Workshop

Requested by the PECH Committee

European Parliament

The future of the EU fishing fleet

First assessment of Member States' EMFAF programmes for 2021-27

Fisheries

Policy Department for Structural and Cohesion Policies
Directorate-General for Internal Policies
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RESEARCH FOR PECH COMMITTEE

Workshop on the future of the EU fishing fleet

First assessment of Member States' EMFAF programmes for 2021-27

Abstract

This workshop provides a first assessment of the programming of the EMFAF for the period 2021-27. It focuses on *Article 17* on "First acquisition of a fishing vessel", *Article 18* on "Engine replacement or modernisation" and *Article 19* on "Increase of gross tonnage to improve safety, working conditions or energy efficiency". While a synopsis study provides a general overview of the implementation of the EMFAF by Member States, three case studies on Spain, France and the Netherlands discuss the national specificities of the fishing fleets and the support provided under the current EMFAF rules.

This document was requested by the European Parliament's Committee on Fisheries.

AUTHORS
PART I: Suitbert SCHMUEDDERICH, Anna MADRILES HELM (COFAD GmbH, Germany)
PART II: Alicia SANMAMED (Freelance, Spain)
PART II: Benoît CAILLART (F& S, France)
PART IV: Pavel SALZ (MR&A, the Netherlands)

Research administrators: Marcus BREUER, Irina POPESCU
Project, publication and communication assistance: Ginka TSONEVA, Iveta OZOLINA
Policy Department for Structural and Cohesion Policies, European Parliament

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EXECUTIVE SUMMARY OF THE WORKSHOP

Background

This PECH Committee workshop discusses how the current European Maritime, Fisheries and Aquaculture Fund (EMFAF) and its potential successors can help to positively shape the future of the EU fishing fleet. The analyses focus on three specific articles of the EMFAF Regulation: *Article 17* on "First acquisition of a fishing vessel", *Article 18* on "Replacement or modernisation of a main or ancillary engine" and *Article 19* on "Increase of gross tonnage to improve safety, working conditions or energy efficiency".

The workshop is structured around four studies prepared by independent researchers. The **Synopsis on coastal Member States** (Part I) provides a general overview of the EMFAF Regulation and outlines the state of implementation of the national programmes. This overview is complemented by three case studies on **Spain (**Part II), **France (**Part III**)** and **the Netherlands** (Part IV), which discuss national particularities as regards the structure of the fishing fleets and the state of play of EMFAF implementation in these Member States.

Part I: Synopsis on coastal Member States

While the overall EMFAF Regulation was drafted with the intention of designing a simple architecture without pre-defining measures and detailed eligibility rules at Union level and leaving substantial scope for decision-making to Member States, **the rules in *Articles 17, 18 and 19* are rather prescriptive**. The intention is clearly to avoid supporting overcapacity and overfishing through ambivalent measures. However, this strict approach conflicts on the one hand with the desired flexibility, and on the other with the potential effectiveness of the measures, since any restrictions inevitably reduce the applicability of the support instruments.

A large majority of the active fishing vessels in the EU fleet (96%) would be eligible for support under *Articles 17-19* based on their overall features, in particular on their length of up to 24 metres (2022 data). However, these vessels represent only 34% of the total capacity of the EU fishing fleet (in gross tonnage) and 67% of its total engine power (in kW). They account for 29% of the weight and 48% of the value of the total landings of the EU fleet (2021 data). Furthermore, a significant proportion of these vessels are in fact not eligible because the fleet segments in which they operate are not in balance with the available resources. The exact share of eligible vessels cannot be quantified within the scope of this study, due to the complexity of the relevant rules and calculations. The fact that **important parts of the fleet are excluded by the eligibility rules** limits the potential effectiveness of the measures from the outset.

Support for generational renewal and decarbonisation of the fishing fleet is an important priority identified in the national EMFAF programmes. However, **only 12 of the 22 coastal Member States have allocated budgets to measures under *Articles 17 or 19*, and only 16 to measures under *Article 18***. In general, the three articles are rather complementary instruments for a limited number of cases.

As of June 2024, only **13 operations have been implemented under *Article 17*, 39 operations under *Article 18* and none under *Article 19***. Only five Member States have used *Article 17* and/or *18* of the EMFAF so far. There will certainly be further demand, but support under these three articles will almost certainly remain a minor part of the support to the EU fleet under the EMFAF.

Part II: Case study on Spain

The Spanish fishing fleet, consisting of 7 635 active vessels in 2022, is one of the largest national fleets in the EU. The majority of the Spanish vessels are below 24 metres, and therefore eligible for support under EMFAF *Articles 17-19*. While only 9% of the vessels are more than 24 metres in length and are not covered by these articles, this part of the fleet represents more than 60% of national landings and more than 50% of the national fishing capacity in gross tonnage. With an average age above 35 years, the Spanish fleet is in need of renewal and modernisation, to ensure safer, more efficient and more comfortable vessels. This would be crucial to achieve the decarbonisation target and serve as an incentive for future generations of fishers.

The Spanish EMFAF programme foresees more than EUR 19 million under *Articles 17 and 19*, and EUR 3.7 million under *Article 18*. So far, no operations have yet been registered in Spain under any of these articles.

Part III: Case study on France

In 2022, the French fishing fleet registered in the mainland included 4 223 fishing vessels, of which 81% are vessels of less than 12 metres in length. The average age of the fleet (around 30 years) and its low renewal rate (less than 1% by year) evidence the need for modernisation.

The EMFAF programme of France allocates EUR 6.3 million for *Article 18* and EUR 17.4 million for *Articles 17 and 19*. The EMFAF modernisation measures framed by *Articles 17 and 18* (with 26 and 10 operations implemented respectively) are successful in attracting operators of the small scale coastal fleet, but are relatively ineffective for other fleet segments. EMFAF measures framed by *Article 19* failed to attract interest until now due to a perceived lack of relevance of this measure in view of the technical situation of the fishing fleet.

Part IV: Case study on the Netherlands

In 2022, the Dutch fishing fleet was composed of 508 vessels. Of these, 380 vessels are smaller than 24 metres and fish for demersal species, 120 are demersal vessels over 24 metres and 8 vessels are large pelagic (freezer) trawlers. The Dutch fishing fleet is facing a difficult economic situation, coupled with major environmental, technological and social challenges. Consequently, the size of the fleet is decreasing and the average age of vessels is rising.

The EMFAF programme of the Netherlands has allocated EUR 7 million for supporting projects under *Article 18*. It is foreseen to support 100 projects, which will be implemented after 2024. The Netherlands does not foresee to make use of *Articles 17 and 19*.

Policy Recommendations for adaptations of funding rules

Based on the evidence provided by the four studies, the workshop puts forward the following sets of policy recommendations:

Recommendations based on the synopsis study on coastal Member States

- Future support instruments for fisheries should consider **less restrictive conditions** for support for the first acquisition of a fishing vessel, for engine renewal or replacement and for vessel improvements requiring additional tonnage. This could help to increase their effectiveness, while avoiding potential negative effects in other ways.

- Consideration should be given to **applying restrictions** to avoid overcapacity or overfishing **at the level of individual segments or the entire national fleet**. At the same time, individual fishing vessels should be enabled to adapt to economic, environmental and social needs.

Recommendations based on the case study on Spain

- A **common decarbonisation strategy** for the EU fishing fleet should be set up, as regards both artisanal and industrial fleets.
- **Construction of new fishing vessels** that are more energy efficient and provide better working conditions on board vessels should be allowed.
- An **emergency investment fund** should be created, to accelerate the response to investment needs for implementing the energy transition.

Recommendations based on the case study on France

- **Accessibility of the funding** should be improved, by adapting the conditions for replacement or modernisation of engines for fishing vessels other than small-scale costal fishing vessels, considering the propulsion technologies available to the different categories of fishing vessels in 2027 and beyond, with the possibility to introduce different treatments according to environmental criteria.
- **Investment in new vessels** should be fostered, by identifying funding opportunities to support the introduction of new energy-efficient fishing vessels in accordance with WTO rules on fisheries subsidies and to reverse the aging trend of the fishing fleet, as modernisation of aging vessels has technical and financial limits.
- **Clarifications on the eligibility conditions** that may be subject to interpretation should be provided to Member States and targeted beneficiaries, through Commission Implementing Acts or official guidance documents as appropriate.

Recommendations based on the case study on the Netherlands

- Post-2027 adjustment of EMFAF should **increase the flexibility of support**, so that it can be decided at national or even local level which support is best suited to address the specific challenges.
- The **eligibility threshold of 24 metres** should be either increased or dropped altogether, as in the Netherlands the larger vessels are by far the most important from the perspective of food production.

INTRODUCTION

Background and objectives

Regulation (EU) 2021/1139[1] of the European Parliament and of the Council of 7 July 2021 established the European Maritime, Fisheries and Aquaculture Fund (**EMFAF**). The enactment of the regulation was preceded by intensive discussions within and between the European Parliament, the Council and the Commission.

Among the issues that required careful consideration was the fact that the EU marine fishing sector and its fishing fleet is suffering, among other things, from the following problems:

- Many fisheries in Europe suffer from a lack of **generational renewal**, while young fishers often find it difficult to acquire their first vessels and start their own fishing businesses.
- Many fishing vessels are equipped with **engines** that do not correspond to the latest state of technology in terms of energy efficiency and CO_2 emissions. This does not correspond to the objectives of the Green Deal and in addition creates unnecessarily high fuel costs for the fishing sector.
- Many fishing **vessels are several decades old**, and their construction and present size does not allow for increases in safety, working conditions or energy efficiency without increasing the gross tonnage of the vessels.

A problem in the context of designing the rules for EMFAF financial support for the **acquisition** of fishing vessels, for the **replacement or modernisation of their engines** or for measures that require an **increase in their gross tonnage** is that they often imply a risk of inadvertently promoting overcapacity. The European institutions were well aware of this conflict, and they were also aware that external observers including scientists,[2] environmental NGOs and the World Trade Organisation (WTO) would be watching the new fisheries fund closely.

In the course of the legislative negotiations for a "European Maritime and Fisheries Fund 2021–2027" (2018/0210 (COD)) the European Parliament (EP) and its Committee on Fisheries (PECH) advocated the possibility of **conditional co-funding** of such measures relating to the modernisation of the EU fishing fleet, but at the same time tried to **avoid potential negative impacts** through carefully designed conditions.

This is documented, for example, in the "*Recommendation for second reading on the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council on the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004*",[3] which states: "*The final text allows financing investments that will improve energy efficiency, safety and working conditions on EU's fishing vessels, while ensuring that the sector is sustainable. It also promotes generational renewal in the profession by supporting the first acquisition of vessels by young fishers. All the necessary*

[1] Regulation (EU) 2021/1139 of the European Parliament and the Council pf 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004. OJ L 247, 13.7.2021, p. 1.49, see: https://eur-lex.europa.eu/eli/reg/2021/1139

[2] See e.g. Sebastián Villasante et al.: Strengthening European Union fisheries by removing harmful subsidies, Marine Policy, Volume 136, 2022 or Daniel J Skerritt et al.: A 20-year retrospective on the provision of fisheries subsidies in the European Union, ICES Journal of Marine Science, Volume 77, Issue 7-8, December 2020.

[3] See: Recommendation for second reading on the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council on the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004 (06975/3/21 – C9-0224/2021 – 2018/0210(COD)), full text: https://www.europarl.europa.eu/doceo/document/A-9-2021-0222_EN.html.

safeguards to prevent that EU subsidies risk harmful effects leading to overcapacity and overfishing are included in the text."

"*For vessels up to 24 metres, the following operations are eligible: (i) the replacement of engines with the aim of increasing energy efficiency and reducing CO_2 emissions; (ii) incentivise access to the sector by supporting the first acquisition of second-hand vessels by young fishers; (iii) operations that require more space on board for the safety or well-being of the crew*."

Aim

The workshop is based on a **synopsis study** covering all EU coastal Member States and on **three case studies** on **Spain, France** and **the Netherlands**, with a view to providing useful, authoritative and timely information to Members of the PECH Committee on the subject of "*The future of the EU fishing fleet – First assessment of the EMFAF programming for 2021-27*". The workshop aims to provide an overview of the **EMFAF provisions related to fleet modernisation**, showing how they are reflected in the national programmes of the Member States, and to assess the EMFAF programmes of Spain, France and the Netherlands as regards the potential effects of these provisions on the future of the fleets.

Objectives

More specifically, the synopsis study aims to:

- Outline the priorities, specific objectives and design of the EMFAF Regulation, and describe the conditions and specific eligibility rules for **investments in the fishing fleet** supported by EMFAF in relation to:
    - first acquisition of a fishing vessel (*Article 17*);
    - replacement or modernisation of a main or ancillary engine (*Article 18*);
    - increase of gross tonnage to improve safety, working conditions or energy efficiency (*Article 19*).
- Draw a general picture of the fishing fleets of the coastal Member States and highlight the **main segments of these fleets concerned** by the measures related to *Articles 17, 18 and 19*.
- Provide an **overview of the EMFAF programmes 2021-2027 of the coastal Member States**, with a view to showing how they are implementing or plan to implement the EMFAF provisions related to *Articles 17, 18 and 19*.
- Discuss **possible adjustments to EMFAF funding post-2027** in relation to (first) acquisition, replacement or modernisation of the engine and the increase of the gross tonnage of a fishing vessel.

The three case studies, intended to complement this general view with specific insights into the situation of the fishing fleets in Spain, France and the Netherlands, aim mainly to:

- Provide an **overview of the fishing fleets** in each of the three Member States, as regards the size and age of the vessels and the main gear used, as well as gross tonnage, engine power and other fleet indicators of interest for the purpose of this study
- Assess how the three Member States **implement the EMFAF provisions** related to *Articles 17-19*.

- Provide an overview of **national funding schemes** in place (or under development) in relation to the greening of the sector.
- Present conclusions on the potential **adaptation needs** for the national fishing fleet and consider **possible adjustments** of the provisions of the EMFAF funding period post-2027 in relation to (first) acquisition, replacement or modernisation of the engine and the increase of the gross tonnage of a fishing vessel.

Taking into account the results of the analyses and the conclusions of the overview as well as the case studies for Spain, France and the Netherlands, the workshop aims to provide **policy recommendations** relevant to EU decision-making, with a particular focus on the role and competences of the European Parliament.

RESEARCH FOR PECH COMMITTEE

Part I: Synopsis on coastal Member States

Abstract

This synopsis study provides a first assessment of specific provisions of the programming and implementation of the EMFAF for the period 2021-2027. It focuses on *Article 17* on "First acquisition of a fishing vessel", *Article 18* on "Engine replacement or modernisation" and *Article 19* on "Increase of gross tonnage to improve safety, working conditions or energy efficiency".

This study concludes that the eligibility rules for these articles are restrictive, that Member States plan to make only limited use of these options, and that implementation commenced slowly.

Future support in these fields should be less restrictive and possible negative effects should be avoided by other means.

CONTENTS

LIST OF ABBREVIATIONS

AER	Annual Economic Report (on the EU fishing Fleet)
CFP	Common Fisheries Policy
DCF	Data Collection Framwork
EFF	European Fisheries Fund
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
FIFG	Financial Instrument for Fisheries Guidance
IUU	Illegal, unreported and unregulated fishing
MBS	Mediterranean and Black Seas
NOA	North Atlantic
OFR	Other Fishing Regions
SFC	System for Fund Management in the European Union
SO	Specific Objective (of the EMFAF)
SSCF	Small scale coastal fisheries
STECF	Scientific, Technical and Economic Committee for Fisheries
WTO	World Trade Organization

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EXECUTIVE SUMMARY

Background, objectives, scope and methodology

This study discusses how the current European Maritime, Fisheries and Aquaculture Fund (EMFAF) and possible follow-up regulations can help to positively shape the future of the EU fishing fleet. The specific focus is on EMFAF *Article 17* on "First acquisition of a fishing vessel", *Article 18* on "Replacement or modernisation of a main or ancillary engine" and *Article 19* on "Increase of gross tonnage to improve safety, working conditions or energy efficiency".

The aim of this study as well as of three parallel case studies is to provide information to Members of the PECH Committee on the subject of "*The future of the EU fishing fleet – First assessment of the EMFAF programming for 2021-27*" and in particular to provide an overview of the EMFAF Regulation and of the national programmes as regards their potential impact on the future of the EU fishing fleet.

EMFAF priorities and specific objectives, conditions for support under Articles 17–19

While the overall EMFAF Regulation was drafted with the intention of designing a simple architecture without pre-defining measures and detailed eligibility rules at Union level and leaving substantial scope for decision-making to the Member States, the rules in *Articles 17, 18* and *19* are rather prescriptive. The intention is clearly to avoid supporting overcapacity and overfishing through ambivalent measures.

However, this strict approach conflicts on the one hand with the desired flexibility and on the other hand with the potential effectiveness of the measures, since any restrictions by nature reduce the applicability of the support instruments.

The fishing fleets of coastal Member States and their main segments concerned under Articles 17–19

Based on their overall features, in particular their length of up to 24 metres, 96% of the active fishing vessels in the EU fleet are generally eligible for support under *Articles 17–19*. However, these vessels represent only 34% of the tonnage and 67% of the engine power of the EU fishing fleet (2022) and account for 29% of the weight and 48% of the value of the total landings of the EU fleet (2021).

Furthermore, a significant proportion of these vessels are in fact not eligible because the fleet segments in which they operate are not in balance with the available resources. The exact share cannot be quantified within the scope of this study, due to the complexity of the relevant rules and calculations.

The fact that important parts of the fleet are excluded by the eligibility rules limits the potential effectiveness of the measures from the outset.

Overview of the EMFAF programmes 2021-2027 of the coastal Member States with a view to Articles 17–19

Support for generational renewal and decarbonisation of the fishing fleet is an important need and priority identified in the Member States' EMFAF programmes. However, only 12 out of the 22 coastal Member States have allocated budgets to measures under *Articles 17* or *19*, and only 16 to measures under *Article 18*.

On average, the coastal Member States earmarked 3.5% of their budgets for EU support under Priority 1 to the implementation of *Articles 17–19*. The share, however, differs significantly between Member States, a small number allocated budgets well above the average to these articles.

In general, the Member States did not intend to use the three articles as the main instruments for developing and adapting their fleets, but rather saw them as complementary instruments for a limited number of cases.

State of play of implementation of Articles 17–19

By 30 June 2024, 13 operations had been implemented under *Article 17*, 39 under *Article 18* and none under *Article 19*. Only five Member States had so far used *Article 17* and/or *18* of the EMFAF. Member States that have made use of the three articles under the EMFAF in most cases had used similar measures under the EMFF.

This study could not assess the demand for support under *Articles 17–19* for the remaining programming period of the EMFAF. There will unquestionably be further demand, but support under these three articles will almost certainly remain a minor part of the support to the EU fleet under the EMFAF.

Policy recommendations and possible general adjustments in a funding period post-2027

- Future support instruments for fisheries should consider less restrictive conditions for support for the first acquisition of a fishing vessel, for engine renewal or replacement and for vessel improvements requiring additional tonnage. This could help to increase their effectiveness, while avoiding potential negative effects in other ways.
- Consideration should be given to applying restrictions to avoid overcapacity or overfishing at the level of individual segments or the entire national fleet. At the same time, individual fishing vessels should be enabled to adapt to economic, environmental and social needs.

1. INTRODUCTION

This synopsis covers all EU **coastal Member States**. Nevertheless, it has been prepared in close collaboration with parallel case studies on Spain, France and the Netherlands and refers to these studies in some places. In addition, Member States have so far used *Articles 17, 18 and 19* of the **EMFAF** to varying degrees, as will be elaborated below.

The main approach of this study was to analyse data, information and results of scientific research mainly from the following sources:

- The EU data collection framework (**DCF**) and multiannual data collection programmes (EU MAP).[1] These data and their scientific analyses are mainly produced and published by the Scientific, Technical and Economic Committee for Fisheries (**STECF**). From this source, the data mainly used covered:[2]
  - the EU fishing fleet (reference year 2022),
  - catches and landings of the EU fishing fleet (2021).
- **EMFAF programmes** of the coastal Member States.
- Data on the implementation of the EMFAF and its predecessor the EMFF (mainly "***Infosys***" data provided by **FAMENET**[3] (Fisheries and Aquaculture Monitoring, Evaluation and Local Support Network) with the approval of the EU Commission)[4].
- Other information on the EU fishing sector.

The above data and information were analysed and evaluated here, in combination with general sector knowledge, with respect to the tasks set out in the Terms of Reference of this study.

Data collected under the EU data collection framework have been mainly used to assess which parts of the EU fishing fleet are eligible for support under *Articles 17–19*, on a segment basis. As it has been impossible to deal with all the 582 different segments on EU level, these segments have been clustered in this synopsis for the coastal Member States into the groups described below, in line with the eligibility criteria in *Articles 17*, *18 and 19*.

1 Regulation (EU) 2017/1004, see: https://eur-lex.europa.eu/eli/reg/2017/1004/oj

2 Mainly the data file distributed with the report was used here: https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

3 https://oceans-and-fisheries.ec.europa.eu/funding/famenet_en

4 EMFAF Infosys data for filtered for:
Article 17: Field 26 "Type of operation" = "06" "First acquisition (plus Field 6 "Specific Objective" = "1.1.2" for cross-checking)
Article 18: Field 6 "Specific Objective" = "1.2"
Article 19: Field 27 "Increase of the gross tonnage of a fishing vessel under Article [19(3)] of the EMFAF Regulation" has value >0, Field 28 "Description of the fleet segment relevant to field 27" has data (and Field 6 "Specific Objective" = "1.1.2").

Box 1: Fleet segments

A fleet segment is defined by a combination of:

- the main **fishing technique** used
- the **vessel length** group
- the main **supra-region** where it operates

Where:

- a "*fishing technique*" describes vessels using a certain gear or group of gears
- "*vessel length groups*" (or "*length classes*") are groups of vessels of the same length range. Typical delimitations of length classes are 6, 8, 10 and 12 metres (for smaller vessels, where the applicable delimitations depend on the geographical region) and 18, 24 and 40 metres (all regions).
- "*supra-regions*" under the EU multiannual programme for data collection are the North Atlantic Ocean (**NAO**), Mediterranean and Black Seas (**MBS**), and Other Fishing Regions (**OFR**).

In 2021, there were **582 active segments** in the EU fishing fleet.

Sources: AER 2023, p. 24; https://dcf.ec.europa.eu/data-calls/definitions-and-terminology_en; STECF 23-13, p.5

2. EMFAF PRIORITIES AND SPECIFIC OBJECTIVES, AND CONDITIONS FOR SUPPORT UNDER ARTICLES 17–19

KEY FINDINGS

- The overall **EMFAF Regulation** was drafted with the intention to design a **simple architecture** without predefining measures and detailed eligibility rules at Union level, and thus to **leave substantial scope** for decisions **to the Member States**.
- However, the rules under *Articles 17–19* are rather **prescriptive**. The intention here is clearly to **avoid** supporting **overcapacity** and **overfishing** through ambivalent measures
- In addition, this **strict approach** potentially conflicts with the **effectiveness** of the measures, as all restrictions by nature **reduce the applicability** of the support instruments.

2.1. General aspects of the architecture of the EMFAF

General aspects of the architecture of the EMFAF are described in **Recital 13** of the EMFAF Regulation:

"*The EMFAF should be based on a simple architecture without predefining measures and detailed eligibility rules at Union level in an overly prescriptive manner. Instead, broad specific objectives should be described under each priority. Member States should therefore prepare their programmes indicating therein the most appropriate means for achieving those objectives. A variety of measures identified by the Member States in those programmes might be supported under the rules set out in this Regulation and Regulation (EU) 2021/1060, provided they are covered by the specific objectives identified in this Regulation. However, it is necessary to set out a list of ineligible operations so as to avoid detrimental impact in terms of fisheries conservation. Moreover, investments and compensation for the fleet should be strictly conditional upon their consistency with the conservation objectives of the CFP.*"

Recital 23 repeats that the EMFAF has "*an architecture without prescriptive measures*" (while the European Maritime and Fisheries Fund (EMFF) for the period of 2014 to 2020 had such prescriptive measures).

The recitals of the regulation, in particular **Recital 14**, also set out further objectives related to conservation and allied topics, besides those of the CFP, which are laid down in various conventions, regulations and policies. Examples are:

- the United Nations 2030 Agenda for Sustainable Development, in particular SDG 14 ('Conserve and sustainably use the oceans, seas and marine resources for sustainable development');
- the EU Marine Strategy Framework Directive (2008/56/EC);
- the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing, expected at the time of drafting the EMFAF Regulation, as a result of negotiations on fisheries subsidies within the World Trade Organization (WTO).

The ambiguity between:

- flexibility and freedom for the Member States as long as their measures fall within the priorities and specific objectives of the fund, and
- strict eligibility rules to exclude unintended impacts, in particular with respect to the fleet,

will play a guiding role in this study.

2.2. Priorities and Specific Objectives

The European Maritime, Fisheries and Aquaculture Fund (EMFAF) was established by **Regulation (EU) 2021/1139** of the European Parliament and of the Council of 7 July 2021[5]. The EMFAF is intended to contribute to the Common Fisheries Policy (CFP) and the Union's maritime policy and shall pursue the following **four priorities** (Article 3 of the EMFAF):

(1) fostering sustainable **fisheries** and the restoration and conservation of aquatic biological resources;

(2) fostering sustainable **aquaculture** activities, and processing and marketing of fishery and aquaculture products, thus contributing to food security in the Union;

(3) enabling a sustainable **blue economy** in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities;

(4) strengthening **international ocean governance** and enabling seas and oceans to be safe, secure, clean and sustainably managed.

In addition, the EMFAF shall contribute to the achievement of the environmental and climate change mitigation and adaptation objectives of the Union.

Of the four priorities of the EMFAF, Priority 1 is directly relevant to this study and to the EU fishing fleet, while the other priorities may have some indirect impact on marine fisheries, for example through their effects on fish processing, coastal communities or ocean governance.

Priority 1 is broken down into **six *Specific Objectives (SO)***:

1.1 Strengthening economically, socially and environmentally sustainable fishing activities – which is again broken down into:

1.1.1 all operations except those supported under *Articles 17* and *19*.

1.1.2 operations supported under *Articles 17 and 19*.

1.2 Increasing energy efficiency and reducing CO_2 emissions through the replacement or modernisation of engines of fishing vessels.

1.3 Promoting the adjustment of fishing capacity to fishing opportunities in cases of permanent cessation of fishing activities and contributing to a fair standard of living in cases of temporary cessation of fishing activities.

[5] See: Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004, OJ L 247, 13.7.2021, p. 1–49; https://eur-lex.europa.eu/eli/reg/2021/1139/oj

1.4 Fostering efficient fisheries control and enforcement, including fighting against illegal, unreported and unregulated (IUU) fishing, as well as reliable data for knowledge-based decision-making.

1.5 Promoting a level-playing field for fishery and aquaculture products from the outermost regions.

1.6 Contributing to the protection and restoration of aquatic biodiversity and ecosystems.

2.3. Articles 17–19 of the EMFAF

2.3.1. Overall position in the EMFAF

Notably, SO1.1 is the only SO that is further broken down, separating operations supported under *Articles 17 and 19* (as SO1.1.2) from all other operations (defined under SO1.1.1). As far as the authors know, the latter split was introduced only during the negotiations on the fund. It shows the specific care that has been taken in designing the related support options. The other article in the focus of this study, *Article 18*, falls under SO1.2 and can therefore easily be distinguished from other activities of the fund, e.g. in financial allocations or in monitoring of the implementation of the fund, as most of the relevant data are broken down to SO level.

