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Subject: Amended 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

- Approval of the final compromise text

Delegations will find enclosed a consolidated version on the above proposal still to be revised by the jurist-linguists.

Amended 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), Article 195(2) and Article 349 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 Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C , , p. .

² OJ C , , p. .

- (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 is considered to be reformed by the adoption and entry into force of Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371//2002 and (EC) No 639/2004 and Council decision 2004/585/EC (hereinafter referred to as "CFP Regulation"). That reform covers 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 , 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 , the provisions of Regulation (EC) No 1290/2005 Guarantee Fund concerning the fishery and aquaculture products , Regulation (EC) No 791/2007 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion, as a result of those regions' remoteness and to replace them with a new Regulation on the European Maritime and 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 of marine biological resources, management of fisheries and fleets exploiting those resources, and fresh water biological resources and- aquaculture, as well as to the processing and marketing of fisheries and aquaculture products, where such activities take place on the territory of Member States, 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.
- (4a) Beneficiaries in the meaning of Article 2(10) of the CPR, of the EMFF can be operators as defined in Article 4(30) of the CFP Regulation, fishermen or organization of fishermen unless laid down otherwise in this regulation.

- (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, in particular those linked to employment, climate change and energy sustainability, fight against poverty and social inclusion, 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" ("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 environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries and aquaculture, fostering the implementation of CFP, increasing employment and territorial cohesion, fostering marketing and processing, as well as fostering the implementation of the IMP.
- (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, by 2015, where possible, and at the latest by 2020. The CFP should 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).
- (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, aquaculture 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 processing and marketing including the compensation for the outermost regions, control and data collection and management activities as well as IMP 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.

- (12) The Union budget should finance the Common Fisheries Policy and the Integrated Maritime Policy expenditure through a single fund, the EMFF, 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 processing and marketing, and the compensation for the outermost regions, control and data collection activities as well as IMP. Direct management should apply to scientific advice, specific control and enforcement measures, voluntary contributions to Regional Fisheries Management Organisations, advisory councils, market intelligence, operations for the implementation of an Integrated Maritime Policy and communication activities. 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 and data collection under shared management with establishing flexibility in between these two measures.
- (14) According to Articles 41 and 42 of the 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 operators should only be admissible on condition that, within a particular period of time before lodging an application for aid, they 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 , and have not committed 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 . or other serious infringements of the CFP identified as such in other legislation adopted by the European Parliament and the Council . Where the application is made for support under sustainable development of aquaculture, operators cannot be admissible if they have committed any of the offences set out in Articles 3 and 4 of Directive 2008/99/EC on the protection of the environment through criminal law.
- (16) In addition, the beneficiaries should continue to comply with admissibility requirements after submitting the aid application, during the whole period of implementation of operation and, for a period of 5 years after the last payment.

- (17) The financial consequences and corrections should apply in case of a failure by the beneficiary to fulfil the durability and eligibility conditions. In order to determine the amount of the financial correction, the nature, gravity, duration and repetition of the infringement or offence by the beneficiary and 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 ineligible payments as well as to incentivise the Member State to comply with CFP rules, interruption of the payment deadline and suspension of payments, which are limited in time and in their scope of application, should be provided for. The financial corrections which have definite and irrevocable consequences should only apply to expenditure which is affected by the relevant cases of non-compliance.
- (20) In order to improve coordination and harmonised 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 'ESI Funds') in the [Regulation (EU) No [...] laying down Common Provisions, hereinafter referred to as CPR]. In addition to this Regulation, the EMFF contains specific, complementary provisions and derogations due to the particularities of the CFP and the IMP sectors.

- (23) The principle of proportionality should be applied to the Operational Programme and throughout the programme cycle taking into account the size of the Member States' administration and the total amount of public expenditure allocated to the operational programme.
- (24) The Commission should establish an annual breakdown by Member States of available commitment appropriations using objective and transparent criteria; these criteria should include indicators measuring the size of the fisheries and aquaculture sector, the extent of responsibilities under control and data collection, 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 specific 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, whereby the content and volume of the programme should reflect the intention of simplification. 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.

- (26a) With a view to promoting small scale coastal fishing, Member States having a significant small scale coastal fishing segment, should attach to their operational programmes action plan for the development, competitiveness and sustainability of small-scale coastal fishing.
- (26b) The Commission should establish the rules and procedures of amending operational programme taking into account the goal of simplification so that the programmes could be adapted to the changing environment.
- (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 CPR to use simplified forms of grant as defined in Article 67.1(b)-(d) of the CPR.
- (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 the Multiannual Union programme as referred to in Article 3 of the Council Regulation (EC) No. 199/2008. In order to adapt to the specific needs of data collection activities, Member States should elaborate a work plan which should be adapted annually under the guidance of the Commission and which should be subject to its approval.

- (30a) Funds under direct management with the exception of technical assistance by the Commission should be pre-defined by objectives with a 5% of flexibility and governed by annual work programmes adopted by the Commission in accordance with the examination procedure.
- (31) In order to increase the competitiveness and economic performance of fishing activities it is vital to stimulate and provide support to investments in innovation. In order to encourage a higher level of participation, the application procedure for support to innovation shall be simplified.
- (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 advisory services, co-operation between scientists and fishermen, professional training, lifelong learning, stimulating the dissemination of knowledge as well as helping to improve the overall performance and competitiveness of operators . As a recognition of their role in fishing communities, under certain conditions, spouses and life partners of self-employed fishermen should also be granted support to professional training, lifelong learning, dissemination of knowledge, networking contributing to their professional development.
- (32a) In order to help young people experiencing difficulties with access to the labour market in the fisheries sector during the years of the persistent financial crisis, the EMFF is to support traineeship programme and courses on sustainable fishing practices and the conservation of marine biological resources.
- (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 provide support to investments contributing to the diversification of the income of fishermen through the development of complementary activities, including, investments on board, angling tourism, restaurants, fishing environmental services and educational activities on fishing.

- (35a) The creation and development of new economic activity in the fisheries sector by young fishermen is financially challenging and constitutes an element that should be considered in the allocation and targeting of funds under the EMFF. This development is essential for the competitiveness of the fisheries sector in the Union and, for that reason, a support to young fishermen starting up their fisheries activities should be established in order to facilitate the initial establishment of young fishermen. In order to ensure the viability of new economic activities supported under this measure, support should be made conditional upon the acquisition of necessary skills and competencies. Support for business start up should only contribute to the acquisition of the first fishing vessel .
- (36) In order to address health and safety needs on board, the EMFF should support investments covering safety, working conditions, health and hygiene on board provided that the investment supported is going beyond the legal requirements.
- (36a) Rules should be laid down for granting allowances and financial compensation to fishers and owners of fishing vessels in cases of temporary cessation of fishing activities, if the temporary cessation of activity is the direct consequence of certain conservation measures, excluding fixing and allocation of fishing opportunities, is foreseen in certain Union or national fisheries' management plans, or results from the non-renewal of Fisheries Partnership Agreements or protocols thereto, as well as of permanent cessation of fishing activities.
- (36b) Financial compensations may be granted to fishermen for economic losses caused by adverse climatic events, an environmental incident and the rescue costs under the conditions laid down in this regulation.
- (37) In order to adapt the fishing activities to the fishing opportunities, the EMFF may support the design, development, monitoring, evaluation and management of systems allocating the fishing opportunities.

- (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.
- (42a) In line with the headline target of the Europe2020 strategy related to mitigation of climate change and energy efficiency, the EMFF may support investments on board and energy audits.
- (42b) Modernization and replacement of main and ancillary engines may be supported provided operators active in small scale coastal fishing are given priority in the selection process in order to improve their access to financing, and provided that larger vessels contribute to the reduction of the engine power.
- (42c) In order not to jeopardize the sustainability objective of the reform of the CFP, the amount of financial assistance that may be dedicated to fleet measures such as temporary and permanent cessation as well as engine replacement should be capped, and the time during which financial assistance may be granted for permanent cessation should be limited.
- (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 , the Strategic Guidelines for the sustainable development of EU aquaculture , the CFP objectives and Europe 2020 Strategy, the EMFF should support the environmentally, economically and socially sustainable development of the aquaculture industry.
- (46a) Due to the potential impact on wild marine populations of escapes of farmed animals from aquaculture sites, the EMFF should not provide incentives for the farming of genetically modified organisms.
- (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, the business development of aquaculture enterprises in general, including non-food and off-shore aquaculture, and complementary activities such as angling-tourism, aquaculture environmental services or educational activities.
- (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.
- (51a) In order to contribute to the development of the aquaculture sites and infrastructures the EMFF may support the national and regional authorities in their strategic choices, particularly regarding the definition and mapping of the zones which may be considered most suitable to the development of aquaculture.
- (52) In order to promote environmentally socially and economically 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 aquaculture as well as 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 and aquaculture 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 and aquaculture areas should contribute to the EU 2020 objectives of promoting social inclusion and poverty reduction, to creating jobs 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 area. It is important to ensure that no single interest group has more than 49% of the voting rights in the decision-making bodies of local action groups.
- (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] as well as for marketing and processing activities carried out 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 or consists of innovative processes or methods . 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.
- (62a) Regulation (EU) No 1379/2013 provides for a storage mechanism for fishery products intended for human consumption with a view to fostering the stabilisation of the markets. In order to ensure a transition from market intervention mechanisms to a new focus on planning and management of production and marketing activities, the support granted by the EMFF should be phased out by 2019.
- (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.
- (64) Given that fishing activities in the outermost regions of the European Union are facing difficulties, in particular because of their remoteness and special climatic conditions, the EMFF should take into account 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 . It is necessary to continue providing support to offset the additional costs for the marketing of certain fishery products as of 1 January 2014. so that the compensation contributes to the retaining of the economic viability of operators from those regions.
- (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 increased 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.
- (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.
- (73a) Sound and efficient fisheries management decisions under the CFP should be supported by research and cooperation activities, provision of scientific and socio-economic opinions and advice needed for the implementation and development of the CFP, including in biogeographically sensitive areas.

- (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.
- (76) Sustained funding is needed for the implementation and further development of the Integrated Maritime Policy for the European Union as reflected in Regulation (EU) No 1255/2011 of the European Parliament and of the Council of 30 November 2011 establishing a Programme to support the further development of an Integrated Maritime Policy¹ and the statements of the Council, the European Parliament and the Committee of the Regions . The development of maritime affairs through financial support for IMP measures is expected to have a significant impact in terms of economic, social and territorial cohesion.
- (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. In this context, actions and mechanisms targeting improved cooperation amongst Member States may include cross-border and cross-sectoral cooperation between maritime functionalities to promote exchange of experiences and best practices in order to achieve effectiveness and coherence within the framework of existing relevant EU legislation.

- (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, 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 sustainable economic, social and territorial development, 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 facilitate the implementation of the operational programme and 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 relevant legislation pertaining to the protection of those interests, and to ensure that appropriate controls are carried out by Member States and by the Commission.
- (90) 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.
- (91) In order to address the specific needs of the CFP mentioned in Articles 41 and 42 of the CFP Regulation and to contribute to the compliance with the CFP rules, additional provisions to the rules on interruption of the payment deadline as set out in the CPR 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 that suggests this lack of compliance, as a precautionary measure, the Commission should be allowed to interrupt payments.
- (92) 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 serious non-compliance with CFP rules by the Member States as required by Articles 41 and 42 of the CFP Regulation.
- (93) 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 in 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.

- (94) 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.
- (95) 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. The dedicated websites of all Member States should also be accessible from an official Union website in order to help citizens from different Member States to get easier access to published information from all Member States. 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. Without prejudice to the application of Directive 95/46/EC of the European Parliament and of the Council [ref] on the fundamental right to data protection of individuals, such publication may include names of natural persons in line with national legislation of the Member States.

