Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council

REGULATION (EU) No 508/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 15 May 2014

on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council

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), Articles 175 and188, 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 opinions of the European Economic and Social Committee[(1)],

Having regard to the opinion of the Committee of the Regions[(2)],

Acting in accordance with the ordinary legislative procedure[(3)],

Whereas:

(1) The Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 13 July 2011 entitled ‘Reform of the Common Fisheries Policy’ set out the potential challenges, objectives and orientations for the Common Fisheries Policy (‘CFP’) after 2013. In the light of the debate that followed the publication of that Communication, the CFP was reformed by Regulation (EU) No 1380/2013 of the European Parliament and of the Council[(4)]. The reform of the CFP covers all the main elements of the CFP, including its financial aspects. In order to attain the objectives of that reform, it is appropriate to repeal Council Regulation (EC) No 2328/2003[(5)], Council Regulation (EC) No 861/2006[(6)], Council Regulation (EC) No 1198/2006[(7)] and Council Regulation (EC) No 791/2007[(8)] and to replace them with this Regulation.
Recognising that all matters related to Europe’s oceans and seas are interlinked, this Regulation should also support the further development of the Integrated Maritime Policy (IMP) as referred to in Regulation (EU) No 1255/2011 of the European Parliament and of the Council[(9)].

Changes to legislation: *There are outstanding changes not yet made to Regulation (EU) No 508/2014 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) The scope of the European Maritime and Fisheries Fund (EMFF) should include support for the CFP for the conservation of marine biological resources, for the management of fisheries and fleets exploiting those resources, for fresh water biological resources and aquaculture, as well as for the processing and marketing of fishery and aquaculture products, where such activities take place on the territory of Member States, 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 of 10 December 1982[(10)] (UNCLOS).

(3) The success of the CFP depends on an effective system of control, inspection and enforcement, as well as on the availability of reliable and complete data, both for scientific advice purposes and for implementation and control purposes. The EMFF should, therefore, support those policies.

(4) The scope of the EMFF should include the support for the IMP, including for the development and implementation of coordinated operations and decision-making in relation to the oceans, seas, coastal regions and maritime sectors, complementing the different Union policies relating to them, notably, the CFP, and transport, industry, territorial cohesion, environment, energy and tourism policies. Coherence and integration should be ensured in the management of different sectoral policies within the Baltic Sea, North Sea, Celtic Seas, Bay of Biscay and the Iberian Coast, Mediterranean and Black Sea sea basins.

(5) Beneficiaries of the EMFF, within the meaning of point (10) of Article 2 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council[(11)], can be operators, within the meaning of point (30) of Article 4 of Regulation (EU) No 1380/2013, fishermen or organisations of fishermen, unless otherwise laid down in this Regulation.

(6) In accordance with the conclusions of the European Council of 17 June 2010, whereby the Union's new strategy for jobs and smart, sustainable and inclusive growth, based on the Communication from the Commission of 3 March 2010 entitled 'Europe 2020 – A strategy for smart, sustainable and inclusive growth' ('Europe 2020 strategy') was adopted, the Union and Member States should implement smart, sustainable and inclusive growth, while promoting harmonious development in the Union. Resources should be concentrated in order to meet the Europe 2020 strategy objectives and targets, in particular those linked to employment, climate change, energy sustainability, the fight against poverty and social inclusion, and to improve effectiveness by an increased focus on results. The inclusion of the IMP in the EMFF also contributes to the major policy objectives set out in the Europe 2020 strategy and corresponds to the general objectives to increase economic, social and territorial cohesion set out in the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU).

(7) 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 the CFP, increasing employment and territorial cohesion, fostering marketing and processing, as well as fostering the implementation of the IMP.

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(8) The Union should, at all stages of implementation of the EMFF, aim to eliminate inequalities and promote equality between men and women, as well as to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

(9) The overall objective of the CFP is to ensure that fishing and aquaculture activities contribute to the creation of environmental conditions capable of being sustained long-term which are necessary for economic and social development. Moreover, it should contribute to increased productivity, a fair standard of living for the fisheries sector and stable markets, and it should ensure the availability of resources and that supplies reach consumers at reasonable prices.

(10) It is paramount to better integrate environmental concerns into the CFP which should achieve the objectives and targets of the Union's environmental policy and the Europe 2020 strategy. The CFP seeks to achieve an exploitation of living marine biological resources that restores fish stocks to and maintains them above 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 Directive 2008/56/EC of the European Parliament and of the Council[(12)].

(11) The financing of the CFP and IMP expenditure through a single fund, the EMFF, should address the need for simplification and should strengthen the integration of both policies. The extension of shared management to processing and marketing, including compensation for the outermost regions, control, data collection and management activities and to the IMP, should further contribute to simplifying and reducing the administrative burden both for the Commission and Member States as well as to achieving a greater coherence and efficiency of the support granted.

