the level of additional costs.

#### *Article 75*

#### **Compensation plan**

1. The Member States concerned shall submit to the Commission a compensation plan for each region concerned including the list and quantities referred to in Article 73, the level of compensation referred to in Article 74 and the competent authority as laid down in Article 108.
2. The Commission shall be empowered to adopt delegated acts in accordance to Article 150 in order to define the content of the compensation plan, including the criteria for the calculation of the additional costs resulting from the specific handicaps of the regions concerned.

## **CHAPTER VI**

### **Accompanying measures for the Common Fisheries Policy under shared management**

#### *Article 76*

#### **Geographical scope**

By way of derogation from Article 2 of this Regulation, this Chapter shall apply also to operations carried out outside the territory of the European Union.

#### *Article 77*

#### **Specific Objectives**

Measures under this Chapter shall support the implementation of Articles 37 and 46 of the Regulation [on the CFP].

#### *Article 78*

#### **Control and Enforcement**

1. The EMFF may support the implementation of a Union control, inspection and enforcement system as provided for in Article 46 of the [Regulation on the Common Fisheries Policy] and specified in Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the Common Fisheries Policy <sup>(35)</sup>.
2. In particular, the following types of operations shall be eligible:
  - (a) purchase or development of technology, including hardware and software, vessel detection systems (VDS), CCTV systems and IT networks enabling the gathering, administration, validation, analysis and exchange of, and the development of sampling methods for, data related to fisheries, as well as interconnection to cross-sectoral data exchange systems;
  - (b) purchase and installation of the components necessary to ensure data transmission from actors involved in fishing and the marketing of fishery products to the relevant Member State and EU authorities, including the necessary components for electronic recording and reporting systems (ERS), vessel monitoring systems (VMS), and automatic identification systems (AIS) used for control purposes;
  - (c) purchase and installation of the components necessary to ensure traceability of fishery and aquaculture products, as defined in Art. 58 of Council Regulation (EC) No 1224/2009;

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<sup>35</sup> OJ L 343, 22.12.2009, p. 1

- (d) implementation of programs aiming at exchanging and analysing data between Member States;
  - (e) modernisation and purchase of patrol vessels, aircrafts and helicopters, provided they are used at least 60% of the time for fisheries control;
  - (f) purchase of other control means, including devices to enable the measurement of engine power and weighing equipment;
  - (g) implementation of pilot projects related to fisheries control, including fish DNA analysis or the development of web-sites related to control;
  - (h) training and exchange programmes, including between Member States, of personnel responsible for monitoring, control and surveillance of fisheries activities;
  - (i) cost/benefit analysis as well as assessment of audits performed and expenditure incurred by competent authorities in carrying out monitoring, control and surveillance;
  - (j) initiatives, including seminars and media tools, aimed at enhancing awareness both among fishermen and other players such as inspectors, public prosecutors and judges, and among the general public of the need to fight illegal, unreported and unregulated fishing and on the implementation of the CFP rules.
3. The measures listed in points (h), (i) and (j) of paragraph 2 of this Article shall only be eligible for support if they relate to control activities carried out by a public authority.
4. In case of the measures listed in points (d) and (h) of paragraph 2 of this Article, only one of the Member States involved shall be designated as paying agency.

*Article 79*  
**Data Collection**

1. The EMFF shall support the collection and management and use of primary biological, technical, environmental and socioeconomic data as in the multiannual Union programme referred to in Article 37(5) of the [Regulation on the Common Fisheries Policy].
2. In particular, the following types of operations shall be eligible:
- (a) the management and use of data for the purpose of scientific analysis and CFP implementation;
  - (b) national multi-annual sampling programmes;
  - (c) at-sea monitoring of commercial and recreational fisheries;
  - (d) research surveys-at-sea;

- (e) the participation of Member States' representatives in regional coordination meetings as referred to in Article 37(4) of the [Regulation on the Common Fisheries Policy], meetings of regional fisheries management organisations of which the EU is a contracting partner or an observer or meetings of international bodies in charge of providing scientific advice.

# **TITLE VI**

## **MEASURES FINANCED UNDER DIRECT MANAGEMENT**

### **CHAPTER I**

#### **Integrated Maritime Policy**

##### *Article 80*

##### **Geographical scope**

By way of derogation from Article 2 of this Regulation, this Chapter shall apply also to operations carried out outside the territory of the European Union.

##### *Article 81*

##### **Scope and objectives**

Support under this Chapter shall contribute to the development and implementation of the Union's Integrated Maritime Policy. It shall:

- (a) foster the development and implementation of integrated governance of maritime and coastal affairs at local, regional, national, sea basin, EU and international level, in particular by:
  - (i) promoting actions which encourage Member States and EU regions to develop introduce or implement integrated maritime governance;
  - (ii) promoting dialogue and cooperation with and among Member States and stakeholders on marine and maritime issues, including by developing sea-basin strategies;
  - (iii) promoting cross-sectoral cooperation platforms and networks, including representatives of public authorities, regional and local authorities, industry, the tourism sector, research stakeholders, citizens, civil society organisations and the social partners;
  - (iv) promoting the exchange of best practices and dialogue at international level, including bilateral dialogue with third countries without prejudice to other agreements or arrangements which may exist between the EU and the third countries concerned;
  - (v) enhancing the visibility of, and raising the awareness of public authorities, the private sector and the general public to an integrated approach to maritime affairs.

- (b) Contribute to the development of cross-sectoral initiatives that are mutually beneficial to different maritime sectors and/or sectoral policies, taking into account and building upon existing tools and initiatives, such as:
  - (i) integrated maritime surveillance to enhance effectiveness and efficiency through information exchange across sectors and borders while taking due account of existing and future systems;
  - (ii) maritime spatial planning and integrated coastal zone management;
  - (iii) the progressive development of a comprehensive and publicly accessible high quality marine knowledge base which shall facilitate sharing, re-use and dissemination of these data and knowledge among various user groups.
- (c) Supporting sustainable economic growth, employment, innovation and new technologies within emerging and prospective maritime sectors in coastal regions, in complementarity with established sectoral and national activities.
- (d) promoting the protection of the marine environment, in particular its biodiversity and marine protected areas such as Natura 2000 sites, and the sustainable use of marine and coastal resources and to further define the boundaries of the sustainability of human activities that have an impact on the marine environment, in particular in the framework of the Marine Strategy Framework Directive.

#### *Article 82*

#### **Eligible operations**

1. The EMFF may support operations in accordance with the objectives set out in Article 81, such as:
  - (a) studies;
  - (b) projects, including test projects and cooperation projects;
  - (c) public information and sharing best practice, awareness raising campaigns and associated communication and dissemination activities such as publicity campaigns, events, the development and maintenance of websites, stakeholder platforms, including corporate communication of the political priorities of the Union as far as they are related to the general objectives of this Regulation;
  - (d) conferences, seminars and workshops;
  - (e) exchange of best practices, coordination activities including information sharing networks and steering mechanisms for sea-basin strategies;
  - (f) the development, operation and maintenance of IT-systems and networks enabling the gathering, administration, validation, analysis and exchange of, and the development of sampling methods for, data related to fisheries, as well as interconnection to cross-sectoral data exchange systems;

2. In order to achieve the specific objective of developing cross-sectoral operations set out in Article 81 b), the EMFF may support:
  - (a) the development and implementation of technical tools for integrated maritime surveillance, in particular for supporting the deployment, operation and maintenance of a decentralised system for exchange of information in the maritime domain (CISE) , in particular by interconnecting existing or future systems;
  - (b) activities of coordination and cooperation among Member States to develop maritime spatial planning and integrated coastal zone management, including expenditure related to systems and practices of data sharing and monitoring, evaluation activities, the setting up and running of networks of experts, and the setting up of a programme aiming at building capacity for Member States to implement maritime spatial planning;
  - (c) the technical tools for setting up and running of an operational European Marine Observation and Data Network aiming to facilitate the collection, assembling, quality control, re-use and distribution of marine data through cooperation between the Member states institutions involved in the network.

## **CHAPTER II**

### **Accompanying measures for the Common Fisheries Policy and the Integrated Maritime Policy under direct management**

#### *Article 83*

#### **Geographical scope**

By way of derogation from Article 2 of this Regulation, this Chapter shall apply also to operations carried out outside the territory of the European Union.

#### *Article 84*

#### **Specific Objectives**

Measures under this Chapter shall facilitate the implementation of the CFP and IMP in particular as regard to:

- (a) scientific advice under CFP;
- (b) specific control and enforcement measures under CFP;
- (c) voluntary contributions to international organisations;
- (d) Advisory Councils;
- (e) market intelligence;
- (f) Common Fisheries Policy and Integrated Maritime Policy communication activities.

*Article 85*

**Scientific Advice and knowledge**

1. The EMFF may support the provision of scientific deliverables, particularly applied-research projects directly linked to the provision of scientific opinions and advice, for the purpose of sound and efficient fisheries management decisions under the CFP.
2. In particular, the following types of operations shall be eligible:
  - (a) studies and pilot projects needed for the implementation and development of the CFP, including on alternative types of sustainable fishing management techniques;
  - (b) the preparation and provision of scientific opinions and advice by scientific bodies, including international advisory bodies in charge of stock assessments, by independent experts and by research institutions;
  - (c) the participation of experts in the meetings on fisheries scientific and technical issues and expert working groups as well as in international advisory bodies and in meetings where contribution of fisheries experts will be required;
  - (d) expenditure incurred by the Commission for services related to collection, management and use of data, to the organisation and management of fisheries expert meetings and the management of annual work programmes related to fisheries scientific and technical expertise, to the processing of data calls and datasets, to the preparatory work aiming at delivering scientific opinions and advice;
  - (e) cooperation activities between the Member States in the field of data collection, including the setting-up and running of regionalized databases for storage, management and use of data which will benefit regional cooperation and improve data collection and management activities as well as the scientific expertise in support of fisheries management.

*Article 86*

**Control and enforcement**

1. The EMFF may support the implementation of a Union control, inspection and enforcement system as stipulated in Article 46 of [Regulation on the Common Fisheries Policy] and specified in Council Regulation (EC) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the Common Fisheries Policy.
2. In particular, the following types of operations shall be eligible:
  - (a) joint purchase by several Member States belonging to the same geographical area, of patrol vessels, aircrafts and helicopters, provided they are used at least 60% of the time for fisheries control;
  - (b) expenditure relating to the assessment and development of new control technologies;

- (c) all operational expenditure related to inspection, by Commission inspectors, of the implementation of the CFP by the Member States, and in particular inspection missions, safety equipment and training of inspectors, the organization of or participation at meetings and the charter or purchase by the Commission of inspection means as specified in Title X of Council Regulation (EC) No 1224/2009 of 20 November 2009.
3. In case of the measure listed in point (a) of paragraph 2, only one of the Member States involved shall be designated as the beneficiary.

#### *Article 87*

#### **Voluntary contributions to international organisations**

The EMFF may support the following types of operations in the area of international relations:

- (a) voluntary funding provided to the United Nations organisations as well as voluntary funding provided to any international organisation active in the field of the Law of the Sea;
- (b) voluntary financial contributions to preparations for new international organisations or preparation of new international treaties which are of interest to the European Union;
- (c) voluntary financial contributions to work or programmes carried out by international organisations which are of special interest to the European Union;
- (d) financial contributions to any activity (including working, informal or extraordinary meetings of contracting parties) which upholds the interests of the European Union in international organisations and strengthens cooperation with its partners in these organisations. In this connection, when the presence of representatives of third countries in negotiations and meetings within international forums and organisations becomes necessary for the European Union interests, the EMFF shall bear the costs of their participation.

#### *Article 88*

#### **Advisory Councils**

- 1. The EMFF may support operating costs of the Advisory Councils as set up by Article 52 of [Regulation on Common Fisheries Policy].
- 2. An Advisory Council having legal personality may apply for Union support as a body pursuing an aim of general European interest.

*Article 89*

**Market intelligence**

The EMFF may support the development and dissemination of market intelligence for fishery and aquaculture products by the Commission in accordance with Article 49 of [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products].

*Article 90*

**Common Fisheries Policy and Integrated Maritime Policy communication activities**

The EMFF may support:

- (a) costs for information and communication activities linked to the Common Fisheries Policy and to the Integrated Maritime Policy, including:
- (b) costs for production, translation and dissemination of material tailored to the specific needs of the different target groups in written, audiovisual and electronic format;
- (c) costs for preparation and organisation of events and meetings to inform or collect the views of the different parties concerned by the Common Fisheries Policy and the Integrated Maritime Policy.
- (d) travelling and accommodation costs of experts and stakeholder representatives invited by the Commission to meetings.
- (e) costs of the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

**CHAPTER III**  
**Technical assistance**

*Article 91*

**Technical assistance at the initiative of the Commission**

The EMFF may support, at the initiative of the Commission, subject to the ceiling of 1.1% of this fund:

- (a) the measures of technical assistance specified in Article 51(1) of the [Regulation (EU) No [...] laying down Common Provisions] for the implementation of this Regulation ;
- (b) the implementation of sustainable fisheries agreements and the Union participation in regional fisheries management organisations;
- (c) the setting up of a European network of FLAGs aiming at capacity building, disseminating information, exchanging experience and best practice and supporting cooperation between the local partnerships. This network shall cooperate with the networking and technical support bodies for local development set up by the EFRD,

the ESF and the EAFRD as regards their local development activities and transnational co-operation.

*Article 92*

**Technical assistance at the initiative of the Member States**

1. The EMFF may support, at the initiative of a Member State, subject to a ceiling of 5 % of the total amount of the operational programme:
  - (a) the measures of technical assistance referred to in Article 52(1) of the [Regulation (EU) No [...] laying down Common Provisions];
  - (b) the establishment of national networks aiming at disseminating information, capacity building, exchanging best practice and supporting cooperation between the FLAGs in their territory.
2. Exceptionally, and in duly justified circumstances, the threshold referred to in paragraph 1 may be exceeded.
3. Costs of certification body shall not be eligible under paragraph 1.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the definition of the activities to be carried out by national networks mentioned in paragraph 1.

# **TITLE VII IMPLEMENTATION UNDER SHARED MANAGEMENT**

## **CHAPTER I General provisions**

### *Article 93*

#### **Scope**

This Title shall apply to measures financed under shared management as set out in Title V

## **CHAPTER II Delivery mechanism**

### **SECTION 1 SUPPORT FROM THE EMFF**

#### *Article 94*

#### **Determination of co-financing rates**

1. The decision of the Commission approving the operational programme shall set the maximum EMFF contribution to that programme.
2. The EMFF contribution shall be calculated on the basis of the amount of eligible public expenditure.

The operational programme shall establish the EMFF contribution rate applicable to each of the objectives defined under the Union priorities for EMFF, as referred to in Article 6. The maximum EMFF contribution rate shall be 75% of the eligible public expenditure.