- (96) 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 the identification of the period of time and the relevant starting or ending dates of the period in relation to admissibility criteria, adjusting each of the percentages concerning the indicative distribution of funds among the objectives under direct management, definition of eligible operations and costs for the health and safety measure, definition of eligible costs under the measure to protect and restore marine biodiversity and ecosystems in the framework of sustainable fishing activities, the definition of costs eligible for support to investments in equipment or on board aimed at reducing the emission of pollutants or green-house gases and increasing energy efficiency of fishing vessels, the definition of the cases of non-compliance by Member States which can trigger interruption or suspension, the establishment of the criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial corrections, the definition of the content and construction of the framework of the common monitoring and evaluation system.
- (97) 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.
- (98) The Commission should be empowered to adopt, by means of implementing acts, decisions on the annual breakdown of the global resources by Member State, decisions approving the operational programmes and their amendments, decision approving the work plans for data collection, decisions adopting the annual work programme for Article 91, decisions recognising that there is evidence to suggest that there are findings of serious non-compliance with obligations under the Common Fisheries Policy, suspension all or part of the interim payments of the operational programme, decisions recognising that a Member State has failed to comply with its obligations under the CFP, making financial corrections by cancelling all or part of the Union contribution to an operational programme.

- (99) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to the presentation of the elements of the operational programme, rules on procedures, format and timetables concerning the amendment of the operational programme, annual work programme for Chapters I and II of Title VI, the structure of the compensation plan, the model to be used when submitting the financial data to the Commission, setting the indicators specific to the Union priorities, the format of the Annual Implementation Reports, the elements to be included in the ex-ante evaluations. Those powers should be exercised in accordance with the examination procedure as laid down in Article 5 of 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.
- (100) In order to ensure a simpler and faster procedure, the implementing acts relating to the adoption of and detailing any changes in the actual priorities of the Union for enforcement and control, laying down rules for the presentation of the data provided by the Managing authorities, technical characteristics of information and publicity measures for the operation and instructions for creating the emblem and a definition of the standard colours, should be adopted in accordance with the advisory procedure as laid down in Article (4) of Regulation (EU) No 182/2011.
- (101) 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.

(102) 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. Nevertheless, this regulation should not affect either the continuation or modification of assistance approved by the Commission on the basis of Regulation (EC) No 1198/2006 or any other legislation applying to that assistance on 31 December 2013 . In order to ensure the continuity, the starting date of application will be also 1 January 2014, regardless of the date of entry into force.

HAVE ADOPTED THIS REGULATION:

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 and aquaculture 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] , 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] 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 to improve situational awareness of activities at sea;
 - (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 Council Regulation (EC) No 1224/2009;
 - (4) 'European Marine Observation and Data Network' means a network that integrates relevant national marine observation and data programmes into a common and accessible European resource;
 - (5) 'fisheries and aquaculture area' means an area with sea, river or lake shore or including ponds or a river basin with a significant level of employment in fisheries or aquaculture, that is functionally coherent in geographical, economic and social terms and designated as such by the Member State;

- (6) 'fisherman' means any person engaging in commercial fishing activities, as recognised by the Member State;
- (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;
- (10) 'inland fishing' means fishing activities carried out for commercial purposes in inland waters by vessels or by other devices, including those used for ice fishing;
- (11) 'integrated coastal zone management' means strategies and measures such as described 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 ;
- (12) 'integrated maritime governance' means the coordinated management of all sectoral policies at Union level affecting the oceans, seas, and coastal regions;
- (14) 'maritime spatial planning' means a process by which the relevant Member State authorities analyse and organise human activities in marine areas to achieve ecological, economic and social objectives;
- (15) 'measure' means a set of operations;
- (17) '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;

- (18) 'vessels operating exclusively in inland waters' means vessels engaged in commercial fishing in inland waters and not included in the Union fishing fleet register.

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 competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture;
- (b) fostering the implementation of the CFP;
- (c) promoting a balanced and inclusive territorial development of fisheries and aquaculture areas;
- (d) 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;

These objectives shall be pursued without increasing fishing capacity.

Article 6

Union priorities

The EMFF shall contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth and to the implementation of CFP. It shall pursue the following Union priorities for the sustainable development of fisheries and aquaculture and related activities, which translate the relevant Thematic Objectives of the Common Provisions Regulation:

- (1) Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries through the following specific objectives:
 - (a) reduction of the impact of fisheries on the marine environment, including the avoidance and reduction, as far as possible, of unwanted catches;
 - (b) protection and restoration of aquatic biodiversity and ecosystems;
 - (ba) ensuring a balance between fishing capacity and available fishing opportunities;
 - (bb) enhancement of the competitiveness and viability of fisheries enterprises, including of small scale coastal fleet, and improvement of safety or working conditions;
 - (bc) support to strengthening technological development, innovation, including increasing energy efficiency, and knowledge transfer;
 - (bd) development of professional training, new professional skills and lifelong learning;
- (2) Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge based aquaculture through the following specific objectives:
 - (a) support to strengthening technological development, innovation and knowledge transfer;
 - (b) enhancement of the competitiveness and viability of aquaculture enterprises, including improvement of safety or working conditions, in particular of SMEs;

- (ba) protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and promotion of resource efficient aquaculture;
 - (bc) promotion of aquaculture with high level of environmental protection and of animal health and welfare and of public health and safety;
 - (c) development of professional training, new professional skills and lifelong learning;
- (3) Fostering the implementation of the CFP through the following specific objectives:
- (a) the improvement and supply of scientific knowledge and collection and management of data;
 - (b) the support to monitoring, control and enforcement, enhancing institutional capacity and an efficient public administration without increasing the administrative burden.
- (4) Increasing employment and territorial cohesion through the following specific objectives:
- (a) promotion of economic growth, social inclusion, creation of jobs and supporting employability and labour mobility in coastal and inland communities depending on fishing and aquaculture;
 - (b) diversification of activities within fisheries and into other sectors of maritime economy.
- (5) Fostering marketing and processing through the following specific objectives:
- (a) improved market organisation for fishery and aquaculture products;
 - (b) encouragement of investment in the processing and marketing sectors.
- (6) Fostering the implementation of the Integrated Maritime Policy.

CHAPTER II

Shared and direct management

Article 7

Shared and direct management

1. Measures covered by Title V 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].
2. Measures covered by Title VI 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 the fisheries and aquaculture sector.
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 11 [Article 9]

Ex ante conditionalities

The specific 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 [Article 10]

Admissibility of applications

1. Applications submitted by the operators shall not be admissible for support from the EMFF for an identified period of time laid out pursuant to paragraph 3 of this article, if it has been determined by the competent authority that the concerned operators:
 - (a) have committed a serious infringement under Article 42 of the Regulation (EC) No 1005/2008 or Article 90(1) of the Regulation (EC) No 1224/2009;
 - (b) have been 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 or of vessels flagged to countries identified as non-cooperating third countries as set out in Article 33 of that same regulation;
 - (c) committed serious infringements of the CFP identified as such in other legislation adopted by the European Parliament and the Council;
 - (d) have committed any of the offences set out in Articles 3 and 4 of Directive 2008/99/EC on the protection of the environment through criminal law, where the application is made for support under Title V, Chapter II (Sustainable development of aquaculture) of this Regulation.

- 1a. The beneficiary shall continue to comply with the admissibility conditions referred to in paragraph 1 (a) to (d), after submitting the application and during the whole period of implementation of the operation and for a period of 5 years after the last payment.
2. Applications submitted by operators for which the competent authority of the Member State has determined that they have committed a fraud, as defined in article 1 of the Convention on the protection of the European Communities financial interest 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 acts in accordance with Article 127 concerning:
 - (a) the identification of the period of time referred to in paragraphs 1 and 2 which shall be proportionate to the nature, gravity, duration and repetition of the serious infringement or offence, and which shall be of at least one year;
 - (b) the relevant starting or ending dates of the period referred to in paragraph 1.
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 a fraud 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, based on the information available according to the national register of infringements as set out in article 93 of Regulation (EC) No 1224/2009, or other available data.

For the application of paragraph 4, a Member State shall provide, on request from another Member State, information contained in its national register of infringements as referred to in Article 93 of Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with CFP rules.

Article 13 [Article 11]

Ineligible operations

The following operations shall not be eligible under the EMFF:

- (a) operations increasing the fishing capacity of the vessel or equipment increasing the ability of the vessel to find the fish;
- (b) construction of new fishing vessels or importation of fishing vessels;
- (c) decommissioning of fishing vessels and temporary cessation of fishing activities, unless specifically provided for in this Regulation;
- (d) exploratory 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 [Article 12]

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 124 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 [Article 13]

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 5 749 331 600 in current prices in accordance with the annual breakdown set out in Annex II.
2. EUR 4 340 800 000 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, III, IV and VII of Title V excluding Article 70.
3. EUR 580 000 000 of the resources referred to in paragraph (1) shall be allocated to control and enforcement measures referred to in Article 78.
4. EUR 520 000 000 of the resources referred to in paragraph (1) shall be allocated to measures on data collection referred to in Article 79.
5. EUR 192 500 000 allocated to compensation of outermost regions under Chapter V of Title V, shall not exceed per year:
 - EUR 6 450 000 for the Azores and Madeira;
 - EUR 8 700 000 for the Canary Islands;
 - EUR 12 350 000 for the French outermost regions covered by Article 349 of TFEU.

6. EUR 44 976 000 of the resources referred to in paragraph (1) shall be allocated to the storage aid referred to in Article 70.
- 6a. EUR 71 055 600 of the resources referred to in paragraph (1) shall be allocated to measures on integrated maritime policy referred to in Chapter VIII of Title V.
- 6b. Member States shall have the opportunity to use resources available into paragraph 15(3) and 15(4) interchangeably

Article 16 [Article 14]

Budgetary resources under direct management

1. An amount of EUR 647 275 400 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.
2. For Chapters I and II of Title VI, the indicative distribution of funds among the objectives, set out in article 81 and 84, is laid down in Annex IIa.
3. The Commission may depart from these indicative percentages by no more than 5% of the value of the financial envelope in each case.
4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 127, to adjust each of the percentages in Annex IIa.

Article 16a [Article 15]

Mid-term review

The Commission shall review the implementation of Chapter I and II of Title VI, including the need for adjustments of the indicative distribution of funds as laid down in Annex IIa, and submit to the European Parliament and to the Council an interim evaluation report on the results obtained and the qualitative and quantitative aspects of this fund no later than by 30 June 2017.

Financial distribution for shared management

1. The resources available for commitments by Member States referred to in Article 15 (2) to (6a) 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 marine and fresh water aquaculture sectors, including employment in related processing,
 - (ii) the level of production in fisheries and marine and fresh water aquaculture sectors, including related processing, 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 and the size of the sea area to be controlled, 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 and aquaculture production, 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 human resources and technical means needed to implement the national sampling programme for data collection.
 - (c) As regards all measures, the historical allocations of funds 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 [Article 17]

Preparation of operational programmes

1. Each Member State shall draw up a single operational programme to implement the Union priorities referred to in Article 6 of this Regulation 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].

3. For the section of the operational programme referred to in Article 20(1)(n) the Commission shall adopt by means of implementing acts the actual priorities of the Union for enforcement and control policy by 31 May 2014 at the latest. These implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 128(2).