In summary, the focus of this study is on the following SOs and articles:

Table 1: Specific Objectives and EMFAF Articles in the focus of this study

Specific Objective	Article
1.1 Strengthening economically, socially and environmentally sustainable fishing activities: 1.1.2 Operations supported under Articles 17 and 19	*Article 17*: First acquisition of a fishing vessel
	Article 19: Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency
1.2 Increasing energy efficiency and reducing CO_2 emissions through the replacement or modernisation of engines of fishing vessels	*Article 18:* Replacement or modernisation of a main or ancillary engine

Source: Own elaboration

2.3.2. Article 17: First acquisition of a fishing vessel

Reasoning

The main reason for supporting the first acquisition of a fishing vessel – as an exception, while in other cases the acquisition of a fishing vessel cannot be supported – is expressed in:

- *Recital 21*: *"Fisheries are vital to the livelihood and cultural heritage of many coastal communities in the Union, in particular where small-scale coastal fishing plays an important role. With the average age in many fishing communities being over 50, generational renewal and diversification of activities remain a challenge. In particular, the creation and development of new economic activities in the fisheries sector by young fishers is financially challenging and constitutes an element that should be considered in the allocation and targeting of funds under the EMFAF. Such development is essential for the competitiveness of the fisheries sector in the Union. Consequently, support for young fishers starting up fishing activities should be made available in order to facilitate their establishment. In order to ensure the viability of new economic activities supported under the*

EMFAF, support should be made conditional upon the acquisition of adequate experience or qualifications. Where support for business start-up is granted for the acquisition of a fishing vessel, it should only contribute to the acquisition of the first fishing vessel or of a controlling share thereof."

- *Recital 24: "…. support for the first acquisition of a second-hand vessel by a young fisher […] should also be subject to conditions, including that the vessel belongs to a fleet segment which is in balance with the fishing opportunities available to that segment…"*

In summary, the target is to facilitate generational renewal of fishing communities while making sure that the measure does not lead to any imbalance between fishing opportunities and fishing capacity, and ultimately to overfishing.

Provisions of the Article

Article 17 opens up the possibility to support the first acquisition of a fishing vessel (including part-ownership) "*by way of derogation from point (c)* of Article 13", which lists the construction, acquisition or importation of a fishing vessel among the operations or expenditure generally not eligible for support from the EMFAF (unless otherwise provided).

However, the option to support the first acquisition of a fishing vessel is made subject to a wide range of conditions:

- Concerning the **objective and expected impact,** the support has to contribute to:
  - the Specific Objective "*Strengthening economically, socially and environmentally sustainable fishing activit*ies" (Article 14(1)(a)).
- Concerning the **beneficiary** of the support, the support may only be granted:
  - to a natural person
    - who is no more than 40 years of age at the date of submission of the application for support, and
    - who has worked at least five years as a fisher or has acquired adequate qualification.
  - or to a legal entity wholly owned by one or more natural persons who each fulfil the conditions set out above;
  - or for the joint first acquisition of a fishing vessel by several natural persons who each fulfil the conditions;
  - or for the acquisition of partial ownership of a fishing vessel by a natural person who fulfils the conditions set out above and who shall be deemed to have controlling rights on that vessel through ownership of at least of 33% of the vessel or of the shares in the vessel or by a legal entity which fulfils the conditions set out for legal entities above and which shall have controlling rights on that vessel of at least of 33% of the vessel or of the shares in the vessel.
- Concerning the **vessel** and its role in the fishing fleet, the support may be granted only in respect of a fishing vessel which:

- belongs to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013[6] (Basic Regulation of the CFP), has shown a balance with the fishing opportunities available to that segment
- is equipped for fishing activities
- is not longer than 24 metres in overall length
- has been registered in the Union fleet register for at least three calendar years preceding the year of submission of the application for support in the case of a small-scale coastal fishing vessel, and for at least five calendar years in the case of another type of vessel
- has been registered in the Union fleet register for a maximum of 30 calendar years preceding the year of submission of the application for support.

In summary, the **conditions** make sure that:

- the beneficiary really is a young fishing person (or a group of persons or legal person linked to a young fishing person),
- the vessel is neither newly constructed nor too old, and is part of a segment that is in balance with its resources, and
- the overall operation is in line with the relevant objectives of the EMFAF.

2.3.3. Article 18: Replacement or modernisation of a main or ancillary engine

Reasoning

The general objective for the replacement or modernisation of fishing vessel engines is obvious: It is given as a Policy Objective for all funds under the **Common Provisions Regulation** (EU) 2021/1060[7] in Article 5(1)(b) of that regulation: "*a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility.*" In the EMFAF, *Recital 11* states that the "*need to meet CO_2 emission targets, increase resource efficiency and reduce the environmental footprint of the blue economy has been a significant driving force for innovation in other sectors*" and implies that this should also be achieved in the fisheries sector. Finally, Article 14(1)(b) explicitly defines "*increasing energy efficiency and reducing CO_2 emissions through the replacement or modernisation of engines of fishing vessels*" as a Specific Objective of the EMFAF, which clearly sets forth the objective and main reasoning behind *Article 18.*

However, potential negative effects of such support are also considered, in particular by *Recital 24*, which states that it "*is necessary to establish specific eligibility rules for certain other investments supported by the EMFAF in the fishing fleet, so as to prevent those investments from contributing to overcapacity or overfishing. In particular, […] the modernisation of the engine of a fishing vessel should […] be subject to conditions, including that the vessel belongs to a fleet segment which is in balance with the fishing*

[6] 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, https://eur-lex.europa.eu/eli/reg/2013/1380

[7] See: Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, https://eur-lex.europa.eu/eli/reg/2021/1060/oj

opportunities available to that segment and that the new or modernised engine does not have more power in kilowatts (kW) than that of the engine being replaced."

Provisions of the Article

Similar to the structure of *Article 17*, *Article 18* starts with the provision that "*by way of derogation from […] Article 13, the EMFAF may, under certain conditions, support the replacement or modernisation of a main or ancillary engine of a fishing vessel*". Concerned in this case is *point (m)* of Article 13, which lists "*the replacement or modernisation of a main or ancillary engine of a fishing vessel*" under ineligible operations or expenditure unless otherwise provided, as *Article 18* does for specific cases.

The conditions for supporting engine replacement or modernisation provided by *Article 18* include:

- Concerning the **objective** and expected impact, the support has to contribute to:
  - the relevant Specific Objective of the EMFAF, in this case the already quoted Specific Objective "Increasing energy efficiency and reducing CO_2 emissions through the replacement or modernisation of engines of fishing vessels" (Article 14(1)(b))
- Concerning the **vessel** and its role in the fishing fleet, the support may only be granted for engines of vessels that:
  - are up to 24 metres in overall length
  - belong to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown a balance with the fishing opportunities available to that segment
  - have been registered in the Union fleet register for at least five calendar years preceding the year of submission of the application for support
- Concerning the **operation**, i.e. new or modernised engines:
  - for small-scale coastal fishing vessels (less than 12 metres overall length and not using towed gear), the new or modernised engine does not have more power in kW than that of the vessel's current engine;
  - for other vessels up to 24 metres in overall length, the new or modernised engine does not have more power in kilowatt than that of the current engine and emits at least 20% less CO_2 compared to the current engine.

Fishing capacity withdrawn due to the replacement or modern ancillary engines must not be replaced (i.e. is withdrawn from the national capacity ceiling).

No conditions concerning the beneficiary are made under this article.

2.4. Article 19: Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency

Reasoning

Many vessels of the European fishing fleet are several decades old. Their size and design are often not suitable for installing modern safety technologies (such as fire prevention systems) or better social conditions for the crew (such as sanitary facilities). To implement such modernisation measures it would be necessary to increase the gross tonnage of the individual fishing vessel without (or at least without directly) increasing its ability to catch fish. At the same time, the required additional capacity

should come from other vessels in the fleet, to make sure the overall capacity of the respective Member State does not increase. An increase in fishing capacity would not be desired and could support overfishing.

Recital 23 of the EMFAF discusses this in more detail: "*It should be possible for the EMFAF to support innovation and investments on board Union fishing vessels. That support should include actions which aim to improve health, safety and working conditions, energy efficiency and the quality of catches. It should not include the acquisition of equipment that increases the ability of a fishing vessel to find fish. Such support should also not lead to an increase in fishing capacity of any individual vessel, except if it directly results from an increase in gross tonnage of a fishing vessel that is necessary for improving safety, working conditions or energy efficiency. In those cases, the increase in fishing capacity of the individual vessel should be compensated for by the prior withdrawal of at least the same amount of fishing capacity without public aid from the same fleet segment or from a fleet segment where the fishing capacity is not in balance with the available fishing opportunities, in order not to lead to any increase in fishing capacity at fleet level.*"

All the measures eligible under *Article 19* would be eligible under other articles related to Specific Objective 1.1.1 (in particular under Article 12), as long as they were not linked to an increase in capacity. The increase in capacity is the specific feature of operations that can only be supported under the rules of *Article 19*.

Provisions of the Article

Article 19 of the EMFAF allows support for operations that increase the gross tonnage of a fishing vessel for the purposes of improving safety, working conditions or energy efficiency, by way of derogation from point (a) of Article 13, which declares operations that increase the fishing capacity of a fishing vessel generally not eligible.

The conditions for supporting the increase in gross tonnage include:

- Concerning the **objective and expected impact,** the support has to contribute to:
  - the Specific Objective referred to in point (a) of Article 14(1), i.e. "*Strengthening economically, socially and environmentally sustainable fishing activities*"
- Concerning the **vessel** and its role in the fishing fleet, the support may only be granted to fishing vessels that:
  - belong to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of the CFP Basic Regulation (EU) No 1380/2013, has shown a balance of the fishing capacity of the segment with the fishing opportunities available to that segment
  - are no longer than 24 metres in overall length
  - have been registered in the Union fleet register for at least the 10 calendar years preceding the year of submission of the application for support
- Concerning the **operation:**
  - the entry into the fishing fleet of new fishing capacity generated by the operation is compensated for by the prior withdrawal of at least the same amount of fishing capacity without public aid from the same fleet segment or from a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown that the fishing capacity is not in balance with the fishing opportunities available to that segment;

- the increase in gross tonnage may only be supported if it is necessary for one of the operations listed in *Article 19(3)* and if it is exclusively used for these purposes.

The fact that there even exist provisions for the origin of the additional capacity – according to *Article 19(2)(d)* it may come from the same segment or from a different segment that is not in balance (but, consequently, not from a segment that is in balance) – shows how prescriptive the relevant regulations are.

2.5. Conclusions concerning the architecture of the EMFAF in general and Articles 17–19 in particular

The EMFAF is set up in a way that gives Member States relatively far-reaching freedom to design their programmes and priorities, but within the overall structure, priorities and specific objectives of the fund as well as within the applicable eligibility rules.

The trade-off between:

- "*a simple architecture without predefining measures and detailed eligibility rules at Union level in an overly prescriptive manner*" (*Recital 13*) and
- rather detailed eligibility rules with the clear intention to exclude all potentially negative side effects

becomes very obvious for *Articles 17–19*, which are the focus of this study. Each of the articles covers support for measures which in themselves are desirable and clearly in line with the priorities of the EMFAF, but which on the other hand can potentially lead to unwanted side effects.

And while theoretically a higher degree of flexibility for Member States could be used to design less rigid eligibility rules, the Member State-specific studies undertaken in parallel to this synopsis show that in some cases Member States enacted even stricter rules – either as deliberate decisions or as a precautionary approach in the interpretation of the EMFAF Regulation (see Part III Case study on France).

This trade-off also exists between the effectiveness of the options for support and the prevention of unwanted impacts: The stricter the conditions, the lower the number of cases that can – and realistically will – make use of the support. Where the best compromise can be found in this trade-off also depends on political priorities, external obligations and economic interests.

For EU institutions, it is important to comply with rules of the WTO, for example, and to set a good example there. Under these rules, it is important to avoid negative environmental impacts of fisheries in general and of fisheries subsidies in particular.

European organisations representing the fishing industry also expressed their appreciation for the different targets of the EMFAF, both during the enactment of the EMFAF Regulation and within the work of this study. They would, however, apparently have preferred a different compromise between those targets; in particular, they advocated wider eligibility of vessels for energy efficiency measures.

In a statement of December 2020,[8] Europêche declared: "*On a positive note, the new fund moves away from rigid descriptions of financing possibilities and eligible measures, only prescribing conditions on certain fleet subsidies to ensure a level playing field and sustainable investments*."

[8] Europêche Association of National Organisations of Fishing Enterprises in the EU: Europêche welcomes timely deal on new fisheries fund. EP (20)68. Brussels, 4 December 2020. https://europeche.chil.me/attachment/fe2ff517-97b2-4361-9ab7-e814bc25181e

Europêche continued: "*The new EMFAF will continue financing operations to modernise and improve energy efficiency, health, safety and working conditions for all fleets regardless of the size of the vessel. Only three specific operations will be exclusively granted to vessels below 24 metres. These are: 1. the replacement of engines with the aim to increase energy efficiency and reduce CO_2 emissions; 2. incentivise access to the sector by supporting the first acquisition of vessels by young fishermen; 3. as a novelty, in line with the long-standing call of the sector, operations that require more space on board such as renovating accommodation for the well-being of the crews. Europêche regrets that the call from the Parliament to extend these measures to the whole fleet was finally not taken on board, especially since larger boats are actually subject to binding international legal obligations*."

Equally, the European Association of Fish Producer Organisations (EAPO) appreciated the possibilities of the EMFAF to aid emission reductions in the fishery sector, but regretted that "*not all categories of fishing vessels are eligible for such support*".[9] In a reaction to a request for statements to EAPO, a representative of the German fishing association expressed the importance of decarbonising the fishing fleet and argued that this could only be reached through the construction of new vessels, since vessels 30 or more years old would not be suitable for modern propulsion systems. Potential capacity-increasing effects could be counterbalanced by significant capacity reductions of the overall fleet through scrapping of other vessels.[10]

While the above priorities and statements are explicitly presented as the views of the sector, the authors agree that they address real current problems and (potentially) conflicting targets. Our own recommendations are addressed in **Chapter 6**.

[9] https://thefishingdaily.com/featured-news/eapo-states-its-position-to-commission-on-reduction-of-co2-in-fishing/
[10] Personal communication with Dr. Peter Breckling, Secretary General, Deutscher Fischerei-Verband, 14/10/2024.

3. THE FISHING FLEETS OF COASTAL MEMBER STATE AND THEIR MAIN SEGMENTS CONCERNED BY EMFAF ARTICLES 17–19

KEY FINDINGS

- **96%** of the active EU fishing **vessels are generally eligible** for support under *Articles 17–19* based on their overall length of up to 24 metres.
- These vessels, however, represent **only 34%** of the EU fishing **fleet's tonnage** and **67%** of the **engine power** (2022), as well as **29%** of the **weight** and **48%** of the **value** of the overall **landings** of the EU fleet (2021).
- A **considerable proportion** of these vessels are **not eligible**, because their segments are **not in balance** with the available resources; this proportion, however, cannot be quantified in the scope of this study.
- The fact that **important parts** of the fleet are **excluded** by these restrictions **limits** the potential **effectivity** of the measures from the outset.

3.1. The fishing fleets of the EU coastal Member States and their segments

The coastal Member States of the European Union (EU) consist of the 22 Member States with a sea border: Belgium (BE), Bulgaria (BG), Croatia (HR), Cyprus (CY), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (EL), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Malta (MT), Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Spain (ES), and Sweden (SE).

In 2022, the fishing fleets of the 22 coastal Member States comprised **70 598 vessels**. Of these, only **55 492 vessels** were **active** according to the data accompanying the 2023 Annual Economic Report on the EU Fishing Fleet (AER).

Whether a vessel is eligible for support under *Articles 17–19* of the EMFAF depends on:

- whether it is part of a fleet segment **below 24 metres**; and
- whether its fleet segment is **in balance** (see *Section 3.2*).

Only vessels below 24 metres total length are eligible for support under these articles. As set out above, vessels belonging to the **small-scale coastal fishing fleet**, i.e. those less than 12 metres and not using towed gear, benefit from some preferential conditions under *Articles 17–19*, e.g. less strict conditions for new engines.

From the data provided with the AER 2023, **596 fleet segments** in the sense of "*the combination of a particular fishing technique category and a vessel length category*" could be identified. These AER data were used to compile the following data, broken down by Member State and by the following clusters of segments:

Table 2: Clusters of segments analysed

Name	Definition	Eligibility under Article 17–19
SSCF	Small-scale coastal fisheries, *below 12 metres* total length and using *passive gear*	Yes, preferential conditions
Vessels 0-12 metres	Vessels *less than 12 metres* total length using *towed gear*	Yes
Vessels 12-24 metres	Vessels *between 12 and 24 metres* total length	Yes
Vessels above 24 metres	Vessels of *24 metres and above* total length	No

Source: Own elaboration

Box 2: Measurement and management of fishing capacity

Fishing capacity is understood as the ability of fishing vessels to catch fish. It is measured by the **gross tonnage** (GT) of the vessel and the **power of its engine** in kilowatts (kW), see Article 4(1)(24) of the CFP, Regulation (EU) No 1380/2013.

For a long time, however, discussions have pointed out that GT and kW do not reliably represent the ability of fishing vessels to catch fish. Over time, technical progress has increased catches even without changes in vessel size or engine power.

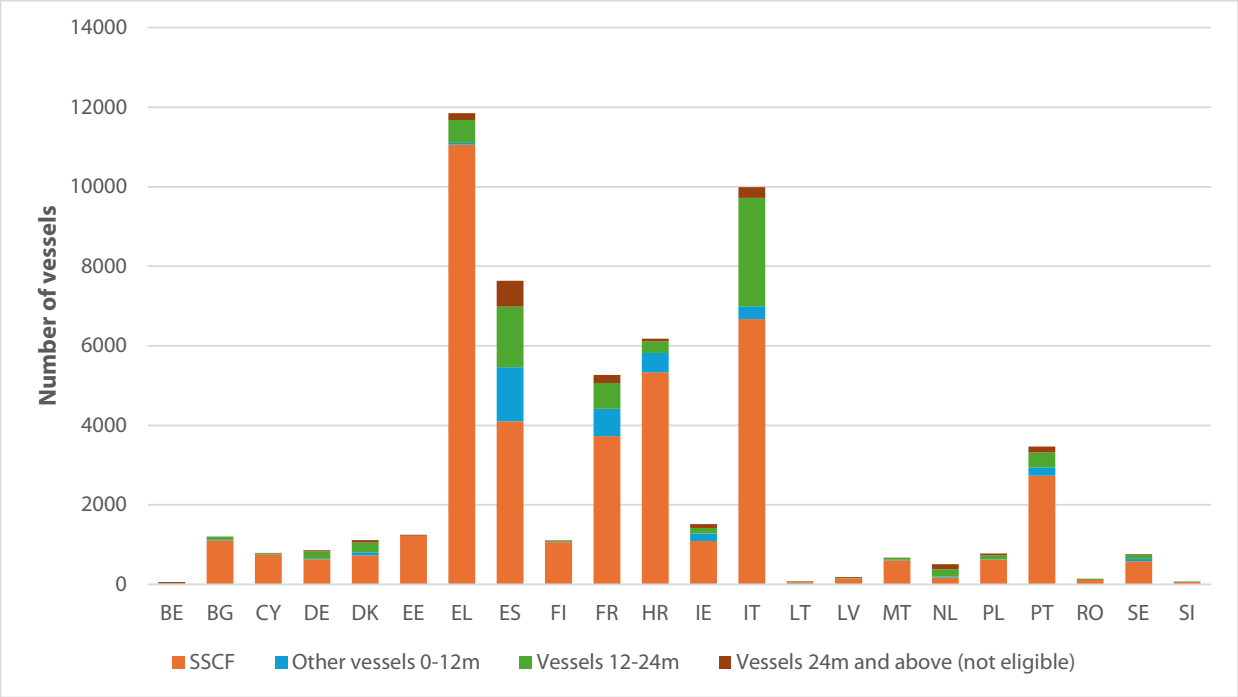
Within the EU there are **capacity ceilings** for every Member State, established on the basis of the capacity of that Member State's fishing fleet at a certain point in time and sometimes adapted based on political decisions. Whenever a new vessel enters a national fishing fleet, one or more old vessels with at least the same capacity have to exit the fleet (Article 23 CFP Basic Regulation). If a vessel leaves the fleet with public aid (permanent cessation, Article 20 of the EMFAF Regulation), its capacity is permanently withdrawn. If a vessel is modified with EMFAF support in such a way that its GT increases, the corresponding capacity has to come from another vessel leaving the fishing fleet (*Article 19* of the EMFAF).

In most Member States the **fishing capacity actually in use** is **below** – often considerably below – the **applicable capacity ceiling**. This happens because some vessels leave the fleet without public aid. The spare capacity is often available for new entries or to increase the size of existing vessels, unless it is withheld, e.g. for political reasons. The capacity usually has to be bought.

Sources: Regulation (EU) No 1380/2013; Regulation (EU) No 2021/1139; European Court of Auditors: Special Report No 12/2011: Have EU measures contributed to adapting the capacity of the fishing fleets to available fishing opportunities?; Hornborg and Ziegler, RISE Research Institutes of Sweden, on behalf of ClientEarth: Capacity Ceilings in EU Fisheries: Obstacle or Opportunity for the Decarbonisation Process?

The following **Figure 1** shows the breakdown of vessels by segment cluster across the coastal Member States (compare **Table 9** in the Annex):

Figure 1: Number of vessels by Member State and cluster of segments (2022)

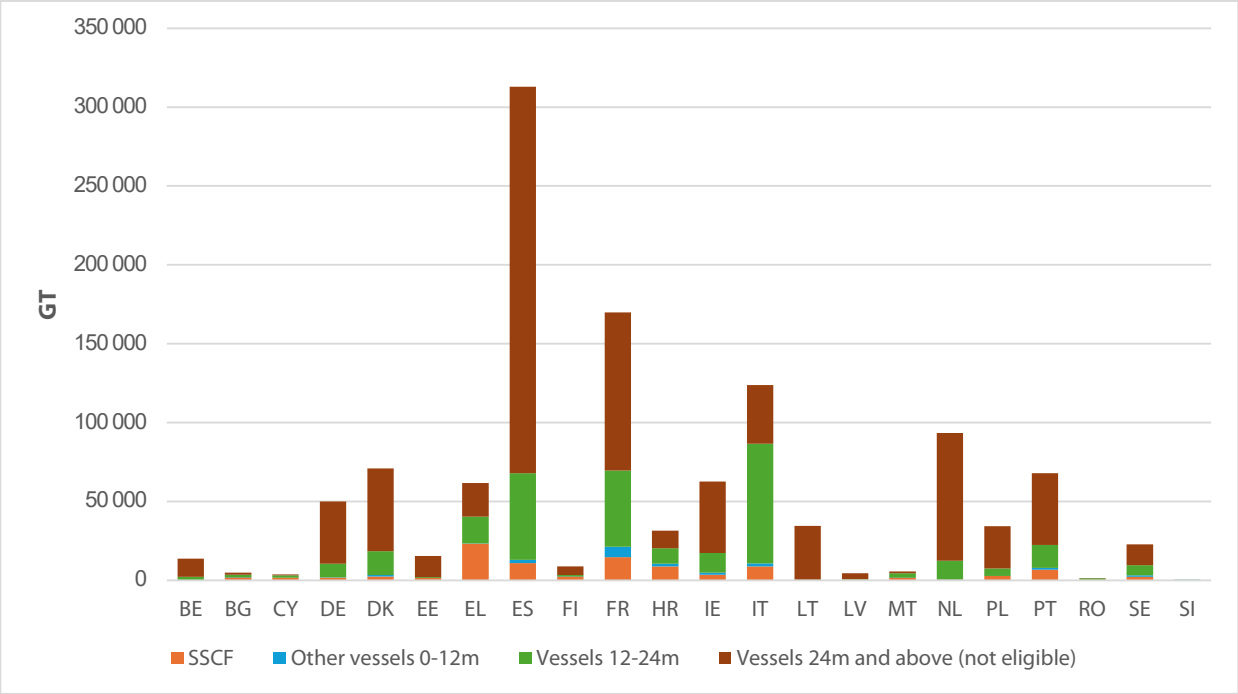


Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

According to these data, **53 470 vessels** of the EU fishing fleet, or **96%** of the overall fleet, would be eligible for support under the three EMFAF articles covered here, provided their segment is in balance with the fishing opportunities.

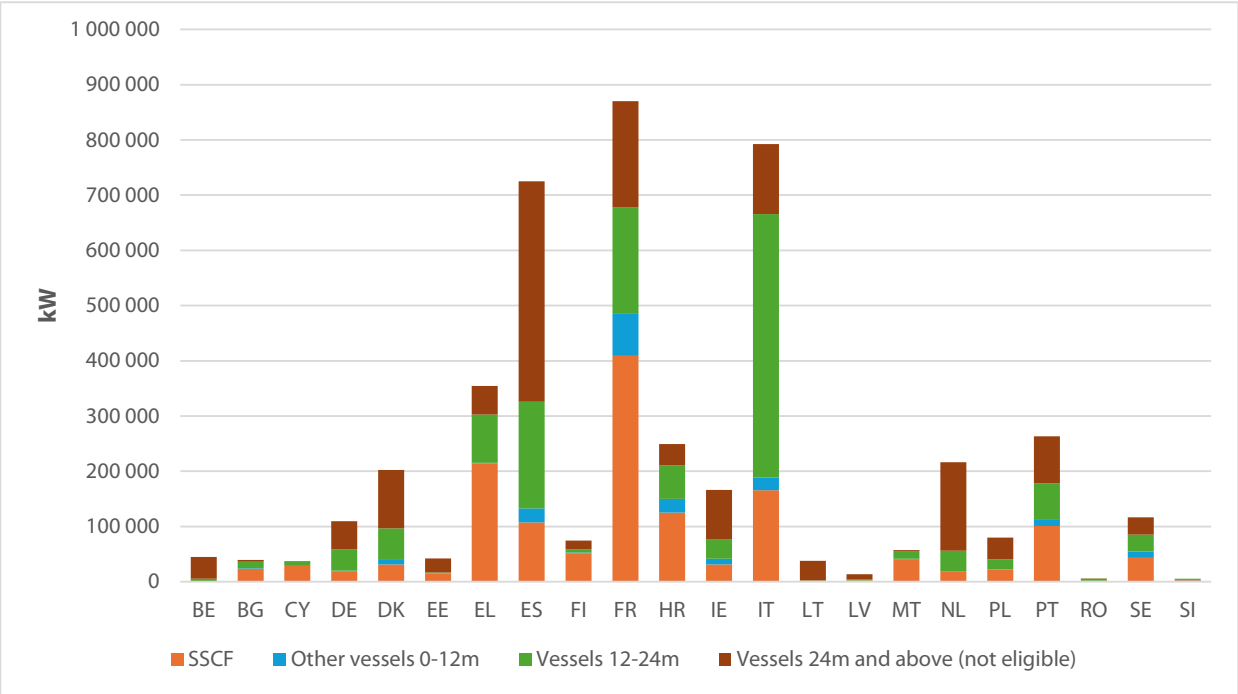
While this represents the vast majority of the fleet in terms of the number of vessels, the eligible vessels' share of fishing capacity (as GT or kW) is much smaller, see **Figure 2** (Table 10) and **Figure 3** (Table 11) below:

Figure 2: Gross tonnage (GT) of the EU fishing fleet by Member State and cluster of segments (2022)



Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Figure 3: Engine power (in kW) of the EU fishing fleet by Member State and cluster of segments (2022)



Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Accordingly, only 34% of the EU fishing fleet's tonnage and 67% of its engine power are eligible under the three articles, again as long as the respective vessel segment is in balance.