The minimum EMFF contribution rate shall be 20%.

3. By way of derogation from paragraph 2, the EMFF contribution shall be:
  - (a) 100 % of the eligible public expenditure for the support under storage aid referred to in Article 70;
  - (b) 100 % of the eligible public expenditure for the compensation regime referred to in Article 73;

- (c) 50 % of the eligible public expenditure for the support referred to in Article 78(2)(e);
- (d) 80 % of the eligible public expenditure for the support referred to in Article 78(2)(a) to (d) and (f) to (j);
- (e) 65 % of the eligible expenditure for the support referred to in Article 79.

*Article 95*

**Intensity of public aid**

1. Member States shall apply a maximum intensity of public aid of 50% of the total eligible expenditure of the operation.
2. By way of derogation from paragraph 1, Member States shall apply an intensity of public aid of 100% of the eligible public expenditure of the operation where:
  - (a) the beneficiary is a public law body;
  - (b) the operation is related to the storage aid referred to in Article 70;
  - (c) the operation is related to the compensation regime referred to in Article 73;
  - (d) the operation is related to the data collection referred to in Article 79.
3. By way of derogation from paragraph 1, Member States may apply an intensity of public aid between 50% and maximum 100% of the total eligible expenditure when the operation is implemented under Chapter III of Title V and fulfils one of the following criteria:
  - (a) collective interest;
  - (b) collective beneficiary;
  - (c) public access to the results of the operation;
  - (d) innovative features of the project at local level.
4. By way of derogation from paragraph 1, additional percentage points of public aid intensity as set out in Annex I shall apply.
5. The minimum intensity of public aid shall be 20 % of the total eligible expenditure of the operation.
6. The Commission shall establish by means of implementing acts adopted in accordance with the examination procedure referred to in Article 151(3) how the different percentage points of public aid intensity shall apply in the case where several conditions of Annex I are fulfilled.

## SECTION 2 FINANCIAL MANAGEMENT AND USE OF THE EURO

### *Article 96*

#### **Pre-financing arrangements**

1. In addition to the general rules of Article 72 of [Regulation (EU) No [...] laying down Common Provisions], and following the Commission decision approving the operational programme, an initial pre-financing amount for the whole programming period shall be paid by the Commission. This shall represent 4% of the contribution from the Union budget to the operational programme concerned. It may be split into two instalments depending on budget availability.
2. Interest generated on the pre-financing shall be posted to the operational programme concerned and deducted from the amount of public expenditure indicated on the final declaration of expenditure.

### *Article 97*

#### **Accounting year**

The accounting year shall cover expenditure paid and revenue received and entered in the accounts of the EMFF budget by the paying agency in respect of the year «N» beginning on 16 October of year «N-1» and ending on 15 October of year «N».

### *Article 98*

#### **Interim payments**

1. Interim payments shall be made for each operational programme. They shall be calculated by applying the co-financing rate for each Union priority to the certified public expenditure pertaining to it.
2. Subject to resource availability, the Commission shall make intermediate payments in order to reimburse the expenditure incurred by accredited paying agencies in implementing the programmes.
3. Each interim payment shall be made subject to compliance with the following requirements:
  - (a) transmission to the Commission of a declaration of expenditure signed by the accredited paying agency, in accordance with Article 124(1)(c);
  - (b) no overrun of the total EMFF contribution to each Union priority for the entire period covered by the programme concerned;
  - (c) transmission to the Commission of the last annual progress report on the implementation of the operational programme.

4. If one of the requirements laid down in paragraph 3 is not met, the Commission shall forthwith inform the accredited paying agency. If one of the requirements laid down in point (a) or (c) of paragraph 3 is not met, the declaration of expenditure shall be inadmissible.
5. The Commission shall make interim payments within 45 days of registering a declaration of expenditure for which the requirements set out in paragraph 3 are met, without prejudice to Articles 123 and 127.
6. Accredited paying agencies shall establish and forward intermediate declarations of expenditure relating to operational programmes to the Commission, within the periods set by the Commission by means of implementing acts adopted in accordance with the advisory procedure referred to in Article 151(2).

Intermediate declarations of expenditure in respect of expenditure incurred from 16 October onwards shall be booked to the budget of the following year.

#### *Article 99*

#### **Payment of the balance and closure of the programme**

1. After receiving the last annual progress report on the implementation of an operational programme, the Commission shall pay the balance, subject to resource availability, on the basis of the financial plan in force, the annual accounts for the last execution year for the relevant operational programme and of the corresponding clearance decision. Those accounts shall be presented to the Commission no later than 6 months after the final eligibility date of expenditure and shall cover the expenditure incurred by the paying agency up to the last eligibility date of expenditure.
2. The balance shall be paid not later than six months after the information and documents referred to in paragraph 1 are considered receivable by the Commission and the last annual account has been cleared. The amounts still committed after the balance is paid shall be decommitted by the Commission within a period of six months, without prejudice to Article 100.
3. If by the time limit set out in paragraph 1 the Commission has not been sent the last annual progress report and the documents needed for clearance of the accounts of the last execution year for the programme, the balance shall be decommitted in accordance with Article 100.

#### *Article 100*

#### **Decommitment**

The Commission shall decommit any portion of a budget commitment for an operational programme that has not been used for the purpose of pre-financing or making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 98(3) has been presented to it in relation to expenditure incurred by 31 December of the second year following that of the budget commitment.

*Article 101*  
**Use of the Euro**

1. The amounts set out in the operational programme submitted by the Member State, certified statements of expenditure, applications for payment and expenditure referred to in the annual and final reports of implementation shall be denominated in euro.
2. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert into euro the amounts of expenditure incurred in national currency.

Those amounts shall be converted in euro using the monthly accounting rate of the Commission in the month during which the expenditure was registered in the accounts of the paying agency of the operational programme concerned. This rate shall be published electronically by the Commission each month.

3. The amounts recovered in national currency by Member States which have not adopted the euro as their currency on the date of the recovery shall be converted into euro using the exchange rate referred to in paragraph 2.
4. When the euro becomes the currency of a Member State, the conversion procedure set out in the paragraph 3 shall continue to apply to all expenditure recorded in the accounts by the paying agency before the date of entry into force of the fixed conversion rate between the national currency and the euro.

**SECTION 3**  
**ELIGIBILITY OF EXPENDITURE AND DURABILITY**

*Article 102*  
**Eligible expenditure**

1. In addition to the general rules set out in Article 55(1) of [Regulation (EU) No [...] laying down Common Provisions], payments by beneficiaries shall be supported by invoices and documents proving payment.
2. Only indirect costs under Chapter III of Title V shall be eligible for EMFF contribution.
3. By way of derogation from Article 55(7) of [Regulation (EU) No [...] laying down Common Provisions], expenditure which becomes eligible because of an amendment of the programme under Article 22(2) shall only be eligible as of 1st January of the year following the submission of the amendment.

### *Article 103*

#### **Calculation of simplified costs, additional costs or income foregone**

Where aid is granted on the basis of simplified costs, additional costs or income foregone, Member States shall ensure that the relevant calculations are adequate, accurate and established in advance on the basis of a fair, equitable and verifiable calculation.

### *Article 104*

#### **Advances**

1. Payment of advances shall be subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100% of the amount of the advance.
2. In case of public beneficiaries, advances shall be paid to municipalities, regional authorities and associations thereof, and to public law bodies.
3. A facility provided as a guarantee by a public authority shall be considered equivalent to the guarantee referred to in paragraph 1, provided that the authority undertakes to pay the amount covered by that guarantee, if entitlement to the advance paid is not established.
4. The guarantee may be released when the competent paying agency establishes that the amount of actual expenditure corresponding to the public contribution related to the operation exceeds the amount of the advance.

### *Article 105*

#### **Durability of the criteria for admissibility of the operation**

1. The beneficiary shall continue to comply with the admissibility conditions referred to in Article 12(1), after submitting the application and during the whole period of implementation of the operation and, for certain types of operation, also for an identified period of time after the last payment.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the identification:
  - (a) of types of operation for which the admissibility conditions should be complied with after the last payment and
  - (b) of the period of time referred to in paragraph 1.

The Commission shall exercise the empowerment in full respect of the principle of proportionality and taking into account the risk that the non-compliance with the respective CFP rules constitutes a serious threats to the sustainable exploitation of living marine biological resources that restores and maintains populations of harvested species above levels which can produce the MSY, the sustainability of the stocks concerned or the conservation of the marine environment.

## **CHAPTER III**

### **Management and control systems**

#### *Article 106*

#### **Responsibilities of Member States**

Member States shall ensure that a management and control system has been set up for the operational programme ensuring a clear allocation and separation of functions between the managing authority, the paying agency and the certification body. Member States shall be responsible for ensuring that the system functions effectively throughout the programme period.

#### *Article 107*

#### **Competent authorities**

1. Member States shall designate, for the operational programme, the following authorities:
  - (a) the managing authority, which may be either a public or private law body acting at national or regional level, or the Member State itself when it carries out that task, to be in charge of the management of the programme concerned;
  - (b) the accredited paying agency within the meaning of Article 109;
  - (c) the certification body within the meaning of Article 112.
2. Member States shall clearly define the tasks of the managing authority, the paying agency and, under sustainable local development, the local action groups referred to in Article 62 with regard to the application of eligibility and selection criteria and the project selection procedure.

#### *Article 108*

#### **Managing authority**

1. The managing authority shall be responsible for managing and implementing the programme in an efficient, effective and correct way, and in particular for:
  - (a) ensuring that there is an appropriate secure electronic system to record, maintain, manage and report statistical information on the programme and its implementation required for the purposes of monitoring and evaluation and, in particular, information required to monitor progress towards the defined objectives and Union priorities;
  - (b) providing the Commission, on a quarterly basis, with relevant data on operations selected for funding, including key characteristics of the beneficiary and the operation itself;

- (c) ensuring that beneficiaries and other bodies involved in the implementation of the operations:
    - (i) are informed of their obligations resulting from the aid granted, and maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation;
    - (ii) are aware of the requirements concerning the provision of data to the managing authority and the recording of outputs and results;
  - (d) ensuring that the ex ante evaluation referred to in Article 48 of [Regulation (EU) No [...] laying down Common Provisions] conforms to the evaluation and monitoring system referred to in Article 131 and accepting and submitting this evaluation to the Commission;
  - (e) ensuring that the evaluation plan referred to in Article 49 of [Regulation (EU) No [...] laying down Common Provisions] is in place, that the ex post evaluation referred to in Article 140 is conducted within the time limits laid down in the aforementioned Article, ensuring that such evaluations are in conformity with the monitoring and evaluation system referred to in Article 131 and submitting them to the Monitoring Committee referred to in Article 136 and the Commission;
  - (f) providing the monitoring committee referred to in Article 136 with the information and documents needed to monitor the implementation of the programme in the light of its specific objectives and priorities;
  - (g) drawing up the annual implementation report referred to in Article 138 including aggregate monitoring tables, and, after approval by the monitoring committee referred to in Article 136, submitting this report to the Commission;
  - (h) ensuring that the paying agency receives all necessary information, in particular on the procedures operated and any controls carried out in relation to operations selected for funding, before payments are authorised;
  - (i) ensuring publicity for the programme by informing potential beneficiaries, professional organisations, the economic and social partners, bodies involved in promoting equality between men and women, and the non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the programme and the rules for gaining access to programme funding as well as by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme.
2. The Member State or the managing authority may designate one or more intermediate bodies including regional or local authorities, or non-governmental organisations, to carry out the management or implementation of operations under the operational programme.
  3. When a part of its tasks is delegated to another body, the managing authority shall retain full responsibility for the efficiency and correctness of management and implementation of those tasks. The managing authority shall ensure that appropriate

provisions are in place to allow the other body to obtain all necessary data and information for execution of those tasks.

#### *Article 109*

#### **Accreditation and withdrawal of accreditation of paying agency**

1. The paying agency shall be a dedicated department or body of the Member States responsible for the management and control of expenditure. With the exception of payment, the execution of those tasks may be delegated.
2. Member States shall accredit as paying agencies departments or bodies which fulfil the accreditation criteria to be laid down by the Commission pursuant to Article 111(2).
3. The person in charge of the accredited paying agency shall draw up the information listed in Article 75(1)(a), (b) and (c) of the [Regulation (EU) No [...] laying down Common Provisions].
4. Where an accredited paying agency does not meet or no longer meets one or more of the accreditation criteria referred to in paragraph 2, the Member State shall withdraw its accreditation unless the paying agency makes the necessary changes within a period to be determined according to the severity of the problem.
5. The paying agencies shall manage and ensure control of the operations linked to public intervention for which they are responsible and they shall retain overall responsibility in that field.

#### *Article 110*

#### **Payment in full to beneficiaries**

Save explicitly provided otherwise in the Union legislation, payments relating to the financing provided for in this Regulation shall be disbursed in full to the beneficiaries.

#### *Article 111*

#### **Commission powers**

To ensure the sound operation of the system established in Article 106, the Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning:

- (a) minimum conditions for the accreditation of paying agencies with regard to the internal environment, control activities, information and communication, and monitoring, as well as rules on the procedure for issuing and withdrawing accreditation;
- (b) rules relating to supervision and the procedure for reviewing accreditation of paying agencies;
- (c) the obligations of the paying agencies as regards the content of their management and control responsibilities.

*Article 112*  
**Certification bodies**

1. The certification body shall be a public or private audit body designated by the Member State which shall provide an opinion on the management declaration of assurance covering the completeness, accuracy and veracity of the annual accounts of the paying agency, the proper functioning of its internal control system, the legality and regularity of the underlying transactions, as well as the respect of the principle of sound financial management. It shall be operationally independent from the paying agency concerned, the managing authority and the authority which has accredited that paying agency.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 laying down detailed rules on status of the certification bodies, the specific tasks, including the controls, which they have to carry out as well as the certificates and the reports, together with the documents accompanying them, to be drawn up by those bodies.

*Article 113*  
**Admissibility of payments made by the paying agencies**

The expenditure under shared management referred to Title V and under technical assistance referred to in Article 92 may be covered by Union financing only if it has been effected by accredited paying agencies.

