

European Fisheries Fund (EFF)

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The Commission presents its 6th report on the implementation of the European Fisheries Fund (EFF).

Overall assessment of EFF implementation: the report shows that certified interim payments sent by Member States by the end of December 2012 **amounted to 41.4% (EUR 1 776 515 076) of the overall EFF allocation** - this represents an increase of 49.6% (EUR 588 789 657) relative to December 2011.

From 31 July 2012 to 31 May 2013, **commitments increased** by EUR 476 million (an 8% increase relative to the annual average), to EUR 2.898 billion (67.37% of the total EFF allocation). This amounts to an increase of 20% over a ten month period, indicating a significant acceleration in implementation.

With regard to the **five most important measures** (in terms of commitments per measure) in July 2012 and May 2013, the report reveals a significant reshuffling of EFF commitments. In the first half of 2013, fleet measures such as permanent and temporary cessation have decreased in importance compared to EFF supported investments processing. Permanent cessation decreased by almost 4% and temporary cessation also slowed down. Aquaculture remains also very important. The importance of commitments in infrastructure projects (fishing ports) remains stable.

Assessment by priority axis:

Axis 1 – Adaptation of the EU fishing fleet: the EU fleet landed 4.7 million tonnes of seafood in 2011, worth EUR 6.3 billion. The EU fishing fleet landed less in quantity in 2011 relative to 2010 but generated a higher value. The fleet **continued its consolidation** and the slow economic recovery initiated in the last few years.

The report shows that generally speaking, **small scale coastal fleets** are performing better than fleets composed of larger vessels. They accounted for over 40% of total employment, and even if they represent just 6% of the total gross tonnage and landings by weight, they accounted for 15% of the landed value and for 20% of the net profits and gross value added (GVA).

-Permanent cessation: the EFF includes measures to adapt the EU fishing fleet, including public support for the permanent or temporary cessation of fishing activities. As of 31 July 2012, a total of 3 692 permanent cessation operations were underway. Some EUR 475 million of EFF money had been committed (EUR 128 657 per operation). The national public contribution amounted to a further EUR 364.44 million (EUR 98 711 per operation). By 31 May 2013 however, the number of permanent cessation operations had increased by 9.1% to 4 026.

-Temporary cessation: by 31 July 2012, the EFF was supporting 47 885 operations (57% of the total number of operations). Public support per operation was nevertheless small, EUR 6 369 (EUR 3 881.5 from the EFF and EUR 2 487.5 from national public funds). By 31 May 2013, the number of operations was 54 826 (54.31% of the total number of operations -100 935).

Investments on board fishing vessels and selectivity: EFF commitments for investments on board fishing vessels and selectivity (often referred to as modernisations) amounted to 8.7% of the total by July 2012 and close to 11% by May 2013 (11 341 operations), an increase of close to 25% over a ten month period. The leverage effect of these two measures is quite high (EUR 1 of EFF funding generates around EUR 4 of national funding, most of it private).

Priority Axis 2 – Aquaculture and processing:

-Aquaculture: the report shows that **expenditure in aquaculture measures remains among the largest in terms of EFF commitments**. As of 31 May 2013, EUR 429.9 million of EFF money had been committed to aquaculture. The EU contribution has leveraged EUR 183.4 million of national public contribution and a further EUR 537.8 million of private funding.

Although recent trends show an increase in EFF support for investments in aquaculture, **production has stagnated in the last decade**. The Commission estimates that an increase of 1% in consumption from EU aquaculture could help create between 3000 and 4 000 full-time jobs.

For these reasons, the Commission proposed, through the reform of the Common Fisheries

Policy, to **promote aquaculture** through an open method of coordination, based on the adoption of Strategic Guidelines by the Commission, to assist Member States in the preparation of their Multiannual National Strategic Plans.

-Processing: the fish processing sector in the EU includes more than 3 500 firms with fish processing as their main activity, accounting for about EUR 23 billion of turnover. EFF support for the processing industry is the largest in terms of EFF commitments. As of 31 May 2013, EUR 504.6 million of EFF support had been committed to processing.

Axis 3 – Pilot projects: in the period 2007-2012, the EFF supported 453 operations fostering innovation. The modest number of operations supported (0.53% of total EFF operations) can be explained by the relatively high public cost per operation, which is among the highest in the EFF. These figures show that innovation is costly and represents a risk for private operators, which does not lead to short-term gains. **The need for public financing in this area is therefore much greater.**

Axis 4 – Sustainable development of fisheries areas : the implementation of Axis 4 **progressed substantially in 2012**. Progress in commitments is also substantial, with the number of operations increasing from 2 732 on 31 July 2012 to 4 704 by 31 May 2013, a 72% increase in 10 months.

Many projects contributed to **increasing income** and safeguarding jobs by strengthening the position of fishermen in the supply chain. Axis 4 has also helped to **create job opportunities** for local people in fisheries areas by promoting entrepreneurship and innovation.

The Commission will **launch a study in 2013** to examine the first concrete results of Axis 4 and its effectiveness in dealing with the challenges facing fishing communities.