Article 20 [Article 18]

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:
 - (b) an analysis of the situation in terms of the strengths, weaknesses, opportunities and threats (hereinafter SWOT) and identification of the needs that have to be addressed in the geographical area, including where relevant sea basins covered by the programme;

The analysis shall be structured around the relevant Union priorities as laid down in Article 6 and where applicable be consistent with the Multiannual National Strategic Plan for Aquaculture referred to in Article [34] of [CFP] and the progress to achieve good environmental status through the development and implementation of a marine strategy referred to in Article 5 of Directive 2008/56/EC [MSFD]. Specific needs concerning jobs, the environment, climate change mitigation and adaptation, and promotion of innovation shall be assessed in relation to Union priorities, with a view to identifying the most relevant responses at the level of each of the priorities related to those areas;
 - (c) a description of the strategy within the meaning of Article 24 of [Regulation (EU) No [...] laying down Common Provisions], which shall demonstrate that:
 - (i) appropriate targets are set for each Union priority included in the programme, on the basis of common result indicators referred to in Article 110;

- (ii) the selection of relevant main measures follows logically from each Union priority selected in the programme taking into account the conclusions of the ex ante evaluation and the analysis referred to in point (b). As regards the measures for the permanent cessation of fishing activities under Article 33b, such description shall include the targets and measures to be taken for the reduction of the fishing capacity in accordance with Article 22 of the CFP Regulation. A description of the method for the calculation of the premium to be granted under Articles 33a and 33b shall also be included;
- (iii) the allocation of financial resources to the Union priorities included in the programme is justifiable and adequate to achieve the targets set;
- (ca) where appropriate, the specific needs of Natura 2000 areas and the contribution of the programme to the establishment of a coherent network of fish stock recovery areas as laid out in Article 8 of the CFP [Regulation (EU) No [...] ...];
- (d) the assessment of the specific ex ante conditionalities for the purpose of Article 11 and Annex III and, where required, the actions referred to in Article 17(3) of the [Regulation (EU) No [...] laying down Common Provisions];
- (da) a description of the performance framework within the meaning of Article 20 and Annex II of Regulation (EU) No [...] laying down Common Provisions];
- (e) a list of measures selected organised by Union priorities;
- (f) a list of criteria applied for selecting the fisheries areas under Chapter III of Title V;
- (g) a list of selection criteria for local development strategies under Chapter III of Title V;
- (ha) in Member States where over 1 000 vessels can be considered small-scale coastal fishing vessels, an action plan for the development, competitiveness and sustainability of small-scale coastal fishing;

- (i) the evaluation requirements and the evaluation plan referred to in Article 56 of the [Regulation (EU) No [...] laying down Common Provisions] and actions to be taken 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(2), 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 70, Article 73, Article 78(2)(a) to (d) and (f) to (j), Article 78(2)(e) and Article 79.
- (k) information on the complementarity and coordination with ESF Funds and other relevant Union and national funding instruments;
- (l) programme implementing arrangements including:
 - (i) identification of the authorities referred to in Article 113 of CPR and, for information, a summary description of the management and control system;
 - (ia) a clear description of the respective roles of the FLAG, the managing authority or designated body for all implementation tasks relating to the strategy;
 - (ii) a description of the monitoring and evaluation procedures, as well as the general composition of the Monitoring Committee;
 - (iii) the provisions to ensure that the programme is publicised in accordance with Article 120;

- (m) a list 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 major 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 110;
 - (iii) specific objectives to be achieved in line with the Union priorities of Article 6 and a detailed indication by category over the entire programming period;
- (o) for the objective of collection of data for sustainable fisheries management referred in under Article 6(3) and in accordance with the multiannual Union programme referred to in Article 3 of Council Regulation (EC) No. 199/2008:
 - (i) a description of activities of data collection, in line with paragraph 1 of Article 25 of CFP Regulation;
 - (ii) a description of data storage methods, data management and data use;
 - (iii) a description 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 referred to in Article 57(1)(b) to (d) of the [Regulation (EU) No [...] laying down Common Provisions], additional costs or income foregone in accordance with Article 97, or method to calculate compensation according to relevant criteria identified for each of the activities deployed under Article 38(1), 53, 54, 55 and 70. Where relevant, information on advance payments to FLAGs under Article 63 should also be included.
4. The Commission shall lay down, by means of implementing acts, rules for the presentation of the elements described in paragraphs 1 and 2. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 128(3).

Article 21 [Article 19]

Approval of the Operational Programme

1. Subject to Article 25 of the [Regulation on (EU) No [...] laying down Common provisions] the Commission shall approve the operational programme by means of implementing act.
 - 1a. For that purpose, the Commission shall examine whether measures referred to in Article 20(1)(c)(ii) are likely to effectively remove the overcapacity identified.

Article 22 [Article 20]

Amendment of the Operational Programme

1. The Commission shall approve the amendment of an operational programme by means of implementing acts.
2. The Commission, in order to adapt to the evolving needs of control, may adopt a decision every two years, by means of implementing act, detailing any 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.

The implementing acts referred to in this paragraph shall be adopted in accordance with the advisory procedure referred to in Article 128(2).

Member States may submit an amendment to their Operational Programme, taking into account the new priorities laid down in the decision mentioned in the first sub-paragraph of this paragraph.

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 [Article 21]

Work plan for data collection

1. For the purpose of application of Article 20(1)(o), Member States shall submit to the Commission work plans for data collection in accordance with Article 4(4) of Council Regulation (EC) No. 199/2008 before 31 October each year, unless an existing plan still applies, in which case they shall notify the Commission thereof. The content of these plans shall be consistent with Article 4(2) of Council Regulation (EC) No. 199/2008.
2. Member States shall submit each work plan by electronic means.
3. The Commission shall approve, by means of implementing act, the work plan for each year by 31 December of each year, unless the Commission has been notified that the work plan of the previous year still applies.

Article 24 [Article 22]

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 paragraph 2 of Article 22;
 - the submission of work plans for data collection.
2. The procedures and timetables shall be simplified in case of amendments to operational programmes concerning:
- (a) a transfer of funds between Union's priorities that do not exceed 10 % of the amount allocated to the Union priority;
 - (b) introduction or withdrawal of main measures or types of relevant operations and related information and indicators;
 - (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).
- 2a. Paragraph 2 shall not apply to measures referred to in Articles 33a (temporary cessation), 33b (permanent cessation) and 39(2) (engine replacement).
3. The implementing acts referred to in paragraph 1 shall be adopted in accordance with the examination procedure referred to in Article 128(3).

CHAPTER II

Programming for measures financed under direct management

Article 25 [Article 23]

Annual work programme

1. To implement Chapters I and II of Title VI and Article 91, the Commission shall, by means of implementing acts, adopt annual work programmes in accordance with objectives set out in those Chapters. For Chapters I and II of Title VI, those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 128(3).
2. The annual work programme shall set out:
 - (a) a description of the activities to be financed, the objectives pursued for each activity which shall be in accordance with the objectives as laid down in article 81 and 84. It shall also contain an indication of the amount allocated to each activity, an indicative implementation timetable, as well as information on their implementation;
 - (c) for grants and related measures, the essential evaluation criteria, which shall be set so as best to achieve the objectives pursued by the Programme, and the maximum rate of co-financing.

TITLE V

MEASURES FINANCED UNDER SHARED MANAGEMENT

CHAPTER I

Sustainable development of fisheries

Article 26 [Article 24]

Specific Objectives

Support under this Chapter shall contribute to the achievement of the Union priority identified in Article 6(1).

Article 27 [Article 25]

General conditions

1. The owner of a fishing vessel having received support under this Chapter shall not transfer that vessel to an operator established in a third country outside the Union during at least 5 years following the date of actual payment of such support to the beneficiary. Should a vessel be transferred within this timeframe sums unduly paid in respect of the operation shall be recovered by the Member State in proportion to the period for which the requirements have not been fulfilled.
2. Operating costs are not eligible unless otherwise expressly provided for in this Chapter.
- 2a. The total financial contribution from the EMFF to the measures referred to in Article 33a, Article 33b and the replacement or modernisation of main or ancillary engines referred to in Article 39 shall not exceed the higher of the following two thresholds: EUR 6 mio or 15% of the Union financial assistance allocated by the Member State to the Union priorities 1,2 and 5.
- 2b. The total financial contribution from the EMFF to the measures referred to in Article 31(4) shall not exceed 5 % of the Union financial assistance allocated per Member State.
- 2c. Financial assistance to vessel owners received under Article 33a shall be deducted from premiums granted to owners under Article 33b for the same vessel.

Article 28 [Article 26]

Innovation

1. In order to stimulate innovation in fisheries, the EMFF may support projects aiming at developing or introducing new or substantially improved products and equipment , new or improved processes and techniques, new or improved management and organisation systems, including at the level of processing and marketing.
2. Operations financed under this Article shall be carried out by, or in collaboration with a scientific or technical body recognised by the Member State or the Union 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 120.

Article 29 [Article 27]

Advisory services

1. In order to improve the overall performance and competitiveness of operators and to promote sustainable fisheries, the EMFF may support:
 - (a) feasibility studies and advisory services assessing the viability of projects potentially eligible for support under this Chapter;
 - (aa) the provision of professional advice on environmental sustainability, with a focus on limiting and, where possible, eliminating the negative impact of fishing activities on marine, terrestrial and freshwater ecosystems;
 - (b) the provision of professional advice on business and marketing strategies.
2. The feasibility studies, advisory services and advice referred to under paragraph 1 shall be provided by scientific, academic, professional or technical bodies or entities providing economic advice with the required competences.

3. The support referred to in paragraph 1 shall be granted to operators, organisations of fishermen, including producer organisations or public law bodies.
4. When the support referred to in paragraph 1 does not exceed the amount of EUR 4 000, the beneficiary may be selected through an accelerated procedure.

Article 30 [Article 28]

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 networks, partnership agreements or associations between one or more independent scientific bodies and fishermen or one or more organisations of fishermen, in which technical bodies may participate.
 - (b) the activities carried out in the framework of the networks, partnership agreements, or associations as referred in point (a).
2. Activities referred to in paragraph 1(b) may cover data collection and management activities, studies, pilot projects, dissemination of knowledge and research results, seminars and best practices.
3. The support referred to in paragraph 1 may be granted to public law bodies, fishermen, organisations of fishermen, FLAGs as defined under Article 62, and non-governmental organisations.

Article 31 [Article 29]

Promoting human capital and social dialogue

1. In order to promote human capital, job creation and social dialogue, the EMFF may support:

- (a) professional training, lifelong learning, joint projects dissemination of knowledge of economic, technical, regulatory or scientific nature and of innovative practices, and acquisition of new professional skills, in particular linked to the sustainable management of marine ecosystems, hygiene, health, safety, 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, promoting the role of women in fishing communities and promoting under-represented groups involved in small-scale coastal fishing and in on-foot fishing;
 - (c) promoting the social dialogue at Union, national, regional or local level involving fishermen, social partners 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 as laid down in Article 2 point (b) of Directive 2010/41/EU.
3. The support referred to in paragraph 1(a) may be granted for the training of people younger than 30 years of age, recognised as unemployed by the Member State, over a period of no more than two years, training on board a small scale coastal fishing vessel owned by a professional fisherman of at least 50 years of age, formalised by a contract between the trainee and the owner of the vessel, when recognised by the Member State, and courses on sustainable fishing practices and the conservation of marine biological resources as defined by the [CFP regulation]. The trainee shall be accompanied on board by a professional fisherman of at least 50 years of age.

4. Support under paragraph 3 shall be granted to professional fishermen to cover the trainee's salary and related charges, and calculated in accordance with Article 57(4) of the [CPR regulation] taking account of the economic situation and living standards of the Member State. It shall not exceed a maximum amount of EUR 40 000 for each beneficiary in the programming period.

Article 32 [Article 30]

Diversification and new forms of income

1. The EMFF may support investments contributing to the diversification of the income of fishermen through the development of complementary activities, including investments on board, angling tourism, restaurants, fishing environmental services and educational activities on fishing.
2. Support under paragraph 1 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).
- 2a. Support under paragraph 1 shall be granted only to fishermen provided that the complementary activities relate to the core fishing business.
3. The amount of financial assistance granted under paragraph 1 shall not exceed 50% of the budget foreseen in the business plan for each operation and shall not exceed a maximum amount of EUR 75 000 for each beneficiary.