A further factor with considerable relevance to EMFAF *Articles 17–19* is the age of the fleet. **Table 3** and **Figure 4** below show the average age of vessels per Member State and segment cluster:

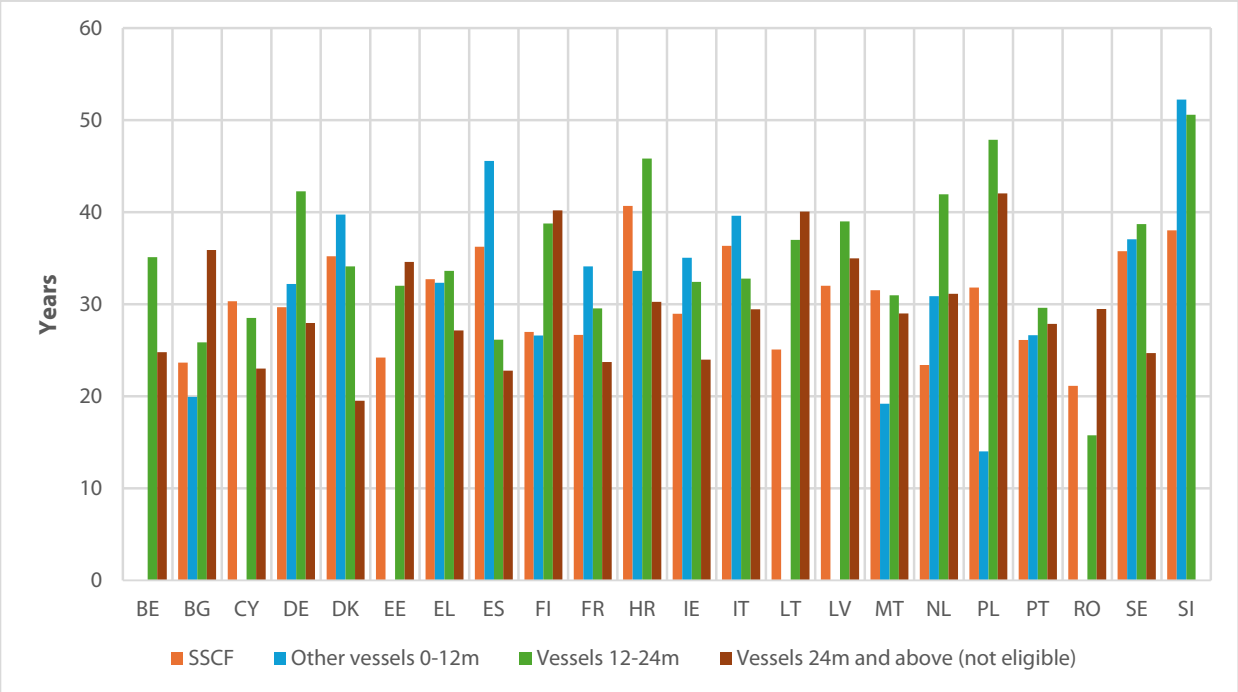
Table 3: Average age of the EU fishing fleet (in years) by Member State and cluster of segments (2022)

Member State	SSCF (years)	Other vessels 0-12 m (years)	Vessels 12-24 m (years)	Vessels 24 m and above (years)	Average (years)
BE	-	-	35	25	29
BG	24	20	26	36	24
CY	30	-	29	23	30
DE	30	32	42	28	32
DK	35	40	34	20	34
EE	24	-	32	35	24
EL	33	32	34	27	33
ES	36	46	26	23	35
FI	27	27	39	40	27
FR	27	34	30	24	28
HR	41	34	46	30	40
IE	29	35	32	24	30
IT	36	40	33	29	35
LT	25	-	37	40	29
LV	32	-	39	35	33
MT	32	19	31	29	31
NL	23	31	42	31	32
PL	32	14	48	42	34
PT	26	27	30	28	27
RO	21	-	16	30	20
SE	36	37	39	25	36
SI	38	52	51	-	40
Average	**33**	**39**	**32**	**26**	**33**

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data. Based on average age per segment, aggregation weighted with number of vessels

Note: The Member States covered by detailed cases studies in later parts of this PECH Workshop document, Spain (ES), France (FR) and the Netherlands (NL), are highlighted in this and all relevant further tables of the synopsis.

Figure 4: Average age of the EU fishing fleet (in years) by Member State and cluster of segments (2022)

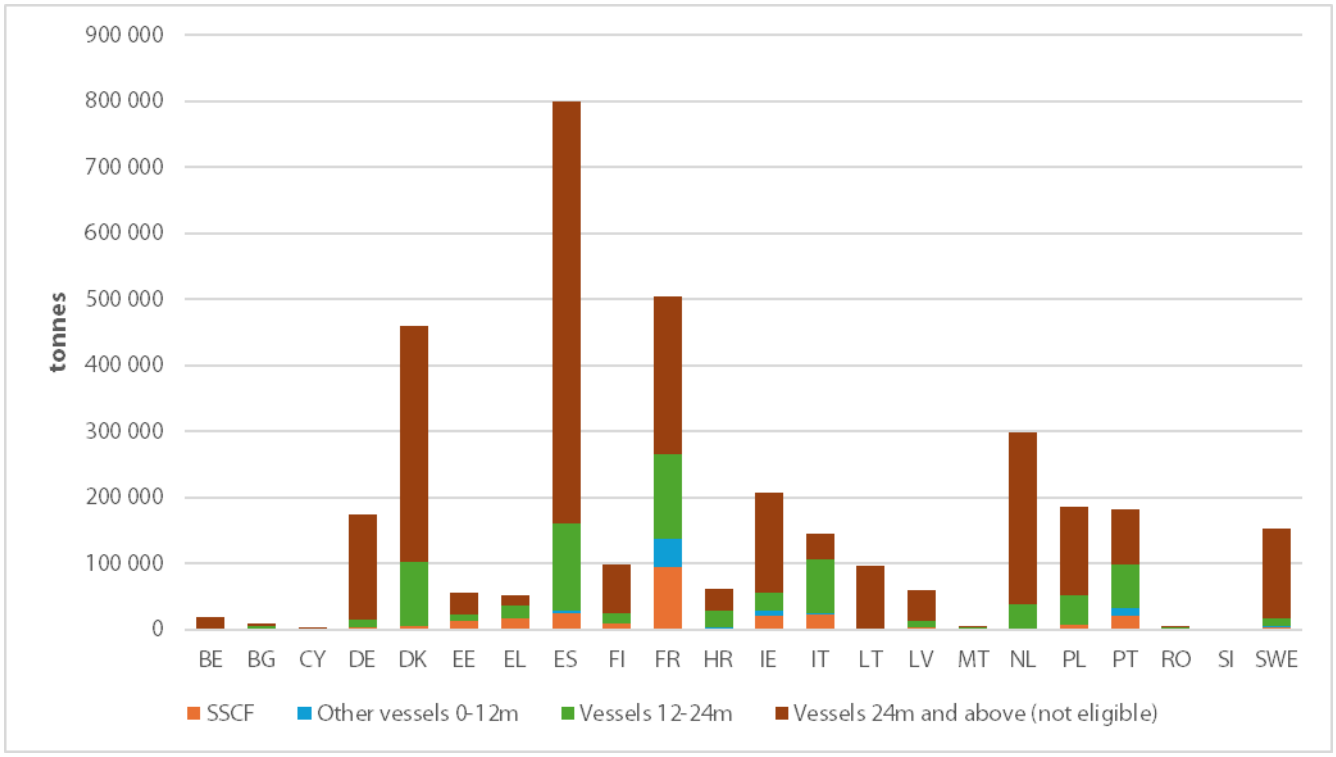


Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data. Based on average age per segment, aggregation weighted with number of vessels

The eligible segments have many very old vessels, with average **ages of 33** (SSCF), **39** (vessels up to 12 metres) and **32** (12 to 24 metres) years. Vessels in the non-eligible segments above 24 metres are younger, though with an average age of **26 years** they are still also relatively old.

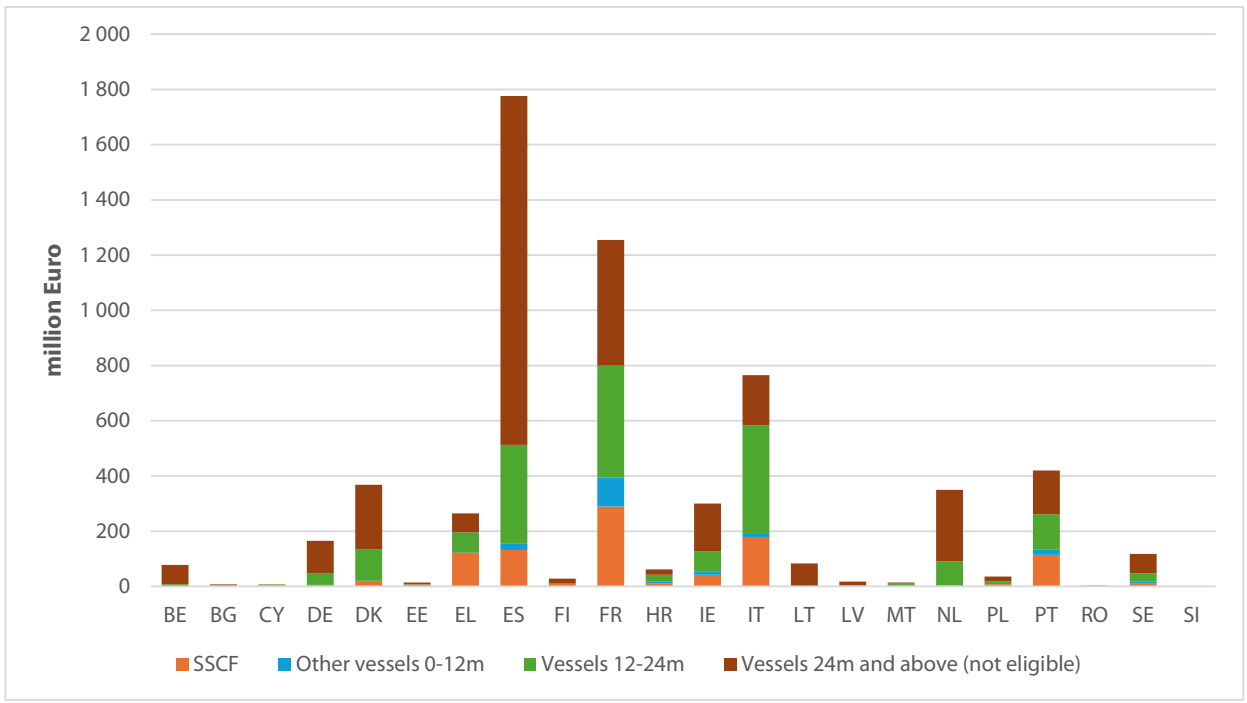
The importance of the segments relevant to *Articles 17–19* is also determined by their share of landings, both in weight (**Figure 5** and **Table 12** in the Annex) and in value (**Figure 6** and **Table 13** in the Annex) As the data show, the segments that are – generally – eligible for support under *Articles 17–19* produce 29% of the overall weight and 48% of the value of the landings of the EU fleet:

Figure 5: Landings in weight (tonnes) of the EU fishing fleet by Member State and cluster of segments (2021)



Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data. As Data for 2022 were incomplete, 2021 data were used

Figure 6: Landings in value (Euro) of the EU fishing fleet by Member State and cluster of segments (2021)



Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

3.2. The balance between fleet segments and their fishing opportunities

Assessing the balance between segments of the EU fishing fleet and their fishing opportunities is complex. It is the responsibility of the Member States to carry out this assessment, as required by *Article 22(2)* of the CFP Basic Regulation (EU) No 1380/2013. While there are general rules and methodologies on how to calculate this, **Member States** still **differ in** how they make and present **their assessments.**

What is available at EU level is an "*Assessment of balance indicators for key fleet segments*" by STECF (STECF-23-13), summarised in **Table 4** below:

Table 4: Number of segments for which a value for each indicator could be computed and the share of segments in and out of balance per indicator (2021)

	Unit	Segments	Biological		Economic			Technical	
Indicators			**SHI**	**SAR**	**Cr/BER**	**RoFTA**	**RoI**	**VUR**	**IV**
Total	No.	**582**	197	407	359	359	50	507	136
In balance	No.		106	196	242	230	25	246	126
	%		54	48	67	64	50	49	93
Out of balance	No.		91	211	117	129	25	261	10
	%		46	52	33	36	50	51	7

Source: STECF-23-13; p. 5
Note: SHI = Sustainable Harvest Indicator
SAR = Stocks at Risk
Cr/BER = Ratio current revenue and break-even revenue
RoFTA = Return on fixed tangible assets
RoI = Return on investment
VUR = Vessel use indicator
IV = inactive fleet indicator
For details of the concepts behind these indicators, see: STECF-23-13
https://publications.jrc.ec.europa.eu/repository/handle/JRC136331

In contrast to Member States' assessments, **STECF does not undertake any overall assessment** of whether or not a fleet segment is in balance, but just **assesses the situation** for each of the various **biological, economic and technical** indicators. In addition, STECF quite frequently gives results that differ from those provided by the Member States for certain indicators and segments; in other cases, either STEFC or the Member State omits a result for a certain segment and indicator because they deem the data insufficient.[11]

As a consequence, this study found **no uniform data on the balance situation** that could be linked to the individual fleet segments or their clusters as discussed above. The global summary presented in **Table 4** above cannot be directly applied to the segments of relevance for EMFAF *Articles 17–19*, as there are significant differences between sea basins, target species, vessel sizes etc. The number of vessels also differs significantly between segments, so it is not possible to use a proportional basis to transfer the results above to the segments under consideration. In addition, the balance situation can differ from year to year.

[11] For differences between STECF and Member States assessments, see STECF-23-13, p. 5ff.

Nevertheless, the results of the **STECF assessment** and in particular the significant share of indicators that are outside the target range for a balanced segment can be taken as an indication that among those vessels that would be eligible for support under *Article 17–19* based on their physical properties such as vessel size, a certain – probably considerable - number are **not eligible due to lack of balance** in the segments in which they operate.

With the exception of the technical "*inactive fleet*" (IV) indicator, all the biological, economic and technical indicators show a relatively high share (33-52%) of segments with values outside of the target range. While these values cannot be directly applied to the target fleet of our study, and while this study cannot investigate the situation in more detail, it seems quite likely that some of the target segments suffer from stock-related or economic problems.

3.3. Conclusions on the fishing fleets of coastal Member States with respect to Articles 17–19

The main conclusion is that in 2022, 96% of the vessels of the EU fishing fleet were eligible for support under EMFAF *Articles 17–19* as far as their technical features are concerned, but that these vessels represented only 34% of the EU fishing fleet's tonnage and 67% of the engine power. Landings by the technically eligible fleet in 2021 corresponded to 29% by weight and 48% by value of the overall catches of the EU fleet. Eligibility is further restricted by the fact that only fleet segments in balance can benefit from the measures – even if this cannot be quantified here.

The latter conclusion does not question the principle of avoiding giving subsidies to segments that are out of balance. It is important to understand, however, that any restrictions also limit the desired positive effects that can be achieved through support under *Articles 17–19*.

4. OVERVIEW OF THE EMFAF PROGRAMMES 2021-2027 OF THE COASTAL MEMBER STATES WITH A VIEW TO ARTICLES 17–19

KEY FINDINGS

- Support for **generational renewal** and **decarbonisation** of the fishing fleet corresponds to important needs and priorities set forth in the Member States' EMFAF programmes.
- However, **only 12 out of the 22** coastal Member States have allocated budgets to measures under *Articles 17 or 19*, and **only 16** to measures under *Article 18*.
- On **average**, coastal Member States earmarked **3.5% of their budgets** for EU support under Priority 1 to the implementation of *Articles 17–19*. A **small number of Member States**, however, allocated budgets **significantly above** this average.
- Member States in general did not plan to use the **three articles** as main instruments to develop and adapt their fleets, but rather as **complementary instruments** for a limited number of cases.

4.1. Qualitative references to Articles 17–19 and related problems and measures

All Member States had to draft their own programmes before they could take advantage of the EMFAF, and all the coastal Member States duly did so. These programmes typically run to around 200 pages, and some are longer[12]. While they follow a common structure, they still differ significantly in how they are drafted.

In a rough screening, information relevant to *Articles 17–19* was found in various parts of the programmes, in particular Chapter 1 (*Programme strategy*), e.g. in the SWOT analysis and identification of needs, and in Chapter 2 (*Priorities*). The *Financing plan* in Chapter 3 sets out systematically which financial means each Member State has earmarked for such activities (see below).

Due to the heterogeneity of the programmes, no in-depth analysis of the contents could be undertaken here. However, screening of the programmes revealed frequent references to:

- young fishers and the problem of generational renewal
- CO_2 emissions of fishing vessels.

Such references either described existing problems or opportunities, or were part of the description of the strategy and planned interventions of the programme.

Few references were found to the specific case that making certain improvements on board a particular vessel would require the capacity of that vessel to be increased.

[12] See: https://oceans-and-fisheries.ec.europa.eu/funding/emfaf-programmes-2021-2027_en

Box 3: The European Maritime, Fisheries and Aquaculture Fund (EMFAF)

The European Maritime, Fisheries and Aquaculture Fund (**EMFAF**) for the funding period **2021-2027** was established by **Regulation (EU) 2021/1139** of the European Parliament and of the Council. It aims to channel funding from the Union budget to support the Common Fisheries Policy (CFP), the Union's maritime policy and the Union's international commitments in ocean governance.

The **predecessors** of the EMFAF were:

- the Financial Instrument for Fisheries Guidance (**FIFG**) **1994-1999**, which for the first time gathered EU assistance for the fisheries sector in one specific fund
- the Financial Instrument for Fisheries Guidance (**FIFG**) **2000-2006**
- the European Fisheries Fund (**EFF**) **2007-2013**, and
- the European Maritime and Fisheries Fund (**EMFF**) **2014-2020**

The first fisheries funds focused on assisting private investments in the fisheries sector, with few restrictions. In the marine capture fisheries sector until the end of 2004 they even provided subsidies for the construction of new vessels. Since then the rules have become more and more restrictive, taking account of new objectives in successive versions of the Common Fisheries Policy.

Source: Own elaboration

4.2. Budget planned for the implementation of Articles 17–19

Table 4 below shows the planned EU contribution without technical assistance[13] for the following:

- **Priority 1 overall** (*"Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources"*)
- **SO1.1.2** (*"Strengthening economically, socially and environmentally sustainable fishing activities: [exclusively] operations supported under Articles 17 and 19"*)
- **SO1.2** (*"Increasing energy efficiency and reducing CO_2 emissions through the replacement or modernisation of engines of fishing vessels"*, i.e. support under *Article 18*).

The EU contribution is usually 70% of the total public contribution; in a few cases, the share is lower, between 50% and 52%.

As **Table 4** demonstrates, **only 12 out of the 22 coastal Member States** have allocated budgets to measures under *Articles 17 or 19*, and **only 16** to measures under *Article 18*. Belgium, France, Latvia and Portugal allocate more than 3% of their overall EU contribution to Priority 1 to measures under *Articles 17 and 19*. In the case of *Article 18* this applies only to the Netherlands (8.7%), followed by Greece (2.8%). Of the overall EU support allocated to *Articles 17 and 19* the highest shares go to Spain, France and Portugal while for *Article 18* the leaders are the Netherlands, Greece, Italy and France. These are generally Member States with big fishing fleets and high overall budget allocations to Priority 1, which is linked to high budgets in absolute figures for the three articles discussed here.

[13] In accordance with Art. 36 and 37 of Regulation (EU) 2021/1060, the EMFAF may support its effective administration and use through so-called technical assistance (TA)

Table 5: Budget allocation to SO 1.1.2 (Art. 17 and 19) and SO 1.2 (Art. 18) in Member States' EMFAF Programmes, EMFAF contribution without technical assistance (TA)

Member State	Priority 1 total	SO1.1.2: Articles 17 and 19			SO1.2: Article 18		
	Euro	Euro	% of Priority 1	% of all Member States	Euro	% of Priority 1	% of all Member States
BE	22 930 603	4 950 000	21.6	8.4	300 000	1.3	0.9
BG	27 174 305	0	0.0	0.0	0	0.0	0.0
CY	22 873 897	0	0.0	0.0	0	0.0	0.0
DE	103 685 658	1 500 000	1.4	2.5	442 392	0.4	1.4
DK	172 428 509	0	0.0	0.0	0	0.0	0.0
EE	33 106 851	0	0.0	0.0	280 000	0.8	0.9
EL	207 865 000	5 530 000	2.7	9.4	5 775 000	2.8	18.1
ES	519 055 810	13 093 192	2.5	22.3	2 576 954	0.5	8.1
FI	34 413 345	496 812	1.4	0.8	508 736	1.5	1.6
FR	314 310 906	11 492 632	3.7	19.5	4 136 000	1.3	13.0
HR	106 676 096	760 990	0.7	1.3	380 496	0.4	1.2
IE	70 410 915	1 000 000	1.4	1.7	1 000 000	1.4	3.1
IT	258 000 000	5 000 000	1.9	8.5	4 500 000	1.7	14.1
LT	22 230 356	0	0.0	0.0	126 000	0.6	0.4
LV	47 078 167	1 508 072	3.2	2.6	0	0.0	0.0
MT	17 325 000	0	0.0	0.0	140 000	0.8	0.4
NL	80 848 831	0	0.0	0.0	7 000 000	8.7	21.9
PL	219 913 190	3 500 000	1.6	5.9	2 800 000	1.3	8.8
PT	195 197 867	10 000 000	5.1	17.0	1 900 000	1.0	6.0
RO	39 069 441	0	0.0	0.0	0	0.0	0.0
SE	88 486 882	0	0.0	0.0	0	0.0	0.0
SI	5 790 357	0	0.0	0.0	52 500	0.9	0.2
Total	**2 608 871 986**	**58 831 698**	**2.3**	**100.0**	**31 918 078**	**1.2**	**100.0**

Source: SFC, State: February 2024

4.3. Conclusions on the EMFAF programmes in the context of Articles 17–19

Only a limited number of coastal Member States have earmarked budgets to implement the three articles under discussion here. Coastal Member States have allocated 2.3% of their EU budgets for Priority 1 to implementing *Articles 17 and 19*, and 1.2% to *Article 18*, making 3.5% for all three articles together.

This demonstrates that Member States in general have not planned to use these three articles as main instruments to develop and adapt their fleets, but rather as **complementary instruments** for a limited number of cases. Nevertheless, a few Member States indicate in their programmes that measures under the three articles may play a **considerable role** in their fleet strategies, with budgets for all three articles together that correspond to 22.9% (**Belgium**), 8.7% (the **Netherlands**) and 6.1% (**Portugal)** of the planned overall EU allocations to Priority 1 in the national EMFAF programme.

5. STATE OF PLAY OF THE IMPLEMENTATION OF ARTICLES 17–19

KEY FINDINGS

- **13 operations** were implemented under *Article 17* by 30/06/2024, **39** under *Article 18*, and **none** under *Article 19*.
- Only **five Member States** have applied EMFAF *Article 17 and/or 18* so far. These are mainly Member States that have previously applied similar measures under the EMFF.
- This study could not assess the **demand for support** under *Articles 17–19* for the remaining programming period of the EMFAF. There will certainly be further demand, but support under these articles will most probably remain a minor part of the support for the EU fleet under the EMFAF.

Even though the EMFAF nominally started in 2021, drafting and adoption of the relevant regulations and drafting of the Member State programmes took longer than expected. Many Member States have therefore started implementation only recently, or have not yet launched any calls in certain fields of activity of their programmes. As a consequence, the present state of implementation cannot be considered representative for the overall programming period.

Nevertheless, in the following section we analyse the available data on programme implementation so far. The main source is the "Infosys" data that Member States have to provide twice a year according to Article 46 of the EMFAF and Commission Implementing Regulation (EU) 2022/79. The cut-off date for the data used here was 30/06/2024.

Table 6: Operations implemented under Articles 17 and 18 by Member States: Number of operations and EMFAF support committed

Member State	Article 17 First acquisition of a fishing vessel				Article 18 Replacement or modernisation of a main or ancillary engine			
	No.	% all Member States	**Euro**	% all Member States	**No.**	% all Member States	**Euro**	% all Member States
DE	1	7.7	210 000	19.6		0.0		0.0
FI	1	7.7	6 866	0.6	19	48.7	36 965	18.8
FR*	8	61.5	157 920	14.7	12	30.8	143 144	72.9
LV	3	23.1	698 320	65.1		0.0		0.0
PT	-	-	-	-	8	20.5	16 197	8.3
Total	**13**	100.0	**1 073 106**	100.0	**39**	100.0	**196 307**	100.0

Source: INFOSYS reports, state 30/06/2024

Notes: * France reported higher numbers in earlier reports. The figures above potentially underreport the progress in implementation for France. No final verification of the French figures could be achieved in the course of this study. EMFAF support (committed) was used here, as at this early stage of implementation the figures for (proven) EMFAF eligible expenditure may still lag behind

As **Table 6** shows, only five Member States have made use of *Article 17 or 18* or both. No operations have been implemented under *Article 19* so far.

For eight cases under *Article 17*, CFR codes were available for the vessels concerned: six of the vessels were SSCF, while two were between 12 and 24 metres. The latter cases were in Germany and Latvia

and, due to the size of the vessels, absorbed considerably more support than each of the smaller SSCF vessels.

Among the **39 operations** under *Article 18*, five were inland vessels which do not fall under the capacity restrictions for marine vessels. In **20 cases** the CFR code of the vessel was available; all were SSCF vessels.

Since *Article 18*, "*Replacement or modernisation of a main or ancillary engine*", is represented by a Specific Objective of its own (SO 1.2), Member States had to set milestones for 2024 and targets for 2029 concerning the planned number of operations in their programmes. **Table 7** shows the planned values and compares the milestones for the end of 2024 with the state of implementation mid-2024.

Table 7: Number of operations under Article 18 - Planned and implemented

Member State	Planned		Implemented	
	Milestone 2024 (number)	Target 2029 (number)	Implemented 30/06/2024 (number)	Share of mile-stone 2024 (%)
BE	3	12	0	0
DE	6	33	0	0
EE	15	150	0	0
EL	0	180	0	0
ES	16	64	0	0
FI	40	100	19	48
FR	30	157	12	40
HR	3	10	0	0
IE	2	50	0	0
IT	60	150	0	0
LT	2	12	0	0
MT	1	4	0	0
NL	0	100	0	0
PL	0	40	0	0
PT	119	396	8	7
SI	0	4	0	0
Total	**297**	**1 462**	**39**	**13**

Source: Member State EMFAF Programmes and INFOSYS reports, state of play on 30/06/2024

As a benchmark, the above figures can be compared with **EMFF support** (**Table 8**), even though the rules for this support were not exactly the same as under the EMFAF. Relevant (under measures:

- I.7: Article 31 and Article 44(2) Start-up support for young fishermen,
- I.21: Article 41(2) and Article 44(1)(d) Energy efficiency and mitigation climate change – Engine replacement or modernisation.

No direct counterpart to EMFAF *Article 19* existed in EMFF, and if comparable operations were supported, they are not shown separately in the monitoring data.