**CHAPTER IV**  
**Control by Member States**

*Article 114*  
**Responsibilities of the Member States**

1. Member States shall adopt, within the framework of the EMFF, all legislative, regulatory and administrative provisions and take any other measures necessary to ensure effective protection of the financial interests of the Union, and in particular:
  - (a) check the legality and regularity of operations financed including that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid by them and that it complies with applicable Union and national law, the operational programme and the conditions for support of the operation;
  - (b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
  - (c) set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the

requirements of Article 62(g) of [Regulation (EU) No [...] laying down Common Provisions];

- (d) offer effective prevention against fraud, especially as regards the areas with a higher level of risk, and which shall act as a deterrent, having regard to the costs and benefits and to the proportionality of the measures;
  - (e) prevent, detect and correct irregularities and fraud;
  - (f) apply the required financial corrections which are effective, dissuasive and proportionate in accordance with Union legislation or national law;
  - (g) recover undue payments plus interest and if necessary launch legal proceedings.
2. Member States shall set up efficient management and control systems in order to ensure compliance with this Regulation.
3. In order to satisfy the obligations referred to in paragraph (1)(a) and (b), the systems set up by Member States shall include:
- (a) administrative checks in respect of each application for reimbursement by beneficiaries;
  - (b) on-the-spot controls of operations.

As regards the on-the-spot controls, the authority responsible shall draw its control sample from the entire population of applicants comprising, where appropriate, a random part and a risk-based part in order to obtain a representative error rate, while targeting also highest errors.

4. On-the-spot verifications of individual operations pursuant to paragraph (3)(b) may be carried out on a sample basis.
5. Where the managing authority is also a beneficiary under the operational programme, arrangements for the verifications referred to in paragraph 1(a) shall ensure adequate separation of functions.
6. Member States shall inform the Commission of the provisions adopted and measures taken under paragraphs 1, 2, 3 and 5. Any conditions which the Member States establish to supplement the conditions laid down in this Regulation shall be verifiable.
7. The Commission may, by means of implementing acts, adopt rules aiming at reaching a uniform application of paragraphs 1, 2, 3 and 4. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).
8. The Commission shall adopt delegated acts, in accordance with Article 150, laying down rules concerning arrangements for the audit trail referred to in paragraph 1(c).

*Article 115*

**Recovery of undue payments**

1. In the case of paragraph (1)(g) of Article 114, Member States shall recover amounts unduly paid, together with any interest on late payments. They shall notify those cases to the Commission and shall keep the Commission informed of the progress of the related administrative and legal proceedings.
2. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 laying down detailed rules concerning the obligations of the Member States specified in paragraph 1.

*Article 116*

**Irregularities**

1. For any undue payment following the occurrence of irregularity or other cases of non-compliance, Member States shall request recovery from the beneficiary within one year of the first indication that such an irregularity has taken place and shall record the corresponding amounts in the debtors' ledger of the paying agency.
2. If recovery has not taken place within four years of the date of the recovery request, or within eight years where recovery is taken in the national courts, the financial consequences of non-recovery shall be borne by the Member State concerned, without prejudice to the requirement that the Member State concerned must pursue recovery procedures in compliance with Article 115.

Where, in the context of the recovery procedure, the absence of any irregularity is recorded by an administrative or legal instrument of a definitive nature, the Member State concerned shall declare as expenditure to this fund the financial burden borne by it under the first subparagraph.

3. On duly justified grounds, Member States may decide not to pursue recovery. A decision to this effect may be taken only in the following cases:
  - (a) if the costs of recovery incurred or likely to be incurred sum up to a total amount exceeding the amount to be recovered, or
  - (b) if recovery proves impossible owing to the insolvency, recorded and recognised under national law, of the debtor or the persons legally responsible for the irregularity.

Where the decision referred to in the first subparagraph of this paragraph is taken before the outstanding amount has been subject to the rules referred to in paragraph 2, the financial consequence of non-recovery is borne by the Union budget.

4. Member States shall enter in the annual accounts to be sent to the Commission under Article 125(c)(iii) the amounts to be borne by them under paragraph 2. The Commission shall verify and, if needed, decide to modify the annual accounts by means of implementing act.

5. The Commission may, by means of implementing acts, decide to exclude from Union financing sums charged to the Union budget in the following cases:
  - (a) if the Member State has not respected the time limits referred to in paragraph 1;
  - (b) if it considers that the decision not to pursue recovery taken by a Member State pursuant to paragraph 3 is not justified;
  - (c) if it considers that the irregularity or lack of recovery is the outcome of irregularity or negligence attributable to the administrative authorities or any other official body of the Member State.
6. Before adopting any decision by means of implementing acts mentioned in this Article, the procedure laid down in Article 129(6) shall apply.

#### *Article 117*

#### **Financial corrections by Member States**

1. The Member State shall in the first instance bear the responsibility for investigating irregularities or other cases of non compliance, making the financial corrections required and for pursuing recoveries. In the case of a systemic irregularity, the Member State shall extend its investigation to cover all operations potentially affected.
2. The Member State shall make the financial corrections required in connection with individual or systemic irregularities or other cases of non compliance detected in operations or the operational programme. The corrections made by the Member State shall consist of cancelling all or part of the public contribution to an operation or the operational programme. The Member State shall take into account the nature and gravity of the irregularities and the financial loss to the EMFF and shall apply a proportionate correction. Financial corrections shall be recorded in the annual accounts by the paying agency for the accounting year in which the cancellation is decided.
3. For the cases of financial corrections applied on expenditure directly linked to the non-compliance with Article 105, the Member States shall decide the amount of a correction taking into account the gravity of the non compliance by the beneficiary with CFP rules, the economic advantage derived from the non-compliance with CFP rules or the importance of the EMFF contribution to the economic activity of the beneficiary.
4. The contribution from the EMFF cancelled in accordance with paragraph 1 may be re-used within the operational programme, subject to paragraph 5.
5. The contribution cancelled in accordance with paragraph 2 may not be re-used for the operation or operations that were the subject of the correction, or, where a financial correction is made for a systemic irregularity or other cases of non compliance, for any operations within affected by the systematic irregularity or other cases of non compliance.

## **CHAPTER V**

### **Control by the Commission**

#### **SECTION 1**

#### **INTERRUPTION AND SUSPENSION**

##### *Article 118*

##### **Interruption of the payment deadline**

In addition to the elements allowing for interruption listed in Article 74(1)(a) to (c) of [Regulation (EU) No [...] laying down Common Provisions], the authorising officer by delegation within the meaning of the [Financial Regulation] may interrupt the payment deadline for an interim payment claim for a maximum period of nine months if the Commission has adopted a decision by means of implementing act recognising that there is evidence to suggest that there is a case of non compliance by a Member State with obligations under the Common Fisheries Policy which shall be liable to affect the expenditure contained in a certified statement of expenditure for which the interim payment is requested;

##### *Article 119*

##### **Suspension of payments**

1. The Commission may suspend, by means of an implementing act, all or part of the interim payments of the operational programme where:
  - (a) there is a serious deficiency in the management and control system of the operational programme for which corrective measures have not been taken;
  - (b) expenditure in a certified statement of expenditure is linked to a serious irregularity or other case of non compliance which has not been corrected;
  - (c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 118;
  - (d) there is a serious deficiency in the quality and reliability of the monitoring system;
  - (e) the Commission has adopted a decision by means of an implementing act recognising that a Member State has failed to comply with its obligations under the Common Fisheries Policy. Such non compliance shall be liable to affect the expenditure contained in a certified statement of expenditure for which the interim payment is requested;
  - (f) the conditions referred to in Articles 17(5) and 20(3) of the Regulation [on Common Provisions] are fulfilled.
2. The Commission may decide, by means of implementing act, to suspend all or part of interim payments after having given the Member State the opportunity to present

its observations within a period of two months. The Commission may lay down, by means of implementing acts adopted in accordance with the examination procedure referred to in Article 151(3), detailed rules on the part of the payments which may be suspended. These amounts shall be proportionate to the nature and importance of the deficiency, irregularity or non-compliance by the Member State.

3. The Commission shall decide by means of implementing act to end the suspension of all or part of interim payments where the Member State has taken the necessary measures to enable the suspension to be lifted. Where such measures are not taken by the Member State, the Commission may adopt by means of implementing act a decision to apply financial corrections by cancelling all or part of the Union contribution to the operational programme in accordance with Article 128 and in accordance with the procedure described in Article 129.

#### *Article 120*

### **Commission powers**

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 defining the cases of non compliance referred to in Article 118 and 119(1)(e), including listing the relevant the provisions of the CFP which are essential to the conservation of marine biological resources.
2. The Commission may lay down, by means of implementing acts, detailed rules on the interruption and suspension procedure. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).

## **SECTION 2**

### **CLEARANCE OF ACCOUNTS AND FINANCIAL CORRECTIONS**

#### *Article 121*

### **On-the-spot controls by the Commission**

1. Without prejudice to the controls carried out by Member States under national laws, regulations and administrative provisions or Article 287 of the Treaty, and any check organised under Article 322 of the Treaty, the Commission may organise on-the-spot controls in Member States with a view to verifying in particular:
  - (a) compliance of administrative practices with Union rules;
  - (b) the existence of the requisite supporting documents and their correlation with the operations financed by the EMFF;
  - (c) the terms on which the operations financed by the EMFF have been undertaken and controlled.
2. Persons delegated by the Commission to carry out on-the-spot controls or Commission agents acting within the scope of the powers conferred upon them shall have access to the books and all other documents, including documents and metadata

drawn up or received and recorded on an electronic medium, relating to expenditure financed by the EMFF.

3. The powers to carry out on-the-spot controls shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Persons delegated by the Commission shall not take part, *inter alia*, in home visits or the formal questioning of persons on the basis of legislation of the Member State concerned. However, they shall have access to information thus obtained.
4. The Commission shall give sufficient prior notice of an on-the-spot control to the Member State concerned or the Member State within whose territory the control is to take place. Agents from the Member State concerned may take part in such controls.
5. At the request of the Commission and with the agreement of the Member State concerned, additional controls or inquiries into the operations covered by this Regulation shall be undertaken by the competent bodies of that Member State. Commission agents or persons delegated by the Commission may take part in such controls.
6. In order to improve controls, the Commission may, with the agreement of the Member States concerned, request the assistance of the authorities of those Member States for certain controls or inquiries.
7. The Commission may, by means of implementing acts, adopted in accordance with the advisory procedure referred to in Article 151(2), lay down rules regarding the procedures to comply with when additional controls referred to in paragraphs 5 and 6 are carried out.

#### *Article 122*

#### **Access to information**

1. Member States shall make available to the Commission all information necessary for the smooth operation of the EMFF and shall take all appropriate measures to facilitate the controls which the Commission deems appropriate in connection with the management of Union financing, including on-the-spot controls.
2. On request by the Commission Member States shall communicate to the Commission their laws, regulations and administrative provisions which they have adopted for implementing the Union acts relating to the Common Fisheries Policy, where those acts have a financial impact on the EMFF.
3. Member States shall make available to the Commission all information about irregularities and suspected fraud cases detected, and about the steps taken to recover undue payments in connection with those irregularities and frauds pursuant to Article 116.

*Article 123*  
**Access to documents**

The accredited paying agencies shall keep supporting documents relating to payments made and documents relating to the performance of the administrative and physical checks required by Union legislation, and shall make the documents and information available to the Commission.

Where those documents are kept by an authority acting under delegation from a paying agency and responsible for authorising expenditure, that authority shall send reports to the accredited paying agency on the number of checks made, their content and the measures taken in the light of their results.

*Article 124*  
**Clearance of accounts**

1. Prior to 30 April of the year following the budget year in question and on the basis of the information transmitted in accordance with Article 125(c), the Commission shall, by means of implementing acts, decide on the clearance of the accounts of the accredited paying agencies.
2. The clearance decision referred to in paragraph 1 shall cover the completeness, accuracy and veracity of the annual accounts submitted. The decision shall be adopted without prejudice to decisions adopted subsequently pursuant to Article 128.

*Article 125*  
**Communication of information**

Member States shall send to the Commission the following information, declarations and documents:

- (a) for accredited paying agency:
  - (i) its accreditation document;
  - (ii) its function;
  - (iii) where relevant, the withdrawal of its accreditation,
- (b) for certification body:
  - (i) its name;
  - (ii) its address detail,
- (c) for measures relating to operations financed:
  - (i) declarations of expenditure, which also act as payment requests, signed by the accredited paying agency and accompanied by the requisite information;

- (ii) an update of estimated declarations of expenditure which will be submitted during the year and estimated declarations of expenditure in respect of the following financial year;
- (iii) the management declaration of assurance and the annual accounts of the accredited paying agencies;
- (iv) a summary of the results of all available audits and checks carried out.

*Article 126*  
**Confidentiality**

Member States and the Commission shall take all necessary steps to ensure the confidentiality of the information communicated or obtained during on the spot controls or in the context of clearance of accounts implemented under this Regulation.

The principles mentioned in Article 8 of Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot controls and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities<sup>36</sup> shall apply to that information.

*Article 127*  
**Commission powers**

The Commission may, by means of implementing acts, adopt rules pertaining to:

- (a) the form, content, intervals, deadlines and arrangements for transmitting or making available to the Commission:
  - (i) declarations of expenditure and estimates of expenditure and their updates, including assigned revenue;
  - (ii) management declaration of assurance and annual accounts of the paying agencies, as well as the results of all available audits and controls carried out;
  - (iii) the account certification reports;
  - (iv) the names and particulars of accredited paying agencies and certification bodies;
  - (v) arrangements for taking account of and paying expenditure financed by the EMFF;
  - (vi) notifications of financial adjustments made by Member States in connection with operations or operational programme, and summary reports on the recovery procedures undertaken by the Member States in response to irregularities;

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<sup>36</sup> OJ L 292, 15.11.1996, p. 2

- (vii) information on the measures taken to protect the financial interests of the Commission.
- (b) the arrangements governing exchanges of information and documents between the Commission and the Member States, and the implementation of information systems, including the type, format and content of data to be processed by those systems and the corresponding data storage rules;
- (c) the notification to the Commission by Member States of information, documents, statistics and reports, as well as the deadlines and methods for their notification.
- (d) the cooperation obligations to be complied with by the Member States for the implementation of Articles 121 and 122;

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).

#### *Article 128*

#### **Financial correction by the Commission and criteria for financial corrections**

1. In addition to the cases identified in Articles 20(4) and 77 of the Regulation [on Common Provisions], the Commission shall, by means of implementing acts, make financial corrections by cancelling all or part of the Union contribution to an operational programme where, after carrying out the necessary examination, it concludes that:
  - (a) there is a serious deficiency in the management and control system of the programme which has put at risk the Union contribution already paid to the operational programme;
  - (b) expenditure contained in a certified statement of expenditure is irregular or affected by other case of non compliance, and has not been corrected by the Member State prior to the opening of the correction procedure under this paragraph;
  - (c) a Member State has not complied with its obligations under Article 117 prior to the opening of the correction procedure under this paragraph.
  - (d) expenditure contained in a certified statement of expenditure is affected by cases of non compliance with CFP rules by the Member State which are essential to the conservation of marine biological resources;
2. For the cases under paragraph 1(a), (b) and (c), the Commission shall base its financial corrections on individual cases of irregularity or other individual cases of non compliance that have been identified and shall take account of whether an irregularity or a case of non compliance is systemic. When it is not possible to quantify precisely the amount of irregular expenditure charged to the EMFF, the Commission shall apply a flat rate or extrapolated financial correction.
3. For the cases under paragraph 1(b) in case of non compliance with Article 105, and paragraph 1(d), the Commission shall base its financial corrections only on the

expenditure directly linked to the non-compliance with CFP rules. The Commission shall decide the amount of a correction taking into account the gravity of the non-compliance by the Member State or the beneficiary with CFP rules, the economic advantage derived from the non-compliance with CFP rules or the importance of the EMFF contribution to the economic activity of the beneficiary.