Article 32a [Article 31]

Start-up support for young fishermen

1. The EMFF may provide support for the business start-up to young fishermen.

2. Support under this Article may be granted only in respect of the first acquisition of a fishing vessel:
 - (a) whose overall length is less than 24 meters,
 - (b) which is equipped for sea fishing,
 - (c) whose age is between 5 and 30 years and
 - (d) which belongs to a fleet segment for which the capacity report, referred to in article 22 of the [Regulation on Common Fisheries Policy], has shown a balance with fishing opportunities available to that segment.
3. For the purpose of this Article, "young fishermen" shall mean natural persons who want to acquire for the first time a fishing vessel and who, at the moment of submitting the application, are less than 40 years of age and have worked at least five years as fishermen or have acquired equivalent vocational training. Member States may define further objective criteria for young fishermen in order to be eligible for the support under this Article.
4. Support under this article shall not exceed 25% of the acquisition cost of the fishing vessel and shall in any event not be higher than EUR 75 000 per young fisherman.

Article 33 [Article 31]

Health and safety

1. In order to improve hygiene, health, safety and working conditions for fishermen, the EMFF may support investments on board or in individual equipments provided that these investments go beyond requirements 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 for the same type of investment 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 for the same type of equipment during the programming period for the same beneficiary.
4. The Commission shall be empowered to adopt delegated acts in accordance with Article 127 in order to identify the types of operations eligible under paragraph 1.

Article 33a [Article 32]

Temporary cessation of fishing activities

1. The EMFF may contribute to the financing of measures for temporary cessation of fishing activities:
 - (a) in the case of implementation of emergency measures referred to in Articles 12 and 13 of the [Regulation on Common Fisheries Policy] or of conservation measures referred to in Article 7 of [CFP], including biological recovery periods,
 - (b) in the case of non renewal of Fisheries Partnership Agreements or protocols thereto, for a period of no more than 6 month over the programming period;
 - (c) in the case where the temporary cessation is foreseen in a management plan adopted according to Regulation (CE) No 1967/06 or a multiannual plan adopted under Articles 9 and 10 of the [Regulation on Common Fisheries Policy] where reductions of fishing effort are needed in order to achieve the objectives in accordance with Articles 2(2) and 2(5)(a) of the [Regulation on Common Fisheries Policy] based on scientific advice.
2. The EMFF may contribute to the financing of aid measures under paragraph 1 for the temporary cessation of fishing activities for fishers and the owners of fishing vessels for a maximum duration of 6 months per vessel during the period 2014 to 2020.

3. Support under paragraph 1 shall be granted to:
 - (a) owners of Union fishing vessels registered as active and which have carried out fishing activities at sea at least 120 days during the last two calendar years preceding the date of submission of the application, or
 - (b) fishermen who have worked at sea on board of a Union fishing vessel concerned by the temporary cessation for at least 120 days during the last two calendar years preceding the date of submission of the application.
4. All fishing activities carried out by the fishing vessel concerned or by the fishermen concerned shall be effectively suspended. The competent authority shall satisfy itself that the fishing vessel concerned has stopped any fishing activities during the period concerned by the temporary cessation.

Article 33b [Article 33]

Permanent cessation of fishing activities

1. The EMFF may contribute to the financing of measures for permanent cessation of fishing activities only through scrapping of fishing vessels provided that:
 - (a) it is included in the operational programme as established in Article 20; and
 - (b) the permanent cessation is foreseen as a tool of the action plan referred to in article 35 of the [Regulation on Common Fisheries Policy] indicating that the fleet segment is not effectively balanced with fishing opportunities available to that segment.
2. Support under paragraph 1 shall be granted to:
 - (a) owners of Union fishing vessels registered as active and which have carried out fishing activities at sea at least 90 days per year during the last two calendar years preceding the date of submission of the application, or

- (b) fishermen who have worked at sea on board of a Union fishing vessel concerned by the permanent cessation for at least 90 days per year during the last two calendar years preceding the date of submission of the application.
3. The fisherman concerned shall effectively cease all fishing activities. The proof of the effective cessation of fishing activities shall be provided to the competent national authority by the beneficiaries of such aid. The compensation shall be refunded on a pro rata temporis basis where a fisherman returns to a fishing activity within a period of less than two years from the date of submission of the application.
4. Public aid under paragraph 2 of this article may be granted until 31 December 2017.
5. Support under this Article shall be paid only after the equivalent capacity has been permanently removed from the Union fishing vessel register and the fishing licenses and authorizations have been also permanently removed. The beneficiary of such aid cannot register a new fishing vessel within five years following the receipt of such aid. The decrease in capacity as a result of permanent cessation of fishing activity with public aid shall result in the permanent equivalent reduction of the fishing capacity ceilings set out in Annex II of CFP.
- 5a. By way of derogation from paragraph 1, the vessels can be eligible for support for permanent cessation without scrapping provided they retrofit for activities other than commercial fishing.
- 5b. By way of derogation from paragraph 1 and with the view to preserving maritime heritage, traditional wooden vessels can be eligible for support for permanent cessation without scrapping, provided they retain a land-based heritage function.

Mutual funds for adverse climatic events and environmental incidents

1. The EMFF may contribute to mutual funds to pay financial compensations to fishermen for economic losses caused by adverse climatic events, an environmental incident and the rescue costs for fishing vessels which had accidents during their activities or sank, resulting in the loss of victims at sea.
2. For the purpose of paragraph 1, “mutual fund” means a scheme accredited by the Member State in accordance with its national law for affiliated fishermen to ensure themselves, whereby compensation payments are made to affiliated fishermen for economic losses caused by the outbreak of adverse climatic events, an environmental incident or the rescue costs for fishing vessels which had accidents during their activities or sank, resulting in the loss of victims at sea.
3. Member States shall ensure that overcompensation as a result of the combination of this support with other national or Union instruments or private insurance schemes is avoided.
4. In order to be eligible for support under this Article, the mutual fund concerned shall:
 - (a) be accredited by the competent authority in accordance with national law;
 - (b) have a transparent policy towards payments into and withdrawals from the fund;
 - (c) have clear rules attributing responsibilities for any debts incurred.
5. Member States shall define the rules for the constitution and management of the mutual funds, in particular for the granting of compensation payments and the eligibility of fishermen in the event of crisis, as well as for the administration and monitoring of compliance with these rules. Member States shall ensure that the fund arrangements provide for penalties in case of negligence on the part of the fisherman.

6. The occurrence of adverse climatic events or environmental incidents referred to in paragraphs 1 and 2 must be formally recognised as such by the competent authority of the Member State concerned.
7. The financial contributions referred to in Article 33c (1) may only relate to the amounts paid by the mutual fund as financial compensation to fishermen. Support for the administrative costs for setting up the funds shall not be eligible. Member States may limit the costs that are eligible for support by applying ceilings per mutual fund.
8. Support under Article 33c (1) shall only be granted to cover for loss caused by the adverse climatic events or an environmental incident, which amounts to more than 30 % of the annual turnover of the business concerned, calculated on the basis of the average turnover of the business over the preceding three years.
9. No contribution by public funds shall be made to the initial capital stock.
10. Member States shall provide details and justifications in their operational programmes on how they intend to limit the costs that are eligible for support by applying ceilings per mutual fund.

Article 34 [Article 35]

Support to systems of allocation of fishing opportunities

1. In order to adapt the fishing activities to the fishing opportunities, the EMFF may support the design, development, monitoring, evaluation and management of systems allocating the fishing opportunities.
2. Support under this Article shall be granted to public authorities, legal or natural persons or organisations of fishermen, recognised by the Member State including recognised producer organisations involved in collective management of the systems referred to in paragraph 1.

Article 35 [Article 36]

Support for the design and implementation of conservation measures

1. In order to ensure efficient design and implementation of conservation measures under Articles 7, 8, 11 and regional cooperation under Article 18 of the [Regulation on Common Fisheries Policy] the EMFF may support:
 - (a) the design, development and monitoring of technical and administrative means necessary for the development and implementation of conservation measures and regionalisation;
 - (b) stakeholder participation and cooperation between Member States in designing and implementing conservation measures and regionalisation.
2. The EMFF may support direct restocking under paragraph 1 only when it is foreseen as a conservation measure by a Union legal act.

Article 36 [Article 37]

Limiting the impact of fishing on the marine environment and adapting fishing to the protection of species

1. In order to reduce the impact of fishing on the marine environment, foster the gradual elimination of discards and facilitate the transition to a sustainable exploitation of living marine biological resources in accordance with Article 2(2) of CFP the EMFF may support investments:
 - (a) in equipment improving size selectivity or species selectivity of fishing gear;
 - (b) on board or in equipment eliminating discards by avoiding and reducing unwanted catches of commercial stocks or dealing with unwanted catches to be landed in accordance with Article 15 of the [Regulation on Common Fisheries Policy];

- (c) in equipment limiting and, where possible, eliminating the physical and biological impacts of fishing on the ecosystem or the sea bed;
 - (ca) in equipment protecting gear and catches from mammals and birds protected by the Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora or Council and European Parliament Directive 2009/147/EC of 30 November 2009 on the conservation of wild birds, provided that it does not undermine the selectivity of the fishing gear and that all appropriate measures are introduced to avoid physical damage to the predators.
- 1a. By way of derogation from Article 13(a), in the outermost regions the support referred to in paragraph 1 may be granted to anchored fish aggregating devices only if they contribute to sustainable and selective fishing.
 2. Support shall not be granted more than once during the programming period for the same type of equipment, on the same Union fishing vessel.
 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 the ecosystem and 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 calendar 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 calendar years preceding the date year of submission of the application;

- (c) organisations of fishermen recognised by the Member State.

Article 37 [Article 38]

Innovation linked to the conservation of marine biological resources

1. In order to contribute to the gradual elimination of discards and by-catches and facilitate the transition to exploitation of living marine biological resources in accordance with Article 2(2) of CFP, and to reduce the impact of fishing on the marine environment and the impact of protected predators, the EMFF may support operations aiming at developing or introducing new technical or organisational knowledge reducing impacts of fishing activities on the environment, including improved fishing techniques and gear selectivity, or achieving a more sustainable use of marine biological resources and coexistence with protected predators.
2. Operations financed under this Article shall be carried out by or 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 the subject to adequate publicity by the Member State according to Article 120.
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. At the request of a Member State, in duly justified circumstances and on the basis of a recommendation by the STECF, the Commission may approve projects that exceed the limits set in this paragraph.
5. Operations which cannot be qualified as fishing for scientific purposes in accordance with Article 33 of Council Regulation 1224/2009 and which are 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 in accordance with Article 55(6) of the [Common Provision Regulation].
7. Net revenue in the sense of this Article should be understood as the income for fishermen from the first sale of the fish or shellfish caught during the introduction and testing of the new knowledge less selling costs, such as auction hall fees.

Article 38 [Article 39]

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

1. In order to protect and restore marine biodiversity and ecosystems in the framework of sustainable fishing activities, and where relevant, with the participation of fishermen, the EMFF may support the following operations:
 - (a) collection of waste by fishermen from the sea such as the removal of lost fishing gears and marine litter;
 - (b) the construction, installation or modernisation of static or movable facilities intended to protect and enhance marine fauna and flora including their scientific preparation, and evaluation;
 - (c) the contribution to a better management or conservation of marine biological resources;
 - (ca) preparation including studies, drawing-up, monitoring and updating protection, and management plans for fishery related activities relating to NATURA 2000 sites and spatial protected areas referred to in Directive 2008/56/EC and in other special habitats;

- (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 and Council and European Parliament Directive 2009/147/EC of 30 November 2009 on the conservation of wild birds, in accordance with prioritised action frameworks established pursuant to Council Directive 92/43/EEC;
 - (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;
 - (ea) environmental awareness involving fishermen on protection and restoration of marine biodiversity.
 - (eb) schemes for the compensation of damage to catches caused by mammals and birds protected by the Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora or Council and European Parliament Directive 2009/147/EC of 30 November 2009 on the conservation of wild birds;
 - (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 including their scientific preparation, and evaluation;
- 1a. Support under point (eb) of paragraph 1 shall be subject to the formal recognition by the competent public authorities of Member States. Member States should also ensure that no overcompensation of damages occurs as a result of the combination of Union, national and private compensation schemes.
 2. Operations under this Article may be implemented by scientific or technical public law bodies, fishermen or Advisory Councils 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 127 in order to specify the eligible costs under paragraph 1.