(12) The Union budget should finance the CFP and the IMP expenditure through a single fund, the EMFF, either directly or in the context of shared management with Member States. Shared management with Member States should apply not only to measures to support fisheries, aquaculture and community-led local development, but also to processing and marketing, compensation for the outermost regions, control and data collection activities as well as the 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 the IMP and communication activities. The types of operations that qualify for financing under the EMFF should be specified.

(13) It is necessary to distinguish between categories of control and enforcement measures that are co-financed within the framework of shared management, and those co-financed 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 whilst allowing flexibility between those two categories of measures.

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(14) In accordance with Regulation (EU) No 1380/2013, Union financial support under EMFF is to be made conditional upon compliance by Member States and by operators with the rules of the CFP. This requirement is intended to reflect the responsibility of the Union to ensure, in the public interest, the conservation of marine biological resources under the CFP pursuant to Article 3 TFEU.

(15) The achievement of the objectives of the CFP would be undermined if Union financial support under the EMFF were disbursed to operators who, *ex ante*, did not comply with requirements related to the public interest of conservation of marine biological resources. Therefore, applications submitted by operators should only be admissible for funding under the EMFF on the condition that, within a particular period of time before submitting an application for support, the operators concerned have not committed a serious infringement, offence or fraud and have not been involved in the operation, management or ownership of fishing vessels included in the Union list of vessels engaged in illegal, unreported and unregulated (IUU) fishing or of vessels flagged to countries identified as non-cooperating third countries as set out in this Regulation.

(16) In addition, the beneficiaries, after submitting the application for support, should continue to comply with those admissibility requirements throughout the period of implementation of the operation and for a period of five years after the final payment to the beneficiary concerned.

(17) If the beneficiary fails to fulfil the conditions related to eligibility and duration, financial consequences and corrections should apply. In order to determine the amount of such a financial correction, the nature, gravity, duration and repetition of the infringement, offence or fraud 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 support under the EMFF were paid to Member States who did not comply with their obligations under the CFP rules related to the public interest of conservation of marine biological resources, such as data collection and the implementation of control obligations. Moreover, if those obligations are not complied with, there is a risk that inadmissible applications or ineligible operations will not be detected by Member States.

(19) As a precautionary measure, in order to prevent ineligible payments as well as to provide an incentive for Member States to comply with the CFP rules, provision should be made for the interruption of the payment deadline and the suspension of payments, measures which are limited in time and in their scope of application. Financial corrections which have definite and irrevocable consequences should only apply to expenditure which is affected by the cases of non-compliance.

(20) In order to improve the coordination and to harmonise the 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 and for the maritime and fisheries sector, namely the European Agricultural Fund for Rural Development (EAFRD) and the

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EMFF respectively, common provisions for all those Funds ('ESI Funds') have been established in Regulation (EU) No 1303/2013. In addition to Regulation (EU) No 1303/2013, this Regulation contains specific, complementary provisions due to the particularities of the CFP and the IMP sectors.

(21) 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' respective administrations and the total amount of public expenditure allocated to the operational programme.

(22) The Commission should break down the available commitment appropriations annually by Member State using objective and transparent criteria. Those criteria should include indicators measuring the size of the fishery and aquaculture sector, the extent of control and data collection responsibilities, the historical allocations in accordance with Regulation (EC) No 1198/2006 and the historical consumption in accordance with Regulation (EC) No 861/2006.

(23) The fulfilment of certain specific *ex ante* conditionalities is of utmost importance in the context of the CFP, especially as regards the submission of a report on fishing capacity and of a multiannual national strategic plan on aquaculture and the proven administrative capacity to comply with the data requirements for fisheries management and to enforce the implementation of a Union control, inspection and enforcement system.

(24) In accordance with the aim of simplification, all activities under the EMFF which fall under shared management, including control and data collection, should take the form of a single operational programme per Member State, in accordance with the national structure of the Member State concerned. The programming exercise should cover the period from 1 January 2014 to 31 December 2020. When preparing the single operational programme, Member States should ensure that the content and volume of their operational programmes reflect the aim of simplification. Each programme should identify a strategy for meeting targets in relation to the Union priorities under the EMFF and a selection of measures. Programming should comply with those Union priorities, while adapting to national contexts, and should complement other Union policies, in particular the rural development policy and the cohesion policy.

(25) 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 plans for the development, competitiveness and sustainability of small-scale coastal fishing.

(26) In order to contribute to achieving the aim of simplification while implementing the EMFF and to reduce the costs of control and the error rate, Member States should make as much use as possible of the possibility to use simplified forms of grants as provided for in Regulation (EU) No 1303/2013.

(27) For the purpose of enforcing control obligations under the CFP, Member States should draw up the section on control of the operational programme in accordance with the priorities of the Union adopted by the Commission for that policy area. In order to adjust