4. When it is not possible to quantify precisely the amount of expenditure linked to non-compliance with CFP rules, the Commission shall apply a flat rate or extrapolated financial correction according to paragraph 6 (a).
5. Where the Commission bases its position on the facts established by auditors other than those of its own services, it shall draw its own conclusions regarding their financial consequences, after examining the measures taken by the Member State concerned under Article 117, the notification submitted under Article 125(c) and any replies from the Member State.
6. The Commission shall be empowered to adopt delegated acts in accordance with Article 150 which shall:
  - (a) establish the criteria to set the level of financial correction to be applied in case of flat rate or extrapolated financial corrections.
  - (b) list the relevant CFP rules referred to in paragraph (1)(d) which are essential to the conservation of marine biological resources.

#### *Article 129* **Procedure**

1. Before taking a decision on a financial correction by means of implementing acts, the Commission shall open the procedure by informing the Member State of its provisional conclusions and requesting the Member State to submit its comments within two months.
2. Where the Commission proposes a financial correction on the basis of extrapolation or at a flat rate, the Member State shall be given the opportunity to demonstrate, through an examination of the documentation concerned, that the actual extent of irregularity or other case of non-compliance, including non-compliance with CFP rules, was less than the Commission's assessment. In agreement with the Commission, the Member State may limit the scope of this examination to an appropriate proportion or sample of the documentation concerned. Except in duly justified cases, the time allowed for this examination shall not exceed a further period of two months after the two-month period referred to in paragraph 1.
3. The Commission shall take account of any evidence supplied by the Member State within the time limits referred to in paragraphs 1 and 2.
4. Where the Member State does not accept the provisional conclusions of the Commission, the Member State shall be invited to a hearing by the Commission, in order to ensure that all relevant information and observations are available as a basis for conclusions by the Commission on the application of the financial correction.

5. In order to apply financial corrections the Commission shall take a decision, by means of implementing acts, within six months of the date of the hearing, or of the date of receipt of additional information where the Member State agrees to submit such additional information following the hearing. The Commission shall take account of all information and observations submitted during the course of the procedure. If no hearing takes place, the six month period shall begin to run two months after the date of the letter of invitation to the hearing sent by the Commission.
6. Where irregularities affecting annual accounts sent to the Commission are detected by the Commission or by the Court of Auditors, the resulting financial correction shall reduce support from the EMFF to the operational programme.

#### *Article 130*

### **Obligations of Member States**

A financial correction by the Commission shall not prejudice the Member State's obligation to pursue recoveries under Article 117(2) and to recover State aid in the meaning of Article 107(1) of the Treaty and under Article 14 of Council Regulation (EC) No 659/1999<sup>37</sup>.

## **CHAPTER VI**

### **Monitoring, evaluation, information and communication**

#### **SECTION 1**

### **ESTABLISHMENT AND OBJECTIVES OF A MONITORING AND EVALUATION SYSTEM**

#### *Article 131*

### **Monitoring and evaluation system**

1. A common monitoring and evaluation system for EMFF operations under shared management shall be established with a view to measuring the performance of the EMFF. In order to ensure an effective performance measurement the Commission shall be empowered to adopt delegated acts in accordance with Article 150 regarding the content and construction of that framework.
2. The impact of the EMFF shall be measured in relation to the Union priorities referred to in Article 6.  
  
The Commission shall define, by means of implementing acts, the set of indicators specific to these Union priorities. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).
3. Member States shall provide the Commission with all the information necessary to permit the monitoring and evaluation of the measures concerned. The Commission

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<sup>37</sup> OJ L 83, 27.3.1999, p. 1.

shall take into account the data needs and synergies between potential data sources, in particular their use for statistical purposes when appropriate. The Commission shall adopt, by means of implementing acts, rules on the information to be sent by the Member States, as well as on the data needs and synergies between potential data sources. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).

4. The Commission shall present a report on the implementation of this Article to the European Parliament and the Council every four years. The first report shall be presented not later than 31 December 2017.

#### *Article 132*

#### **Objectives**

The objectives of the monitoring and evaluation system shall be:

- (a) to demonstrate the progress and achievements of maritime and fisheries policy and assess the impact, effectiveness, efficiency and relevance of EMFF operations;
- (b) to contribute to better targeted support for maritime and fisheries policy;
- (c) to support a common learning process related to monitoring and evaluation;
- (d) to provide robust, evidenced based evaluations of the EMFF operations that feed into the decision making process.

### **SECTION 2**

### **TECHNICAL PROVISIONS**

#### *Article 133*

#### **Common indicators**

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs, results and impact of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 131 to allow for aggregation of data at Union level.
2. The common indicators shall be linked to the milestones and targets established in the operational programmes according to the Union priorities identified in Article 6. These common indicators shall be used for the performance framework referred to in Article 19(1) of [Regulation (EU) No [...] laying down Common Provisions], and shall allow assessment of the progress, efficiency and effectiveness of policy implementation against objectives and targets at Union, national and programme level.

*Article 134*  
**Electronic Information System**

1. Key information on the implementation of the programme, on each operation selected for funding, as well as on completed operations, needed for monitoring and evaluation, including the key characteristics of the beneficiary and the project, shall be recorded and maintained electronically.
2. The Commission shall ensure that there is an appropriate secure electronic system to record, maintain and manage key information and report on monitoring and evaluation.

*Article 135*  
**Provision of information**

Beneficiaries of support under EMFF, including local action groups, shall undertake to provide to the managing authority and/or to appointed evaluators or other bodies delegated to perform functions on its behalf, all the data and information necessary to permit monitoring and evaluation of the programme, in particular in relation to meeting specific objectives and priorities.

**SECTION 3**  
**MONITORING**

*Article 136*  
**Monitoring procedures**

1. The managing authority referred to in Article 108 and the monitoring committee provided for in Article 41 of [Regulation (EU) No [...] laying down Common Provisions] shall monitor the quality of programme implementation.
2. The managing authority and the monitoring committee shall carry out monitoring of the operational programme by means of financial, output and target indicators.

*Article 137*  
**Responsibilities of the monitoring committee**

In addition to the responsibilities provided for in Article 43 of [Regulation (EU) No [...] laying down Common Provisions], the monitoring committee shall verify the performance of the operational programme and the effectiveness of its implementation. To that end, the monitoring committee:

- (a) shall be consulted and issue an opinion, within four months of the decision approving the programme, on the selection criteria for the financed operations; the selection criteria shall be revised according to programming needs;
- (b) shall examine the activities and outputs related to the evaluation plan of the programme;

- (c) shall examine actions in the programme relating to the fulfilment of *ex ante* conditionalities;
- (d) shall consider and approve the annual implementation reports before they are sent to the Commission;
- (e) shall examine actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for disabled persons;
- (f) shall not be consulted on Annual Work Plan for data collections referred to in Article 23.

#### *Article 138*

#### **Annual implementation report**

1. By 31 May 2016 and by 31 May each subsequent year until and including 2023, the Member State shall submit to the Commission an annual implementation report on implementation of the operational programme in the previous calendar year. The report submitted in 2016 shall cover the calendar years 2014 and 2015.
2. In addition to what is provided in Article 44 of [Regulation (EU) No [...] laying down Common Provisions] annual implementation reports shall include:
  - (a) information on financial commitments and expenditure by measure;
  - (b) a summary of the activities undertaken in relation to the evaluation plan;
  - (c) information on the non respect of the durability conditions set in Article 105 and of the remedial actions undertaken by the Member States including if necessary financial corrections in accordance with Article 117(2).
3. In addition to what is provided in Article 44 of [Regulation (EU) No [...] laying down Common Provisions], the annual implementation reports submitted in 2017 and 2019 shall also cover an assessment of progress made in ensuring an integrated approach to use of the EMFF and other EU financial instruments to support territorial development, including through local development strategies, and include the findings relating to the meeting of the targets for each priority included in the operational programme.
4. The Commission shall, by means of implementing acts, adopt rules concerning the format and presentation of the annual implementation reports. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).

## **SECTION 4 EVALUATION**

### *Article 139*

#### **General provisions**

1. The Commission shall, by means of implementing acts, provide for the elements to be contained in the ex ante and ex post evaluation reports referred to in Articles 48 and 50 of [Regulation (EU) No [...] laying down Common Provisions] and establish the minimum requirements for the evaluation plan referred to in Article 49 of [Regulation (EU) No [...] laying down Common Provisions]. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 151(3).
2. Member States shall ensure that the evaluations conform to the common evaluation system agreed in accordance with Article 131, shall organise the production and gathering of the requisite data, and shall supply the various pieces of information provided by the monitoring system to the evaluators.
3. The evaluation reports shall be made available by the Member States on the internet and by the Commission on the Union website.

### *Article 140*

#### **Ex ante evaluation**

Member States shall ensure that the ex ante evaluator is engaged from an early stage in the process of development of the EMFF programme, including the development of the analysis referred to in Article 20(1)b), the design of the programme's intervention logic and the establishment of the programme's targets.

### *Article 141*

#### **Ex post evaluation**

In line with Article 50 of the [Regulation (EU) No [...] laying down Common Provisions] an ex post evaluation report shall be prepared by the Member States for the operational programme. This report shall be submitted to the Commission by 31 December 2023 at the latest.

### *Article 142*

#### **Syntheses of evaluations**

Syntheses at Union level of the *ex ante* and *ex post* evaluation reports shall be undertaken under the responsibility of the Commission. The syntheses of the evaluation reports shall be completed at the latest by 31 December of the year following the submission of the relevant evaluations.

## **SECTION 5**

### **INFORMATION AND COMMUNICATION**

#### *Article 143*

#### **Information and publicity**

1. The paying agency, in collaboration with the managing authority, shall be responsible in accordance with Article 108(1)(i) for:
  - (a) ensuring the establishment of a single website or a single website portal providing information on, and access to, the operational programme in each Member State;
  - (b) informing potential beneficiaries about funding opportunities under the operational programme;
  - (c) publicising to Union citizens the role and achievements of the EMFF through information and communication actions on the results and impact of Partnership Contracts, operational programmes and operations.
2. Member States shall in order to ensure transparency in the support from the EMFF maintain a list of operations in CSV or XML format which shall be accessible through the single website or the single website portal providing a list and summary of the operational programme.

The list of operations shall be updated at least every three months.

The minimum information to be set out in the list of operations, including specific information concerning operations under Articles 28, 37, 45, 54 and 56, is laid down in Annex IV.

3. Detailed rules concerning the information and publicity measures for the public and information measures for applicants and for beneficiaries are laid down in Annex IV.
4. Technical characteristics of information and publicity measures for the operation and instructions for creating the emblem and a definition of the standard colours shall be adopted by the Commission by means of implementing acts in accordance with the advisory procedure referred to Article 151(2).

# **TITLE VIII IMPLEMENTATION UNDER DIRECT MANAGEMENT**

## **CHAPTER I General provisions**

### *Article 144*

#### **Scope**

This Title shall apply to measures financed under direct management as set out in Title VI

## **CHAPTER II Control**

### *Article 145*

#### **Protection of Union financial interests**

1. The Commission shall take appropriate measures ensuring that, when operations financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective proportional and deterrent penalties.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit on the basis of documents and on-the-spot checks, over all beneficiaries, contractors and sub-contractors who have received Union funds.

The European Anti-fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by such funding in accordance with the procedures laid down in Regulation (Euratom, EC) No 2185/96 with a view to establishing whether there has been fraud, corruption or any illegal activity affecting the financial interests of the European Union in connection with a grant agreement or decision or a contract or concerning Union funding.

Without prejudice to the previous subparagraphs, cooperation agreements with third countries and international organisations, grant agreements, decisions and contracts resulting from the implementation of this Regulation shall expressly empower the Commission, the Court of Auditors and OLAF to conduct such audits, on-the-spot checks and inspections.

## *Article 146*

### **Audits**

1. Officials of the Commission and of the Court of Auditors, or their representatives, may carry out on-the-spot audits on operations financed by this Regulation at any time with a minimum of ten working days' notice, except in urgent cases, for a period up to three years after the final payment made by the Commission.
2. Officials of the Commission and of the Court of Auditors, or their representatives, duly empowered to carry out on-the-spot audits, shall have access to the books and all other documents, including documents and metadata drawn-up or received and recorded on an electronic format relating to expenditure financed by this Regulation.
3. The powers of audit referred to in paragraph 2 shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Officials of the Commission and of the Court of Auditors, or their representatives, shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of the national legislation of the Member State concerned. However, they shall have access to information thus obtained.
4. If any Union financial assistance granted under this Regulation is subsequently allocated to a third party as a final beneficiary, the initial beneficiary, being the recipient of the Union financial support, shall provide the Commission with all relevant information regarding the identity of that final beneficiary.
5. For this purpose, all related documents shall be kept available by the beneficiaries for a period up to three years after the final payment.

## *Article 147*

### **Suspension of payments, reduction and cancellation of the financial contribution**

1. If the Commission considers that Union funds have not been used in accordance with the conditions laid down in this Regulation or in any other applicable Union legal act, it shall notify the beneficiaries who shall have one month from the date of such notification to send their observations to the Commission.
2. If the beneficiaries do not reply within that period or if their observations are not considered satisfactory, the Commission shall reduce or cancel the financial contribution granted or suspend the payments. Any amount unduly paid shall be repaid to the Commission. Interest shall be added to any sums not repaid in due time under the conditions laid down in the [Financial Regulation].

## **CHAPTER III**

### **Evaluation and reporting**

#### *Article 148*

#### **Evaluation**

1. Operations financed under this Regulation shall be monitored regularly in order to follow their implementation.
2. The Commission shall ensure the regular, independent, external evaluation of the operations financed.

#### *Article 149*

#### **Reporting**

The Commission shall submit to the European Parliament and the Council:

- (a) an interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the operations financed under this Regulation no later than 31 March 2017;
- (b) a Communication on the continuation of the operations financed under this Regulation no later than 30 August 2018;
- (c) an ex-post evaluation report no later than 31 December 2021.