Article 39 [Article 40]

Energy efficiency and mitigation of climate change

1. In order to mitigate the effects of climate change and improve the energy efficiency of fishing vessels, the EMFF may support:
 - (a) investments in equipment or on board aimed at reducing the emission of pollutants or green-house gases and increasing energy efficiency of fishing vessels. Investments in fishing gear are eligible provided that they do not undermine the selectivity of that fishing gear;
 - (b) energy efficiency audits and schemes;
 - (c) studies to assess the contribution of alternative propulsion systems and hull designs on the energy efficiency of fishing vessels.
2. Support for the replacement or modernisation of main or ancillary engines may be granted:
 - (a) for vessels up to 12 metres in overall length, provided the new engine has the same power as the old one or less; or
 - (b) for vessels between 12 and 18 metres in overall length, provided that the power of the new engine is at least 20 % smaller than that of the engine replaced;
 - (c) for vessels between 18 and 24 metres in overall length, provided that the power of the new engine is at least 30 % smaller than that of the engine replaced.

3. Support under paragraph 2 for the replacement or modernisation of main or ancillary engines may only be granted to vessels belonging to a fleet segment for which the capacity report, referred to in Article 22 of the [Regulation on Common Fisheries Policy], has shown a balance with fishing opportunities available to that segment.
4. Support under paragraph 2 shall only be granted for the replacement or modernization of main or auxiliary engines which have been officially certified in accordance with Article 40(2) of Council Regulation (EC) No. 1224/2009. It shall be paid only after the required reduction of capacity in kW has been permanently removed from the Union fishing vessel register.
5. For fishing vessels not subject to a certification of engine power, support under paragraphs 1 and 2 shall only be granted for the replacement or modernization of main or auxiliary engines in respect of which the consistency of engine power has been verified in accordance with Article 41 of Council Regulation (EC) No. 1224/2009 and physically inspected to ensure that the engine power does not exceed the one established in the fishing licenses.
6. Support under paragraphs 1 and 2 shall only be granted to owners of fishing vessels and not more than once for the same type of investment during the programming period for the same fishing vessel.
7. The reduction of engine power referred to in paragraph 2(b) and (c) may be achieved by a group of vessels for each category of vessels referred to in points (b) and (c) of that paragraph.
8. The Commission shall be empowered to adopt delegated acts in accordance with Article 127 in order to define the costs eligible under paragraph 1(a).
9. Without prejudice to Article 27(3), the financial contribution from the EMFF to the measures referred to in paragraph 2 regarding engine replacement or modernisation shall not exceed the higher of the following two thresholds: EUR 1,5 million or 3 % of the Union financial assistance allocated by the Member State to Union priorities 1,2 and 5.

10. Applications made by operators from the small scale coastal fishing sector shall be treated as a priority up to 60 % of the public assistance, given for the purpose of replacement or modernisation of engines referred to in paragraph 2 for the entire programming period.

Article 40 [Article 41]

Added value, product quality and use of unwanted catches

1. In order to improve the added value or quality of the fish caught the EMFF may support :
 - (a) investments adding value to fisheries products, in particular by allowing the fishermen to carry out the processing, marketing and direct sale of their own catches;
 - (b) innovative investments on board improving the quality of the fisheries products.
4. The support referred to in paragraph 1(b) shall be conditional to the use of selective gears to minimise the catch of unwanted catches and shall only be granted to owners of Union fishing vessels and whose vessels have carried out a fishing activity for at least 60 days at sea during the two calendar years preceding the date of submission of the application.

Article 41 [Article 42]

Fishing ports, landing sites, auction halls and shelters

1. For the purpose of increasing the quality, control and traceability 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 and auctions halls infrastructure or landing sites and shelters including investments in facilities for waste and marine litter collection.

2. The EMFF may support investments in fishing ports, auction halls, landing sites and shelters in order to facilitate compliance with the obligation to land all catches pursuant to Article 15 of the [Regulation on Common Fisheries Policy] and point b) of Article 8(2) of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products] and adding value to under-used components of the catch.
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 [Article 43]

Inland Fishing and inland aquatic fauna and flora

1. In order to reduce the impact of inland fishing on the environment, to increase energy efficiency, to increase the value or quality of fish landed, or to improve health, safety, working conditions, human capital and training, 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;
 - (aa) promotion of human capital and social dialogue as referred to in Article 31(1) and (2) and under the conditions set out in that Article;
 - (b) in equipment and types of operations as referred to in Article 36 and Article 37 and under the conditions set out in those Articles;
 - (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 fishing ports, shelters and landing sites as referred to in Article 41 and under the conditions set out in that Article.

- (da) on investments improving the value or quality of the fish caught as referred to in Article 40 and under the conditions set out in that Article.
- 1a. The EMFF may provide support for investments relating to start-up for young fishermen as referred to in Article 32b and under the same conditions as set out in that Article except for the requirement under Article 32b (2)(b).
 - 1b. The EMFF may support the development and facilitation of innovation in accordance with Article 28, the advisory services in accordance with Article 29 and partnerships between scientists and fishermen in accordance with Article 30.
2. For the purposes of paragraph 1:
 - (a) References made in Articles 33, 36, 37, 39 and 40 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 diversification of inland fishing activities to complementary activities under the conditions of Articles 32 of this Regulation.
 4. For the purposes of paragraph 3, references made in Articles 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:
 - (a) the management, restoration and monitoring of NATURA 2000 sites, which are affected by fishing activities and the rehabilitation of inland waters in line with Directive 60/2000/EU, including spawning grounds and migration routes for migratory species, without prejudice of Article 38(1)(d) and where relevant with the participation of inland fishermen;

- (b) the construction, modernisation or installation of static or movable facilities intended to protect and enhance aquatic fauna and flora, including their scientific preparation, monitoring and evaluation.
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 [Article 44]

Specific objectives

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

Article 44 [Article 45]

General conditions

- 1. Support under this Chapter shall be limited to aquaculture enterprises unless otherwise expressly established.
- 1a. Entrepreneurs entering the sector for the purpose of this Article shall provide a business plan and, where the cost of investments is more than 50,000 euros a feasibility study including an environmental assessment of the operations. Support under this Chapter shall be granted only where it has been clearly demonstrated in an independent marketing report that good sustainable market prospects exist for the product.

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, support may be granted until the date on which the standards become mandatory for the enterprises.
- 2a. Support shall not be granted to the farming of genetically modified organisms.
- 2b. Support shall not be granted to aquaculture operations in marine protected areas, if it has been determined by the competent authority recognised by the Member State, on the basis of an environmental impact assessment, that the operation would generate significant negative environmental impact that cannot be adequately mitigated.

Article 45 [Article 46]

Innovation

1. In order to stimulate innovation in aquaculture, the EMFF may support operations aiming at:
 - (a) developing technical, scientific or organisational knowledge in aquaculture farms, which, in particular, reduces the impact on the environment, reduces dependence on fish meal and oil, fosters a sustainable use of resources in aquaculture, improves animal welfare or facilitates new sustainable production methods;
 - (b) developing or introducing in the market new aquaculture species with good market potential, new or substantially improved products, new or improved processes, new or improved management and organisation systems;
 - (ba) exploring the technical or economic feasibility of innovative products or processes.
2. Operations under this Article shall be carried out by or in collaboration with public or private scientific or technical bodies, 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 120.

Article 46 [Article 47]

Productive investments in aquaculture

1. The EMFF may support:
 - (a) productive investments in aquaculture;
 - (b) diversification of aquaculture production and species cultured;
 - (c) modernization of aquaculture units including improvement in working and safety conditions of aquaculture workers;
 - (d) improvements and modernization related to animal health and welfare including the purchase of equipment aiming at protecting the farms from wild predators;
 - (e) reducing negative impact or enhancing positive effects on the environment and increasing resource efficiency;
 - (f) investments in enhancing quality of aquaculture product;
 - (g) restoration of existing aquaculture ponds or lagoons through removal of silt, or investments aimed at the prevention of silt deposit;
 - (h) diversification of the income of aquaculture enterprises through the development of complementary activities.
 - (i) allowing a substantial reduction of the impact of aquaculture enterprises on water usage and quality, in particular through reducing the amount of water or chemicals, antibiotics and other medicines used, or improving the output water quality, including through the deployment of multi-trophic aquaculture systems;

- (j) promoting closed aquaculture systems where aquaculture products are farmed in closed recirculation systems, minimising water use;
 - (k) increasing energy efficiency and promoting conversion of aquaculture enterprises to renewable sources of energy.
- 1a. Support under paragraph 1(h) shall be granted only to aquaculture enterprises provided that the complementary activities relate to the core aquaculture business of enterprise, including angling tourism, aquaculture environmental services or educational activities on aquaculture.
- 1b. Support under paragraph 1 may be granted for the increase in production and/or modernisation of existing aquaculture enterprises or the construction of new ones provided that the development is consistent with the multiannual national strategic plan for the development of aquaculture.

Article 48 [Article 48]

Management, relief and advisory services for aquaculture farms

1. In order to improve the overall performance and competitiveness of aquaculture farms and to reduce negative environmental impact of their operations, 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, environmental 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 as referred to in Directives 2001/42 and 92/43;

- (c) the management needs for aquaculture to comply with national and 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.
- 2a. The advice referred to in paragraph 1(b) shall be provided by scientific or technical bodies as well as entities providing legal or economic advice with the required competence as recognised by each Member State.
3. Support under paragraph (1)(a) shall only be granted to public law bodies or other entities, selected by the Member State to set up the farm advisory services. Support under paragraph (1)(b) shall only be granted to aquaculture SMEs or aquaculture organisations including aquaculture producer's organisations and associations of aquaculture producer's organisations.
- 3a. When the support does not exceed the amount of EUR 4 000, the beneficiary may be selected through an accelerated procedure.
4. Aquaculture farms shall not receive support for the advisory services more than once per year for each category of services covered under paragraph 2(a) to (e).

Article 49 [Article 49]

Promoting human capital and networking

1. In order to promote human capital and networking in aquaculture, the EMFF may support:
- (a) professional training, lifelong learning, the dissemination of scientific and technical knowledge and innovative practices, the acquisition of new professional skills in aquaculture and the reduction of the environmental impact of aquaculture operations;
 - (aa) the improvement of working conditions and the promotion of occupational safety;

- (b) networking and exchange of experience and best practice among aquaculture enterprises or professional organisations and other stakeholders, including scientific and technical bodies or those promoting equal opportunities between men and women.
- 2. Support referred to in paragraph 1(a) shall not be given to large aquaculture enterprises unless engaged in knowledge sharing with SMEs.
- 3. By derogation from Article 44, support shall also be granted to public or semi public organisations and other organisations recognised by the Member State.
- 4. The support referred to in paragraph 1 shall also be granted to spouses of self-employed aquaculture farmers or, when and in so far as recognised by national law, the life partners of self-employed aquaculture farmers, 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 aquaculture farmers or perform ancillary tasks as laid down in Article 2 point (b) of Directive 2010/41/EU.

Article 50 [Article 50]

Increasing the potential of aquaculture sites

- 1. In order to contribute to the development of the aquaculture sites and infrastructures and to reduce the negative environmental impact of the operations, the EMFF may support:
 - (a) identification and mapping of most suitable areas for developing aquaculture, and where applicable, taking into account spatial planning processes, and the identification and mapping of areas where aquaculture should be excluded in order to maintain the role of such areas in the functioning of the ecosystem;
 - (b) improvement and development of support facilities and infrastructures required to increase the potential of aquaculture sites and reduce the negative environmental impact of aquaculture, including investments in 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.
 - (ca) action taken and implemented by competent authorities following the detection of increased mortalities or diseases as defined under Article 10 of Directive 2006/88/EC. These actions may cover the adoption of shellfish action plans aiming at the protection, restoration and management, including support to shellfish producers for maintenance of natural shellfish banks and catchment areas.
2. Beneficiaries of support under this Article shall only be public law bodies or private bodies entrusted by the Member State with the above-mentioned tasks.