Table 8: Operations concerning start-up support for young fishers and engine replacement or modernisation under the EMFF

Member State	Article 31 and Article 44(2) Start-up support for young fishermen				Article 41(2) and Article 44(1)(d) Energy efficiency and mitigation climate change – Engine replacement or modernisation (including inland)			
	Number	% of EU total	EMFF (Euro)	% of EU total	Number	% of EU total	EMFF (Euro)	% of EU total
CY	-	-	-	-	2	0.3	2 888	0.1
DE	2	0.7	112 500	1.4	23	3.3	32 290	1.2
EE	-	-	-	-	13	1.8	7 876	0.3
ES	43	15.1	904 390	10.9	71	10.1	131 538	4.9
FI	6	2.1	11 408	0.1	114	16.2	175 064	6.6
FR	178	62.5	5 907 869	71.4	172	24.5	1 586 246	59.5
HR	-	-	-	-	20	2.8	20 357	0.8
IE	24	8.4	559 088	6.8	10	1.4	60 720	2.3
IT	9	3.2	187 228	2.3	126	17.9	231 659	8.7
LT	-	-	-	-	3	0.4	4 309	0.2
NL	12	4.2	421 386	5.1	-	-	-	0.0
PT	11	3.9	170 781	2.1	149	21.2	412 040	15.5
Total	**285**	**100.0**	**8 274 650**	**100.0**	**703**	**100.0**	**2 664 986**	**100.0**

Source: Infosys, state of play on 31.12.2023

Note: Without UK. This table uses EMFF expenditures, (i.e. verified expenditures, not maximum costs defined in the document approving the application), as the implementation is almost completed and the expenditures appear to be the more precise figure

Among the **703 engine-related operations** under the EMFF, **585** concerned engine **replacement** and **118** engine **modernisation**. These figures suggest that there could still be a considerable scope for further projects under *Articles 17 and 18* to be supported under the EMFAF, while the magnitudes at the same time support the argument made above that these articles will not become a major instrument of support to the fleet under the EMFAF.

6. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

While this **Synopsis study** provides a **general overview** on the state of play of implementation of *Articles 17, 18 and 19* of the **EMFAF**, the analysis does not assess the practices within the Member States. However, the **case studies** on **Spain**, **France** and the **Netherlands** hereafter will shed some light on country-specific implementation process. Nevertheless, it is difficult to compare the actual practice of implementing the three articles on that basis.

On the other hand, our results do show that so far only a **small number of countries** have made use of EMFAF *Article 17* on "*First acquisition of a fishing vessel*" and *Article 18* on "*Engine replacement or modernisation*", and **no Member State** have used *Article 19* on "*Increase of gross tonnage*". Among those who used the first two articles, some had already made considerable use of comparable measures under the EMFF, in particular France. However, due to the limited scope of this study, it cannot be decided whether the new measures **better match the needs** of the fishing fleets of these Member States, or if the practice of making use of these support options is better established on the side of the **Managing Authorities** or the potential **beneficiaries** in these Member States.

This study did not undertake any quantitative assessment of the potential future **demand for support** under *Articles 17 and 18* during the remaining EMFAF implementation period. However, there are no indications that the **EMFAF** cannot achieve the **same magnitude of absorption** as we saw under the EMFF, or that the EMFAF budget allocations are unrealistic.

Article 19 is a rather **particular case**. The only reason why operations fall under this article is that they imply an increase in the gross tonnage of a vessel; otherwise, these operations would fall under other articles of the EMFAF. *Article 19* addresses a situation that is often found in practice, namely that measures with the above objectives **cannot be implemented** within the **given architecture** and **tonnage** of a vessel. However, to increase the tonnage can be a **complex and expensive** undertaking. Often the hull is cut into two parts and an extension inserted. Whether this is feasible at reasonable cost depends very much on the **hull material** and other properties of the vessel, and the resulting enlarged vessel will still remain an old construction, not reflecting recent progress in naval architecture. Finally, there may be limitations such as the **maximum vessel lengths** allowed in **certain fisheries**; if a stretched vessel exceeds the limit it may not be allowed to carry out the same type of fishing as before.

Recommendations

Based on the analysis and the conclusions two main recommendations are made here. These, however, apply to different degrees to the three articles under discussion in this PECH workshop, an issue we discuss below.

Recommendation 1: More focus on achieving the objectives of Articles 17–19 without designing the support options in an overly restrictive way

The rules for receiving support under *Articles 17–19* of the EMFAF are clearly marked by the difficulty of:

- achieving the objectives of **generational renewal**, **decarbonisation** of the fishing fleet and improvement of social and **working conditions** on board
- avoiding any negative impacts of financial assistance, such as **overcapacity** and **overfishing**.

In this unavoidable conflict of interest, the European Co-Legislators have put considerable focus on the latter and designed the support options under these articles in a rather restrictive way. Based on the limited adoption of these measures so far we can safely assume that in quantitative terms, there have not been any negative impacts such as the promotion of overcapacity, and there is hardly any reason to expect this for the further course of the EMFAF. However, the low uptake of support under the three articles also indicates that the desired results and impacts have been achieved only in very limited cases, and hardly at all at the level of the EU fishing fleet.

If the desired effects are to be achieved on a wider scale, future support instruments for fisheries should reconsider the balance between the two aspects and probably search for other ways to avoid negative impacts (see below). One option here could be to also allow support to vessels more than 24 metres long (in particular under *Article 18*, see below). On the other hand, the restriction of support to fleet segments that are in balance makes much sense and should not be changed.

Recommendation 2: Apply restrictions at segment or fleet level rather than to individual vessels

There are several reasons to believe that the future of the fishing fleet lies in a smaller number of more effective and efficient vessels, rather than in maintaining the current fleet size. Among these reasons are the relatively high number of indicators suggesting that fleet segments may be out of balance with their fishing opportunities, and the general fact that various management rules prevent fishing vessels from using their full technical capacity. For a smaller fleet, on the other hand, at least some of the rules could be less restrictive and the economic performance of individual vessels could be better. While the situation differs significantly between segments and years, and details cannot be discussed in the scope of this study, we note that developments in agriculture and many other sectors point in the same direction and thus support the argument by analogy.

It is arguable whether concentration to yield a smaller number of more efficient economic units should be actively promoted by governments and by a fund like the EMFAF, but legislators at each level should at least refrain from impeding necessary and unavoidable developments. For example, it could be made easier for fishers to increase the tonnage or engine power of their individual vessels, while in return the nominal capacity (in GT or kW) of the segment or the national fleet would be reduced, potentially in an over-proportional way

Application of the recommendations to Article 17: First acquisition of a fishing vessel

Article 17 addresses an important problem of practically the whole EU fishing sector: the lack of generational renewal. This renewal will be needed for sustainable development of the fishing fleet, even if a future fleet should and will be smaller than the present one.

As with all three articles, the uptake of *Article 17* is behind what would be needed for a proportional generational renewal. The country studies suggest that in part this could be due to strict rules like the minimum and maximum age of the vessel acquired. However, in this case the available support and its conditions are most probably not the only factors influencing the decision of a young person to become an independent fisher. Other factors like the general future prospects of the sector can be assumed to be more relevant (see for example the Dutch country study).

Another restriction for *Article 17* is the maximum length of 24 metres for the vessel. Given the high costs of longer vessels, this restriction seems reasonable. A young fisher or even a group of young fishers will hardly be able to finance a bigger vessel if they do not have powerful backers, in which case *Article 17* should not apply.

Application of the recommendations to Article 18: Replacement or modernisation of a main or ancillary engine

For *Article 18* the relation between objectives and conditions for support appear extremely relevant. The main question is whether the objective here is "*a greener, low-carbon transitioning towards a net zero carbon economy*" (Policy objective of the Common Provisions Regulation 2021/1060, Article 5(1)(c)) or a gradual acceleration of the adoption of technological progress leading to (modest) energy savings.

Concerning the latter option, the French case study suggests that there are hardly any engine replacement or modernisation technologies on the market that would reduce CO_2 emissions or fuel consumption by 20% or more, which is the minimum stipulated by *Article 18* for segments outside SSCF. This measure therefore applies to only very limited parts of the fleet, and even there the individual CO_2 reductions or fuel savings would often be less than 20%. Fishers naturally have an interest in saving fuel, but will usually compare this against the cost of replacing or modernising the engine. Financial assistance can change this balance and induce earlier replacement, within the limits explained above.

If we are looking for wider impact, on the other hand, restrictions like the 24m vessel length limit should be reconsidered for similar measures under a future fund. Drastic reductions, and net zero carbon emissions in particular, will in most cases not be achievable with existing fuels and propulsion technologies. A wide spectrum of potential technologies can be applied to change this situation, but in many cases these need completely new vessel designs. Economically and technically it often makes little sense to convert a 30-year-old vessel to such new propulsion technologies.

Voices from the sector often connect this fact to a demand for assistance in constructing new vessels. No final assessment of this can be provided in the framework of this study. It is however worth remembering that the abolition of assistance for the construction of new vessels in the EU after 2004 was seen as significant progress against the creation of overcapacity through fisheries subsidies, and as a world-wide example. This achievement should not carelessly be put at risk. Any back-tracking should be considered carefully with all stakeholders and should be part of an overarching solution that leads, for example, to a drastic reduction in fleet segments that are not in balance with their resources.

Application of the recommendations to Article 19: Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency

Article 19 addresses the undisputed fact that many desired modifications of fishing vessels, such as to cut energy consumption or improve living conditions, require more space on board than currently exists, and hence an increase in the vessel's tonnage. As the article allows and supports the use of capacity from other segments to upgrade a vessel, it is in line with the recommendation above that restrictions should apply less to individual vessels and more at the segment and fleet levels.

In practice, increasing the tonnage of a vessel often requires expensive modifications of the hull. This is probably one of the reasons why no use has been made of this article in any Member State so far. And while support under this article may be interesting in certain cases, no indications of wider uptake were found.

To a limited extent, the measure could be made more attractive by making it less restrictive. Some of the restrictions under *Article 19* seem to be very comprehensible, for instance the mentioned clause that only projects in segments that are in balance with their fishing opportunities are eligible. But it is less obvious why we need a rule concerning the segment from which the additional capacity comes (*Article 19(2)(d)*). Whether or not similar support should be extended to vessels over 24 metres is rather a matter of general political objectives: the European Co-Legislators seem to have a clear preference

for SSCF and other coastal fisheries. It is not so obvious if and in how far they want to interfere in other parts of the fleet. It is clearly recommended that this should be done for measures in the general public interest, in particular for decarbonisation, if ambitious targets shall be reached on a wider scale. Where measures under *Article 19* rather target at fisheries-internal matters, the objectives are not so obvious that a clear recommendation could be given here.

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ANNEX: DATA TABLES ON THE EU FISHING FLEET

Table 9: Number of vessels by Member State and cluster of segments (2022)

Member State	Eligible segments Articles 17–19			Non-eligible	Total	
	SSCF (number)	Other vessels 0-12 m (number)	Vessels 12-24 m (number)	Vessels 24 m and above (number)	Total number of vessels	Share of EU total (%)
BE			25	35	**60**	0.1
BG	1 105	19	69	11	**1 204**	2.2
CY	745		38	4	**787**	1.4
DE	628	15	186	29	**858**	1.5
DK	732	75	247	64	**1 118**	2.0
EE	1 220		5	25	**1 250**	2.3
EL	11 061	40	578	170	**11 849**	21.4
ES	4 105	1 358	1 525	647	**7 635**	13.8
FI	1 065	7	21	15	**1 108**	2.0
FR	3 727	692	651	196	**5 266**	9.5
HR	5 337	481	295	69	**6 182**	11.1
IE	1 089	188	142	100	**1 519**	2.7
IT	6 676	315	2 730	267	**9 988**	18.0
LT	56		2	17	**75**	0.1
LV	153		9	26	**188**	0.3
MT	608	10	50	6	**674**	1.2
NL	175	22	183	128	**508**	0.9
PL	623	4	103	46	**776**	1.4
PT	2 734	209	377	145	**3 465**	6.2
RO	117		22	2	**141**	0.3
SE	582	60	103	20	**765**	1.4
SI	62	4	10		**76**	0.1
Total	**42 600**	**3 499**	**7 371**	**2 022**	**55 492**	**100.0**
Total eligible	**53 470**			**–**		
Share (%)	77	6	13	**4**	**100**	
Share eligible (%)	**96**			**–**		

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Table 10: Gross tonnage (GT) of the EU fishing fleet by Member State and cluster of segments (2022)

Member State	Eligible segments Articles 17–19			Non-eligible	Total	
	SSCF (GT)	Other vessels 0-12 m (GT)	Vessels 12-24 m (GT)	Vessels 24 m and above (GT)	Total Tonnage (GT)	Share of EU total (%)
BE			2 153	11 545	**13 698**	1.1
BG	1 724	109	1 753	1 193	**4 778**	0.4
CY	1 704		1 494	408	**3 606**	0.3
DE	1 667	152	8 725	39 313	**49 857**	4.2
DK	2 443	829	15 188	52 490	**70 950**	5.9
EE	1 451		629	13 246	**15 326**	1.3
EL	23 184	96	17 120	21 296	**61 696**	5.2
ES	10 835	2 149	54 812	245 190	**312 985**	26.2
FI	2 370	96	941	5 454	**8 861**	0.7
FR	14 610	6 626	48 257	100 352	**169 845**	14.2
HR	8 727	1 738	9 753	11 213	**31 431**	2.6
IE	3 564	1 309	12 349	45 445	**62 666**	5.2
IT	8 805	1 853	75 948	37 145	**123 751**	10.4
LT	98		241	34 122	**34 461**	2.9
LV	310		277	3 949	**4 536**	0.4
MT	1 559	97	2 814	1 102	**5 572**	0.5
NL	425	86	11 883	80 956	**93 350**	7.8
PL	2 715	71	4 649	26 760	**34 195**	2.9
PT	6 699	1 206	14 487	45 515	**67 908**	5.7
RO	331		954	228	**1 513**	0.1
SE	2 157	886	6 431	13 303	**22 777**	1.9
SI	154	32	183		**369**	0.0
Total	**95 532**	**17 335**	**291 039**	**790 224**	**1 194 130**	**100.0**
Total eligible	**403 906**			**–**		
Share (%)	8	1	24	**66**	**100**	
Share eligible (%)	**34**			**–**		

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Table 11: Engine power (kW) of the EU fishing fleet by Member State and cluster of segments (2022)

Member State	Eligible segments Articles 17–19			Non-eligible	Total	
	SSCF (kW)	Other vessels 0-12 m (kW)	Vessels 12-24 m (kW)	Vessels 24 m and above (kW)	Total engine power (kW)	Share of EU total (%)
BE			5 494	39 295	44 789	1.0
BG	23 359	925	12 140	3 289	39 713	0.9
CY	28 872		7 081	1 382	37 335	0.8
DE	18 705	1 420	38 488	50 843	109 456	2.4
DK	31 400	8 248	57 008	105 596	202 252	4.5
EE	14 921		1 694	25 772	42 387	0.9
EL	214 273	1 060	87 569	51 583	354 485	7.9
ES	107 632	24 905	193 434	398 904	724 874	16.1
FI	51 251	1 510	6 265	15 250	74 276	1.6
FR	408 967	75 932	192 826	192 485	870 210	19.3
HR	125 322	24 458	60 562	39 022	249 364	5.5
IE	31 236	10 203	35 710	88 988	166 137	3.7
IT	165 683	23 388	476 649	126 707	792 428	17.6
LT	1 797		440	35 833	38 070	0.8
LV	2 206		1 832	9 693	13 731	0.3
MT	40 077	1 719	12 810	2 828	57 434	1.3
NL	17 798	1 021	37 308	160 266	216 393	4.8
PL	21 748	305	18 579	39 132	79 763	1.8
PT	101 192	11 989	65 109	84 836	263 126	5.8
RO	1 747		3 604	555	5 907	0.1
SE	43 406	11 030	30 698	31 705	116 839	2.6
SI	2 947	518	1 870		5 335	0.1
Total	**1 454 538**	**198 629**	**1 347 170**	**1 503 966**	**4 504 303**	**100.0**
Total eligible	**3 000 337**			–		
Share (%)	32	4	30	**33**	**100**	
Share eligible (%)	**67**			–		

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Table 12: Landings in weight of the EU fishing fleet by Member State and cluster of segments (2021)

Member State	Eligible segments Articles 17–19			Non-eligible	Total	
	SSCF (kg)	Other vessels 0-12 m (kg)	Vessels 12-24 m (kg)	Vessels 24 m and above (kg)	Weight (kg)	Share of EU total (%)
BE			2 028 587	15 899 145	17 927 731	0.5
BG	1 723 651	68 667	3 852 563	3 274 203	8 919 084	0.3
CY	501 119		748 502	131 715	1 381 336	0.0
DE	2 538 874	309 521	10 955 484	160 264 184	174 068 063	4.9
DK	5 240 372	419 546	95 909 415	358 589 496	460 158 829	12.9
EE	11 837 911		11 173 765	32 488 776	55 500 452	1.6
EL	16 107 574	110 398	19 346 801	15 937 260	51 502 032	1.4
ES	23 731 079	5 009 109	132 069 456	638 267 964	799 077 608	22.4
FI	9 009 937		14 641 881	73 610 920	97 262 738	2.7
FR	93 706 173	43 136 420	127 935 956	239 823 015	504 601 564	14.2
HR	1 603 210	1 751 703	25 601 934	32 209 400	61 166 247	1.7
IE	20 119 729	7 219 906	28 045 421	151 697 558	207 082 615	5.8
IT	21 541 450	3 758 109	79 728 189	40 448 098	145 475 846	4.1
LT	373 237		1 527 341	95 159 556	97 060 134	2.7
LV	3 115 241		9 757 291	45 882 025	58 754 557	1.6
MT	880 629	51 751	1 438 380	122 741	2 493 501	0.1
NL	348 807	64 192	38 226 552	260 464 654	299 104 205	8.4
PL	7 500 783		44 201 056	134 077 563	185 779 402	5.2
PT	20 814 201	11 780 819	66 277 952	83 375 924	182 248 896	5.1
RO	1 030 400		1 965 336	131 411	3 127 146	0.1
SE	2 354 912	2 606 352	10 754 988	137 334 190	153 050 441	4.3
SI	32 629		73 184		105 813	0.0
Total	**244 111 918**	**76 286 494**	**726 260 032**	**2 519 189 796**	**3 565 848 240**	**100.0**
Total eligible	**1 046 658 444**			–		
Share (%)	7	2	20	**71**	**100**	
Share eligible (%)	**29**			–		

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data. As Data for 2022 were incomplete, 2021 data were used

Table 13: Landings by value of the EU fishing fleet by Member State and cluster of segments (2021)

Member State	Eligible segments Articles 17–19			Non-eligible	Total	
	SSCF (Euro)	Other vessels 0-12 m (Euro)	Vessels 12-24m (Euro)	Vessels 24m and above (Euro)	Value (Euro)	Share of EU total (%)
BE			8 082 226	69 338 879	77 421 104	1.3
BG	2 536 461	93 519	3 280 159	2 381 020	8 291 159	0.1
CY	3 604 275		2 930 469	917 988	7 452 732	0.1
DE	4 647 616	499 031	41 359 574	119 299 844	165 806 065	2.7
DK	19 280 513	1 658 044	114 625 877	232 627 182	368 191 615	6.0
EE	6 170 464		2 073 613	6 045 045	14 289 122	0.2
EL	123 229 276	284 390	71 918 817	68 928 175	264 360 658	4.3
ES	131 606 202	22 772 233	358 390 761	1 263 634 420	1 776 403 616	29.0
FI	8 427 220		3 565 504	16 025 444	28 018 168	0.5
FR	288 829 618	105 562 998	405 144 881	455 714 989	1 255 252 486	20.5
HR	10 531 518	8 224 406	23 749 290	19 511 936	62 017 150	1.0
IE	42 569 599	12 820 332	71 701 369	172 943 864	300 035 163	4.9
IT	175 862 907	14 743 151	393 440 415	181 583 149	765 629 622	12.5
LT	547 269		381 916	82 332 497	83 261 682	1.4
LV	1 538 994		2 764 742	12 654 727	16 958 463	0.3
MT	5 586 879	348 404	6 527 420	1 346 461	13 809 163	0.2
NL	2 823 422	172 331	88 225 743	258 397 573	349 619 069	5.7
PL	8 105 983		10 981 585	16 740 524	35 828 092	0.6
PT	114 292 839	18 511 366	128 329 549	158 828 247	419 962 001	6.8
RO	937 020		1 225 920	73 544	2 236 484	0.0
SE	12 161 468	6 200 382	29 828 408	69 416 243	117 606 501	1.9
SI	291 873		546 054		837 927	0.0
Total	**963 581 415**	**191 890 585**	**1 769 074 291**	**3 208 741 751**	**6 133 288 043**	**100.0**
Total eligible	**2 924 546 292**			–		
Share (%)	16	3	29	**52**	**100**	
Share eligible (%)	**48**			–		

Source: Own calculation, based on https://stecf.jrc.ec.europa.eu/documents/d/stecf/stecf-23-07-eu-fleet-economic-and-transversal-data

Note: There are slight differences between these data and those provided as "*landed value*" in the text version of the AER, which, however, are not of relevance for the purpose of this study

RESEARCH FOR PECH COMMITTEE

Part II: Case study on Spain

Abstract

This study is the second in a series of four research papers, prepared for a PECH Committee Workshop. This paper sets out the situation of the Spanish fishing fleet in 2022 and explores on the Spanish programme for the European Maritime, Fisheries and Aquaculture Fund (EMFAF) Regulation in relation to the implementation of certain measures under *Articles 17-19* aiming at modernising the EU fishing fleet.

CONTENTS

LIST OF ABBREVIATIONS

CFP	Common Fisheries Policy
CLLD	community led local development
COPAC	Comisión permanente para situaciones de adversidad climática o medioambiental *Permanent commission for situations of climatic or environmental adversity*
DCF	data collection framework
EC	European Commission
EEZ	exclusive economic zone
EMFAF	European Maritime Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
EU	European Union
GT	gross tonnage
GDP	gross domestic product
INFOSYS	EU-wide database of operations funded by EMFAF
kW	kilowatt
MA	managing authority
OP	operational programme for EMFF implementation
PECH	European Parliament's Committee on Fisheries
PO	producer organisation
SO	specific objective
STECF	Scientific, Technical and Economic Committee for Fisheries
SWOT	strengths, weaknesses, opportunities and threats
TA	technical assistance
ToR	terms of reference

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EXECUTIVE SUMMARY

Background

This study is the second contribution to a PECH Committee Workshop on the "The future of the EU fishing fleet – First assessment of the EMFAF programming for 2021-2027". The general objective of this study is to inform the Members of the PECH Committee on the state of play of the Spanish programming and the implementation of *Articles 17-19* of the European Maritime, Fisheries and Aquaculture Fund (EMFAF) Regulation. It provides a general picture of the Spanish fishing fleet in 2022, an overview of the EMFAF programme for Spain in terms of the application of *Articles 17-19*. It also assesses the modernisation needs of the fleet and possible changes for the EMFAF period after 2027.

Main findings

In 2022, the Spanish fleet consisted of 8 814 registered vessels, with a gross tonnage (GT) of 328 492 tonnes and a total engine power of 776 332 kilowatts (kW). However, at that time 13.37% of the Spanish fleet was inactive, (mostly vessels under 12 metres). The active fishing fleet consisted of 7 635 vessels, of which 5 456 were under 12 metres, 1 514 were between 12 and 24 metres and only 665 were over 24 metres.

The majority of the Spanish fishing fleet is made up of smaller vessels of less than 24 metres: 71.46% of the vessels are less than 12 metres, 19.83% are between 12 and 24 metres and only 8.71% are over 24 metres. In terms of fishing techniques, the 47.79% of the vessels are polyvalent artisanal vessels, 18.23% are dredgers, mainly artisanal shellfish vessels, 12% are trawlers, 8% use hook-and-line gear, 6% are purse seiners and 5% are gillnetters.[1]

Some of the main weaknesses of the national fleet are the generational renewal and the high average age of the vessels. Vessels under 24 metres are on average 35 years old and vessels over 24 metres are around 22 years old.

The active Spanish fleet in 2022 was made up of 7 635 vessels grouped into 84 segments, of which 11 were considered to be out of balance, with 767 vessels, most of them under 24 metres, fishing in Mediterranean waters. The economic performance of the fishing fleet has improved compared with 2021. Revenue in 2022 was estimated at EUR 2 065.7 million, compared with EUR 1 746 million in 2021[2].

The EMFAF programme for Spain allocates EUR 728.4 million to EMFAF Priority 1 measures, of which EUR 19 million to projects under *Articles 17 and 19* ("First acquisition of a fishing vessel" and "Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency", respectively) and EUR 3.7 million to projects under *Article 18* ("Replacement or modernisation of a main or ancillary engine").

Under the *Article 18*, it is expected to support 64 operations to be completed by 2029 for achieving a reduction in fuel consumption of 6 litres per hour per vessel. For *Articles 17 and 19* there is no specification

[1] Annual Report of the Spanish Fishing Fleet 2024 (data 2022)

[2] https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/estadisticas_pesqueras_2024-04_tcm30-680803.pdf

targeted in the national EMFAF programme. So far, no operations have been implemented in relation to the *Articles 17, 18 and 19* (situation as of September 2024).[3]

There are no specific national or private funding schemes foreseen to help the Spanish fishing sector coping with the fleet modernisation. Nevertheless, in the case of serious events (storms, floods etc.) not covered by EMFAF, budget lines could be made available at the national level to cover such emergency needs.

The priority needs of the Spanish fishing fleet are: a) the renovation of fishing vessels, new and modern vessels to improve habitability, the living conditions and safety on board, energy-efficient vessels to reduce the operating costs and b) measures to make the fishing sector more attractive to young people, thus promoting the generational renewal.

The post-2027 EMFAF should be designed to achieve an effective decarbonisation of the fishing fleet by: a) reducing the severe financial constraints to sufficiently cover the costs associated with the decarbonisation process, and b) not making support under *Articles 17-19* conditional on the size of the vessel, taking into account that fishing vessels are very old.

Main conclusions

The Spanish fishing fleet is an ageing fleet, with an average age of over 35 years, in need of renewal and modernisation.

The majority of the Spanish vessels are below 24 metres, and therefore eligible for support under EMFAF *Articles 17-19*. While only 9% of the vessels are more than 24 metres in length and are not covered by these articles, this part of the fleet represents more than 60% of national landings and more than 50% of the national fishing capacity in gross tonnage.

The future of the Spanish fishing sector depends on the renewal and modernisation of the fleet, in order to have safer, more efficient and more comfortable vessels, which will move towards decarbonisation and serve as an incentive for the new generations.

According to the information provided by Spain in the Infosys database (situation on 31.12.2023) and the list of EMFAF beneficiaries published by the Spanish Managing Authority, updated on 30.09.2024, no operations under *Articles 17, 18 and 19* are still registered.

This could have been motivated by the following causes:

- The vessel has to belong to a fleet segment in balance.
- Fleet very aging and unsafe
- New engine in aging fleet with wooden hulls is no coherent
- Reduced financial support for the first vessel purchase requires a substantial investment from the beneficiary.

[3] https://www.mapa.gob.es/ca/pesca/temas/fondos-europeos/listado-operaciones-seleccionados-fempa-septiembre-2024_tcm34-693603.pdf

Policy recommendations

Based on the analysis of the situation of the Spanish fishing fleet in 2022 in terms of modernisation and compliance with *Articles 17-19* of the EMFAF and the opinions collected from stakeholders and other sources, the following recommendations are made:

1) Define a common strategy for the decarbonisation of the EU fishing fleet, as regards both artisanal and industrial, and identify priorities and sustainable investment lines.
2) Support the construction of new fishing vessels that are more energy efficient and provide better working conditions on board vessels.
3) An emergency fund should be created, to accelerate the response to investment needs for implementing the energy transition.