# **TITLE IX**

## **PROCEDURAL PROVISIONS**

### *Article 150*

#### **Exercise of delegation**

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in the Articles 12, 33, 37, 38, 39, 46, 61, 64, 67, 75, 92, 105, 111, 112, 114, 115, 119, 127, 131 and 153 shall be conferred for an indeterminate period of time from 1 January 2014.
3. The delegation of power referred to in Articles 12, 33, 37, 38, 39, 46, 61, 64, 67, 75, 92, 105, 111, 112, 114, 115, 119, 127, 131 and 153 may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the powers specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
5. A delegated act adopted pursuant to Articles 12, 33, 37, 38, 39, 46, 61, 64, 67, 75, 92, 105, 111, 112, 114, 115, 119, 127, 131 and 153 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by 2 months at the initiative of the European Parliament or the Council.

### *Article 151*

#### **Committee procedure**

1. In the implementation of the rules of the European Fisheries and Maritime Fund the Commission shall be assisted by a Committee for the Fisheries and Maritime Fund. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

# TITLE X

## FINAL PROVISIONS

### *Article 152*

#### **Repeal**

1. Regulations (EC) No 1198/2006, (EC) No 861/2006, (EC) [No /2011 establishing a Programme to support the further development of an Integrated Maritime Policy], (EC) No 791/2007, (EC) No 2328/2003 and Article 103 of Regulation 1224/2009 are repealed with effect from 1 January 2014.
2. References to the repealed Regulations shall be construed as references to this Regulation.

### *Article 153*

#### **Transitional provisions**

1. In order to facilitate the transition from the systems established by Regulations (EC) No 1198/2006, (EC) No 861/2006, (EC) [No /2011 establishing a Programme to support the further development of an Integrated Maritime Policy] and (EC) No 791/2007 to the system established by this Regulation, the Commission shall be empowered to adopt delegated acts in accordance with Article 150 concerning the conditions under which support approved by the Commission under those Regulations may be integrated into support provided for under this Regulation, including for technical assistance and for the ex-post evaluations.
2. This Regulation shall not affect the continuation or modification, including the total or partial cancellation, of the projects concerned, until their closure, or of assistance approved by the Commission on the basis of Regulations (EC) No 1198/2006, (EC) No 861/2006, (EC) [No /2011 establishing a Programme to support the further development of an Integrated Maritime Policy], (EC) No 791/2007 and Article 103 of Regulation 1224/2009 or any other legislation applying to that assistance on 31 December 2013.
3. Applications made under Council Regulation (EC) No 1198/2006 shall remain valid.

### *Article 154*

#### **Entry into force and application**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## ANNEX I

### Specific aid intensity

Type of operations	Percentage points
Related to small scale coastal fisheries may benefit from an increase by	25
Located in the remote Greek Islands may benefit from an increase by	35
Located in the outermost regions may benefit from an increase by	35
Implemented by organisation of fishermen or other collective beneficiaries outside Chapter III of Title V may benefit from an increase by	10
Implemented by producer organisation or associations of producer organisations may benefit from an increase by	20
Under Article 78 on control and enforcement may benefit from an increase by	30
Under Article 78 on control and enforcement related to small scale coastal fisheries may benefit from an increase by	40
Implemented by enterprises that fall outside the definition of SMEs shall be reduced by	20

**ANNEX II**

**[Annual breakdown of commitment appropriations for 2014 to 2020]**

## ANNEX III

### General Ex ante conditionalities

Area	Ex-ante conditionality	Criteria for fulfilment
1. Anti-discrimination	The existence of a mechanism which ensures effective implementation and application of Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation <sup>38</sup> and Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin <sup>39</sup>	<ul style="list-style-type: none"> <li>– Effective implementation and application of the Council Directive 2000/78/EC and Council Directive 2000/43/EC is ensured through:               <ul style="list-style-type: none"> <li>– institutional arrangements for the implementation, application and supervision of the above-mentioned directives;</li> <li>– a strategy for training and dissemination of information for staff involved in the implementation of the funds;</li> <li>– Measures to strengthen administrative capacity for implementation and application of the above-mentioned directives.</li> </ul> </li> </ul>
2. Gender equality	The existence of a strategy for the promotion of gender equality and a mechanism which ensures its effective implementation.	<ul style="list-style-type: none"> <li>– Effective implementation and application of an explicit strategy for the promotion of gender equality is ensured through:               <ul style="list-style-type: none"> <li>– a system for collecting and analyzing data and indicators broken down by sex and to develop evidences-based gender policies;</li> <li>– a plan and ex-ante criteria for the integration of gender equality objectives through gender standards and guidelines;</li> <li>– Implementation mechanisms including involvement of a gender body and the relevant expertise to draft monitor and evaluate the interventions.</li> </ul> </li> </ul>
3. Disability	The existence of a mechanism which ensures effective implementation and application of the UN Convention on the rights of persons with disabilities.	<ul style="list-style-type: none"> <li>– Effective implementation and application of the UN Convention on the rights of persons with disabilities is ensured through:               <ul style="list-style-type: none"> <li>– Implementation of measures in line with Article 9 of the UN Convention to prevent, identify and eliminate obstacles and barriers to accessibility of persons with</li> </ul> </li> </ul>

<sup>38</sup> OJ L 303 , 02.12.2000, p.16

<sup>39</sup> OJ L 180 , 19.07.2000, p.22

		<p>disabilities;</p> <ul style="list-style-type: none"> <li>– institutional arrangements for the implementation and supervision of the UN Convention in line with Article 33 of the Convention;</li> <li>– a plan for training and dissemination of information for staff involved in the implementation of the funds;</li> <li>– measures to strengthen administrative capacity for implementation and application of the UN Convention including appropriate arrangements for monitoring compliance with accessibility requirements.</li> </ul>
4.. Public procurement	The existence of a mechanism which ensures effective implementation and application of European Parliament and Council Directive 2004/18/EC and Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors <sup>40</sup> and their adequate supervision and surveillance.	<ul style="list-style-type: none"> <li>– Effective implementation and application of Directives 2004/18/EC and 2004/17/EC is ensured through: <ul style="list-style-type: none"> <li>– complete transposition of Directives 2004/18/EC and 2004/17/EC;</li> <li>– institutional arrangements for the implementation, application and supervision of EU public procurement law;</li> <li>– measures which ensure adequate supervision and surveillance of transparent contract award procedures and adequate information thereon;</li> <li>– a strategy for training and dissemination of information for staff involved in the implementation of the funds;</li> <li>– Measures to strengthen administrative capacity for implementation and application of EU public procurement law.</li> </ul> </li> </ul>
5. State aid	The existence of a mechanism which ensures effective implementation and application of EU State aid law	<ul style="list-style-type: none"> <li>– Effective implementation and application of EU State aid law is ensured through: <ul style="list-style-type: none"> <li>– institutional arrangements for the implementation, application and supervision of EU State aid law;</li> <li>– a strategy for training and dissemination of information for staff involved in the implementation of the funds;</li> </ul> </li> </ul>

<sup>40</sup>

OJ L 134, 30.4.2004, p. 1

		<ul style="list-style-type: none"> <li>– measures to strengthen administrative capacity for implementation and application of EU State aid rules.</li> </ul>
6. Environmental legislation relating to Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA)	<p>The existence of a mechanism which ensures the effective implementation and application of Union environmental legislation related to EIA and SEA in accordance with Council Directive (85/337/EEC) of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment<sup>41</sup> and with Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment<sup>42</sup>.</p>	<ul style="list-style-type: none"> <li>– Effective implementation and application of Union environmental legislation is ensured through: <ul style="list-style-type: none"> <li>– complete and correct transposition of EIA and SEA directives;</li> <li>– institutional arrangements for the implementation, application and supervision of EIA and SEA Directives;</li> <li>– a strategy for training and dissemination of information for staff involved in the implementation of EIA and SEA Directives;</li> <li>– measures to ensure sufficient administrative capacity.</li> </ul> </li> </ul>
7. Statistical systems and result indicators	<p>The existence of a statistical system necessary to undertake evaluations to assess the effectiveness and impact of the programmes.</p> <p>The existence of an effective system of result indicators necessary to monitor progress towards results and to undertake impact evaluation.</p>	<ul style="list-style-type: none"> <li>– A multi-annual plan for timely collection and aggregation of data is in place that includes: <ul style="list-style-type: none"> <li>– the identification of sources and mechanisms to ensure statistical validation;</li> <li>– arrangements for publication and public availability.</li> <li>– an effective system of results indicators including: <ul style="list-style-type: none"> <li>– the selection of result indicators for each programme providing information on those aspects of the well-being and progress of people that motivate policy actions financed by the programme;</li> <li>– the establishment of targets for these indicators;</li> <li>– the respect for each indicator of the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection and public availability of data;</li> </ul> </li> </ul> </li> </ul>

<sup>41</sup> OJ L 175, 5.7.1985, p. 40

<sup>42</sup> OJ L 197, 21.7.2001, p. 30

		adequate procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.
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### Specific Ex ante conditionalities

#### 1. PRIORITIES-LINKED CONDITIONALITIES

EU priority for EMFF/ CSF Thematic Objective (TO)	<u>Ex ante</u> conditionality	Criteria for fulfilment
<p><b>EMFF priority:</b></p> <p><b>2. Fostering innovative, competitive and knowledge based fisheries</b></p> <p><b>3. Fostering innovative, competitive and knowledge based aquaculture</b></p> <p>TO 3: enhancing the competitiveness of small and medium-sized enterprises</p>	<p><b>Business set-up:</b> Specific actions have been carried out for the effective implementation of the Small Business Act (SBA) and its Review of 23 February 2011 including the "Think Small First" principle</p>	<p>The specific actions include:</p> <ul style="list-style-type: none"> <li>– measures to reduce the time to set-up business to 3 working days and the cost to €100;</li> <li>– measures to reduce the time needed to get licenses and permits to take up and perform the specific activity of an enterprise to 3 months;</li> <li>– a mechanism for systematic assessment of the impact of legislation on SMEs using an "SME test" while taking into account differences in the size of enterprises, where relevant</li> </ul>

<p><b>EMFF priority:</b></p> <p><b>3. Fostering innovative, competitive and knowledge based aquaculture</b></p> <p><b>5. Promoting a sustainable and resource efficient aquaculture</b></p> <p>TO 6: protecting the environment and promoting resource efficiency</p>	<p>The establishment of a multiannual national strategic plan on aquaculture as referred in Article 43 of the [Regulation on the Common Fisheries Policy] by 2014;</p>	<ul style="list-style-type: none"> <li>– A multiannual national strategic plan on aquaculture is transmitted to the Commission at the latest by the day of transmission of the OP</li> <li>– The OP includes information on the complementarities with the multiannual national strategic plan on aquaculture</li> </ul>
<p><b>EMFF Priority:</b></p> <p><b>6 Fostering the implementation of the CFP</b></p> <p>TO 6: protecting the environment and promoting resource efficiency</p>	<p>Proven administrative capacity to comply with the data requirements for fisheries management set out in Article 37 of the [Regulation on the CFP]</p>	<ul style="list-style-type: none"> <li>– Proven administrative capacity to prepare and apply a multi-annual programme for data collection, to be reviewed by STECF and accepted by the Commission</li> <li>– Proven administrative capacity to prepare and implement an annual work plan for data collection, to be reviewed by STECF and accepted by the Commission</li> <li>– Sufficient capacity in human resources allocation to undertake bilateral or multilateral agreements with other MS if work to implement the data collection obligations is shared</li> </ul>
<p><b>EMFF Priority:</b></p> <p><b>6 Fostering the implementation of the CFP</b></p> <p>TO 6: protecting the environment and promoting resource efficiency</p>	<p>Proven administrative capacity to comply with the implementation of a Union control inspection and enforcement system as stipulated in Article 46 of the [Regulation on the CFP] and further specified in Council Regulation (EC) No 1224/2009.</p>	<p>The specific actions include:</p> <ul style="list-style-type: none"> <li>– Proven administrative capacity to prepare and implement the 2014-2020 national control program as referred to in Article 19(l)</li> <li>– Proven administrative capacity to prepare and implement the national control action programme for multiannual plans (Art 46 Control Regulation)</li> <li>– Proven administrative capacity to prepare and implement a common control program that may be developed with other Member States (art 94 CR)</li> <li>– Proven administrative capacity to prepare and implement</li> </ul>

		<p>the Specific Control and Inspection Programmes (art 95 CR).</p> <ul style="list-style-type: none"><li>– Proven administrative capacity to apply a system of effective, proportionate and dissuasive sanctions for serious infringements (art 90 CR)</li><li>– Proven administrative capacity to apply the point system for serious infringements (art 92 CR)</li></ul> <p>Sufficient capacity in human resources allocation to implement the Control regulation</p>
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**ANNEX IV**  
**Information and communication on support from the EMFF**

**1. LIST OF OPERATIONS**

The list of operations referred to Article 143 shall contain, in at least one of the official languages of the Member State, the following data fields:

- Beneficiary name (only legal entities; no natural persons shall be named);
- Community Fleet Register (CFR) number of fishing vessels as referred to in Article 10 of Commission Regulation (EC) No 26/2004 of 30 December 2003<sup>43</sup> (to be completed only where the operation is linked to a fishing vessel)
- Operation name;
- Operation summary;
- Operation start date;
- Operation end date (expected date for physical completion or full implementation of the operation);
- Total eligible expenditure;
- Amount of EU contribution;
- Operation postcode;
- Country;
- Name of union priority;
- Date of last update of the list of operations.

The headings of the data fields and the names of the operations shall be also provided in at least one other official language of the European Union.

**2. INFORMATION AND PUBLICITY MEASURES FOR THE PUBLIC**

**2.1. Responsibilities of the Member State**

1. The Member State shall ensure that the information and publicity measures aim at the widest possible media coverage using various forms and methods of communication at the appropriate level.

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<sup>43</sup> OJ L 5, 9.1.2004, p.25.

2. The Member State shall be responsible for organising at least the following information and publicity measures:
  - (a) a major information activity publicising the launch of the operational programme;
  - (b) at least twice during the programming period major information activity which promotes the funding opportunities and the strategies pursued and presents the achievements of the operational programme;
  - (c) displaying the flag of the European Union in front of, or at a place visible to the public, at the premises of each managing authority;
  - (d) publishing electronically the list of operations in accordance with section 1;
  - (e) giving examples of operations, by operational programme, on the single website or on the operational programme's website that is accessible through the single website portal; the examples should be in a widely spoken official language of the European Union other than the official language or languages of the Member State concerned;
  - (f) a specific section of the single website shall be dedicated to give a short summary of innovation and eco-innovation operations;
  - (g) updating information about the operational programme's implementation, including its main achievements, on the single website or on the operational programme's website that is accessible through the single website portal.
3. The managing authority shall involve in information and publicity measures, in accordance with national laws and practices, the following bodies:
  - (h) the partners referred to in Article 5 of the [Regulation (EU) No [...] laying down Common Provisions];
  - (i) information centres on Europe, as well as Commission representation offices in the Member States;
  - (j) educational and research institutions.