Article 51 [Article 51]

Encouraging new sustainable aquaculture farmers

1. In order to foster entrepreneurship in aquaculture, the EMFF may support the setting up of sustainable aquaculture enterprises by new starting farmers.
2. Support under paragraph 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).

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 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;
 - (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).
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 three 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 and/or
- (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).

Article 54 [Article 53]

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) the costs directly related to 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) aquaculture operations 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 and/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 and/or income foregone.
5. The results of operations receiving support under this Article shall be subject to adequate publicity by the Member State according to Article 120.

Article 55 [Article 54]

Public health measures

1. The EMFF may 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 25 % of the annual turnover of the business concerned, calculated on the basis of the average turnover of the business over the preceding three years. Member States may establish special calculation rules for use in respect of companies with less than one year of activity.
3. The duration for which compensation may be granted shall be of maximum 12 months over the entire programming period. In justified du cases, it may be extended to another 12 months up to a maximum of 24 months.

Animal health and welfare measures

1. In order to foster animal health and welfare in aquaculture enterprises, inter alia in terms of prevention and bio-security, the EMFF may support:
 - (a) the costs of control and eradication of diseases in aquaculture under the terms of Council Decision 2009/470/EC on expenditure in the veterinary field including the operational cost necessary to fulfil the obligations in an eradication plan;
 - (b) the development of general and species specific best practices or codes of conducts on bio-security or on animal health and animal welfare needs in aquaculture;
 - (c) initiatives aimed at reducing the dependence of aquaculture on veterinary medicines;
 - (ca) veterinary or pharmaceutical studies and dissemination and exchange of information and best practices, on veterinary diseases in aquaculture with the aim of promoting an appropriate use of veterinary medicines;
 - (cb) the establishment and operation of health protection groups in the aquaculture sector as recognised by Member States;
 - (cc) compensation to mollusc farmer for the temporary suspension of their activities due to exceptional mass mortality, when the mortality rate exceeds 20 % or when the loss resulting from the suspension of the activity 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 preceding 3 years.
2. Support under paragraph 1(ca) 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 120.

4. Support may also be granted to public law bodies.

Article 57 [Article 56]

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 at least one of the following:
 - (a) natural disasters;
 - (b) adverse climatic events;
 - (c) sudden water quality and quantity changes for which the operator is not responsible;
 - (d) diseases in aquaculture, failure or destruction of production facilities for which the operator is not responsible.
2. The occurrence of the circumstances referred to in paragraph 1 in aquaculture shall be formally recognised as such by the Member State concerned.
 - 2a. 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 turnover of the aquaculture farmer.

CHAPTER III

Sustainable development of fisheries areas

Section 1

Scope and objectives

Article 58 [Article 57]

Scope

The EMFF shall support the sustainable development of fisheries and aquaculture areas following a community-led local development approach as set out in Article 32 of the [Regulation (EU) No [...] laying down Common Provisions].

Article 59 [Article 58]

Specific Objectives

Financial support under this Chapter shall contribute to the achievement of the Union priority identified in Article 6(4)

Section 2

Local partnerships and local development strategies

Article 61 [Article 59]

Integrated local development strategies

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 and aquaculture areas;
 - (b) ensure that local communities fully exploit and benefit from the opportunities offered by maritime, coastal and inland water development and, in particular, help small and declining fishing ports to maximise their marine potential by developing a diversified infrastructure.
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.

Article 62 [Article 60]

Fisheries local action groups

1. For the purposes of the EMFF the local action groups referred to in Article 28(2)(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/or aquaculture sectors.
4. If the local development strategy is supported by other Funds in addition to the EMFF, the selection body of the FLAGs for EMFF supported projects shall fulfil the requirements set out in paragraph (3).
5. FLAGs may also carry out additional tasks going beyond the minimum tasks of Article 30(3) of the [Regulation (EU) No [...] laying down Common Provisions] when these are delegated to them by the managing authority.

Section 3

Eligible operations

Article 63 [Article 61]

Support from the EMFF for integrated local development

1. The following operations are eligible under this Section in accordance with Article 35 of the [Regulation (EU) No [...] laying down Common Provisions]:
 - (a) preparatory support;
 - (b) implementation of local development strategy;
 - (c) cooperation activities;
 - (d) running costs and animations.

2. Local action groups may request the payment of an advance from managing authority 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 and animation.

Article 65 [Article 62]

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, attracting young people and promoting innovation at all stages of the fisheries and aquaculture supply chain;
 - (b) supporting diversification inside or outside commercial fisheries, lifelong learning and job creation in fisheries areas;
 - (c) enhancing and capitalising on the environmental assets of the fisheries and aquaculture areas including operations to mitigate climate change;
 - (d) promoting social well being and cultural heritage in fisheries and aquaculture areas including fisheries, aquaculture and 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 in Chapters I, II and IV of this Title, except Articles 69 and 70, 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, II and IV of this Title shall apply.

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/or with territories in third countries .

2. For the purposes of this Article, 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 an appropriate system for the purpose of facilitating 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. Administrative decisions concerning 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 in accordance with article 111.

CHAPTER IV

Marketing and processing related measures

Article 68 [Article 64]

Specific Objectives

Support under this Chapter shall contribute to achieving the Union priority identified in Article 6(5).

Article 69 [Article 65]

Production and Marketing Plans

1. The EMFF shall support the preparation and implementation of production and marketing plans referred to in Article 28 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 28(5) of Regulation [on the common organisation of the markets in fishery and aquaculture products].
3. Support granted per producer organisation per year under this Article shall not exceed 3 % of the average annual value of the production placed on the market by this producer organisation during the preceding 3 calendar years. For any newly recognised producer organisation, this support shall not exceed 3 % of the average annual value of the production placed on the market by the members of this organisation during the preceding 3 calendar years.

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 28(3) 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 [Article 66]

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 [on the common organisation of the market in fishery and aquaculture products], provided that the products are stored in conformity with Articles 30 and 31 of Regulation [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 2 % of the average annual value of the production placed on the market of the members of producer organisation in the period 2009-2011. In the case that members of producer organisation did not have any production placed on the market in 2009-2011, the average annual value of production placed on the market in the first three years of production of such member shall be taken into account.
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 [Article 67]

Marketing measures

1. The EMFF may support marketing measures for fishery and aquaculture products which aim at:
 - (-a) creating producer organisations, associations of producer organisations or inter-branch organisations recognised under Chapter II, Section II of Regulation [on the Common Organisation of the markets in fisheries and aquaculture products];
 - (a) finding new markets and improving the conditions for the placing on the market of fishery and aquaculture species, including:
 - (i) species with marketing potential;

- (ii) unwanted catches landed from commercial stocks in conformity with technical measures, Article 15 of [Regulation on the Common Fisheries Policy] and point (b) of Article 8(2) of the [Regulation (EU) No on the common organisation of the markets in fishery and aquaculture products];
 - (iii) fishery and aquaculture 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 and the value added by facilitating:
- (i) the application for registration of a given product and the adaptation of concerned operators to the relevant compliance and certification requirements 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.
 - (ii) the certification and the promotion including of sustainable fishery and aquaculture products, notably of products from small scale coastal fishing, and of environmentally friendly processing methods;
 - (iii) direct marketing of fishery products by small scale coastal fishermen including on-foot fishermen;
 - (iiia) presentation and packaging of products;
- (c) contributing to the transparency of production and the markets and conducting market surveys and studies on the Union's dependency on imports;
- (ca) contributing to traceability of fishery or aquaculture products and, where relevant, the development of a Union-wide ecolabel for fisheries and aquaculture products as referred to in the CMO regulation;

- (d) drawing up standard contracts for SMEs, which are compatible with Union law;
 - (f) conducting regional, national or transnational communication and promotional campaigns, to raise public awareness about sustainable fishery and aquaculture products.
2. Operations under paragraph (1) may include the production, processing and marketing activities of the supply chain.

Operations under paragraph 1(f) shall not be aimed at commercial brands.

Article 72 [Article 68]

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;
 - (aa) improving safety, hygiene, health and working conditions;
 - (b) support to the processing of catches of commercial fish that cannot be destined for human consumption;
 - (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;
 - (da) which lead to new or improved products, new or improved processes, or new or improved management and organisation systems.

2. As regards enterprises other than SMEs, 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 [Article 69]

Compensation regime

1. The EMFF may support the compensation of additional costs incurred by operators in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the Azores, Madeira, the Canary Islands, French outermost regions covered by Article 349 of TFEU.
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.
- 5a. The following operators shall be eligible for compensation:
- (a) natural or legal persons using means of production to obtain fishery or aquaculture products with a view to placing them on the market;
 - (b) the owners or operators of vessels that are registered in the ports of the regions referred to in paragraph 1 and that are operating in those regions, or associations of such owners or operators;
 - (c) the operators in the processing and marketing sector or associations of such operators.

Article 74 [Article 70]

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 or category of products 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 [Article 71]

Compensation plan

1. The Member States concerned shall submit to the Commission a compensation plan for each region concerned including the list and quantities and the type of operators referred to in Article 73, the level of compensation referred to in Article 74 and the competent authority as laid down in Article 99.
 - 1a. Member States may amend the content of the compensation plan referred to in paragraph 1. Such amendments shall be submitted to the Commission.
 - 1b. The Commission shall be empowered to adopt implementing acts in accordance with the examination procedure referred to in Article 128 (3) in order to define the structure of the compensation plan.
2. The Commission shall be empowered to adopt delegated acts, in accordance with Article 127, laying down the criteria for the calculation of the additional costs resulting from the specific handicaps of the regions concerned.

Article 75a [Article 72]

State aid

[To be moved after Article 8]

1. For the fisheries and aquaculture products, only covered in Annex I to the Treaty , to which Article 107, 108 and 109 thereof apply, the Commission may authorise, in accordance with Article 108 TFEU, operating aid in the sectors producing, processing and marketing fishing and aquaculture products, with a view to alleviating the specific constraints in the outermost regions as a result of their isolation, insularity and extreme remoteness.

2. Member States may grant additional financing for the implementation of the compensation plans referred to in Article 75. In such cases, the Member States shall notify the Commission of the State aid which the Commission may approve in accordance with this Regulation as part of those plans. State aid thus notified in accordance with this paragraph shall be regarded as to be notified within the meaning of the first sentence of Article 108(3) TFEU.

CHAPTER VI

Accompanying measures for the Common Fisheries Policy under shared management

Article 76 [Article 73]

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 [Article 74]

Specific Objectives

Support under this Chapter shall contribute to achieving the Union priority identified in Article 6 (3).

Article 78 [Article 75]

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.

2. In particular, the following types of operations shall be eligible:
- (a) purchase, installation and/or development of technology, including hardware and software, vessel detection systems (VDS), CCTV systems, and IT networks enabling the gathering, administration, validation, analysis, risk management, presentation (websites related to control) 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) development, purchase and installation of the components, including computer hardware and software, that are 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) development, purchase and installation of the components, including computer hardware and software, which are necessary to ensure traceability of fishery and aquaculture products, as defined in Article 58 of Council Regulation (EC) No 1224/2009;
 - (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 for fisheries control for at least 60% of their total time of use per year;
 - (f) purchase of other control means, including devices to enable the measurement of engine power and weighing equipment;

- (g) development of innovative control and monitoring systems and 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;
 - (ja) operational costs incurred in delivering strengthened control for stocks subject to specific control and inspection programmes established in accordance with Article 95 Council Regulation (EC) No 1224/2009 and to control coordination in accordance with Article 15 of Council Regulation (EC) No 768/2008.
 - (jb) programmes linked to the implementation of an action plan established in accordance with Article 102(4) of Regulation (EC) No 1224/2009, including any operational costs incurred.
3. The measures listed in points (h), (i), (j), (ja) and (jb) 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, the Member States involved shall designate the managing authority responsible for the project.