1. THE SPANISH FISHING FLEET

KEY FINDINGS

- In 2022, the Spanish fishing fleet consisted of **8 814 registered** vessels with a capacity of 328 492 GT and 776 332 kW. However, 13.4% of the fleet was inactive, with vessels **mostly under 12 metres**. The country's active fleet was made up of 7 635 vessels, of which 5 456 were under 12 metres, 1 514 were between 12 and 24 metres and only 665 were over 24 metres.
- The active fleet, fishing in three different fishing areas, divided into **84 active segments**, of which **11** were considered **out of balance**.
- **Main weaknesses** of the Spanish fleet are the **generational renewal** and the **high average age** of its vessels. Vessels under 24 metres are on average 35 years old and those over 24 metres are around 22 years old.
- The Spanish **fishing sector** accounts for around **1 %** of the **country's GDP**, but in fishing dependent areas this contribution **can be more than 10%** of the regional economy. The sector's activity in national waters is **mainly artisanal**, with vessels of less than 12 metres.
- However, about half of the capacity of the Spanish fishing fleet is made up of vessels operating in **international waters**.

1.1. Fleet structure

In 2022, the Spanish fishing fleet numbered **8 814 registered vessels**, with a combined gross tonnage of 328 492 GT and engine power of 796 332 kilowatts (kW). However, **13.4%** of the Spanish fleet was **inactive** (this marks together with 2021 a departure from the 2019/2020 trend, when about 6% of the fleet was inactive); almost 90% of these inactive vessels are small-scale coastal vessels **under 12 metres** (STECF, 2023).[4]

The country's active fleet comprised **7 635 active vessels**, grouped into a relatively high number of **84 segments**, of which **11** were considered **out of balance**, fishing in three different fishing areas. Around 95% of the total active fleet carried out their fishing activities on Spanish waters (Bay of Biscay – FAO 27.8.c., Gulf of Cadiz – FAO 27.9.a., Balearic Islands – FAO 37.1, and Canary Island waters – FAO 34.1.2)[5]. More than **71%** of these vessels are **under 12 metres** in length.

The Spanish fleet is **highly diversified**, not only in terms of the number of species caught, but also in terms of the gear used and the areas fished. The Spanish fleet is **one of the largest** national fleets in the EU and operates in the largest number of fishing areas (Spanish waters, EU waters and international waters).

[4] Scientific, Technical and Economic Committee for Fisheries (STECF) - The 2023 Annual Economic Report on the EU Fishing Fleet (STECF 23-07), https://publications.jrc.ec.europa.eu/repository/handle/JRC135182

[5] https://fish-commercial-names.ec.europa.eu/fish-names/fishing-areas/fao-area-27_es

The **majority** of the Spanish fishing fleet is made up of **smaller vessels** of less than 24 metres in length, with 71.46% of vessels less than 12 metres, while 19.83% are between 12 and 24 metres and only 8.71% larger than 24 metres[6].

In terms of **fishing techniques**, 47.79% are polyvalent artisanal vessels, 18.23% are dredgers, mainly artisanal shellfish harvesters, 12% are trawlers, 8% use hooks, 6% purse seines and 5% gillnets.

Most of the catches of the Spanish fishing fleet come from EU and international fishing grounds, while most of the vessels exploit Spanish fishing grounds. The **economic efficiency**[7] of the fleet as a whole is stable and competitive, although in the national waters the economic efficiency per vessel is higher in the Mediterranean and the Gulf of Cadiz than in the North-West Cantabrian.

In 2022, the 7 635 active vessels represented a **fishing capacity** in terms of tonnage of 312 985 GT and engine power of 724 880 kW (STECF, 2023)[8]. The segment of vessels less than 24 metres represents 91.29% of the fishing fleet, with 41.11% of the total gross tonnage and 65.32% of the combined engine power. The majority of the fleet operates in **Spanish fishing grounds**, with a predominance of small-scale fishing techniques, which account for 78% of the total Spanish fishing fleet and 82% of the fishing effort in these fishing grounds. However, vessels operating in **international fishing grounds** are those with the highest average power and capacity.

While the Spanish fishing sector accounts for not more than 1% of Spain's GDP, in so-called **fishing dependent areas** its contribution to the regional economy can be above 10%. The fishing activity is mainly **artisanal**, with vessels under 12 metres operating in national waters. On the other hand, almost half of the Spanish fishing fleet capacity corresponds to only 2.6% of the Spanish vessels, which are operating in EU and **international waters**[9].

The following **Table 1** shows the distribution of the fleet by fishing area, number of active segments, number of vessels, gross tonnage, engine power, average age and average length:

6 Annual Report on the Activity Fishing Fleet 2024 (data 2022)

7 EMFAF programme for Spain, p. 28-29.

8 STECF: Scientific, Technical and Economic Committee for Fisheries.

9 Presidencia Española del Consejo de la UE. Art. 16 July 2023, see: https://spanish-presidency.consilium.europa.eu/es/noticias/pesca-sector-clave-economia-espanola-costa/.

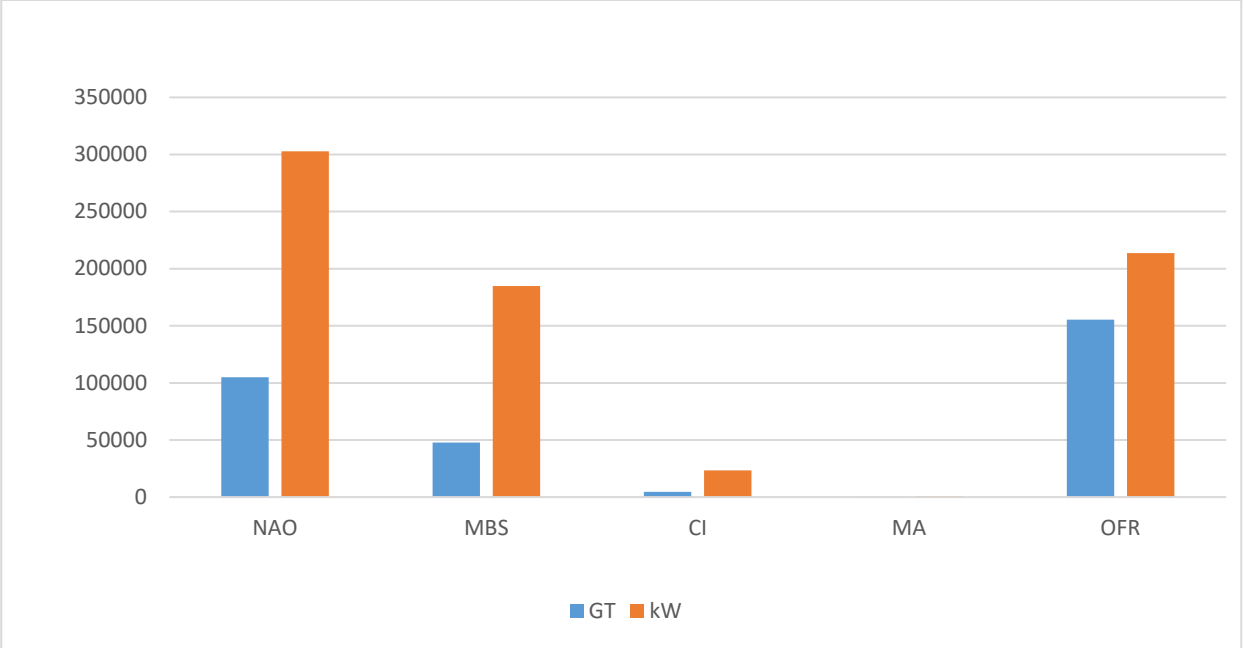
Table 1: Structure of the Spanish fishing fleet by fishing area (2022)

Fishing area	Active segments	Number of active vessels	Gross tonnage (GT)	Engine power (kW)	Average age (years)	Average length (m)
North Atlantic Ocean (NAO)	33	4 903	105 022	302 658	35	8.21
Mediterranean & Black Sea (MBS)	27	1 950	47 837	184 755	33	12.63
Canary Islands (CI)	12	569	4 573	23 257	43	8.60
Morocco (MA)	4	14	157	639	45	10.53
Other fishing areas (OFA)	8	199	155 397	213 569	22	47.39
Total	**84**	**7 635**	**312 986**	**724 878**	**34**	**10.96**

Source: own elaboration, based on STEFC 23- 07 AER 2023; STEFC 23-13 Balance capacity; Annual Report on the Activity Fishing Fleet 2004 (data 2022). https://www.mapa.gob.es/es/pesca/temas/registro-flota/informes-flota-pesquera-plan-accion/ and: https://www.mapa.gob.es/es/pesca/temas/registro-flota/informacion-sobre-flota-pesquera/

Figure 1 below shows the distribution of the capacity of the Spanish fishing fleet in gross tonnage (GT) and engine power (kW) according to the fishing area.

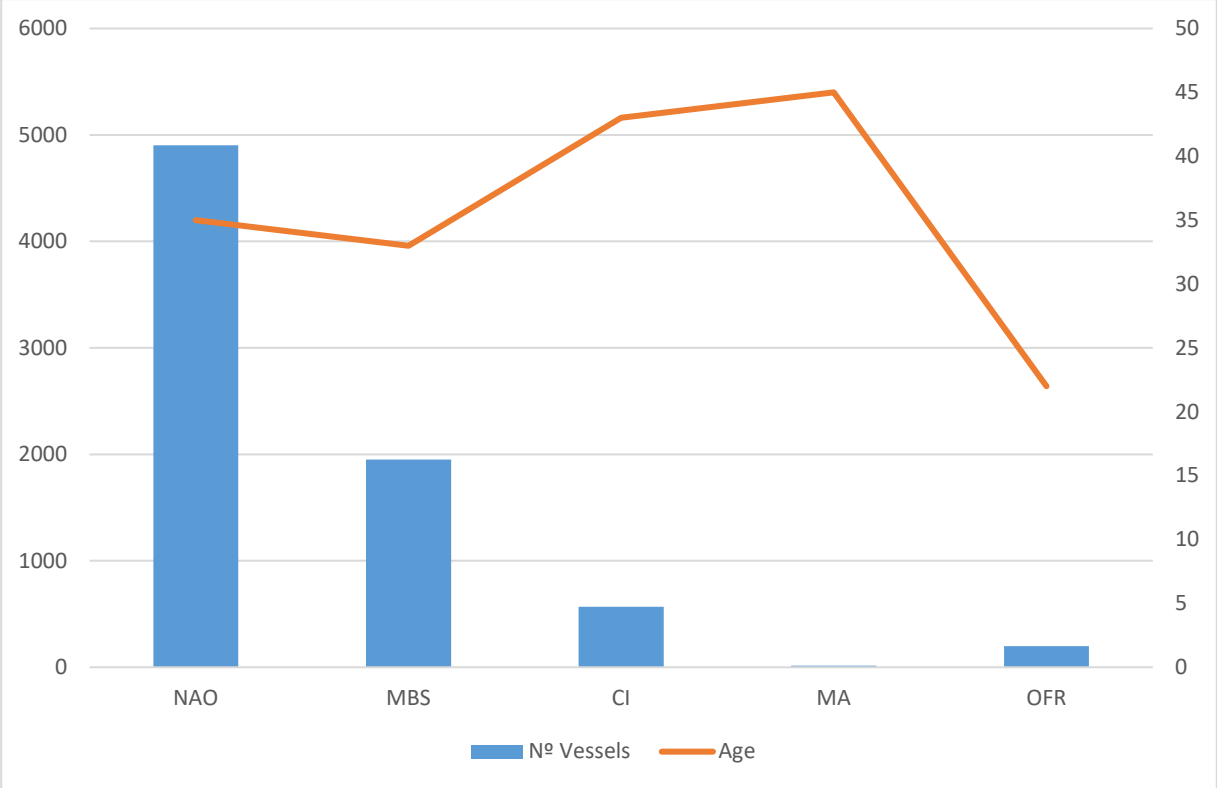
Figure 1: Capacity of the Spanish fishing fleet by fishing area, in GT and kW (2022)



Source: own elaboration based on STEFC 23-07 AER 2023; STEFC 23-13 Balance capacity; Annual Report of the Spanish Fishing Fleet 2024 (data 2022)

In general, the Spanish fishing sector is characterised by an **ageing fleet** with well **over 30 years** of age in average. This manifest ageing is reflected in the **small-scale fleet** with 5 456 vessels under 12 metres in length of which the 45% of this fleet and are (mostly) over 40 years old. The average age of vessels operating in the **North-West Cantabrian** Sea is 35 years, in the **Mediterranean** 32 years, in the **Gulf of Cadiz** 27 years and in the **Canary Islands** 42 years[10].

Figure 2: Distribution of Spanish fishing vessels by fishing area (2022)



Source: own elaboration based on data published in the Annual Report on the activity of the Spanish Fishing Fleet of 2024
Note: NAO= Atlantic Northwest Cantabrian; MBS = Mediterranean; CI= Canary Islands; MA = Morocco; OFR = Other Fishing Regions

By the end of 2022, the Spanish fishing fleet had reached an average age of 35 years, with almost a third of the vessels being 40 years old or more.

The following **Table 2** shows the distribution of the active Spanish fishing vessels according to the main type of fishing gear and the area in which they are operating.

[10] EMFAF programme for Spain, p. 21

Table 2: Distribution of Spanish fishing fleet by fishing area and main fishing gear in number of vessels (2022)

Main gear	North Atlantic Ocean	Canary Islands	Morocco	Mediterra-nean Sea	Other fishing regions	Total
Gill nets	249	-	-	153	-	**402**
Dredges	1 325	-	-	67	-	**1 392**
Trawls	248	-	-	571	68	**887**
Pots	143	16	-	51	-	**210**
Hook	233	105	14	53	11	**416**
Surface longlines	33	93	-	42	93	**168**
Polyvalent static gear	57	-	-	-	-	**57**
Polyvalent static & mobile gear	2 365	437	-	847	-	**3 649**
Purse seine	250	11	-	166	27	**454**
Total	**4 903**	**569**	**14**	**1 950**	**199**	**7 635**

Source: own elaboration based on: https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/pesca-maritima/estadistica-flota-pesquera/default.aspx and: https://www.mapa.gob.es/es/pesca/temas/registro-flota/informes-flota-pesquera-plan-accion/

Table 3: Share of the Spanish fishing fleet by fishing ground, length and share of capacity (2022)

Fishing ground	Share of the fishing fleet (%)	Average length (m)	% of total GT	% of total kW
Spanish waters	96.72	9.90	41.12	65.32
EU waters	1.14	31.01	8.46	6.00
International waters	2.14	47.87	50.42	28.68

Source: own elaboration based on: https://www.mapa.gob.es/es/pesca/temas/registro-flota/informacion-sobre-flota-pesquera/ and on: https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/pesca-maritima/estadistica-flota-pesquera/default.aspx v

Table 3 above shows the percentage of fishing vessels, the average length and the percentage of gross tonnage and power by fishing ground.

The majority of the Spanish fishing fleet operates in **national fishing grounds**, overpassing **50%** of the total fishing capacity in terms of tonnage (GT) and concentrating more than **70%** of fishing capacity in terms of engine power (kW). The fleet fishing in **EU waters and international waters** concentrates almost **50%** of the fishing capacity in tonnage and close to **30%** of the engine power (kW).

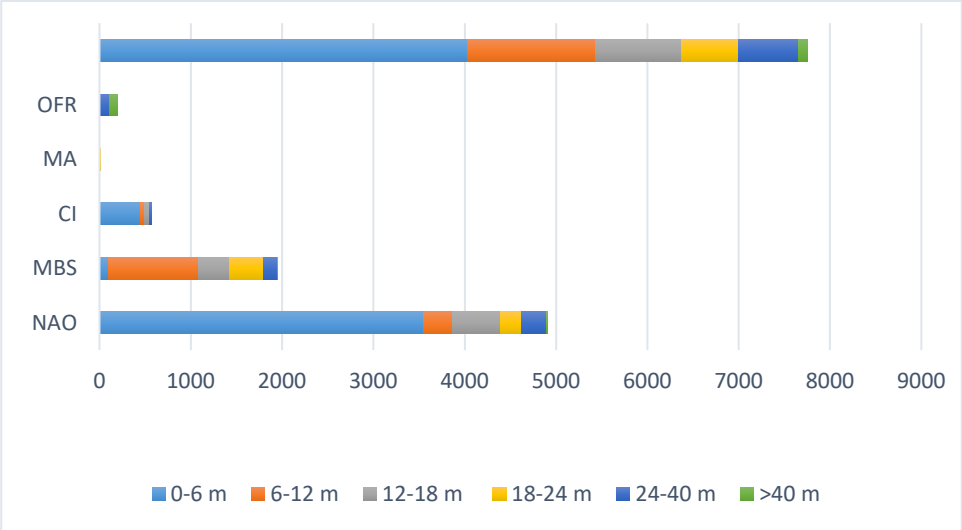
Table 4 shows the distribution of Spanish fishing vessels by fishing areas and length class. The length class of less than 12 metres concentrates the largest number of active vessels (71%), preceded by the 12-18 metres length class (12%), the interval 18-24 metres length class (8%), the interval 24-40 metres length class (7.16%) and vessels of over 40 metres in length (1.31%).

Table 4: Distribution of active Spanish fishing vessels by fishing areas and length class (2022)

Fishing area	<6 m	6-12 m	12-18 m	18-24 m	24-40 m	>40 m	Total
North Atlantic Ocean (NAO)	3 547	323	517	233	271	12	**4 903**
Mediterranean & Black Sea (MBS)	98	988	343	369	150	2	**1 950**
Canary Islands (CI)	444	52	50	7	16	0	**569**
Morocco (MA)	6	5	2	1	0	0	**14**
Other fishing areas (OFA)	0	0	0	3	110	86	**199**
Total	**4 095**	**1 368**	**912**	**613**	**547**	**100**	**7 635**
% of total	***53.63%***	***17.91%***	***11.94%***	***8.03%***	***7.16%***	***1.31%***	***100%***

Source: own elaboration based on data from: https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/pesca-maritima/estadistica-flota-pesquera/default.asp

Figure 3: Distribution of Spanish fishing vessels by length class and fishing area (2022)

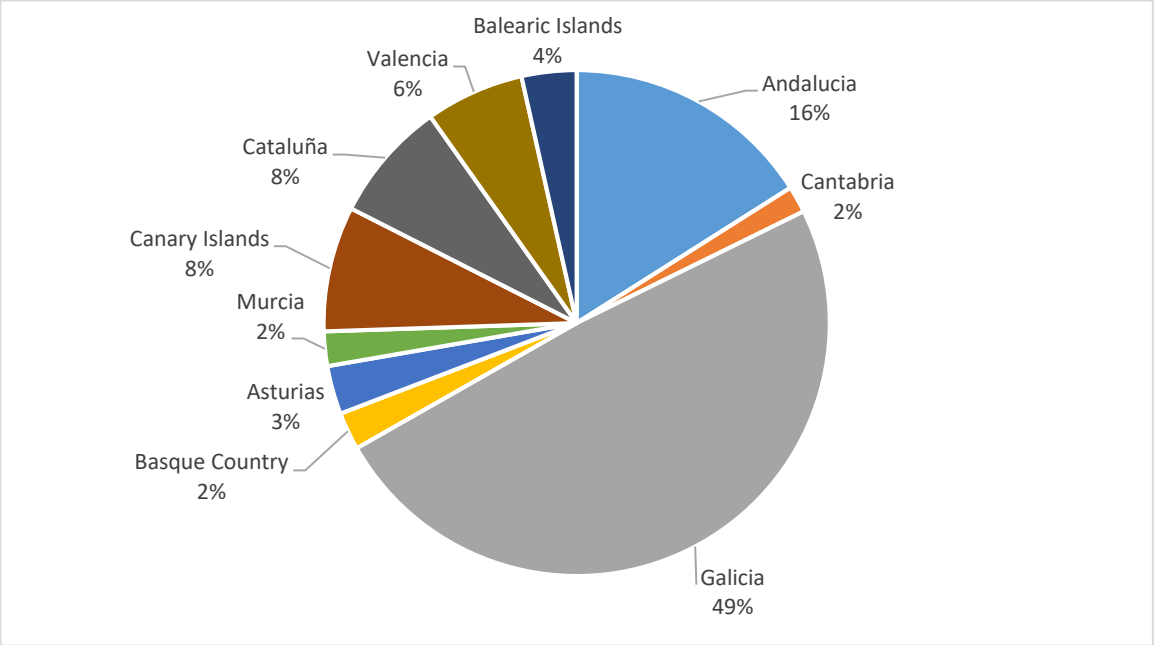


Source: https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/pesca-maritima/estadistica-flota-pesquera/default.asp

1.1.1. Territorial distribution of national fleet

Figure 4 illustrates the uneven registration of Spanish fishing vessels by Spanish coastal Autonomous Communities. **Galicia** has the highest concentration of Spanish fishing vessels (49%), followed by **Andalusia** (16%), the **Canary Islands** (8%), **Catalonia** (8%), **Valencia** (6%), the **Balearic Islands** (4%), **Asturias** (3%) and the **Basque Country**, **Cantabria** and **Murcia** with around 2% each.

Figure 4: Regional distribution of Spanish active vessels by Autonomous Communities (2022)



Source: own elaboration based on https://www.mapa.gob.es/es/pesca/temas/registro-flota/informacion-sobre-flota-pesquera/

The **distribution of fishing capacity** and engine power among the Autonomous Communities is in some cases disproportionate to the number of vessels. For example, fishing vessels registered in **Galicia** account for 42% of the total fishing capacity (in GT) and 36% of the engine power (in kW) of the Spanish fleet. On the other hand, the **Basque Country**, with only 2% of the vessels, has more than 27% of the fishing capacity and about 19% of the total power. **Andalusia**, with 16% of the vessels, barely reaches 9% of the Spanish fishing capacity and 13% of the power. The **other regions**, with 33% of vessels, concentrate the remaining 22% of fishing capacity and 32% of engine power.

1.1.2. Unbalanced fleet segments

Based on the economic, biological and technological indicators, **11 out of 84** Spanish fleet segments were **out of balance** in 2022. According to the information on fishing gear used, vessel length and main fishing area, most of these **767 vessels** in the 11 unbalanced segments operate in Mediterranean waters and are less than 24 metres in length. The **Table 5** shows the segments whose economic and biological balance indicators were not favourable, resulting in the following distribution of unbalanced segments by fishing area:

- In the **North Atlantic Ocean** (NAO), the two unbalanced segments NAO-DRB1012 and NAO-DRB1218 are caused by overexploited stocks, mainly Venus clams.
- In the **Mediterranean,** the segments MBS-DRB0006, MBS-DRB0612, MBS-DRB1218 have been in economic disequilibrium for the last three years. Segments MBS-DTS0612, MBS-DTS1218, MBS-DTS1824 are in long-term biological imbalance.
- In the **Canary Islands** (CI), the HOK1824 and HOK2440 segments have been economically unbalanced for six consecutive years due to very low profitability.

In 2021, Spanish authorities set up an Action Plan for 2023-2025 for these unbalanced segments, complemented by additional measures for the economic improvement of economic imbalanced segments.

Table 5: Spanish unbalanced fishing segments by area and number of vessels (2022)

Main fishing gear	Fishing segment	Fishing area	Number of vessels
Dredgers	DRB 1012	North Atlantic OCEAN (NAO)	18
	DRB 1218	North Atlantic OCEAN (NAO)	88
	DRB 0006	Mediterranean Sea (MBS)	4
	DRB 0612	Mediterranean Sea (MBS)	51
	DRB 1218	Mediterranean Sea (MBS)	12
Bottom trawlers	DTS 0612	Mediterranean Sea (MBS)	24
	DTS 1218	Mediterranean Sea (MBS)	139
	DTS 1824	Mediterranean Sea (MBS)	284
	DTS 2440	Mediterranean Sea (MBS)	124
Hook and line	HOK 1824	Canary Islands (CI)	7
	HOK 2440	Canary Islands (CI)	16
Total	-	-	**767**

Source: STECF 2023-13 and the "Annual Report of the Spanish Fishing Fleet 2024 (data 2022)

The **dredgers** in the North Atlantic (NAO-DRB 1012 and NAO-DRB 1218) correspond to artisanal vessels engaged in shellfish operations (i.e. for clams, cockles and scallops).

The **dredgers** in the Mediterranean (MBS-DRB0006, MBS-DRB0612 and MBS-DRB1218) correspond to artisanal vessels engaged in shellfish operations (i.e. for clams)

The **trawlers** in the Mediterranean (MBS-DTS 0612, MBS-DTS 1218, MBS-DTS 1824 and MBS-DTS 1240) correspond to vessels fishing with bottom trawl gear.

The **hook and line** vessels in the North Atlantic (NAO-HOK 1824 IC and NAO-HOK 2440 IC) correspond mostly to pole and line tuna fishing.

1.2. Profitability

According to "STECF 23-07 – AER 2023", the economic performance of the Spanish fishing fleet improved in 2021 compared to 2020. The **income from landings** (total value of landings) increased by 10%. **Revenue** was estimated at EUR 1 746 million in that year and at EUR 917 million in 2020. These figures show an improvement in the economic performance indicators. In this sense, it is important to highlight that 2021 has shown a good recovery after the COVID-19 outbreak.

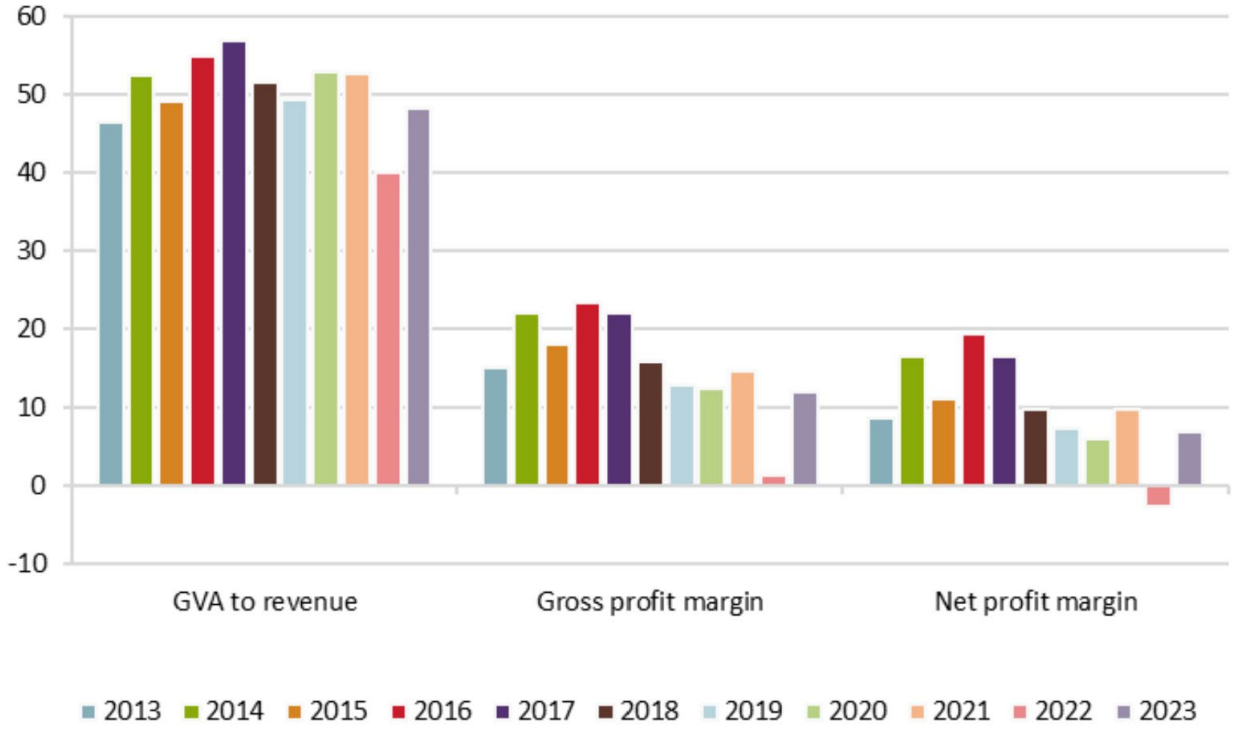
An overview of the economic performance of the Spanish fleet, including forecasts for 2022 and 2023 are worth noting and are included in **Figure 5** below[11]:

[11] STECF 23-07 – AER 2023, see https://dx.doi.org/10.2760/423534, p. 421

According to "STECF 23-07 – AER 2023", the preliminary results for 2022 showed that the reduction of vessels, but also of tonnage and power, had continued. Of the total 8 814 vessels registered in 2022, only 7 635 will be active, with 312 985 GT and 724 880 kW.]Estimates for 2022 show an overall significant **decrease in revenues and profitability**, mainly due to the increase in energy costs caused by the war in Ukraine and a 3.6% decrease in landed weight and value. The data projections indicate a **deterioration** in economic performance with a decrease in **GVA** to revenue, **gross profit** margin and **net profit** margin.