These bodies shall widely disseminate the information described in Article 143(1)(a) and (b).

### **3. INFORMATION MEASURES FOR POTENTIAL BENEFICIARIES AND BENEFICIARIES**

#### **3.1. Information measures for potential beneficiaries**

1. The managing authority shall ensure that the operational programme's objectives and funding opportunities offered by the EMFF are disseminated widely to potential beneficiaries and all interested parties.
2. The managing authority shall ensure that potential beneficiaries are informed on at least the following:

- (k) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational programme;
- (l) a description of the admissibility conditions for applications, procedures for examining applications for funding and of the time periods involved;
- (m) the criteria for selecting the operations to be supported;
- (n) the contacts at national, regional or local level that are able to provide information on the operational programmes;
- (o) that applications should propose communication activities, proportional to the size of the operation, in order to inform the public about the operation's aims and the EU support to the operation.

### **3.2. Information measures for beneficiaries**

The managing authority shall inform beneficiaries that acceptance of funding constitutes an acceptance of their inclusion in the list of operations published in accordance with Article 143(2).

## LEGISLATIVE FINANCIAL STATEMENT

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management method(s) envisaged

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. Summary of estimated impact on expenditure
  - 3.2.2. Estimated impact on operational appropriations
  - 3.2.3. Estimated impact on appropriations of an administrative nature
  - 3.2.4. Compatibility with the current multiannual financial framework
  - 3.2.5. Third-party participation in financing
- 3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

[Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation(EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>44</sup>

[Policy area Title 11"Maritime Affairs and Fisheries" of Heading 2...]

specify current budget lines merged into new:

Post 2013 budget lines:

#### 1.3. Nature of the proposal/initiative

**The proposal/initiative relates to a new action** (on the European Maritime and Fisheries Fund [repealing Council Regulation (EC) No 1198/2006 and Council Regulation(EC) No 861/2006 and Council Regulation No XXX/2011 on integrated maritime policy for next funding period, 2014-2020)

The proposal/initiative relates to **a new action following a pilot project/preparatory action**<sup>45</sup>

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

#### 1.4. Objectives

##### 1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The new financial instrument will contribute mainly to 3 flagship initiatives under Europe 2020 strategy: 1) Resource efficiency, 2) Innovation Union and 3) an Agenda for new skills and jobs. In line with the Europe 2020 strategy the general objectives of the future funding instrument are the following:

- To support the objectives of the reformed Common Fisheries Policy by promoting sustainable and viable fishing and aquaculture

<sup>44</sup> ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

<sup>45</sup> As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

- To support the further development and implementation of the Integrated Maritime policy
- To support a balanced territorial development of fisheries areas.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

**Specific objective under shared management**

<b>Increasing employment and territorial cohesion</b>	-	promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal and inland communities depending on fishing and aquaculture
	-	diversification of fisheries activities into other sectors of maritime economy and growth of maritime economy, including mitigation of climate change
<b>Fostering innovative, competitive and knowledge based fisheries</b>	-	support to strengthening technological development, innovation and knowledge transfer
	-	enhancement of the competitiveness and viability of fisheries, in particular of small scale coastal fleet, and improvement of safety or working conditions in t fisheries
	-	development of new professional skills and lifelong learning
	-	improved market organisation for fishery products
<b>Fostering innovative, competitive and knowledge based aquaculture</b>	-	support to strengthening technological development, innovation and knowledge transfer
	-	enhancement of the competitiveness and viability of aquaculture enterprises, SMEs in particular
	-	development of new professional skills and lifelong learning
	-	improved market organisation for aquaculture products
<b>Promoting a sustainable and resource efficient fisheries</b>	-	reduction of the impact of fisheries on the marine environment
	-	protection and restoration of marine biodiversity and ecosystems including the services they provide
<b>Promoting a sustainable and resource efficient aquaculture</b>	-	enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture
	-	promotion of aquaculture with high level of environmental protection and of animal health and welfare and of public health and safety
<b>Fostering the implementation of the CFP</b>	-	supply of scientific knowledge and collection of data
	-	support to control and enforcement, enhancing institutional capacity and an efficient public administration

## Specific objective under direct management

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Innovation and knowledge based fisheries	–	Improved market organisation for fishery (Observatory)
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Sustainable and resource efficient fisheries	–	Increased supply of scientific knowledge and collection of data for sustainable fisheries management
	–	Increased compliance through control

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Development and Implementation of IMP	–	Develop cross-sector instruments for better policy-making (Maritime Spatial Planning, Integrated Maritime Surveillance, Marine Knowledge)
	–	Promote an integration of policies that enables sustainable and cross-border/ecosystem-based management of European sea basins.

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Governance of the CFP and IMP	–	Promote integrated governance of CFP, maritime and coastal affairs
	–	Further enhance and streamline stakeholders' involvement in fisheries management and aquaculture by providing Union financial assistance to the Advisory Councils
	–	Support to cover costs of information and communication activities linked to the CFP and IMP and costs of experts and stakeholder representatives participating in Commission meetings on matters relating to the CFP and IMP

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### ABM/ABB activity(ies) concerned

11 01 ADMINISTRATIVE EXPENDITURE OF THE 'MARITIME AFFAIRS AND FISHERIES' POLICY AREA

11 02 FISHERIES MARKETS

11 03 INTERNATIONAL FISHERIES AND LAW OF THE SEA (in part)

11 04 GOVERNANCE OF THE COMMON FISHERIES POLICY

11 06 EUROPEAN FISHERIES FUND (EFF)

11 07 CONSERVATION, MANAGEMENT AND EXPLOITATION OF LIVING AQUATIC RESOURCES

11 08 CONTROL AND ENFORCEMENT OF THE COMMON FISHERIES POLICY

11 09 MARITIME POLICY

1.4.3. *Expected result(s) and impact under shared and direct management*

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

The post – 2013 proposal will be a major financing instrument for the implementation of reformed Common Fisheries Policy. This will be achieved through the discontinuation of costly and inefficient fleet subsidies and a concentration on a limited number of Common Fisheries Policy environmental, economic and social objectives, in line with Europe 2020 and with a primary focus on fostering sustainable fishing, encourage green innovation, induce quicker transition towards new fisheries management modes and creating growth and jobs in fisheries dependent communities will play a key role in this transition.

The expected results and impact will depend on the operational programmes that Member States will submit to the Commission. Member States will be asked to set targets in their programmes.

Stakeholder	Description of stakeholder	Key interests/effects
<i>Beneficiaries</i>	<i>Catching sector in the EU</i>	<ul style="list-style-type: none"> <li>– EC fishing vessel owners, operators and crew.</li> <li>– Viability of businesses.</li> <li>– Greater resilience to economic shocks, long term business planning.</li> <li>– New skills, better marketing and promotion. Sustainable fishing with less discards.</li> </ul>
	<i>Aquaculture sector in the EU</i>	<ul style="list-style-type: none"> <li>– Owners, operators and staff of aquaculture businesses</li> <li>– Viability of businesses.</li> <li>– Increased market incentives for sustainable/extensive aquaculture, including in NATURA 2000 sites.</li> <li>– Meeting costs of environmental requirements.</li> <li>– New skills, better marketing and promotion.</li> </ul>
	<i>Fisheries dependent communities</i>	<ul style="list-style-type: none"> <li>– Communities dependent upon fisheries or aquaculture for their livelihoods</li> <li>– Viable coastal and inland communities dependent on fishing.</li> </ul>
	<i>Processing sector</i>	<ul style="list-style-type: none"> <li>– Those processing raw material both imported and caught within EC waters</li> <li>– Increased competitiveness and value added, stable supplies of quality products.</li> </ul>

	<i>Research sector</i>	–	Scientific research bodies and scientific community providing CFP and marine data.	–	Supply of timely, high quality, robust and extensive data on fisheries; allowing for knowledge based policy. Increase in marine knowledge, data integration.
	<i>Administrations &amp; bodies</i>	–	National, regional and local bodies involved in collecting data, ensuring enforcement and control of the CFP	–	Support to more efficient, effective and practical implementation of their tasks
		–	Advisory Councils, RFMOs		
		–	National, regional and local bodies protecting the coast, monitoring the marine environment, ensuring border control and maritime safety.	–	Support to more efficient, effective and practical implementation of their tasks. Increased visibility for the concerns and financial needs of coastal regions, including a better coordination and a more strategic use of EU funds.
<b>Others</b>	<i>Maritime Sectors in the EU</i>	–	Operators engaged in coastal or offshore economic activities (commercial fleet, tourism, ports etc)	–	Improved security and safety Reduced administrative burden in maritime areas via stable and integrated maritime governance structures (including spatial planning). Increased communication between maritime industries (maritime clusters in sea basins)
		–	Those consuming fisheries and aquaculture products	–	Availability of high quality fisheries and aquaculture products with high nutritional values.
		–	Fishing sector in competition with EU fleets	–	Access to the EU market. Development of sectoral capacity through the access to EU support.
	<i>Third countries</i>	–	Aquaculture producers, exporters to the EU.		
		–	Administration.		
		–	Environmental NGOs.	–	Sustainable management of seas and coastal areas, including the maintenance of fish populations, marine biodiversity, and the amenity value of oceans, rivers and lakes.
	<i>NGOs, the civil society and EU citizens</i>	–	The wider public with an interest in and concern for IMP and fisheries sectors, the marine environment	–	Development of joint responsibility for environmental sustainability across sectors.

#### 1.4.4. *Indicators of results and impact under shared management*

*Specify the indicators for monitoring implementation of the proposal/initiative.*

The proposals provide for the establishment of a common monitoring and evaluation framework with a view to measuring the performance of the CFP. That framework shall include all instruments related to the monitoring and evaluation.

The impact of these CFP measures shall be measured through the following indicators (indicative):

- Increase in the gross value added per employee in the fishing fleet and in aquaculture
- Fuel efficiency of fish capture
- Energy cost in aquaculture
- Increase in the value or volume of products channelled via Producers Organisations
- Discarding rates of commercially exploited species
- Degree of compliance with data calls
- Number of assessed stocks in relation to total exploited stocks
- Amount of serious infringements detected
- Number of jobs created and jobs maintained by local partnerships

By means of implementing acts, the Commission shall define the set of indicators specific to these objectives.

### 1.5. **Grounds for the proposal/initiative**

#### 1.5.1. *Requirement(s) to be met in the short or long term*

In order to meet the multi-annual objectives of the CFP and to fulfil the relevant requirements of the Treaty, the proposals aim to lay down the legislative framework for the CFP for the period after 2013

#### 1.5.2. *Added value of EU involvement*

According to TFEU the Union shall have exclusive competence in the conservation of marine biological resources and shared competence for the rest of the CFP. In addition, the CFP manages resources that are common to Member States and closely interconnected with marine ecosystems which do not respect national borders.

The capacity of the EU to move towards sustainable fishing – taking into the account the limited successes of the CFP so far and the progress made in this area by EU partners - will be a critical test for the EU credibility in claiming the leadership of the sustainable development agenda and one of the key elements of the resource efficiency flagship of Europe 2020.

1.5.3. *Lessons learned from similar experiences in the past*

On the basis of the evaluation of the current policy framework, an extensive consultation with stakeholders as well as an analysis of future challenges and needs, a comprehensive impact assessment has been carried out. More details can be found in the impact assessment and the explanatory memorandum that are accompanying the legal proposals.

1.5.4. *Coherence and possible synergy with other relevant instruments **under shared management***

The legislative proposals concerned by this financial statement should be seen in the broader context of the proposal for a single framework regulation with common rules for the common strategic framework funds (EMFF, ERDF, ESF, Cohesion Fund and EAFRD). That framework regulation will make an important contribution to reducing administrative burden, to spending EU funds in an effective way, and to put simplification into practice. This also underpins the new concepts of the common strategic framework for all these funds and the upcoming Partnership Contracts which will also cover these funds.

The common strategic framework, which will be established, will translate the objectives and priorities of the Europe 2020 Strategy into priorities for the EMFF together with the ERDF, ESF, Cohesion Fund and EAFRD, which will ensure an integrated use of the funds to deliver common objectives.

The common strategic framework will also set out coordination mechanisms with other relevant Union policies and instruments.

## 1.6. Duration and financial impact

### Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 01/01/2014 to 31/12/2020
- Financial impact from 2014 to 2023

### Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

## 1.7. Management mode(s) envisaged<sup>46</sup>

### **Centralised direct management** by the Commission

#### **Centralised indirect management** with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities<sup>47</sup>
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

### **Shared management** with the Member States

#### **Decentralised management** with third countries

#### **Joint management** with international organisations (*to be specified*)

*If more than one management mode is indicated, please provide details in the "Comments" section.*

### Comments

Shared management: Title III, IV and V

Direct management: Title VI and VII

<sup>46</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [http://www.cc.cec/budg/man/budgmanag/budgmanag\\_en.html](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)

<sup>47</sup> As referred to in Article 185 of the Financial Regulation.

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules under shared management

*Specify frequency and conditions.*

The European Maritime and Fisheries Fund (EMFF) is one of the Funds operating under the Common Strategic Framework (CSF). Although the bulk of the expenditure under this instrument will be administered under shared management, there is a small amount of expenditure that is subject to direct management by the Commission.

#### **I. SHARED MANAGEMENT**

Monitoring Committees set up for each operational programme, and annual implementation reports for each operational programme, will be at the heart of the approach. Monitoring Committees will meet at least once per year. Annual review meetings between the Commission and Member States (MS) complement the system.

In addition to the implementation reports for each operational programme, progress reports submitted by MS in 2017 and 2019 (covering implementation of the Partnership Contracts) will be summarised in strategic reports prepared by the Commission and submitted to the EU institutions. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union priorities. An ex post evaluation report shall be prepared by the MS for their EMFF programme. This report shall be submitted to the Commission by 31 December 2023 at the latest.

The monitoring and reporting system will use quantitative and qualitative information. The quantitative tools include both financial and physical information. The physical information includes output indicators and the development of result indicators. The Commission has specified a set of output indicators that it will use for the aggregation of information at an EU level. At key points of the implementation period (2017 and 2019), additional analytical requirements on the progress of programmes are part of the annual implementation reports. The monitoring and reporting system fully uses the potential of electronic data transfers.

It should be noted that measures previously falling under direct management are now foreseen to be funded under shared management:

- marketing and processing related measures as well as measures supporting the fisheries markets organisation and compensation for additional costs in outermost regions for fishery products, and
- measures supporting the control, inspection and enforcement system as well as measures supporting data collection.