Data Collection

1. The EMFF shall support the collection, management and use of data in line with Article 25(1) and (2) of the CFP, and specified in Council Regulation (EC) No 199/2008.
2. In particular, the following types of operations shall be eligible:
 - (a) the collection, management and use of data for the purpose of scientific analysis and CFP implementation;
 - (b) national, transnational and sub-national multi-annual sampling programmes providing they refer to stocks covered by the CFP;
 - (c) at-sea monitoring of commercial and recreational fisheries, including monitoring of by-catch of marine organisms such as marine mammals and birds;
 - (d) research surveys-at-sea;
 - (e) the participation of Member States' representatives as well as representatives of regional authorities, 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;
 - (ea) the improvement of data collection and data management systems and the implementation of pilot studies to improve existing data collection and data management systems;

CHAPTER VII

Technical assistance at the initiative of the Member States

Article 79a [Article 77]

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 6 % 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.

CHAPTER VIII

Measures concerning integrated maritime policy financed under shared management

Article 79b [Article 78]

Specific objectives

1. Measures under this Chapter shall support the development and implementation of the Integrated Maritime Policy including:

- (a) Integrating Maritime Surveillance (IMS) and in particular the development of the Common Information Sharing Environment (CISE) for the surveillance of the EU maritime domain,
 - (b) the promotion of the protection of the marine environment, in particular its biodiversity and marine protected areas such as Natura 2000 sites, beyond what is established in Article 35, 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.
2. Any amendment of the Operational Programme shall not result in an increase of the total financial allocation referred to in Article 15 (6a).

Article 79c [Article 79]

Eligible operations

1. The EMFF may support operations in accordance with the objectives set out in Article 79 *ter* such as:
 - (a) actions allowing to contribute achieving the objectives of Integrated Maritime Surveillance and in particular to fulfil the CISE objectives;
 - (b) the protection of the marine environment, in particular its biodiversity and marine protected areas such as Natura 2000 sites in line with the obligations established in the Directives 92/43 and 2009/14;
 - (c) the improvement of the knowledge on the state of the marine environment with a view to establish the monitoring programmes and the programmes of measures foreseen in the Marine Strategy Framework Directive in line with the obligations established in this Directive.

2. Salary costs of personnel of national administrations shall not be considered as eligible operating costs.

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 enhancing 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, in particular by:
 - (i) promoting actions which encourage Member States and their 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 and implementing integrated sea-basin strategies taking into account a balanced approach in all sea basins as well as the specificities of the sea basins and sub-sea basins, and of relevant macro- regional strategies where applicable;
 - (iii) promoting cross-sectoral cooperation platforms and networks, including representatives of public authorities at national, regional and local level, industry including tourism, 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, taking into account the United Nations Convention on the Law of the Sea (UNCLOS) and the relevant existing international conventions based on UNCLOS, without prejudice to other agreements or arrangements which may exist between the EU and the third countries concerned. Such dialogue shall include, as appropriate, effective discussion on the ratification and implementation of UNCLOS;
 - (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 so as to reinforce the safe, secure and sustainable use of maritime space in particular by enhancing effectiveness and efficiency through information exchange across sectors and borders while taking due account of existing and future cooperation mechanisms and systems;
 - (ii) maritime spatial planning and integrated coastal zone management processes;

- (iii) the progressive development of a comprehensive and publicly accessible high quality marine data and knowledge base which shall facilitate sharing, re-use and dissemination of these data and knowledge among various user groups, thus avoiding duplication of efforts; for this purpose, the best use shall be made of existing Union and Member State programmes;
- (ba) improve the cooperation between Member States through the exchange of information and best practices among the responsible authorities;
- (c) support sustainable economic growth, employment, innovation and new technologies within emerging and prospective maritime sectors, as well as in coastal, insular and outermost regions of the Union, in complementarity with established sectoral and national activities;
- (d) promote 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 accordance with the objectives of achieving and maintaining a good environmental status as required by 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;

- (d) conferences, seminars, fora and workshops;
 - (e) exchange of best practices, coordination activities including information sharing networks and development support 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, as well as interconnection to cross–sectoral data exchange systems;
 - (fa) training projects for the development of knowledge, professional qualifications and measures aimed to promote professional development in the maritime sector.
2. In order to achieve the specific objective of developing cross–border and 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) with a view to promoting cross-sectoral and cross-border surveillance information exchange interlinking all user communities, taking into account the relevant developments of sectoral policies as regards surveillance and contributing, as appropriate, to their necessary evolution;
 - (b) activities of coordination and cooperation among and between Member States or regions, 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) initiatives to co-finance, purchase and maintain marine observation system and technical tools for designing, setting up and running of an operational European Marine Observation and Data network system which aims to facilitate the collection, acquisition, assembling, processing, quality control, re-use and distribution of marine data and knowledge, through cooperation between the Member State and/or international institutions involved.

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 with regard to:

- (a) collection, management and dissemination of scientific advice under the 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 and socio–economic 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 and aquaculture management techniques, including within Advisory Councils;
 - (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 such as the Scientific, Technical and Economic Committee for Fisheries (STECF), as well as in international advisory bodies and in meetings where contribution of fisheries and aquaculture experts will be required;
 - (ca) research surveys at sea as referred to by Article 12(2) of Regulation (EC) No 199/2008, in areas where EU vessels operate under multispecies sustainable FPAs as referred to in Article 31 of CFP;

- (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 various regional stakeholders and 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 and/or chartering by several Member States belonging to the same geographical area, of patrol vessels, aircrafts and helicopters, provided they are used for fisheries control for at least 60% of the time for fisheries control;
 - (b) expenditure relating to the assessment and development of new control technologies, as well as processes for the exchange of data;

- (c) all operational expenditure related to control and evaluation by the Commission of the implementation of the CFP, in particular verification, inspection and audit missions, equipment and training for Commission officials, the organisation of or participation to meetings, including the exchange between Member States of information and best practices, studies, IT services and suppliers, 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.
- 2b. With a view to strengthening and standardising controls, the EMFF may support the implementation of transnational projects aimed at developing and testing the inter-State control, inspection and enforcement systems provided for under Article 36 of the Regulation (EU) No .../..... [on the CFP] and laid down in Council Regulation (EC) No 1224/2009 of 20 November 2009.
- 2c. Eligible types of operation include in particular the following:
- (a) international training programmes for personnel responsible for monitoring, control and surveillance of fisheries activities;
 - (b) initiatives, including seminars and media tools, for standardising the interpretation of regulations and associated controls in the Union.
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 shall support operating costs of the Advisory Councils as set up by Article 43 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 42 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:

1. costs for information and communication activities linked to the Common Fisheries Policy and to the Integrated Maritime Policy, including:
 - (a) costs for production, translation and dissemination of material tailored to the specific needs of the different target groups in written, audiovisual and electronic format;
 - (b) 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;
- 1a. travelling and accommodation costs of experts and stakeholder representatives invited by the Commission to meetings;
- 1b. 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 preparation, monitoring and evaluation of sustainable fisheries agreements and the Union participation in regional fisheries management organisations; the measures in question shall consist of studies, meetings, expert involvement, temporary staff costs, information activities and any other administrative costs or costs arising from scientific or technical assistance by the Commission.
- (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 ERDF, the ESF and the ERDF as regards their local development activities and transnational co-operation.

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 Articles 33a, 33b, 39(2);
 - (ca) 70 % of the eligible public expenditure for the support referred to in Article 78(2)(e);

- (d) 90 % of the eligible public expenditure for the support referred to in Article 78(2)(a) to (d) and (f) to (ja);
 - (e) 80 % of the eligible expenditure for the support referred to in Article 79.
4. By way of derogation from paragraph 2, the maximum EMFF contribution rate applicable to the objectives under a Union priority shall be increased by ten percentage points, where the whole of the Union priority set out in paragraph 4 of Article 6 is delivered through community-led local development.

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 may apply an intensity of public aid of 100% of the eligible expenditure of the operation where:
 - (a) the beneficiary is a public law body or an undertaking entrusted with the operation of services of general economic interest, as referred to in Article 106(2) of TFUE, when the aid is granted for the operation of such services;
 - (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;
 - (da) the operation is related to premiums under Article 33A, or Article 33B and compensations under Article 53, 54 or 55;

- (db) the operation is related to the integrated maritime policy measures referred to in Article 79 ter.
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:
- (a) when the operation is implemented under Chapter I, II, III and IV of Title V and fulfils all of the following criteria:
- (i) collective interest;
- (ii) collective beneficiary;
- (iii) innovative features of the project at local level.
- (b) when the operation is implemented under Chapter III of Title V and fulfils the criteria (i)-(iii) in paragraph 3(a) and provides public access to the results of the operation.
4. By way of derogation from paragraph 1, additional percentage points of public aid intensity as set out in Annex I shall apply.
6. The Commission shall establish by means of implementing acts adopted in accordance with the examination procedure referred to in Article 128(3) how the different percentage points of public aid intensity shall apply in the case where several conditions of Annex I are fulfilled.

Article 97

Calculation of additional costs or income foregone

Where aid is granted on the basis of 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.

CHAPTER III

Management and control systems

Article 99

Managing authority

1. In addition to the general rules set out in Article 114 of [Regulation (EU) No [...] laying down Common Provisions] the managing authority shall:
 - (a) provide the Commission, on a annual basis by 31 March, with relevant cumulative data on operations selected for funding until the end of the previous calendar year, including key characteristics of the beneficiary and the operation itself.
 - (b) ensure 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;
 - (c) ensure publicity for the programme by informing beneficiaries of the Union contribution and the general public on the role played by the Union in the programme.
2. The Commission shall lay down, by means of implementing act, rules for the presentation of these data in accordance with the advisory procedure referred to in Article 128(2).

Article 99a

Transmission of financial data

1. By 31 January and 31 July the Member State shall transmit electronically to the Commission a forecast of the amount for which Member States expect to submit payment applications for the current and subsequent financial year.
2. The Commission shall, in order to ensure uniform conditions for the implementation of this article, adopt implementing act establishing the model to be used when submitting the financial data to the Commission. This implementing act shall be adopted in accordance with the examination procedure referred to in Article 128(3).

CHAPTER IV

Control by Member States

Article 100

Financial corrections by Member States

1. In addition to financial corrections referred to in Article 135 of the CPR, the Member States shall make the financial corrections if the beneficiary does not respect the obligations as referred to in Article 12(1a).
2. For the cases of financial corrections referred to in paragraph 1, the Member States shall determine the amount of the correction that shall be proportionate having regard to the nature, gravity, duration and repetition of the infringement or offence by the beneficiary and the importance of the EMFF contribution to the economic activity of the beneficiary.

CHAPTER V

Control by the Commission

Section 1

Interruption and suspension

Article 101

Interruption of the payment deadline

1. 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 in case of non-compliance by a Member State with its 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.
2. Prior to interruption of an interim payment deadline referred to in paragraph 1 the Commission shall adopt a decision by means of implementing act recognising that there is evidence to suggest that there are findings of serious non-compliance with obligations under the Common Fisheries Policy. Before the Commission takes such a decision, the Commission shall immediately inform the Member State concerned of such findings or reliable information and the Member State shall be given the opportunity within a reasonable period to present its observations.
3. The interruption of all or part of the expenditure referred to in paragraph 1 covered by the payment claim shall be proportionate, having regard to the nature, gravity, duration and recurrence of the non-compliance.

Article 102

Suspension of payments

1. In addition to Article 134 of [Regulation (EU) No [...] laying down Common Provisions], the Commission may suspend, by means of an implementing act, all or part of the interim payments of the operational programme in case of serious non-compliance by a Member State with its 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.
2. Prior to suspension of an interim payment referred to in paragraph 1 the Commission shall adopt a decision by means of implementing act recognising that a Member State has failed to comply with its obligations under the CFP. Before the Commission takes such a decision, it shall immediately inform the Member State concerned of such findings or reliable information and the Member State shall be given the opportunity to present its observations on the matter.
3. The suspension of all or part of the expenditure referred to in paragraph 1 covered by the payment claim shall be proportionate, having regard to the nature, gravity, duration and recurrence of the serious non-compliance.