According to the above-mentioned STECF report, the 2023 model suggests an overall higher economic performance than in 2022, due to a slight increase in the value of landings as a result of fish prices and a decrease in fuel prices. This year, the Spanish fishing fleet caught more than 765 thousand tonnes of fish, with a market value of EUR 1 790 million.

Figure 5: Economic performance indicators (relative values) for Spanish fishing fleet (2013-2023)



Source: STECF 2023-07, p. 423

However, the final figures show a **slight increase** in landed **weight and value** in 2022 compared to 2021. In 2022, the Spanish fishing fleet caught 807 thousand tonnes of fish with a market value of EUR 2 065 million[12], compared with 797 thousand tonnes and EUR 1 767 million in 2021.

[12] https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/estadisticas_pesqueras_2024-04_tcm30-680803.pdf

2. PLANNED IMPLEMENTATION OF EMFAF ARTICLES 17–19

KEY FINDINGS

- From an overall budget of around EUR 1 507 million, the **EMFAF programme** for Spain allocates **EUR 728.4 million** to actions under **Priority 1** for "fostering sustainable fisheries and the restoration and conservation of aquatic biological resources".
- This includes **EUR 19 million** allocated for fleet-related measures under ***Article 17*** for the "First acquisition of a fishing vessel" and ***Article 19*** for "Increase in the gross tonnage of a fishing vessel to improve safety, working conditions or energy efficiency". The programme does not specify how many operations are expected to receive support.
- Regarding ***Article 18*** for "Replacement or modernisation of a main or ancillary engine", the allocation is about **EUR 3.7 million** for the support 64 operations for achieving a reduction of 6.19 litres/hour in fuel consumption per vessel.
- After several calls for proposals, the EMFAF fleet measures under ***Articles 17-19*** have **failed to attract interest** until now. By 30 September 2024, the list of selected EMFAF operations does not include any operations under these articles.
- By contrast, under the previous EMFF funding period (2014-2020), similar measures included the implementation of **43** operations for "Start-up support for **young fishermen**", **63** operations for "**Replacement or modernisation** of main or ancillary engines" and **228** operations for "**Energy efficiency** and mitigation of climate change". The majority of beneficiaries were vessels under 12 metres.

2.1. Introduction

Under the Multiannual Financial Framework (**MFF**) for the period 2021-2027, Regulation (EU) 2021/1139[13] establishes the legal framework for the European Maritime, Fisheries and Aquaculture Fund (**EMFAF**). According to Article 3 of this Regulation, EMFAF shall contribute to the implementation of the CFP and of the Union's maritime policy by pursuing **four Priorities** in the fields of fisheries, aquaculture, blue economy and international ocean governance:

(1) fostering sustainable **fisheries** and the restoration and conservation of aquatic biological **resources**;

(2) fostering sustainable **aquaculture** activities, and processing and marketing of fishery and aquaculture products, thus contributing to **food security** in the Union;

(3) enabling a sustainable **blue economy** in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities;

(4) strengthening **international ocean governance** and enabling seas and oceans to be safe, secure, clean and sustainably managed.

[13] European Union (2021a): *Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004. OJ L 247, 13.7.2021, p. 1–49.* https://eur-lex.europa.eu/eli/reg/2021/1139/oj

These priorities should be pursued through shared, direct and indirect management. With the aim of avoiding overly prescriptive eligibility rules and without predefining measures, Member States should describe broad **Specific objectives** (SO) under each of the **four Priorities** and indicate therein the most **appropriate means** for achieving those objectives.

This study looks more specifically at the Spanish approach of support for its **fishing fleet** under Priority 1. The EMFAF allows for financial support under certain eligibility conditions for the following categories of measures reserved for small and medium-sized fishing vessels (i.e. less than 24m long):

- *Article 17* on "**First acquisition** of a fishing vessel";
- *Article 18* on "**Replacement or modernisation** of a main or ancillary engine"; and
- *Article 19* on "**Increase in the gross tonnage** of a fishing vessel to improve safety, working conditions or energy efficiency".

EMFAF support aims to promote more efficient energy systems, strengthen the resilience of the sector, reduce dependence on fossil fuels and increase the share of renewable energy through on-board and land-based actions.

Some investments in the fishing fleet are subject to specific eligibility rules in order to avoid overcapacity or overfishing. In particular, help young fishers acquire for the first time a second hand fishing vessel and the replacement or modernisation of an engine are subject to conditions, as the vessel must belong to a segment of the fishing fleet that is in balance with the fishing opportunities. The new engine must have at most the same power as the one it replaces.

The EMFAF allows, under certain conditions, an increase in fishing capacity (quantified as "gross tonnage") for vessels under 24 metres where this is directly aimed at improving safety, living conditions or energy efficiency. Such an increase would only be allowed for fleet segments that are in balance with fishing opportunities. In addition, compensation must be ensured so that the overall capacity of the fleet is not increased.

The EMFAF programme quantifies the objective by means of two indicators, an "*output*" indicator and a "*result*" indicator. Output refers to the number of operations expected in 2024 (milestone) and 2029 (target). The result indicator specifies what these operations should achieve. The national implementation of *Articles 17-19* consists of two parts. The first part deals with the planning as set out in the EMFAF programme and the second part reflects the available information on implementation up to around mid-2024.

2.2. Eligible actions under the Spanish EMFAF

Spain's **EMFAF programme** aims to make the sector more resilient by reducing dependence on fossil fuels and increasing the use of renewable energy on board fishing vessels and on shore, improving working conditions on board and encouraging young fishers to enter the sector[14].

Under **Priority 1** on "*Fostering sustainable fisheries and the restauration and conservation of aquatic biological resources*", Spain's EMFAF programme describes the conditions for certain support measures for fishing vessels.

While the EMFAF programme does not dissociate attributions between *Articles 17 and 19*, funding according to **Article 17** on "*First acquisition*" and **Article 19** on "*Increase in the gross tonnage*" fall both under specific objective (SO) 1.1.2 for "*Strengthening economically, socially and environmentally*

[14] See EMFAF programme for Spain, p. 137-143 and p. 150-158

sustainable fishing activities". Regarding the budgetary allocations from EU and Spanish contributions, the Spanish EMFAF programme[15] foresees more than **EUR 19 million** under both articles, being EUR 13 million EU contribution and EUR 5.9 million national contribution, see **Table 6** below.

On the other hand, funding in accordance with *Article 18* on "*Replacement or modernisation*" falls under SO 1.2 for "*Increasing energy efficiency and reducing CO2 emissions through the replacement or modernisation of engines of fishing vessels*". The Spanish programme allocates a total of **EUR 3.7 million** to such actions, being EUR 2.5 million from EU funding and EUR 1.1 million through national contributions.

Table 6: Planned allocations under Spain's EMFAF programme 2021-27 relating to Articles 17-19 (in EUR)

Budgeted items	EU contribution (exc. TA) (EUR)	National contribution (EUR)	Total budget (EUR)
Priority 1	519 055 810	209 399 639	728 455 449
SO 1.1.2 Sustainable fishing (Art. 17 & 19)	13 093 192	5 948 050	19 041 242
SO 1.2 Energy efficiency (Art. 18)	2 576 954	1 170 673	3 747 627
Share of Priority 1 *for Art. 17, 18 & 19*	*3.0%*	*3.4%*	*3.1%*
Total budget 2021-27 (all 4 priorities)	1 057 020 684	453 789 396	1 510 810 080

Source: EMFAF programme for Spain, Table 11A, p. 267-268)
Note: In accordance with Art. 36 and 37 of Regulation (EU) 2021/1060, the EMFAF may support its effective administration and use through so-called technical assistance (TA)

Articles 17 and 19

Spain's EMFAF programme also provides specific information on **targets** in terms of output and result indicators[16]. **Output** indicators refer to the number of expected operations in 2024 (milestone) and 2029 (target). The **result** indicators specify what is to be achieved under the different headings compared to the reference year 2021.

The given **output indicators** of the Spanish EMFAF programme for funding relating to actions under *Articles 17 and 19* are not limited to SO 1.1.2 measures, but relate also the wider **specific objective 1.1** on "*Strengthening economically, socially and environmentally sustainable fishing activities*". In their programme, Spanish authorities expect **1 392 actions** by 2024 and target **5 569 actions** by 2029,

[15] See Table 11A of the EMFAF programme for Spain, p. 267; https://oceans-and-fisheries.ec.europa.eu/document/download/805435bf-ec0a-4625-b7c1-08cc2e2a104f_es?filename=emfaf-programme-spain_es.pdf&prefLang=en

[16] EMFAF programme for Spain, p. 156.

however these do not appear linked with the *Article 17* and *Article 19*, according to the items identified in Table 3 on "Result indicators" for SO 1.1 of the EMFAF programme for Spain[17].

Article 18

Regarding the output indicator for **specific objective 1.2** and referring to *Article 18* actions, the Spanish programme expects an implementation of 16 actions by 2024 and ultimately 64 actions by 2029[18].

In addition, Spain's EMFAF programme regarding "*Energy consumption leading to CO2 emission reduction*" expects a **reduction of 6.19 litres/hour** in fuel consumption per vessel compared to 2021[19].

Table 7: Output indicators for Articles 17, 18 and 19, in number of operations

Specific Objectives	Milestone 2024	Target 2029
SO 1.1. on Sustainable fishing (incl. Art. 17 & 19)	1 392	5 569
SO 1.2 on Energy efficiency (Art. 18)	16	64

Source: EMFAF programme for Spain, Table 2, p. 147 and Table 2, p. 156

The Spanish EMFAF programme prioritises the improvement of on-board conditions and energy efficiency through on-board investments due to the average age of the fleet, start-up support for young fishers with aid for the purchase of the first vessel and training measures[20].

Eligible actions under Articles 17, 18 and 19

The measures referred to in *Article 17* on "*First acquisition of a fishing vessel*" shall apply to an "*Initial support for young fishers"* under Spain's EMFAF programme. According to *Article 17(6) a),* support under *Article 17* may be granted only in respect of a fishing vessel, which belongs to a fleet segment for which the latest report on fishing capacity, referred to in Article 22(2) of Regulation (EU) No 1380/2013, has shown a balance with the fishing opportunities available to that segment. In addition, the Spanish EMFAF programme allows for calculating the eligible amount of support on a so-called "*simplified cost method*" by the use of a scale[21]. In order to allow new operators to establish themselves as vessel owners, only *the* first purchase of a vessel is eligible. The aim of *Article 17* is to promote the integration of the younger generation into the fishing sector, thus ensuring generational transfer and indirectly contributing to the renewal of the old and inefficient fishing fleet.

The operations under *Article 18* for "*Replacement or modernisation of a main or ancillary engine*" will be limited to vessels belonging to a balanced segment according to the latest published national report. The aim is to improve the energy efficiency and reduce the CO2 emissions of the fleet through investment in new engines and/or modernisation of existing engines that optimise fuel consumption or use alternative fuels, thereby reducing emissions [22].

Article 19 aims at improving the safety and working conditions on board, as well as the energy efficiency while increasing gross tonnage. As the EMFAF programme stipulates, measures referred to in Article 19(3) c) on "*Energy efficiency with increase of capacity*", Article 19(3)(d) on "*Improvement of working and*

17 see: EMFAF programme for Spain, p. 148.
18 see: EMFAF programme for Spain, p. 156.
19 see: EMFAF programme for Spain, p. 157.
20 see: EMFAF programme for Spain, p. 12.
21 see: EMFAF programme for Spain, p. 138.
22 see: EMFAF programme for Spain, p. 150-158.

safety conditions on board with increased capability" and Article 19(3)(e) on "*Investment on board*" will also be eligible for support. In particular, the small-scale fishing fleet is eligible for these kind of support measures[23].

2.3. EMFAF Implementation - State-of-play

The EMFAF can support innovation and investment on board fishing vessels in order to achieve the objectives of the CFP. However, certain investments in the fishing fleet are subject to specific eligibility rules in order to avoid overcapacity or overfishing. For example, in the case of aid for young fishers to purchase a second-hand vessel for the first time, the vessel must belong to a segment of the fleet that does not exceed its structural capacity. In the case of replacement or modernisation of the vessel's engine, the new engine must have at most the same power as the one it replaces. The purchase of equipment must not increase the capacity of the vessel, unless this is a direct result of an increase in gross tonnage (GT) necessary to improve safety, working conditions or energy efficiency.

These specific eligibility rules may mean that certain articles of the EMFAF are not too much in demand, which may be the case with *Articles 17-19*.

The Autonomous Communities, through the intermediate bodies, are responsible for publishing the call for EMFAF grants. The intermediate bodies select the eligible operations in accordance with the EMFAF Regulation and manage the payments to the beneficiaries. The Spanish EMFAF programme foresees that nine coastal autonomous regions will be involved in the implementation of *Articles 17-19*.

According to Article 49(3) of the Common Provisions Regulation EU 1060/2021[24], the Managing Authority shall draw up the list of operations selected for assistance from the Funds and shall update this list at least every four months. This publication makes it possible to know the number of operations, the budget and other details of all operations supported by EMFAF. The list of selected operations published by the Spanish Managing Authority and updated on 30 September 2024 does not yet include any operations under *Articles 17, 18 or 19*.

Taking into account the **EMFF Annual Implementation Report** 2023 (AIR 2023)[25], under Priority 1, 43 measures on "*support to young fishermen*", 63 measures on "*engine replacement*" and 228 measures on "*energy efficiency*" were implemented between 2014 and 2020 for similar purposes. Overall, these three categories of measures showed very low results, with the replacement or modernisation of the main or auxiliary engine being the measure with the worst results, followed by support to young fishermen and investments on board, which were the measures with the highest results in absolute terms.

According to the EMFF managing authority[26], the following **five factors** influenced the relatively low uptake of these measures:

a) The vessel had to belong to a **fleet segment** that was **in balance**;

b) support was limited to vessels under 24 metres;

c) new engines in old **wooden hulled vessels is incoherent**

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23 EMFAF programme for Spain, p. 137-138.

24 European Union (2021b). *Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. OJ L 231, 30.6.2021, p. 159–706. http://data.europa.eu/eli/reg/2021/1060/2024-06-30.*

25 FAMENET CT3.1 2024 - EMFF Annual Implementation Report 2023.

26 Interview with the EMFF Managing Authority of 19 June 2024.

d) the **fleet is ageing** and **unsafe** and the fishing **activity is hard and unattractive** in terms of working conditions and economic prospects; and

e) the (strict) conditions to be met by beneficiaries as foreseen in **Article 10 of the EMFF Regulation** (in case of serious infringements).

3. ADDITIONAL SPANISH FUNDING SCHEMES

KEY FINDINGS

- There is **no national funding** scheme to help the fishing sector cope with fleet **modernisation**.
- In the case of **serious events** in the fishing sector not covered by the EMFAF, budget lines could be available at national level to cover such emergency needs.

In Spain, there is no national funding scheme to support fleet modernisation.

However, in the case of serious events that are not covered by the EMFAF, budget lines could be available at national level to cover these specific needs. These are not specific funds and do not exist as such, but they can be created in response to situations that need to be addressed and are not covered by European funds. These "*emergency*" budget lines come from other available or residual budgets, which may even come from different ministries[27].

3.1. COPAC - A fund for climate and environmental adversities

There is also a contingency fund called the "Permanent Commission on climate and environmental adversity" (COPAC), to cover severe economic losses, mostly aimed at climate adversities in agriculture but also it can also cover this kind of adversities in fisheries[28].

There is also a contingency fund[29] called the "*Permanent Commission for Climate and Environmental Adversities*" (COPAC), created by Ministerial Order AAA/2272/2013, 27 Nov. BOE 4/12/2013, which aims to cover serious economic losses. It mainly aims at climatic adversities in the agriculture sector, but can also cover different types of adverse events of damages in the fisheries sector.

3.2. Offshore wind farms

With regard to offshore wind farms, the planned wind farm projects in Spain have not yet come to fruition. The fishing sector and environmental organisations are not in favour of the planned projects, claiming that they are not compatible with fishing activities and marine ecosystems. At national level, there are no support schemes for the fishing sector that could be affected.

On the other hand, the Spanish Wind Business Association is talking about possible proposals to implement compensatory measures for potential losses resulting from its implementation, such as additional income for coastal communities, as well as fishermen's associations and stakeholders that may be affected by the development of offshore wind farms[30]. So far, nothing has been defined yet.

[27] Interview with the EMFAF managing authority

[28] https://www.mapa.gob.es/es/ministerio/servicios/analisis-y-prospectiva/orden%20aaa_2272_2013%20crea%20COPAC_tcm30-88552.pdf

[29] COPAC was created by Ministerial Order AAA/2272/2013 of 27 November 2013. BOE 4/12/2013; see https://www.boe.es/buscar/act.php?id=BOE-A-2013-12687

[30] https://costaoeste.gal/es/la-eolica-marina-propone-una-compensacion-a-la-pesca-por-las-potenciales-perdidas-derivadas-de-su-implantacion/

4. ADAPTATION NEEDS OF THE SPANISH FISHING FLEET

KEY FINDINGS

- The priority needs of the Spanish fishing fleet are the **renewal of fishing vessels**, new and modern vessels capable of improving habitability, living conditions and safety on board, more energy-efficient vessels in order to reduce operating costs, and making the sector more attractive to young people, thus enabling generational renewal.
- The renewal and modernisation of the fishing fleet, generational renewal and the achievement of effective gender equality are the adaptation needs in terms of **environmental** sustainability, competition for **space**, **economic** performance and the **social** dimension.
- For the **fishing sector, fleet renewal** is essential for the transition to modern fisheries. In their view, engine replacement is neither sufficient nor feasible for vessels of such an advanced age.

4.1. The modernisation and renewal needs

Generational transfer, the modernisation and the adaptation of the fishing fleet are some of the main challenges that the Spanish fishing sector currently faces[31].

The EMFAF programme for Spain states that the weaknesses of the Spanish fishing fleet are the high age of the vessels, over 35 years on average, and the difficulty of upgrading the majority of small coastal vessels of less than 12 metres in length. The high age of the fleet limits the possibility of renewing hulls or other systems, even engines, due to the low motivation of shipowners to invest. It is therefore necessary to guarantee the balance of the fleet in order to make the sector competitive and to encourage investment to improve the digitalisation of vessels, their energy efficiency, sustainability and decarbonisation through the modernisation of engines, to improve the selectivity of fishing gear and to help reduce fuel consumption[32].

In conjunction with *Articles 17-19* of the EMFAF, they can contribute to improving the current situation of the Spanish fleet. *Article 17* promotes the integration of young people into the sector, *Article 19* promotes the adaptation of vessels to the best possible standards according to EU legislation and *Article 18* promotes the replacement or modernisation of engines, thus reducing CO2 emissions.

The Spanish Minister for Fisheries[33] has stressed that the future of the fishing sector is linked to the renewal and modernisation of the fleet, to have safer, more efficient and comfortable vessels, moving towards decarbonisation and at the same time serving as an incentive for new generations. During the Spanish EU Presidency, the need to count on EU funding to make this transition was on the table for discussion.

The sector insists on the need to include vessels over 24 metres as beneficiaries of the EMFAF, particularly in relation to these articles. Vessels over 24 metres are the most in need of engine replacement due to consumption. It is difficult to achieve a 20% reduction in CO2 emissions by replacing engines in vessels

[31] Economic and Social Council of Spain – Forbes Spain of 11 April 2024: https://forbes.es/economia/444009/relevo-generacional-modernizacion-y-adaptacion-de-la-flota-retos-del-sector-pesquero-segun-el-ces/.

[32] SWOT analysis of the EMFAF programme for Spain.

[33] https://spanish-presidency.consilium.europa.eu/es/noticias/reunion-informal-ministerial-pesca-vigo-18-julio/.

under 24 metres, but these levels could be reduced by replacing engines in vessels over 24 metres with more efficient engines.

The sector believes that the modernisation of the fishing fleet requires an early stage of research and innovation, which is no longer available. They believe that building new vessels that are the same as the existing ones in terms of design, fossil fuel, fishing gear, etc. is not an option.

4.2. Contributions from the Articles 17-19

4.2.1. Article 17

The Spanish EMFAF programme identifies competition from other more attractive sectors as a direct threat to generational renewal in the fisheries sector. Young people are opting for other sectors with less difficult working conditions than fishing. In order to promote the entry of new young people, the EMFAF supports the first purchase of second-hand vessels and the improvement of existing vessels for young fishermen who wish to become owners of a fishing vessel for the first time. This measure is intended to contribute to generational renewal with an influx of the population under 40 years of age and an improvement in the representation of women in fishing.

However, the sector notes that the opportunity for a young fisherman to buy a second-hand vessel does not usually coincide with the publication of the call for tenders, which makes it very difficult to link the business interest with the possibility of receiving aid. In addition, the limitation of the aid to 40% of the purchase price represents a significant payment which young fishermen find difficult to afford.

Generational renewal also entails the need to improve the accommodation on board vessels to provide greater privacy for crew members and to facilitate the integration of women into the fishing industry. Crew members must be provided with effective means to improve their living conditions on board.

4.2.2. Article 18

The EMFAF programme for Spain notes a weak integration of energy efficiency for cost reduction and the difficulty in changing to a renewal and lower impact system[34].

The EMFAF supports the improvement of energy efficiency and the reduction of CO2 emissions through investments in the purchase of new engines and the modernisation of existing ones, using more modern and innovative technologies (subject to specific conditions to avoid any increase in power and therefore fishing capacity).

The fishing sector considers that there is currently no supply of adapted, more efficient and renewable energy engines for the fishing sector. Better engines should not mean more fishing, but less pollution and less fossil fuel consumption.

Replacing or modernising more efficient engines would imply the need for more space inside the vessel to install the green energies, as all indications are that these new energies will require more space for their storage.

4.2.3. Article 19

EMFAF supports the adaptation of working conditions on board and ashore to the best standards in accordance with EU legislation and the EMFAF Regulation. To make the sector more attractive by improving working and safety conditions and knowledge of the artisanal sector and maritime

[34] EMFAF programme for Spain, p. 69.

professions, in order to promote generational renewal and the involvement of young people in the sector.

These needs imply an increase in the capacity of vessels, without affecting their fishing capacity. It is necessary to distinguish between spaces used to improve the quality of life of the crew and to promote decarbonisation, and those dedicated exclusively to fishing activities. The fishing sector points out that the current requirements and restrictions to control the fishing capacity of vessels should not become an obstacle to decarbonisation.

In addition, Spanish stakeholders believe that the gross tonnage used for the modernisation of existing vessels should not come from the national reserve reserved for the construction of new vessels.

In general, the sector considers the transition process towards decarbonisation to be challenging. Certain technologies, such as hydrogen, require four times more storage space on board than traditional fuels, which is incompatible with the limited space on board. For this reason, the sector considers it essential to adapt the definition of fishing capacity in the basic regulation of the CFP for the EU.

5. PROPOSED ADJUSTMENTS FOR EMFAF POST-2027

KEY FINDINGS

- EMFAF supports energy transition measures, but is not well designed to **achieve effective decarbonisation** of the fishing fleet.
- EMFAF has severe **financial limitations**, only supporting a small percentage of investments in vessels. In addition subsidies are linked to the **size of the vessel**. It does not fund energy efficiency measures on vessels **over 24 metres**.
- EMFAF does not provide for support for the **construction of new vessels**. For an ageing fishing fleet, **simple engine replacement** is not sufficient to achieve decarbonisation.
- The renewal and **modernisation** of the fishing fleet, **generational renewal** and the achievement of effective gender equality are the adaptation needs in terms of environmental sustainability, competition for space, economic performance and the social dimension.
- The sector believes that **fleet renewal** is essential. Transition to modern fishing: **engine replacement** is **neither sufficient nor feasible** for vessels of such advanced age.

Although the EMFAF supports energy transition measures, the **EMFAF managing authority**[35] of Spain considers that the fund is not adequately designed to achieve an effective decarbonisation of the fishing fleet because:

a) The EMFAF does not provide **funding for new vessels** to replace old ones and allow the installation of new technologies. Given the very advanced average age of the European fishing fleet, it is essential to tackle **fleet renewal** in order to incorporate technologies that contribute to the **energy transition**.

b) The EMFAF **does not provide funding** for the replacement or modernisation of engines in **vessels over 24 metres**. However, these are the vessels with the **highest fossil fuel consumption** in the EU fishing fleet. The implementation of a real energy transition in the fisheries sector cannot exclude the fishing fleet over 24 metres, which in the case of Spain represents **more than 60% of catches**.

c) The **EMFAF sets a financial limit** for **five categories of individual investments** in fishing vessels (together they **cannot exceed 15% of the budget** allocated to each EU country). The financial limit is one of the main problems facing a massive change in the motorisation of fishing vessels.

Stakeholders consulted consider that:

- The improvements needed to achieve decarbonisation include **changes to propulsion systems**, on-board auxiliary power systems and modern fishing gear that are more energy efficient and respect the biodiversity of the marine ecosystem. **Training** of the fishing sector is also essential to prepare the sector for the energy transition[36].

[35] Interview with the Spanish EMFAF Managing Authority.

[36] SOERMAR – Foundation and Technological Centre – Industrias Pesqueras Magazine Nº 2199 – November 2023, https://industriaspesqueras.com/noticia-77320-sec-naval.

- There are **severe financial constraints** within the EMFAF framework, as it only supports a low percentage of investment in vessels and financial support is linked to the size of the vessels. In addition, funding is conditional on factors such as fleet balance, absence of serious infringements and fishing capacity. They consider that the EMFAF is not sufficient to cover the costs associated with the modernisation and decarbonisation of the fleet. They insist on the need for institutional support and specific funding, additional sources of funding such as the European Investment Bank, the creation of a new fund or simply a revision of the EMFAF.
- They also support the **inclusion of the fleet over 24 metres** in order to receive financial assistance under *Articles 17-19*. Decarbonisation is necessary because consumption can be as high as 30% of operating costs. Improving living conditions on board vessels over 24 metres is essential because of the long duration of fishing campaigns, the higher risk to the crew due to the long periods spent on board, and the fact that fishing activity on board these vessels does not stop due to bad weather[37].