#### **II. DIRECT MANAGEMENT**

The EMFF shall finance the following expenditure under direct management:

- measures supporting the development and implementation of the Integrated Maritime Policy;
- measures supporting scientific advice and knowledge, Advisory Councils, voluntary contributions to international organisations, the implementation of the certain measures related to the control, inspection and enforcement system as well as communication activities, and
- technical assistance.

For the first two schemes, the Commission shall adopt annual work programmes by implementing acts. The EMFF legislation sets out the information these programmes should contain in respect of grants and public procurement. Regular monitoring and periodic reporting are also foreseen, with the Commission expected to submit to the European Parliament and the Council:

- an interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the actions financed under this Regulation no later than 31 March 2017;
- a Communication on the continuation of the actions financed under this Regulation no later than 30 August 2018;
- an ex-post evaluation report no later than 31 December 2021.

## 2.2. Management and control system under shared management

### 2.2.1. Risk(s) identified

Since 2008 the European Court of Auditors has disclosed in its annual report an estimated error rate for the Agriculture and Natural Resources policy area as a whole for each financial year (FYs 2007-2010) based on an independent, annual random sample of transactions. The Court's estimation of the most likely error rate has been between 2% and 5% (FYs 2007, 2009) and less than 2% for FY 2008. For FY 2010 the rate disclosed was 2.3%. The Court's conclusion is that the supervisory and control systems are partly effective in ensuring the regularity of payments.

The Court's sample of transactions in respect of its annual audit (DAS) work is typically small (for FY 2010, 12 payments were tested, covering Environment; Maritime Affairs and Fisheries; and Health and Consumer Protection). Few errors have been reported for the FIFG and EFF. FIFG was not part of the Court's sample at all for FYs 2006 and 2007.

Inasmuch as it is possible to discern error trends, the most frequent errors revealed in the last 3 years have related to non-respect of publicity rules (41% - but in all cases without financial effect), and funding of ineligible categories of costs (30%), which included *i.a.* ineligible subcontracting costs, and a project delayed beyond the eligibility period. Other (non-quantifiable) compliance issues make up the remainder.

All quantifiable errors are eligibility-related.

### **I. SHARED MANAGEMENT**

### **1. 1994-1999 programming period (closed)**

The overall error rate for this programming period can be based on the cumulative financial corrections imposed by the end of 2010 when all programmes were closed (€99m, or 3.88% of the amount allocated).

### **2. 2000-2006 programming period (FIFG)**

Closure of the programmes is ongoing; the overall error rate for this programming period is best estimated by considering the years when the programme was at "cruising speed", i.e. from 2005 onwards. On this basis, the annual error rate for FIFG (calculated as the aggregate of errors found from detailed tests of projects, systems audit work and potential flat rate corrections) has typically been at around 1% of payments made in each year.

Given all the above, the overall error rate for the programming period is estimated at approximately 2%.

### **3. 2007-2013 programming period (EFF)**

On the basis of all currently available audit evidence, the error rate is considered to be below 2%. For 2009, the maximum amount at risk from the analysis of the annual control reports (ACRs), national and other DGs' reports for programmes under categories 2b and 3 was 1.18% of total payments made during the year. The corresponding figure for 2010 is 1.44%.

## **II. DIRECT MANAGEMENT**

The error rates should also be examined from a multi-annual perspective since, in a given year, DG MARE audits several years of declared and paid expenditure. When account is taken of previous years' error rates disclosed by 2006, 2007, 2008 and 2009 ex-post controls, the multi-annual error rates on samples for Data Collection programmes and Surveillance and Control programmes are, respectively, 1.89% and 4.33% (amount of ineligible amounts identified by ex-post controls compared with amount of financial transactions actually controlled ex-post).

For Markets and the Outermost Regions programme no ineligible expenditure was identified in 2010 or in the previous years.

#### *2.2.2. Control method(s) envisaged*

### **I. SHARED MANAGEMENT**

The control mechanisms underpinning the EMFF instrument will change markedly post 2013. Member States (MS) will be obliged to designate three bodies in particular.

#### **1. Managing Authority (MA)**

The MA will be responsible in the main for overseeing programme implementation; it is for the MS to decide whether economies can be obtained by using the bodies which currently perform this role for the EFF, or by assigning the tasks to a MA from another Fund. Irrespective of the nature and extent of checks and controls it may carry out (it is for each MS

to make its own arrangements in this respect), the MA's key control role is to ensure that the PA (which is ultimately responsible for the payment) receives all necessary information, in particular on the procedures operated and any controls carried out in relation to operations selected for funding, before payments are authorised.

## **2. Paying Agency (PA)**

The PA must fulfil certain accreditation criteria (Annex I of Commission Regulation 885/2006 illustrates the components of an effective management and control system). Failure to do so could result in the withdrawal of its accreditation by the MS, and thus its ability to request reimbursement of EU monies from the Commission. It may delegate its tasks except payment, although it retains ultimate responsibility for their proper execution.

The PA is responsible, for clearance purposes, for the production of the annual accounts information. This should include the declaration of assurance by PA management as to the completeness, accuracy and veracity of the annual accounts; the proper functioning of the internal control systems; the legality and regularity of the underlying transactions; and the respect of the principle of sound financial management. It should also feature a summary report of all available audits and controls carried out, including an analysis of systemic or recurrent weaknesses as well as corrective actions taken or planned.

## **3. Certification Body (CB)**

The CB must be operationally independent of the PA and the accrediting authority, and technically competent (it is expected to follow international auditing standards). As is currently the case for the Common Agricultural Policy (CAP), it will be responsible for the annual audit of each PA's accounts. The CB is bound to draw up a report of its findings, and is required (via a certificate) to issue an audit opinion on the truth, completeness, and accuracy of the PA's accounts, as well as an opinion on the management declaration of assurance covering the areas mentioned in the previous paragraph.

The introduction of an annual clearance of accounts system should incentivise national and regional authorities to undertake quality controls in a timely manner in view of the annual certification of accounts to the Commission. It constitutes a reinforcement of present financial management arrangements and offers better assurance that irregular expenditure is excluded from the accounts each year, rather than at the end of the programming period.

This estimation is nevertheless subject to the capacity of the Commission and Member States to address the principal risks outlined above.

## **II. COMMISSION CONTROL METHODS APPLICABLE TO SHARED MANAGEMENT**

### *Payment interruption and suspension*

The authorising officer by sub-delegation (AOSD) has the option of interrupting the payment deadline for an interim payment claim for a maximum period of nine months if a MS fails to comply with EU rules. More serious breaches of MS' obligations are dealt with via payment suspension, which will not be lifted until the MS can demonstrate that it has taken the

appropriate remedial action. In extreme cases the Community contribution to the programme may be cancelled.

#### *Financial corrections*

Although the MS is responsible in the first instance for the identification and recovery of irregularities, and the making of any financial corrections, the Commission has the power to impose corrections, be they precisely determined or flat-rate. It is expected to take account of the nature and gravity of any irregularity, and to assess the financial impact of the deficiencies.

### **III. COMMISSION CONTROL METHODS APPLICABLE TO DIRECT MANAGEMENT**

All programmes are checked before approval to ensure compliance with the applicable legislation and the eligibility of the proposed expenditure.

All expenditure declarations are checked by the operational services against the Commission financing decision and the relevant programme for eligibility and consistency.

Prior to authorisation of commitments or payments, ex-ante verification of the transactions is carried out based together with the checks on the data transmitted and the proof of payment to ensure the eligibility of the reimbursement claims.

With a view to preventing irregularities monitoring missions in the form of on-the-spot checks are conducted by the Commission to check the actual implementation of programmes and to verify the eligibility of costs prior to payment.

In addition to ex ante controls of financial transactions, the Directorate General also ensures 100% ex ante verification of documents and procedures in relation to procurement and grants.

The management of tendering and grants procedures is decentralised to the Operational Units of the Directorate General which are responsible for operational verification. An additional independent verification is carried out centrally by the Budget Unit which performs checks during the entire lifecycle of the procedure, i.e. it reviews drafts of tendering/call for proposals specifications, invitations to tender/to submit a proposal, contract notices, evaluation and award reports, award decisions and contracts/agreements. There is also an independent advisory committee (the Procurement Examination Group) which examines all procurement procedures above the publication threshold and which advises the AOSDs on the legality and regularity of the procedures.

### **IV. COMMISSION CONTROL METHODS APPLICABLE TO ALL EMFF EXPENDITURE**

All financial transactions of the Directorate General are subject to ex ante operational and financial verification.

#### *Commission audits*

Throughout the implementation period, DG MARE's ex-post audit sector carries out systems audits with substantive testing to confirm assurance on the effective functioning of the systems

and requires the Member States to correct any system weaknesses and irregular expenditure found. The Commission uses the results of its own audits as well as the results of the national Audit Authority to obtain assurance. The audits are selected on the basis of a risk analysis.

## **V. COST OF CONTROLS AND COST-EFFECTIVENESS**

DG MARE sought direct, up-to-date information on this issue, by contacting 15 MS who between them account for 93% of EFF expenditure. MS were requested to estimate the costs of controlling the measures financed by the EFF for 2010. The template includes an illustration of the depth of controls, as suggested by DG BUDG.

At the time of writing, the information received so far is under analysis, and some MS have still to respond. It is too early to say whether the costs to MS of EFF controls are in line with the results reported by DG REGIO: "The costs of tasks related to control (at national and regional level, excluding the costs of the Commission) are estimated to remain around 2% of the total funding administered in the period 2007-2013<sup>48</sup>."

It is likely that, overall, error rates and control costs will remain broadly similar in the next programming period to those under EFF. The following may increase the costs of control:

**- Abolition of vessel scrapping and temporary cessation premia:** Relatively straightforward to administer and control, and have posed little burden for beneficiaries. There is no equivalent in the new programming period; costs of control and error rates attaching to new measures could initially be higher, as Member States and beneficiaries acclimatise to the new rules.

The following are likely to decrease the costs of control:

**- Lump sums/simplified costs:** No requirement to evidence documents in support of costs incurred, so:

- Less demanding in terms of controls
- Problems of proof of eligibility removed, so lower error rate
- No need for lengthy document retention by beneficiaries, so lower burden (possibly fewer audits);

**- Simplified co-financing rate and aid intensity systems:** these will be easier to apply and to verify.

- One co-financing rate of 75% applicable to all regions<sup>49</sup>; 3 used currently;
- One aid intensity fixed at 50% of total eligible expenditure<sup>50</sup>; 24 used currently.

<sup>48</sup> Study "Regional governance in the context of globalisation: reviewing governance mechanisms & administrative costs. Administrative workload and costs for Member State public authorities of the implementation of ERDF and Cohesion Fund", 2010

<sup>49</sup> With the exception of data collection and control measures

<sup>50</sup> Exceptions clearly identified and justified in policy terms (small scale fisheries, collective actions, remote Greek islands, outermost regions).

Furthermore, should MS elect to use Paying Agencies which are already accredited to make EAGF and EAFRD payments under the CAP, and the existing Certification Bodies, they could expect to benefit from the reduced administrative costs of a common system.

### **2.3. Measures to prevent fraud and irregularities under shared management**

*Specify existing or envisaged prevention and protection measures.*

The Structural Funds services together with OLAF have put in place a Joint Fraud Prevention Strategy which foresees a series of actions to be carried out both internally by the Commission and involving the Member States to prevent fraud in structural actions under shared management.

The Commission Communication of 24.6.2011 on an anti-fraud strategy (COM(2011)376 final) welcomes the existing strategy as a best practice initiative and envisages complementary actions to it, the most important being that the Commission proposal for 2014-2020 regulations request Member States to put in place fraud prevention strategies which are effective and proportionate to the identified fraud risks.

The current Commission proposal includes an explicit requirement to put in place such strategies under article 86(4)(c). This should reinforce fraud awareness in Member States among all bodies involved in the management and control of funds and thus reduce the risk of fraud. The proposed regulation would require Member States to put in place effective and proportionate anti-fraud measures taking into account the identified risks.

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines

In order of multiannual financial framework headings and budget lines.

#### Under shared management

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff ( <sup>51</sup> )	from EFTA <sup>52</sup> countries	from candidate countries <sup>53</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
HEADING 2 Sustainable Growth – natural resources	11.02: Fisheries markets	Diff.	NO	NO	NO	NO
	11.06: European Fisheries Fund (EFF)					
	11.07 01: Conservation, management and exploitation of living aquatic resources					
	11.08: Control and enforcement of the common fisheries policy					

#### Under direct management

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff ( <sup>54</sup> )	from EFTA <sup>55</sup> countries	from candidate countries <sup>56</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
HEADING 2 Sustainable Growth – natural	11.01: Administrative expenditure of the ‘Maritime affairs and fisheries’ policy area	Diff.	NO	NO	NO	NO
	11.02: Fisheries markets					
	11.03 03: Preparatory work for new international fisheries organisations and other non-compulsory contributions to international					

<sup>51</sup> Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

<sup>52</sup> EFTA: European Free Trade Association.

<sup>53</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

<sup>54</sup> Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations

<sup>55</sup> EFTA: European Free Trade Association.