Article 103

Commission powers

1. The Commission shall be empowered to adopt delegated acts in accordance with Article 127 defining the cases of non-compliance referred to in Article 101 and the cases of serious non-compliance referred to in Article 102(1), deriving from the relevant provisions of the CFP which are essential to the conservation of marine biological resources.

Section 2

Information exchange and financial corrections

Article 104

Access to information

On request by the Commission Member States shall communicate to the Commission their laws, regulations and administrative provisions which they have adopted for implementing Union acts relating to the Common Fisheries Policy, where those acts have a financial impact on the EMFF.

Article 105

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 shall apply to that information.

Article 106

Financial correction by the Commission

1. In addition to the cases identified in Articles 20(4), 77 and 136(1) of 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) expenditure contained in a certified statement of expenditure is affected by cases when the beneficiary does not respect the obligations as referred to in (new) Article 12 (1a) and has not been corrected by the Member State prior to the opening of the correction procedure under this paragraph;
 - (b) expenditure contained in a certified statement of expenditure is affected by cases of serious non compliance with CFP rules by the Member State which have resulted in the suspension of payment under Article 102 and where the Member State concerned still fails to demonstrate that it has taken the necessary remedial action to ensure compliance with and the enforcement of applicable rules in the future.
2. The Commission shall decide the amount of a correction taking into account the nature, gravity, duration and repetition of the serious non-compliance by the Member State or beneficiary with CFP rules and the importance of the EMFF contribution to the economic activity of the beneficiary.
 3. When it is not possible to quantify precisely the amount of expenditure linked to non-compliance with CFP rules by the Member State, the Commission shall apply a flat rate or extrapolated financial correction according to paragraph 4.
 4. The Commission shall be empowered to adopt delegated act in accordance with Article 127 which shall establish the criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial corrections.

Article 107

Procedure

Article 137 of [Regulation (EU) No [...] laying down Common Provisions] shall apply *mutatis mutandis* where the Commission proposes a financial correction referred to in Article 106.

CHAPTER VI

Monitoring, evaluation, information and communication

Section 1

ESTABLISHMENT AND OBJECTIVES OF A MONITORING AND EVALUATION SYSTEM

Article 108

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 127 regarding the content and construction of that framework.
2. The general impact of the EMFF shall be considered 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 128(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 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 128(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 109

Objectives

The objectives of the monitoring and evaluation system shall be:

- (a) to demonstrate the progress and achievements of maritime and fisheries policy, to consider the general impact and to assess the 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 110

Common indicators

1. A list of common indicators relating to the initial situation as well as to the financial execution, outputs and results of the programme and applicable to each programme shall be specified in the monitoring and evaluation system provided for in Article 108 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 review referred to in Article 21(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 111

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 112

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 113

Monitoring procedures

1. The managing authority referred to in Article 99 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 114

Functions of the monitoring committee

In addition to the functions provided for in Article 49 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 approve, within 6 months of the decision approving the programme, 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 specific ex ante conditionalities;
- (d) shall examine 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.

The monitoring committee shall not be consulted on Work Plans for data collection referred to in Article 23.

Article 115

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 and actions taken on cases of serious infringements as referred to in Article 12(1) and non-respect of durability conditions and remedy actions as set out in Article 12(1a);
 - (ca) information on actions taken to comply with Article 39(7);
 - (cb) information on the actions taken to ensure the publication of beneficiaries in accordance with Annex IV, for natural persons in line with national legislation including any applicable threshold.
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 128(3).

Section 4

Evaluation

Article 116

General provisions

1. The Commission shall, by means of implementing acts, provide for the elements to be contained in the ex ante evaluation reports referred to in Articles 48 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 128(3).
2. Member States shall ensure that the evaluations conform to the common evaluation system agreed in accordance with Article 108, 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 117

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 118

Ex post evaluation

In line with Article 57 of the [Regulation (EU) No [...] laying down Common Provisions] an ex post evaluation report shall be prepared by the Commission in close cooperation with Member States.

Article 119

Synthesis of evaluations

Syntheses at Union level of the ex ante 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 120

Information and publicity

1. The managing authority shall be responsible in accordance with Article 99(1)(b) 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.
 - (d) ensuring that a summary of measures towards ensuring the compliance with CFP rules including the cases of non-compliance by Member States or beneficiaries as well as the remedy actions such as financial corrections taken, is made publicly available.
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 six months.

The minimum information to be set out in the list of operations, including specific information concerning operations under Articles 28, 36, 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 128(2).

TITLE VIII

IMPLEMENTATION UNDER DIRECT MANAGEMENT

CHAPTER I

General provisions

Article 121

Scope

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

CHAPTER II

Control

Article 122

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 123

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 124

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 General Budget of the Union. 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 125

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 126

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.

TITLE IX

PROCEDURAL PROVISIONS

Article 127

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, 38, 39, 75, 103, 106, 108 and 130] shall be conferred until 31 December 2020.
3. The delegation of power referred to in Articles [12, 33, 38, 39, 75, 103, 106, 108 and 130] 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, 75, 92, 103, 106, 108 and 130] 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 128

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.

Where the committee delivers no opinion on a draft implementing act to be adopted pursuant to Article 95(6), the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.

TITLE X

FINAL PROVISIONS

Article 129

Repeal

1. Without prejudice to the provisions of Article 130(2), Regulations (EC) No 1198/2006, (EC) No 861/2006, (EC) No 1255/2011 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 130

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 127 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 131

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

It applies from 1 January 2014.

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

Done at [Strasbourg][Brussels],

ANNEX

TRILOGUE PROPOSAL

ANNEX I

Specific aid intensity

Type of operations	Percentage points
Related to small scale coastal fisheries may benefit from an increase by	30
Located in the remote Greek Islands and in the Croatian islands of Dugi Otok, Vis, Mljet and Lastovo may benefit from an increase by 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, associations of producer organisations or interbranch organisations may benefit from an increase by 25

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

Under article 39.2, replacement of engines shall be reduced by 20

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]

Description	Period	2014	2015	2016	2017	2018	2019	2020	Total
EMFF Shared mangement	(14-20)	788.060.689	798.128.031	805.423.852	818.478.098	837.523.233	843.250.018	858.467.679	5.749.331.600

Annex IIa

Distribution of funds in Chapter I and II of Title VI among the objectives, set out in article 81 and 84³

Objectives as set out in Article 81[to be adapted]

1. Development and implementation of integrated governance of maritime and coastal affairs –5%
2. Development of cross-sectorial initiatives – 33%
3. Support sustainable economic growth, employment, innovation and new technologies – 2%
4. Promote the protection of the marine environment – 5%

³ The percentages apply to the amount set out in Article 16 excluding the allocation foreseen under Article 91

Objectives as set out in Article 84

1. Collection, management and dissemination of scientific advice under the CFP – 11%
2. Specific control and enforcement measures under CFP– 19%
3. Voluntary contributions to internal organisations –10%
4. Advisory Councils and Common Fisheries Policy and Integrated Maritime Policy communication activities – 9%
5. Market intelligence, including the establishment of electronic markets –6%

Annex III

Specific Ex ante conditionalities

1. Priorities-linked conditionalities

<i>Specific objective in EU priority for EMFF/ CSF Thematic Objective (TO)</i>	<i>Ex ante conditionality</i>	<i>Criteria for fulfilment</i>
EMFF priority: 1. Promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge based fisheries. Specific objective: (a) - (bd)	Capacity report has been submitted in accordance with Article 22 of the [Regulation on the Common Fisheries Policy].	– The report is done in accordance with common guidelines issued by the Commission – Fishing capacity does not exceed the fishing capacity ceiling set up in Annex II of [CFP]
2. Fostering environmentally sustainable, resource efficient, innovative, competitive and	The establishment of a multiannual national strategic plan on aquaculture as referred in Article 43 of the	– A multiannual national strategic plan on aquaculture is transmitted to the Commission at the

<p>knowledge based aquaculture</p> <p>Specific objectives: (a) - (c).</p> <p>TO3: enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);</p> <p>TO 6: protecting the environment and promoting resource efficiency</p>	<p>[Regulation on the Common Fisheries Policy] by 2014;</p>	<p>latest by the day of transmission of the OP</p> <p>– The OP includes information on the complementarities with the multiannual national strategic plan on aquaculture</p>
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<p>EMFF Priority: 3 Fostering the implementation of the CFP Specific objective (a)</p> <p>TO 6: protecting the environment and promoting resource efficiency</p>	<p>Administrative capacity: administrative capacity is available to comply with the data requirements for fisheries management set out in Article 25 of the [Regulation on the CFP] and Article 4 of Council Regulation (EC) No 199/2008.</p>	<ul style="list-style-type: none"> – A description of the administrative capacity to prepare and apply a multi-annual programme for data collection, to be reviewed by STECF and accepted by the Commission – A description of the administrative capacity to prepare and implement an annual work plan for data collection, to be reviewed by STECF and accepted by the Commission – A description of the capacity in human resources allocation to undertake bilateral or multilateral agreements with other MS if work to implement the data collection obligations is shared
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<p>EMFF Priority: 3 Fostering the implementation of the CFP</p> <p>Specific objective (a) TO 6: protecting the environment and promoting resource efficiency</p>	<p>Administrative capacity: administrative capacity is available to comply with the implementation of a Union control inspection and enforcement system as stipulated in Article 36 of the [Regulation on the Common Fisheries Policy] and further specified in Council Regulation (EC) No 1224/2009.</p>	<p>The specific actions include:</p> <ul style="list-style-type: none"> – A description of the administrative capacity to prepare and implement the section of the OP pertaining to 2014-2020 national control financing program as referred to in Article 20(1) (n) – A description of the administrative capacity to prepare and implement the national control action programme for multiannual plans (Art 36 Control Regulation) – A description of the administrative capacity to prepare and implement a common control program that may be developed with other Member States (art 94 CR) – A description of the administrative capacity to prepare and implement the Specific Control and Inspection Programmes (art 95 CR).
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		<ul style="list-style-type: none"> – A description of the administrative capacity to apply a system of effective, proportionate and dissuasive sanctions for serious infringements (art 90 CR) – A description of the administrative capacity to apply the point system for serious infringements (art 92 CR)
TO 6: protecting the environment and promoting resource efficiency		

ANNEX IV

Information and communication on support from the EMFF

1. List of operations

The list of operations referred to Article 120 shall contain, in at least one of the official languages of the Member State, the following data fields:

- Beneficiary name (only legal entities, and natural persons in line with legislation of the Member State)
- Community Fleet Register (CFR) number of fishing vessels as referred to in Article 10 of Commission Regulation (EC) No 26/2004 of 30 December 2003⁴ (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);

⁴ OJ L 5, 9.1.2004, p.25.

- 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 provided in one 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.

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 or emblem, as appropriate, 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;

- (h) ensuring that a summary of measures towards ensuring the compliance with CFP rules including the cases of non-compliance by Member States or beneficiaries as well as the remedy actions such as financial corrections taken, is made publicly available.
3. The managing authority shall involve in information and publicity measures, in accordance with national laws and practices, the following bodies:
- (a) the partners referred to in Article 5 of the [Regulation (EU) No [...] laying down Common Provisions];
 - (b) information centres on Europe, as well as Commission representation offices in the Member States;
 - (c) educational and research institutions.

These bodies shall widely disseminate the information described in Article 120(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:

- (a) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational programme;
- (b) a description of the admissibility conditions for applications, procedures for examining applications for funding and of the time periods involved;
- (c) the criteria for selecting the operations to be supported;
- (d) the contacts at national, regional or local level that are able to provide information on the operational programmes;
- (e) 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 120(2).