Indeed, the **Spanish fishing sector** is calling for future financial support to invest in a 21st century fleet. They believe that the modernisation of fishing vessels should be linked to an ambitious public-private financing plan that allows the complete renewal of the fleet through the Structural Funds. Public aid for the construction of new, more efficient and less carbon-intensive fishing vessels and progress in the decarbonisation of the fishing fleet without causing economic problems. For an ageing fishing fleet, simply replacing the engine is not enough to achieve decarbonisation[38].

In line with this, the **Spanish Fisheries Minister** stressed the need to grant aid to support the modernisation of vessels, which is currently not granted by the European Union. As the EMFAF does not provide for aid for the construction of new vessels, the Spanish Minister believes that it is necessary to increase public funding in the next EU multiannual budget in order to attract private funding and promote sustainable investment lines for such fleet renewal. The future of the fishing sector depends on the renewal and modernisation of the fleet, in order to have safer, more efficient and more comfortable vessels, moving towards decarbonisation and serving as an incentive for new generations[39].

In addition, it should be noted that during the informal meeting of EU fisheries ministers held in Vigo between 17-18 September 2023, the **European Economic and Social Committee** (EESC)[40] presented a report on decarbonisation of the fishing fleet. This report notes that any change of energy source will require new vessels with more capacity on board to accommodate the new equipment. In view of this, the EESC recommends the Commission to review the definition of fishing capacity under the Common Fisheries Policy. At the same time, the EESC expressed its concern at the fact that the European Maritime, Fisheries and Aquaculture Fund (EMFAF) does not have sufficient means to carry out the necessary investments for the energy transition and proposes the creation of an emergency fund for accelerating the process. The EESC considers essential a specific fund and credit lines for financing modernisation and renovation of the fleet.

37 Interview with ARVI: Fishing Shipowners Association of Vigo; Port Authority of Vigo; Cofradía de Pescadores de Sanlúcar de Barrameda. Cádiz.
38 Daniel Voces, CEO Europêche - Meeting EU Fisheries Ministers in Vigo. Spain, July 2023.
39 The Spanish Minister of Fisheries. Appearance before the Senate Fisheries Committee. 4 April 2024.
40 EESC Decarbonisation of the Fishing Fleet- Exploratory Opinion at the request of the Spanish Presidency.

6. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The Spanish fishing fleet is an **ageing fleet**, with some vessels over 35 years old. While the vast majority of the Spanish fleet is made up of vessels of **less than 24 metres**, which are eligible for the EMFAF and could benefit from *Articles 17-19*, almost **9% of the fleet** is made up of vessels of **more than 24 metres**, which are not covered by these schemes. On the other hand, the fleet under 24 metres represents less than 40% of national landings and barely 50% of national fishing capacity in gross tonnage.

The future of the Spanish fishing sector depends on the **renewal and modernisation** of the fleet in order to have safer, more efficient and more comfortable vessels. This would be crucial to achieving the decarbonisation target and would serve as an incentive for future generations of fishers.

According to the information provided by Spain through the Infosys database (situation on 31 December 2023) and the list of EMFAF beneficiaries published by the Spanish Managing Authority, (updated on 30 September 2024), **no operations under *Articles 17, 18 and 19*** have been registered so far. This could be due to the following reasons:

- The vessel must belong to a **fleet segment in balance**;
- the fleet is **ageing and unsafe**;
- **new engines in an ageing fleet** with wooden hulls is incoherent; and
- a **limited financial support** for the first purchase of a vessel requires a **substantial investment by the beneficiary**.

Recommendations

Based on the analysis of the situation of the Spanish fishing fleet in 2022 in terms of modernisation and compliance with *Articles 17-19* of the EMFAF and the opinions collected from stakeholders and other sources, the following recommendations are made:

1) Define a common **strategy for the decarbonisation** of the EU fishing fleet, as regards both artisanal and industrial, and identify priorities and sustainable investment lines.

2) Support the **construction of new fishing vessels** that are more energy efficient and provide better working conditions on board vessels.

3) An **emergency fund** should be created, to accelerate the response to investment needs for implementing the energy transition.

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MAIN DATA SOURCES

This study is mostly based on the following sources:

- Statistical data from STECF 23-07 AER 2023 and STECF 23-13, 2023
- The official Spanish fishing fleet register (RGFP 2021-2022)
- Official Statistics of Spanish Fisheries (https://www.mapa.gob.es/es/estadistica/temas/estadisticas-pesqueras/pesca-maritima/estadistica-capturas-desembarcos/
- Annual report of the Spanish Fleet activity 2023 (data 2021)
- Annual report of the Spanish Fleet activity 2024 (data 2022)
- The Spanish EMFAF programme for Spain[41]
- The Spanish EMFF operational programme
- Information obtained from the EMFAF Managing Authority
- Information obtained from several Fisheries Organisations (ARVI – Coop. of ship owners of Vigo port; Port Authority of Vigo; Fishermen Association of Sanlúcar de Barrameda – Gulf of Cádiz)
- Information obtained from the Directorate General for Fisheries Management and Aquaculture.
- Publications about the modernisation of the Spanish fishing fleet

[41] EMFAF programme for Spain from 23 November 2022: https://oceans-and-fisheries.ec.europa.eu/document/download/805435bf-ec0a-4625-b7c1-08cc2e2a104f_es?filename=emfaf-programme-spain_es.pdf&prefLang=en .

RESEARCH FOR PECH COMMITTEE

Part III:
Case study on France

Abstract

This study is the third in a series of four research papers, prepared for a PECH Committee Workshop. This paper sets out the situation of the French fishing fleet in 2022 and explores the extent to which fleet modernisation measures framed by *Article 17 to 19* of the EMFAF Regulation may address the needs of the sector.

CONTENTS

LIST OF ABBREVIATIONS

BER	Break-Even Revenue
CDPMEM	Comité Départemental des Pêches Maritimes et des Élevages Marins
CGA-CGM	Compagnie Maritime d'Affrètement –Compagnie Générale Maritime
CNPMEM	Comité National des Pêches Maritimes et des Élevages Marins
CRPMEM	Comité Régional des Pêches Maritimes et des Élevages Marins
CFP	Common Fisheries Policy
CR	Current Revenue
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
EU	European Union
GhG	greenhouse gas
GT	gross tonnage
IFREMER	Institut Français de Recherche pour l'Exploitation de la Mer
kW	kilowatt
MA	managing authority of EMFAF
MW	megawatt
PECH	European Parliament, Committee on Fisheries
STECF	Scientific, Technical and Economic Committee on Fisheries
ToR	terms of reference
WTO	World Trade Organization

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EXECUTIVE SUMMARY

Background

The new European Maritime, Fisheries and Aquaculture Fund (EMFAF) Regulation provides for public co-funding opportunities of operations and expenditure supporting the modernisation of the fishing fleet during the current funding period (2021-2027). Co-funding opportunities are subject to compliance with overarching conditions that apply to any EMFAF operations and expenditures, and specific eligibility criteria framed by *Article 17 to 19* regarding first acquisition of a fishing vessel (Art. 17), replacement or modernisation of a main or ancillary engine (Art. 18) and increase of gross tonnage to improve safety, working conditions or energy efficiency (Art. 19).

Main findings

In 2022, the French fishing fleet included 4 223 fishing vessels of which 81% are vessels of less than 12 m. This fleet segment represented 52% and 15% of the capacity of the national fleet expressed in kW and GT respectively, and provided 22% of the total landings in weight and 32% in value.

The average age of French fishing vessels is around 30 years old. Fishing vessels of less than 12 metres are 34 years old on average, slightly older than longer vessels (24 years old on average for vessels of more than 40 metres). The average age of the fleet and its low renewal rate (less than 1% by year) evidence the need for modernisation of the national fleet.

The EMFAF programme of France earmarks EUR 443 million for EMFAF priority 1, including EUR 6.3 million for *Article 18* (engine replacement) and EUR 17.4 million for *Article 17 and 19* (support to young fishers and increases in GT for modernisation respectively). Engine replacement foresees 159 operations by 2029 to achieve a reduction of fuel use to 785 litres/hour. Fleet modernisation operations and expenditure are implemented by the thirteen French administrative Regions with own rules supplementing the rules enacted by the EMFAF Regulation.

By the end of 2023, 26 operations were implemented under *Article 17*, and 10 operations under *Article 18*, but none for *Article 19*. For comparison, operations for similar purposes implemented under the EMFF 2014-2020 reached 178 operations for start-up support to young fishermen and 172 operations for engine replacement between 2014 and 2020. The overwhelming majority of beneficiaries under EMFAF and EMFF co-funding opportunities are vessels of less than 12 metres.

Main conclusions

Stakeholders confirmed that the priority in terms of modernisation is the reduction of operating costs which are higher for older vessels and improvement of working conditions, with decarbonisation as an accompanying objective.

EMFAF operations framed by *Articles 17 and 18* are attractive, but the eligibility conditions set out by the EMFAF Regulation and additional conditions defined by the management entities make that utilisation of EMFAF support is likely to be limited to the small-scale coastal fleet which represents the majority of the number of vessels, but 22% of national landings in weight.

EMFAF operations framed by *Article 19* failed to attract interest until now. The main reasons may be a lack of relevance of this article in view of the technical situation of the fishing fleet, particularly its age distribution, compounded by unaccepted and complex conditions on the GT to be used in compensation for the permitted increases in capacity.

While EMFAF provides flexibility to implement operations and expenditure for modernisation, adaptation and diversification of fishing activities outside the scope defined by *Articles 17 to 19*, the legal uncertainty surrounding certain types of modernisation operations is likely to hamper full utilisation of funding opportunities.

Policy recommendations

The following recommendations can be drawn from this case study:

Recommendation 1: Conditions for replacement or modernisation of the main or ancillary engines for fishing vessels other than small-scale costal fishing vessels should be adapted considering the state of the art of propulsion technologies available to the different categories of fishing vessels in 2027 and beyond, with possibility to introduce different treatments according to environmental criteria.

Recommendation 2: Identification of funding opportunities to support the introduction of new vessels in accordance with WTO rules on fisheries subsidies to reverse the aging trend of the fishing fleet and to support introduction of modern energy efficient fishing vessels

Recommendation 3: Provide clarifications to Member States and targeted beneficiaries on eligibility conditions that may be subject to interpretation through Commission Implementing Acts or official guidance document as appropriate.

1. STRUCTURE OF THE FRENCH FISHING FLEET

KEY FINDINGS

- The French fishing fleet based in the mainland was composed in 2022 of 4 223 vessels, of which 81% are smaller than 12 metres and 53% corresponding to the category of small scale coastal fishing vessel. Fishing vessels of more than 24 metres excluded from the scope of application of EMFAF modernisation measures represented 4% of the total number of French fishing vessels (176 units), but 19% and 47% of the total fleet capacity expressed in kW and in GT respectively.
- The average age of fishing vessels in the different length classes is around 30 years old, with vessels of less than 24 metres exceeding 30 years old on average, and vessels of more than 24 metres around 25 years old.
- The French fishing fleet landed 328 136 tonnes of fisheries products in 2021, with a first sale value slightly in excess of EUR 1 billion. On aggregate, fishing vessels of less than 24 metres landed 60% of total fleet landings in weight and 70% in value.
- The economic profitability of the fleet deteriorated in 2020, but recovered in 2021. Projections for 2023 suggest an improvement compared to 2022, but below the level of performance reached in 2021.

1.1. Structure of the fleet

In 2022, the French fishing fleet registered in the mainland was composed of 4 223 vessels, whether active or inactive, representing a total fishing capacity of 649 334 kW and 125 469 GT (source: STECF 23-07)[1].

The structure of the French fishing fleet can be further characterised using a set of two technical criteria:

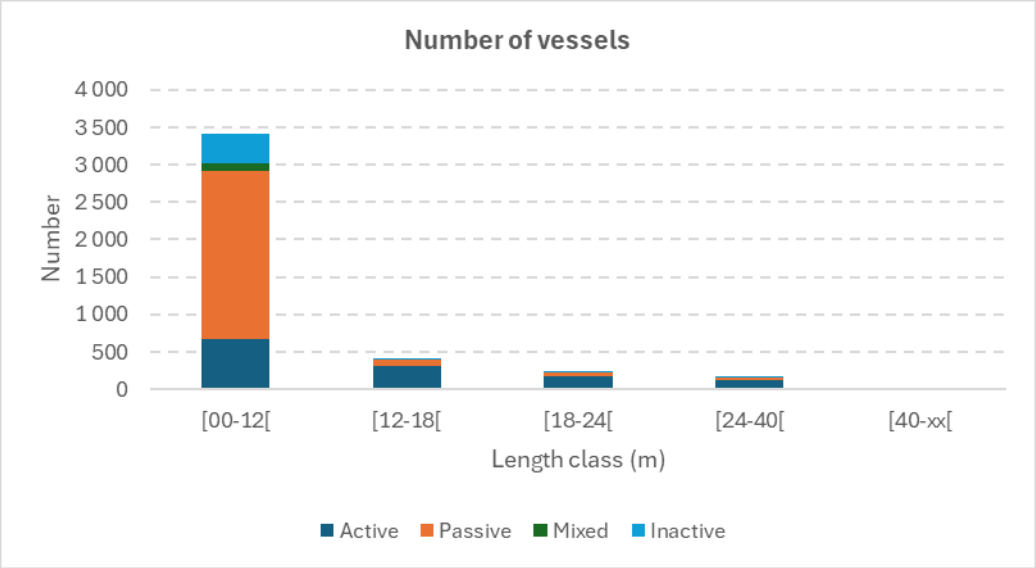
- The **length class** of the vessels: less than 12 metres ([00-12[), between 12 metres and 18 metres ([12-18[, between 18 metres and 24 metres ([18-24[, between 24 metres and 40 metres ([24-40[and more than 40 metres ([40-xx[) (five different length classes)
- The **type of gear** used: based on STECF identification of main gear used, four categories are considered : i) active gear (e.g. demersal and pelagic trawl, dredge, purse seine), ii) passive gear (drift and fixed nets, pots, hooks), iii) a mix of active and passive gear, and iv) inactive vessels (i.e. vessels that have not engaged in any fishing operation during a year (0 fishing days))

The next sections present the structure of the French fishing fleet based on these two technical criteria supporting distinction of the fleet in 20 technical segments (5 length classes x 4 types of gears). A more detailed segmentation of the French fleet in approximately 60 technical segment is available from STECF, based on disaggregated identification of fishing gears and main fishing areas (North East Atlantic/Mediterranean and the Black Sea).

[1] Database STECF 23 07 - EU Fleet Economic and Transversal data_fleet segment.xlsx accompanying Scientific, Technical and Economic Committee for Fisheries (STECF) - The 2023 Annual Economic Report on the EU Fishing Fleet (STECF 23-07), Prellezo, R., Sabatella, E., Virtanen, J., Tardy Martorell, M. and Guillen, J. editor(s), Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/423534, JRC135182. I.

Structure of the fleet in number of vessels

Figure 1: Number of French fishing vessels by length class and gear category in 2022

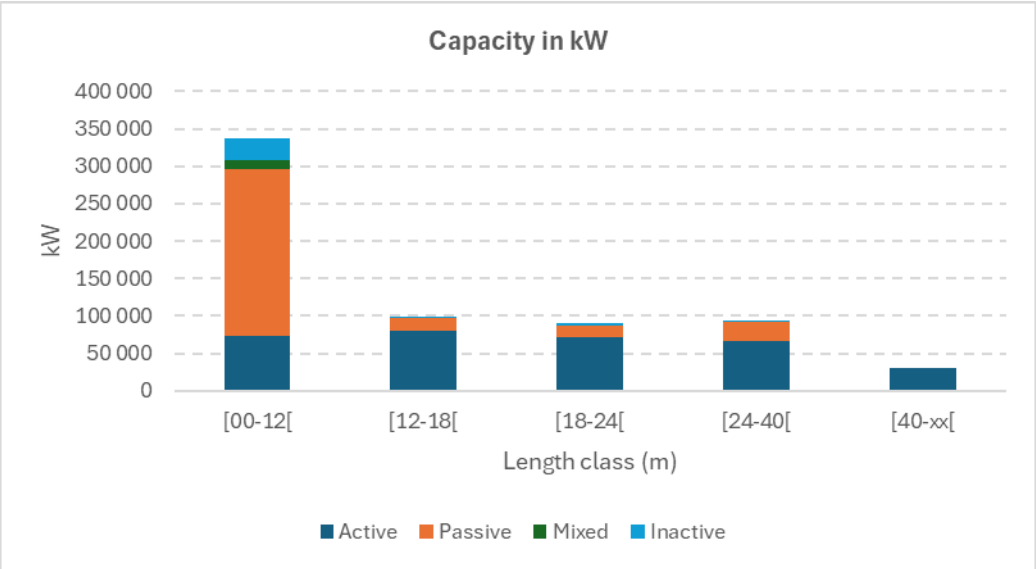


Source: based on data disseminated by STECF 23-07
Note: Mainland fleet only

By length class, 81% of the French fishing fleet is composed by vessels of less than 12 metres (3 412 vessels). Other length classes represent 9% for the 12 – 18 metres length class (401 vessels), 6% for the 18-24 metres length class (234 vessels), 4% for the 24-40 metres length class (164 vessels) and less than 1% for the more than 40 metres length class (12 vessels). Passive gears are mainly used by vessels of less than 12 metres (66%), while active gears dominate for fishing vessels of 12 metres and more. On aggregate across all length classes, In 2022, 409 fishing vessels were identified as inactive, of which 94% (385 units) are vessels of less than 12 metres.

Structure of the fleet in fishing capacity expressed in kW

Figure 2: Capacity (in kW) of the French fishing vessels by length class and gear category in 2022



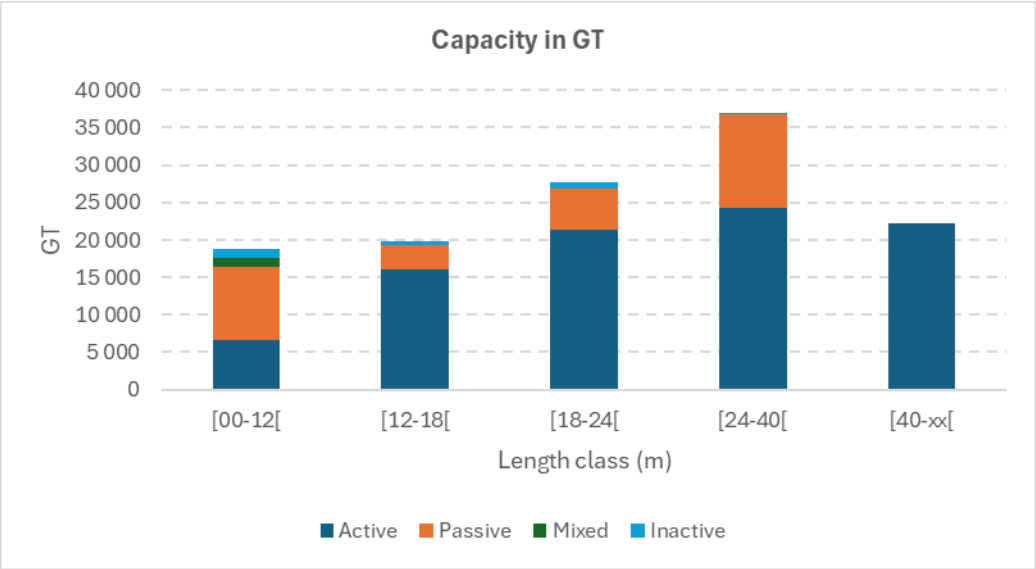
Source: own elaboration based on data disseminated by STECF 23-07

Note: Mainland fleet only

The majority of the fishing capacity of the French fleet expressed in power of the main engine (kW) was concentrated in vessels of less than 12 metres (52% of the total fishing capacity). The other length classes represented 15% (12-18 metres), 14% (18-24 metres), 14% (24-40 metres) and 5% (more than 40 metres). While vessels using passive gears dominate in the less than 12 metres length class (66 % of the capacity of that segment), the fishing capacity of the French fleet, all length classes included, is dominated by vessels using active gear (49% of total capacity in kilowatt), preceding vessels using passive gears (43%), inactive vessels (5%) and vessels using a mix of active and passive gears (2%).

Physical structure of the fleet in fishing capacity expressed in GT

Figure 3: Capacity (in GT) of the French fishing vessels by length class and gear category in 2022



Source: based on data disseminated by STECF 23-07
Note: Mainland fleet only

The breakdown of the fishing capacity of the French fishing fleet expressed in gross tonnage (GT) gives a different picture with the aggregate fishing capacity of vessels of less than 12 metres representing 15% of the total capacity. The length class concentrating most fishing capacity expressed in GT is the 24-40 metres length class (29%), preceding the 18-24 metres length class (22%), more than 40 metres length class (18%) and the 12-18 metres length class (16%). Across all length classes, the fishing capacity expressed in GT of fishing vessels using active gear represents 72% of the total, preceding vessels using passive gears (25%), inactive vessels (2%) and vessels using a mix of passive and active gear (1%).

In summary

Fishing vessels of less than 24 metres eligible to support defined under *Articles 17, 18* and *19* of the EMFAF Regulation represented in total 96% of the number of French fishing vessels, and 81% and 53% of the total fleet capacity expressed in kW and in GT respectively. Fishing vessels of more than 24 metres excluded from the scope of these articles represented 4% of the total number of French fishing vessels (176 units), but 19% and 47% of the total fleet capacity expressed in kW and in GT respectively.

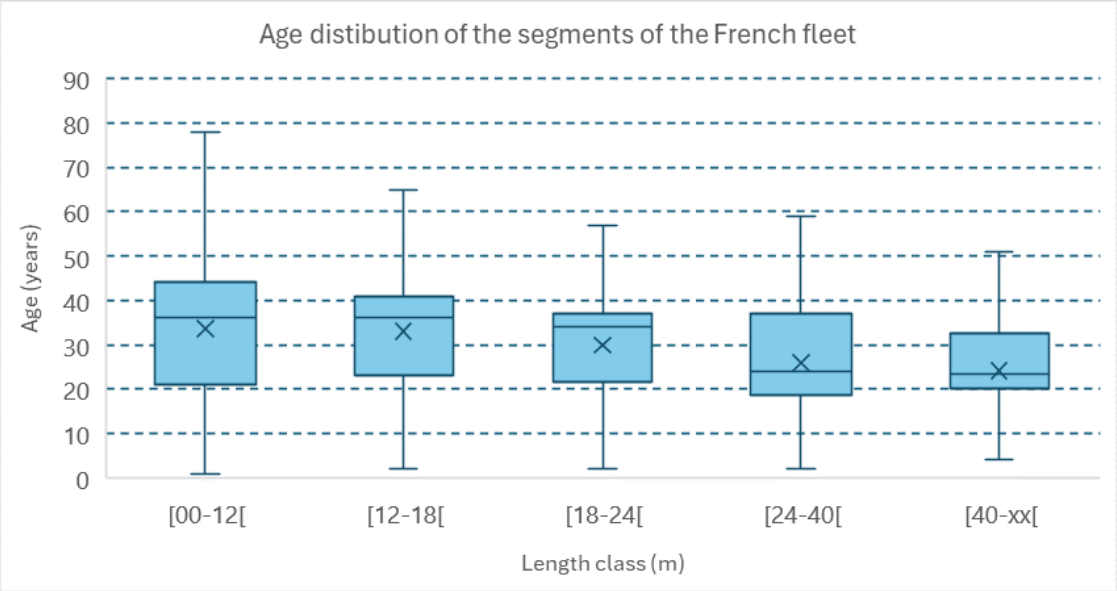
The small-scale coastal fishing fleet defined by the EU as fishing vessels of an overall length of less than 12 metres and not using towed (active) fishing gear represented in 2022 a total of 2 246 vessels (53% of the number of French fishing vessels), and 34% and 8% of the total fleet capacity expressed in kW

and in GT respectively. The small-scale coastal fleet is subject to a preferential treatment under the EMFAF (preferential selection criteria, preferential public aid intensity).

1.2. Age structure of the French fishing fleet

The age structure of the French fishing fleet has been identified using the information on the year of construction reported in the public version of the EU Fishing Fleet Register, as STECF data on age structure of certain fleet segments did not seem to be fully accurate. The next figure shows the main statistical indicators by length class (average, quartiles, outliers) in the form of a box plot.

Figure 4: Box plot showing the age distribution of French fishing vessels by length class



Source: based on data published by the EU Fishing Fleet Register (situation 01.01.2024)
Note: Mainland fleet only. X= average / bars = 1st, 2nd, and 3rd quartiles

The next table summarises the main age indicators by length class.

Table 1: Summary of main statistical indicators of the age distribution of the French fishing fleet by length class

Length class (m)	Average age (years)	50% are between (years)		
[00-12[	34	21	and	44
[12-18[	33	23	and	41
[18-24[	30	21	and	37
[24-40[	26	19	and	37
[40-xx[	24	20	and	32

Source: based on data published by the EU Fishing Fleet Register (situation 01.01.2024)

Information shows that the average age of fishing vessels in the different length classes is around 30 years old. Data also shows that the age distribution is fairly broad, in particular for vessels of less than 12 metres and between 12 and 18 metres (outliers in excess of 60 years old) and that a few vessels were built recently for all length classes. Fishing vessels of at least five years old (a condition for eligibility to *Article 18*) represents 96% of the total number of vessels, and fishing vessels of at least ten years old (a condition for eligibility to *Article 19*) represents 91% of the total number of vessels (situation January 2024).

1.3. Other fleet indicators of relevance for the purpose of this study

Situation of the French fleet compared to its capacity ceilings

Article 19 of the EMFAF Regulation specifies that increases in GT must be compensated for by the prior withdrawal of at least the same amount of fishing capacity without public aid.

The review of the statistics published on the EU Fishing Fleet Register[2] shows that the French mainland fishing fleet was below the capacity ceilings identified by the CFP Regulation, and further adjusted to factor in withdrawal of fishing vessels with public aid. On 01.01.2024, the capacity of the fleet was equivalent to 77% of the ceiling expressed in GT, and 86% of the ceiling expressed in kW. Based on these figures, approximately 40 000 GT available from prior withdrawals of fishing vessels without public aid may be used for the purpose of *Article 19*, without prejudice to other conditions (ownership of the GT available, EMFAF specifications on the origins of the GT used for modernisation).

Balance between fishing capacity and fishing opportunities

Articles 17, 18 and 19 of EMFAF limit eligibility of support to fishing vessels belonging to a fleet segment for which the latest report on fishing capacity has shown a balance of the fishing capacity of the segment with the fishing opportunities available to that segment.

According to the most recent report prepared by France[3] in 2023 based on data available up to 2021, nine national fishing fleet segments (different from STECF segments) have been identified as imbalanced. The segments concerned involve certain technical segments comprising:

(i) purse seiners and pelagic trawlers targeting sardines in the Atlantic,

(ii) bottom trawlers operating in the Mediterranean,

(iii) "gangui"[4] vessels operating in the Mediterranean,

(iv) fishing vessels targeting sole in the English Channel with nets, and

(v) fishing vessels catching eels in the Atlantic and in the Mediterranean.

In total, 792 fishing vessels have been identified as belonging to an imbalanced segment (2021 situation), of which 762 (96%) are vessels of less than 24 metres. Out of these 726 vessels of less than 24 metres, 88% (667 units) are vessels with a fishing authorisation to catch eels.