<sup>56</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

resources	<p>organisations</p> <p>11.04: Governance of the common fisheries policy</p> <p>11.06 11: European Fisheries Fund (EFF) Technical assistance</p> <p>11.07 02: Conservation, management and exploitation of living aquatic resources</p> <p>11.08: Control and enforcement of the common fisheries policy</p> <p>11.09: Maritime policy</p>					
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### 3.2. Estimated impact on expenditure

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

<b>Heading of multiannual financial framework:</b>	Number 2	Sustainable Growth – natural resources
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DG: MARE			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 or later	TOTAL
• Operational appropriations													
Number of budget line	Commitments	(1)	732	748	768	787	812	828	845				5 520
Shared management	Payments (indicative)	(2)	220.8	441.6	662.4	662.4	662.4	662.4	662.4	662.4	607.2	276	5 520
Number of budget line	Commitments	(1a)	115	129	140	142	145	149	155				975
Direct Management	Payments (indicative)	(2a)	28.75	89.75	128.25	137.75	142.25	145.25	149.5	114.75	38.75		975
Appropriations of an administrative nature financed from the envelope for specific programmes <sup>57</sup> TECHNICAL ASSISTANCE													
Number of budget line 11 01 04 01 - 11 01 04 02 – 11 01 04 03 - 11 01 04 04 - 11 01 04 05 - 11 01 04 06 – 11 01 04 07 - 11 01 04 08 - 11 06 11		(3)	10	10	10	10	10	11	11				72
<b>TOTAL appropriations</b>	Commitments	=1+1a +3	857	887	918	939	967	988	1 011				6567

<sup>57</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

	Payments (indicative)	=2+2a +3	259.55	541.35	800.65	810.15	814.65	818.65	822.9	777.15	645.95	276	<b>6 567</b>
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• TOTAL operational appropriations	Commitments	(4)	847	877	908	929	957	977	1000				<b>6 495</b>
	Payments (indicative)	(5)	249.55	531.35	790.65	800.15	804.65	807.65	811.9	777.15	645.95	276	<b>6 495</b>
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>				<b>72</b>
<b>TOTAL appropriations for EMFF</b>	Commitments	=4+ 6	857	887	918	939	967	988	1011				<b>6 567*</b>
	Payments (indicative)	=5+ 6	259.99	541.35	800.65	810.15	814.65	818.65	822.9	777.15	645.95	276	<b>6 567*</b>

\* In addition to the amount foreseen for the EMFF, an envelope is foreseen to cover Sustainable Fisheries Agreements and EU membership in International Organisations and Regional Fisheries Management Organisations, which have their own individual basic acts. The envelope for both actions amounts to EUR 968 million which is distributed in the following manner:

2014	2015	2016	2017	2018	2019	2020	TOTAL
146	141	136	136	136	137	136	968

<b>Heading of multiannual financial framework:</b>	<b>5</b>	" Administrative expenditure "
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EUR million (to 3 decimal places)

		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	2023 or later	TOTAL
DG: MARE												
• Human resources		11.432	11.432	11.432	11.432	11.432	11.432	11.432				<b>80.024</b>
• Other administrative expenditure		3.260	3.260	3.260	3.260	3.260	3.260	3.260				<b>22.820</b>
<b>TOTAL DG MARE</b>	Appropriations.	14.692	14.692	14.692	14.692	14.692	14.692	14.692				<b>102.844</b>

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	14.692	14.692	14.692	14.692	14.692	14.692	14.692				<b>102.844</b>
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EUR million (to 3 decimal places)

		Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	2023 or later	TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments	871,692	901,692	932,692	953,692	981,692	1 002,692	1 025,692				<b>6 669.844</b>
	Payments	274.242	556.042	815.342	824.842	829.342	833.342	837.592	777.15	645.95	276	<b>6 669.844</b>

### 3.2.2. Estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

While strategic priorities are set at the EU level, common output indicators will be set with in cooperation with MS. The quantified targets linked to these indicators will be known only when the operational programmes submitted by the MS will be adopted by the Commission. It is therefore not possible to indicate targets for outputs before 2013/2014.

**Specific objective under shared management**

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs			Year 2014		Year 2015		Year 2016		Year 2017		Year 2018		Year 2019		Year 2020		TOTAL	
	OUTPUTS																	
	↓	Type of output <sup>58</sup>	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs										
SPECIFIC OBJECTIVE <sup>59</sup> ...																		
<ul style="list-style-type: none"> <li>• Support to innovation and knowledge transfer</li> <li>• Enhancement of the competitiveness and viability of fisheries, small scale coastal fisheries in particular</li> <li>• Development of new professional skills.</li> <li>• Improved market organisation for fishery</li> <li>• Support to innovation and knowledge transfer</li> </ul>																		

<sup>58</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).  
<sup>59</sup> As described in Section 1.4.2. "Specific objective(s)..."

- Enhancement of the competitiveness and viability of aquaculture enterprises, SMEs in particular
- Development of new professional skills
- Improved market organisation for aquaculture products
- Reduction of the impact of fisheries on the marine environment
- Protection and restoration of marine biodiversity and ecosystems, in the context of sustainable fishing
- Increased supply of scientific knowledge and collection of data for sustainable fisheries management
- Increased compliance through control
- Enhancement of ecosystems dependent on aquaculture and promotion of resource efficient aquaculture
- Reduction of the impact of aquaculture on the environment)
- Promotion of economic growth, social inclusion and creation of jobs in coastal and inland communities depending on fishing and aquaculture
- Diversification of fishing activities into other sectors of maritime economy and growth of maritime economy

- Output			731	746	766	785	809	826	843		5 506
To be defined later											
Sub-total for specific objective			731	746	766	785	809	826	843		5 506
<b>TOTAL COST</b>			731	746	766	785	809	826	843		5 506

**Specific objectives under direct management**

**Control**

Indicate objectives and			Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
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outputs ↓	OUTPUTS																	
	Type of output <sup>60</sup>	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
SPECIFIC OBJECTIVE <sup>61</sup> ...			Increased compliance through control															
To promote joint (i.e. multi-national) control vessels in a geographical area	Number of vessels purchased jointly by MS	6.25 (80% of the total price of 7.812)	4	25	2	12.5	4	25	2	12.5	2	12.5	2	12.5	2	12.5	18	112.5
To promote joint (i.e. multi-national) control vessels in a geographical area	Number of helicopters purchased jointly by MS	12.5 (80% of the total price of 15.625)			1	12.5			1	12.5	1	12.5					3	37.5
To promote joint (i.e. multi-national) control vessels in a geographical area	Number of aircrafts purchased jointly by MS	13.5 (80% of the total price of 16.875)											1	13.5	1	13.5	2	27
- Output	Number of inspections conducted jointly by	N/A																

<sup>60</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>61</sup> As described in Section 1.4.2. "Specific objective(s)..."

	MS																	
Missions to ensure the implementation of the rules of the CFP	Number of inspections, audit and verification conducted by COM inspectors	6.667	150	1	150	1	150	1	150	1	150	1	150	1	150	1	1050	7
Meetings if fisheries group experts group to ensure the implementation of the rules of the CFP	Number of fisheries group experts group meetings	0.017	30	0.5	30	0.5	30	0.5	30	0.5	30	0.5	30	0.5	30	0.5	210	3.5
- Output	Developm. of IT applic. to support inspection and control	N/A		1.5		1.5		1.5		1.5		15		1.5		1.5		10.5
<b>Total for specific objective</b>				<b>28</b>		<b>29</b>		<b>29</b>		<b>198</b>								

## Fisheries Market

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs			Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
	<b>OUTPUTS</b>									

	Type of output <sup>62</sup>	Average cost of the output	Number of outputs	Cost	Total number of outputs	Total cost													
<b>SPECIFIC OBJECTIVE</b>																			
To assist actors of the industry in developing more adequate production planning and marketing and public bodies in achieving a better understanding of market situation and leading relevant policy through continuous, reliable and easily accessible information on markets. <sup>63</sup> ...																			
- Output	Information for policy-makers	5		5		5		5		5		5		5		5		5	35
Sub-total for specific objective				5		5		5		5		5		5		5		5	35
<b>TOTAL COST</b>				<b>5</b>		<b>5</b>	<b>35</b>												

## Scientific Advice

Indicate objectives and outputs	Type of output <sup>64</sup>	Average cost of the output	Year 2014		Year 2015		Year 2016		Year 2017		Year 2018		Year 2019		Year 2020		Total		
			Number of outputs	Cost	Total cost														
↓			<b>OUTPUTS</b>																
<b>SPECIFIC OBJECTIVE</b>																			

<sup>62</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>63</sup> As described in Section 1.4.2. "Specific objective(s)..."

<sup>64</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

Obtain advice based in science and economics as basis for proposals for regulation under the CFP and related actions by Member States																
Studies related to CFP	Research and advisory reports		* 1.688	* 1.739	* 1.791	* 1.845	* 1.9	* 1.957	* 2.016	* 12.936						
Support to STECF meetings by JRC	logistic support		27 1.126	27 1.159	27 1.194	27 1.23	27 1.267	27 1.305	27 1.344	189 8.625						
STECF operation	indemnities for experts		* 1.013	* 1.043	* 1.075	* 1.107	* 1.14	* 1.174	* 1.21	* 7.762						
Advice for fish stocks and ecosystems	databases and expertise		* 1.688	* 1.739	* 1.791	* 1.845	* 1.9	* 1.957	* 2.016	* 12.936						
Scientific Partnerships	study projects		* 2.251	* 2.319	* 2.388	* 2.46	* 2.534	* 2.61	* 2.688	* 17.25						
Ecosystem and economic advice	advice reports		* 1.234	* 5.001	* 4.761	* 6.513	* 6.259	* 5.997	* 6.726	* 36.491						
Sub-total for specific objective			9	13	13	15	15	15	16	96						
<b>TOTAL COST</b>			9	13	13	15	15	15	16	96						

### Data Collection Regional, Studies & Scientific Advice

Indicate objectives and outputs ↓			Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL								
	OUTPUTS																	
	Type of output <sup>65</sup>	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost
SPECIFIC OBJECTIVE <sup>66</sup> Data Collection Regional Cooperation																		
- Output	Regional Data bases	0.5	2	1	2	1	2	1	2	1	2	1	2	1	2	1	14	7
- Output	Regional Coordination projects	0.5	2	1	6	3	6	3	6	3	4	2	4	2	8	4	36	18
Sub-total for specific objective			4	2	8	4	8	4	8	4	6	3	6	3	10	5	50	25
SPECIFIC OBJECTIVE Studies																		
- Output	Studies	0.5	10	5	10	5	10	5	10	5	12	6	12	6	14	7	78	39
Sub-total for specific objective			10	5	10	5	10	5	10	5	12	6	12	6	14	7	78	39
<b>TOTAL COST</b>				7		9		9		9		9		9		12		64

<sup>65</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>66</sup> As described in Section 1.4.2. "Specific objective(s)..."

## Governance

Indicate objectives and outputs ↓			2014	2015	2016	2017	2018	2019	2020	TOTAL								
	OUTPUTS														Total number of outputs	Total cost		
	Type of output <sup>67</sup>	Average cost of the output	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost										
SPECIFIC OBJECTIVE <sup>68</sup> Governance of the CFP																		
- Output: Advisory Councils	Services	0.33	9	3	9	3	9	3	9	3	9	3	9	3	9	3	9	21
- Output: information, communication and Commission meetings with experts/stakeholders	Products	0.1	40	4	40	4	50	5	50	5	50	5	60	6	60	6	350	35
Sub-total for specific objective			49	7	49	7	59	8	59	8	59	8	69	9	69	9	359	56
<b>TOTAL COST</b>			49	7	49	7	59	8	59	8	59	8	69	9	69	9	359	56

## Integrated Maritime Policy

<sup>67</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>68</sup> As described in Section 1.4.2. "Specific objective(s)..."

Indicate objectives and outputs	Year		Year		Year		Year		Year		Year		Year		TOTAL		
	2014		2015		2016		2017		2018		2019		2020				
↓	OUTPUTS																
	Type of output[1]	Average cost	Number of outputs	Cost	Total number of outputs	Total cost											
SPECIFIC OBJECTIVE No 1: Promote integrated maritime governance at local, regional, national, sea basin, EU and international level																	
Output: actions supporting integrated approaches of maritime affairs in Member States and in European sea basins			3,01		3,33		3,93		3,93		4,06		4,06		4,25		26,57
Output: number of bilateral and regional framework, and meetings with key partners, improving international collaboration on maritime affairs			0,16		0,17		0,21		0,21		0,21		0,21		0,22		1,39
Sub-total for specific objective N°1			3,17		3,50		4,14		4,14		4,27		4,27		4,47		27,96
SPECIFIC OBJECTIVE No 2: Develop cross-sectoral actions that are mutually beneficial to different maritime sectors and/or sectoral policies																	
Output: Actions supporting the implementation of Maritime Spatial Planning in Member States and across European sea basins			1,76		2,50		3,99		3,99		4,28		4,28		4,73		25,53



objectives and outputs ↓			2014	2015	2016	2017	2018	2019	2020									
	OUTPUTS																	
	Type of output <sup>69</sup>	Average cost of the output	Number of outputs	Cost	Total number of outputs	Total cost												
SPECIFIC OBJECTIVE <sup>70</sup> ...																		
- Output	Preparatory work new international fisheries organisations and other compulsory contributions international organisations		18	10	18	13	18	13	18	13	18	14	18	16	18	15	126	94
<b>TOTAL COST</b>			18	10	18	13	18	13	18	13	18	14	18	16	18	15	126	94

<sup>69</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).  
<sup>70</sup> As described in Section 1.4.2. "Specific objective(s)..."

### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

- The proposal/initiative does not require the use of administrative appropriations
- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	TOTAL
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<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	11.432	11.432	11.432	11.432	11.432	11.432	11.432	<b>80.024</b>
Other administrative expenditure	3.260	3.260	3.260	3.260	3.260	3.260	3.260	<b>22.820</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>14.692</b>	<b>102.844</b>						

<b>Outside HEADING 5<sup>71</sup> of the multiannual financial framework</b>								
Human resources	1.724	1.724	1.724	1.724	1.724	1.724	1.724	<b>12.068</b>
Other expenditure of an administrative nature	8.276	8.276	8.276	8.276	8.276	9.276	9.276	<b>59.932</b>
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>72</b>

<b>TOTAL</b>	<b>24.692</b>	<b>24.692</b>	<b>24.692</b>	<b>24.692</b>	<b>24.692</b>	<b>25.692</b>	<b>25.692</b>	<b>174.844</b>
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<sup>71</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full amounts (or at most to one decimal place)*

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020
• Establishment plan posts (officials and temporary agents)							
<b>11 01 01 01 (Headquarters and Commission's Representation Offices)</b>	82	82	82	82	82	82	82
<b>XX 01 01 02 (Delegations)</b>	1	1	1	1	1	1	1
<b>XX 01 05 01 (Indirect research)</b>							
<b>10 01 05 01 (Direct research)</b>							
• External personnel (in Full Time Equivalent unit: FTE) <sup>72</sup>							
<b>11 01 02 01 (CA, INT, SNE from the "global envelope")</b>	12	12	12	12	12	12	12
<b>XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)</b>							
<b>11 01 04</b>	- at Headquarters <sup>73</sup>	16	16	16	16	16	16
	- in delegations	7	7	7	7	7	7
<b>XX 01 05 02 (CA, INT, SNE - Indirect research)</b>							
<b>10 01 05 02 (CA, INT, SNE - Direct research)</b>							
<b>Other budget lines (specify)</b>							
<b>TOTAL</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

<sup>72</sup> CA= Contract Agent; INT= agency staff ("Intérimaire"); JED= "Jeune Expert en Délégation" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert;

<sup>73</sup> Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

Officials and temporary agents	
External personnel	

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the **next** multiannual financial framework.
- Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework<sup>74</sup>.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. *Third-party contributions under shared management*

- The proposal/initiative does not provide for co-financing by third parties
- The proposal provides that European funding needs to be co-financed by Member States. The exact amount cannot be quantified until adoption of the operational programmes:

Appropriations in EUR million (to 3 decimal places)

	Year N	Year N+1	Year N+2	Year N+3	... enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

<sup>74</sup> See points 19 and 24 of the Interinstitutional Agreement.

### 3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.
- Proposal/initiative has the following financial impact:
  - on own resources
  - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative <sup>75</sup>							
		Year N	Year N+1	Year N+2	Year N+3	... insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)			
Article .....									

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

<sup>75</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.