Number of constructions

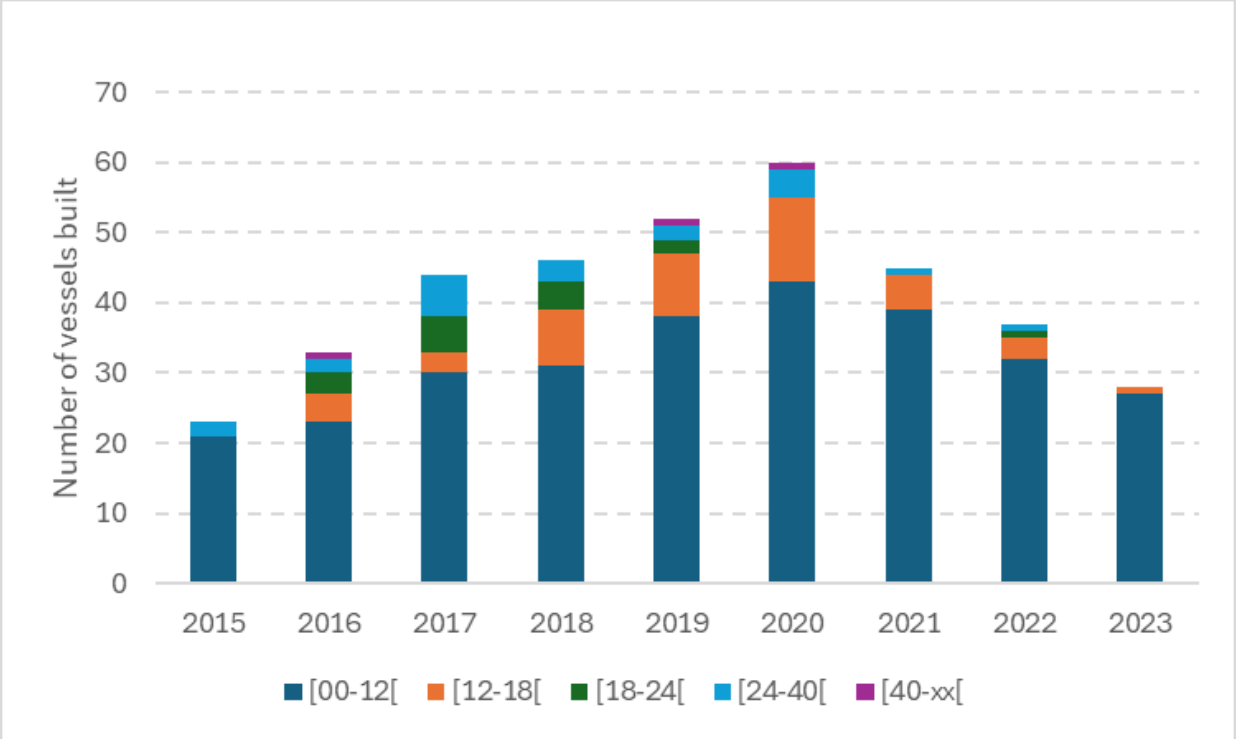
The number of new vessels introduced in the French fishing fleet is an indicator of its renewal rate. As shown in the figure below, the number of new fishing vessels averaged 40 per year between 2015 and 2023, including 32 of less than 12 metres (77%). This represents a fairly low renewal rate of the fleet (0.9%). The dynamic of construction witnesses an increasing trend between 2015 and 2020, underpinned by positive economic results, followed by a decrease between 2021 and 2023 probably as a result of the different crisis that hit the French fishing sector (COVID pandemic, Brexit, Ukraine crisis).

[2] Source: EU Fleet Register https://webgate.ec.europa.eu/fleet-europa/stat_ceilings_en.

[3] https://oceans-and-fisheries.ec.europa.eu/fisheries/rules/fishing-fleet-capacities/fleet-capacity-reports-2022_en.

[4] "Gangui" is a sort of small trawl used by vessels of less than 12 metres to catch fish living in Mediterranean Posidonia seagrass fields.

Figure 5: Number of newly constructed fishing vessels entering the mainland fleet between 2015 and 2023



Source: based on data extracted from the EU fishing fleet register (CST indicator for new construction)

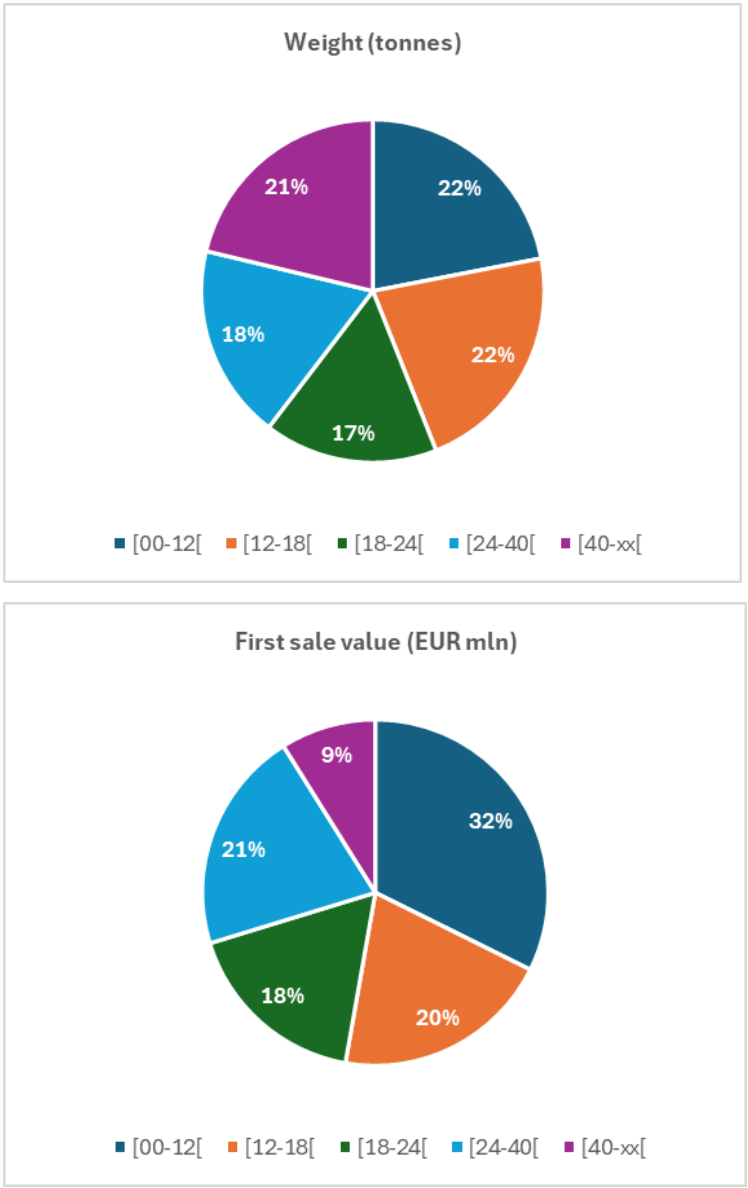
1.4. Fleet segments and their landings

According to STECF 23-07 data, the fishing fleet registered in Mainland France landed 328 136 tonnes of fisheries products in 2021 (not including seaweeds) with a first sale value slightly in excess of EUR 1 billion. [5]

As shown in the figures below, vessels of less than 12 metres represented 22% of total landing in weight and 32% in value, preceding vessels between 12 and 18 metres (22% in weight and 20% in value). Fishing vessels of more than 40 metres accounted for 21% of total landings, but 9% of total first sale value. On aggregate, fishing vessels of less than 24 metres landed 60% of total fleet landings in weight and 70% in value (198 136 tonnes for a first sale value of EUR 735 million).

[5] The landings figures presented here differ from those in Part 1 of this workshop, which also include the landings in France's Outermost Regions and the landings of seaweeds. Seaweeds, mostly used for industrial purposes, are harvested by specialised vessels not necessarily listed in the French fishing fleet register. In 2021, French vessels harvested 56 731 tonnes of seaweeds (*Laminaria* species) for a value of EUR 2.3 million.

Figure 6: Landings of the French fishing fleet in 2021



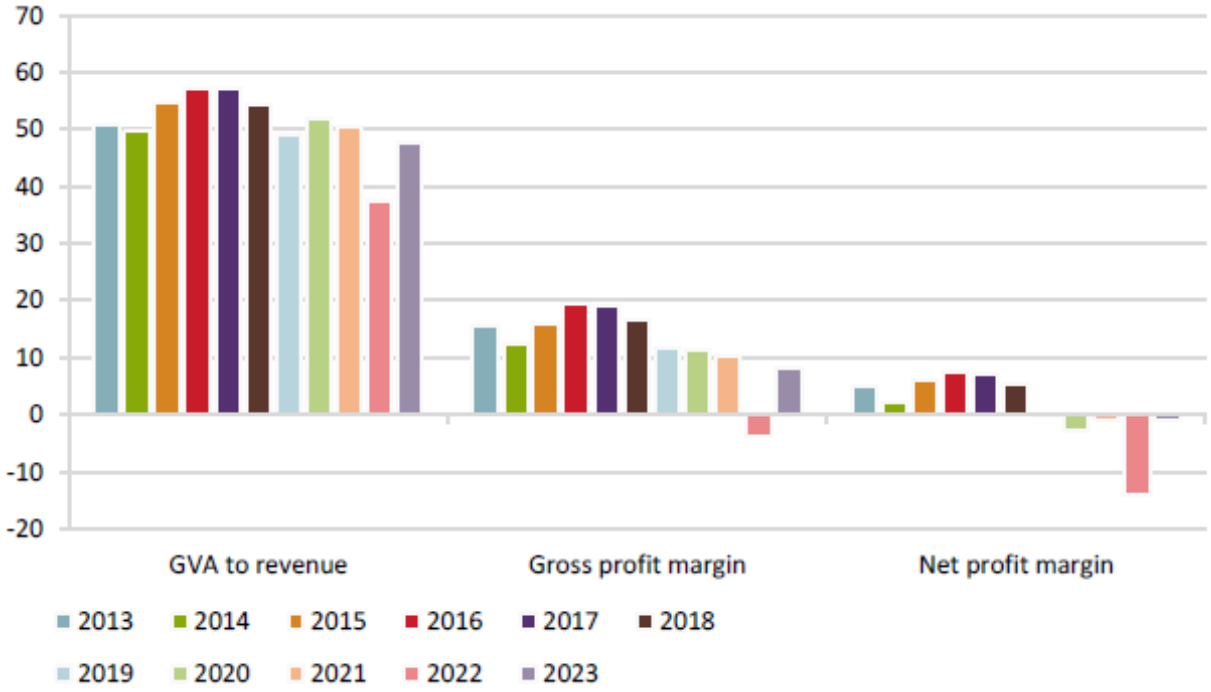
Source: based on data disseminated by STECF 23-07
Note: Mainland fleet only, seaweeds excluded

Landings of the fishing fleet of vessels of less than 24 metres is extremely diversified with about 320 species identified in the landing statistics. The five main commercial species landed include scallops (20% of total landings in weight), sardines (11%), whelk (6%), monkfish (4%) and spider crab (4%).

1.5. Profitability of the French fleet

According to the annual report on the EU fishing fleet published by STECF, the economic situation of the French fleet, all fishing segments included, improved in in 2021 compared to 2020, after a sharp fall in 2020 compared to 2019. For 2022, the nowcasts anticipate a further decline as a result of the combined effect of quota reductions for some important stocks and a sharp increase in energy costs due to the Ukraine crisis. The economic situation is projected to improve in 2023 with an increase in income from landings and a decrease in energy costs in 2023 compared to 2022, but it does not reach 2021 levels.

Figure 7: Economic performance indicators (relative values) for the French fishing fleet in 2021



Source: STECF 23-07 – National chapter France

Economic performance is highly variable across the different fishing segments. Some fleet segments show high short term profitability ratio, while other are below expected minimal performance. The next table show the five fishing fleet segments exhibiting the highest short term profitability indicator[6], and the five fishing fleet segments showing the lowest.

Table 2: Five top and five worst performing fishing fleet segments according to their short-term profitability ratio (CB/BER), Situation 2021

	Segment code	Description
Top five performing fleet segments (CB/BER>3)	FRA NAO DRB0010	Dredger less than 10 m
	FRA MBS PGO0006	Mediterranean -Polyvalent gear less than 6 m
	FRA MBS FPO0006	Mediterranean -Pots less than 6 m
	FRA MBS PS 2440	Mediterranean -Purse seiners 24-40 m
	FRA MBS FPO0612	Mediterranean -Pots 6-12 m
Worst five performing fleet segments (CB/BER<1)	FRA NAO DTS40XX	Atlantic - trawlers more than 40 m
	FRA NAO TM 40XX	Atlantic - pelagic trawlers more than 40 m
	FRA MBS DTS2440	Mediterranean - trawlers between 24 and 40 m
	FRA NAO HOK2440	Atlantic - Hooks between 24 and 40 m
	FRA NAO FPO1824	Atlantic - Pots between 18 and 24 m

Source: based of data published by STECF 23-13[7]

[6] Ratio between current revenue and break-even revenue (CR/BER) which, according to STECF, measures the economic capability of the fleet segment to keep fishing on a day-by-day basis (i.e. does income cover all costs).

[7] Scientific, Technical and Economic Committee for Fisheries (STECF) - Assessment of balance indicators for key fleet segments and review of national reports on Member States efforts to achieve balance between fleet capacity and fishing opportunities (STECF-23-13), Casey, J. and Virtanen, J. editor(s), Publications Office of the European Union, Luxembourg, 2024, doi:10.2760/958072, JRC136331.

2. IMPLEMENTATION OF EMFAF SUPPORT TO MODERNISATION

KEY FINDINGS

- The EMFAF programme of France has allocated EUR 443 million to EMFAF priority 1, including EUR 6.3 million for *Article 18* (engine replacement) and EUR 17.4 million for *Article 17 and 19* (support to young fishers and increases in GT for modernisation respectively). Engine replacement foresees 159 operations by 2029 to achieve a reduction of fuel use to 785 litres / hour. For operations framed by *Article 17 and 19*, output and result indicators are not separated from indicators for specific objective 1.1.
- The option selected by France is to delegate implementation of the modernisation measures to the thirteen administrative Regions of France. In addition to overarching conditions set out by the EMFAF Regulation, each Region defined its own conditions, particularly for maximum amount of public aid and co-financing rates.
- By the end of 2023, 26 operations and 10 operations had been implemented under *Article 17* and *Article 18* respectively, but none for *Article 19*. Under the EMFF, 178 operations and 172 operations had been implemented between 2014 and 2020 for similar purposes (start up support to young fishermen and engine replacement respectively). The overwhelming majority of beneficiaries under EMFAF and EMFF are vessels of less than 12 metres.

2.1. Planning in the EMFAF Programme

The French programme considers modernisation of the fishing fleet among the key priorities of EMFAF to support the transition of the sector towards improved environmental, economic and social performance. The programme also recognises the importance of taking measures to reduce utilisation of fossil fuels and emissions of Greenhouse Gas (GhG) by fishing vessels.

The French EMFAF programme specifies the budget allocated to operations framed by *Article 17* (first acquisition of a fishing vessel), *Article 18* (replacement or modernisation of main or ancillary engine) and *Article 19* (increase in GT to improve safety, working conditions or energy efficiency) as well as the results which should be achieved by the end of the programme in 2029.

Budget allocated to *Articles 17 and 19* is presented in Table 11A, under the specific objective 1.1.2[8]. Budget allocated to *Article 18* is presented under specific objective 1.2[9]. To illustrate the relative importance given to these articles within the overall programme under priority 1[10] also the total budgets of the programme and budget for priority 1 are presented in the below.

The table 11A of the EMFAF programme shows that France allocated a total of EUR 17.4 million to *Articles 17 and 19*, including EUR 11.5 million EU contribution and EUR 5.2 million national contribution. Concerning *Article 18* (replacement and modernisation of engines), the French programme allocates a total of EUR 6.3 million, of which EUR 4.1 million EU contribution and EUR 1.9 million from national contribution.

[8] SO 1.1.2: Strengthening economically, socially and environmentally sustainable fishing activities. Operations supported under *Articles 17* and 19.

[9] SO 1.2: Increasing energy efficiency and reducing CO2 emissions through the replacement or modernisation of engines of fishing vessels.

[10] Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources.

Table 3: French EMFAF budget and the allocations to priority 1 and Articles 17-19 (EUR)

	EU contribution (excl. TA)	National contribution	Total budget
Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources	314 310 906	109 865 272	443 034 832
Specific objective 1.1.2 Strengthening economically, socially and environmentally sustainable fishing activities. Operations supported under *Articles 17* and *19*	11 492 632	5 220 939	17 403 129
Specific objective 1.2 Increasing energy efficiency and reducing CO2 emissions through the replacement or modernisation of engines of fishing vessels (*Article 18*)	4 136 000	1 878 926	6 263 086
% of Priority 1	5%	5%	5%

Source: National EMFAF programme, Table 11A

The EMFAF programme quantifies the target in two indicators, so called 'output' and 'result' indicator. Output refers to the number of foreseen operations in 2024 (milestone) and 2029. Result specifies what those operations should achieve.

The French EMFAF programme specifies the following targets:

- **Output**
  For specific objective 1.1 which includes a range of operations, not limited to those framed by *Article 17 and 19*, the programme anticipates implementation of 136 operations by 2024, and 722 operations by 2029.

  For specific objective 1.2 which includes only operations involving replacement or modernisation of main or ancillary engines under the conditions set out by *Article 18*, the programme foresees 30 operations by 2024 and 157 operations by 2029

- **Result:**
  For specific objective 1.1, a number of results indicators are proposed, but none are specific to operations framed by *Article 17* and 19. These two articles are expected to contribute to a result indicator on employment created (*Article 17*), on number of entities supporting social sustainability and on number of entities improving energy efficiency (*Article 19*)

  For specific objective 1.2 specific to the replacement or modernisation of main or ancillary engines, the EMFAF programme is expected to achieve a reduction of fuel use to 785 litres / hour.

2.2. Implementation modalities

The French EMFAF programme foresees implementation of the fleet modernisation measures by the thirteen administrative Regions of France in view of their competence. Accordingly, it is the responsibility of the Regions to select eligible operations in line with the conditions set out by the

EMFAF Regulation and their own conditions, and to manage payments to beneficiaries in accordance with EMFAF national procedures.

Each Region has prepared intervention fiches detailing eligibility conditions and regional conditions, some of them being available on the dedicated websites of the Regions[11]. According to a review of the published information, the conditions set out by the Regions include:

- **Budget limits**: rules on minimum and maximum public aid, with possible adjustments depending to the size of the vessels (less or more than 12 metres), or on its age (higher maximum public aid for younger vessels)
- **Aid intensity**: for some regions, lower aid intensity than foreseen by Annex III of the EMFAF Regulation (30% compared to 40%), with 10% bonus available depending on technical or social criteria.

2.3. Implementation results

According to information reported by France in the Infosys database (situation 31.12.2023[12]), EMFAF supported:

- 26 operations for the first acquisition of a fishing vessels (*Article 17*), all but one for vessels of less than 12 metres
- 10 operations for the replacement or modernisation of the main or ancillary engine (*Article 18*), all for vessels of less than 12 metres
- No operation in relation to increase in GT to improve safety, working conditions or energy efficiency (*Article 19*)

For benchmarking purpose, similar operations under EMFF between 2014 and 2020 resulted in:

- 178 operations for start up support to young fishermen (Article 31 of the EMFF Regulation on start-up support for young fishermen), including 136 operations for vessels of less than 12 metres and 32 operations for vessels of more than 12 metres
- 172 operations for energy efficiency (Article 4(2) of the EMFF Regulation on replacement or modernisation of main or ancillary engine) including 149 operations for vessels of less than 12 metres, 8 for vessels of more than 12 metres, and 15 for vessels of unknown size (CFR missing from the list)

[11] For example: Région Bretagne : https://europe.bzh/aides/fiches/feampa-2021-2027-pre-demandes-des-aides/-
Région Nouvelle Aquitaine : https://les-aides.nouvelle-aquitaine.fr/economie-et-emploi/peche-et-aquaculture-feampa-20212027-
Région Hauts de France : https://europe-en-hautsdefrance.eu/je-minforme/les-financements-europeens/feampa
Régions Pays de Loire : https://www.paysdelaloire.fr/mon-conseil-regional/les-missions-regionales/europe/solliciter-les-fonds-europeens/feampa

[12] The figure could not be updated to capture situation as of 30/06/2024 as a result due to data management issues faced by France

4. NATIONAL FUNDING SCHEMES

KEY FINDINGS

There are two national funding schemes that may support the modernisation of the fishing fleet:

- The CGA-CGM scheme, which is not a State aid, targeting decarbonisation of the fishing fleet with eligibility criteria favouring utilisation by large-scale vessels of more than 24 metres.
- The income from a corporate tax imposed on wind farms operators, which falls in the category of State aid, with implementation modalities still to be defined.

Both aid regimes are recent. Information on their utilisation for the purpose of modernisation of the fishing fleet is not yet available.

Two funding schemes are currently available in France for modernising the fishing fleet: the *CGA-CGM* scheme and the tax on offshore wind farms.

4.1. The CGA-CGM scheme

CGA-CGM[13] is the leading French company in the maritime transport sector. The CGA-CGM scheme managed by the investment Bank Bpifrance foresees a total budget of EUR 200 million focused on decarbonisation in the maritime sector, including the fishing sector (EUR 20 million).[14] The aim of the scheme is to promote new equipment or technological solutions that will enable short-term improvements in the energy and environmental performance of new and existing vessels. It also aims to support research and innovative design studies aimed at decarbonising new and existing ships. The CGA-CGM fund does not constitute State aid, hence it is not subject to the competition rules of EU legislation.

The scheme opened in May 2024. According to feedback from consultation, one of the main limitations is that individual enterprises, which represent the main legal profile of fishing companies for small and medium scale vessels, are not eligible to the scheme. However, the scheme can be accessed by larger fishing companies, and may offer an alternative for the modernisation of vessels of more than 24 metres excluded from the scope of EMFAF.

4.2. The tax on offshore wind farms

The French tax regulation introduced a tax to be paid by operators of offshore wind farms worth EUR 19 890 per MW installed[15]. Thirty five percent of the product of the tax are earmarked to support contributing to the sustainable development of fisheries and aquaculture, with 15% of the tax transferred to the National Fisheries Committee, 10% to the Regional Fisheries Committee and 10% to the Departmental/Interdepartmental Fisheries Committees within whose jurisdictions the windfarms are installed[16]. According to the President of France, the windfarm tax may generate a contribution of

[13] Compagnie Maritime d'Affrètement –Compagnie Générale Maritime

[14] Details of the scheme are available at https://www.cmacgm-group.com/fr/fonds-energies

[15] Code Général des Impôts Article 1519 B and 1519 C. https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006069577/LEGISCTA000022877270/.

[16] The arrangements for distributing the tax in the case of wind farms built outside the 12-mile zone (i.e. outside de jurisdiction of the Fisheries Committees are still under discussion.

EUR 700 million for the fishing sector between now and 2035 under the assumption that all planned development projects materialise. So far, only the Regional Committee for Pays de Loire received a share of the tax (EUR 1.8 million) as a result of the start of commercial operations of the Saint-Nazaire wind farm in 2022. [17] The Regional Committee for Brittany should receive its first allocation in 2025 after the start of the commercial operations of the Saint Brieuc wind farm in 2024. All other planned wind farms projects are still under development.

Operations and expenditure allowed within the framework of this fund are still to be established. However, the windfarm tax being public funding, its utilisation for supporting the modernisation of the fishing sector will have to be compatible with the EU internal market, including the rules set out by the EMFAF Regulation for the modernisation of the fishing fleet.

Both schemes are recent. Information on their utilisation for the purpose of modernisation of the fishing fleet is not yet available.

[17] https://lemarin.ouest-france.fr/peche/les-pecheurs-des-pays-de-la-loire-annoncent-avoir-touche-la-taxe-eolienne-fa4289e0-8894-11ee-a92a-0b4bc05f91ae

5. ADAPTATION NEEDS

KEY FINDINGS

- As suggested by the average age of fishing vessels, stakeholders confirmed a need for modernisation of the fleet. The priority in terms of modernisation is the reduction of operating costs which are higher for older vessels and improvement of working conditions, with decarbonisation as an accompanying objective.
- EMFAF operations framed by *Articles 17* and *18* are attractive, but the eligibility conditions set out by the EMFAF Regulation and additional conditions defined by the management entities make that utilisation of EMFAF support is likely to be limited to the small-scale coastal fleet which represents the majority of the number of vessels, but 22% of national landings.
- EMFAF operations framed by *Article 19* failed to attract interest until now. The main reasons may be a lack of relevance of the article in view of the technical situation of the fishing fleet, particularly its age distribution, compounded by unaccepted and complex conditions on the GT to be used in compensation for the permitted increases in capacity.
- While EMFAF provides flexibility to implement operations and expenditure for modernisation, adaptation and diversification of fishing activities outside the scopes defined by *Article 17 to 19*, the legal uncertainty surrounding certain types of modernisation operations is likely to prevent full utilisation of funding opportunities

5.1. The need for modernisation of the fishing fleet

Feedback from consultation confirmed that the French fishing fleet needs modernisation. As evidenced by the age structure of the different fleet segments (Table 1 and Figure 4), the average age of French fishing vessels is above 30 years old for vessels of less than 24 metres, and around 25 years old for vessels of more than 24 metres.

According to stakeholders, the priority in terms of modernisation is the reduction of operating costs which are higher for older vessels (e.g. lower energy efficiency as a result of aging motors, inadequate hull designs, inefficient propulsion systems, higher maintenance costs) and the improvement of working conditions onboard to reduce the risks of accidents and make the job more attractive. Modernisation of fishing vessels entails intervention on the vessel itself (hull and deck), its propulsion system (engine, propellers and gearbox) and on fishing gears.

Decarbonisation of the fishing fleet starts with improvements in the energy efficiency of fishing vessels. Information available suggests that the EU fishing fleet, including the French fishing fleet, already managed to reduce its carbon emissions by 52% between 1990 and 2021 as a result of reduction in fleet size, possible energy efficiency gains associated with fleet renewal (e.g. in fuel use, efficient engines, lighter fishing gear and smart navigation and fishing methods), and improved stock abundance[18]. The carbon footprint of fisheries products improved accordingly from 0.80 kg of fish

[18] UNCTAD (2024) Energy transition of fishing fleets UNCTAD/DITC/TED/2023/5 Link

landed per litre of fuel consumed in 1990 to 1.36 kg per litre in the recent period[19]. Information available shows that the fishing fleet is on the right track, but more is needed, particularly considering the likely continued increase in prices of fossil energies in the medium term.

According to stakeholders, and as confirmed by recent studies on the subject[20] [21], transition to alternative sources of energy is hampered by the lack of mature technological solutions adapted to the size and the diversity of the operations of the fishing fleets, the lack of specific storage facilities for alternative sources of energy in fishing ports and insufficient trained workforce for the operations and the maintenance of non-diesel engines onboard.

5.2. The extent to which the EMFAF may respond to the needs

5.2.1. Article 17

The EMFAF support for first acquisition of a fishing vessel framed by *Article 17* of the EMFAF Regulation is attractive, and utilised by fishers as evidenced by operations and expenditure implemented under the EMFF (178 operations) and under EMFAF (26 operations at the end of 2023). One of the reasons raised by stakeholders is that the measure is relatively simple and easy to implement. However, a limitation stemming from the EMFAF Regulation is that second-hand vessels purchased cannot be older than 30 years old, which restrict the size of the market in view of the age structure of the fleet (Figure 4). Other constraints concern the aid intensity, which is capped at 40%, and the limitation by regional managing entities through a maximum level of public aid. In practice, the conjunction of these three conditions makes affordable to young fishers acquisition of vessels of less than 12 metres, which is confirmed by the records of operations under the EMFF and the EMFAF (section 3.3).

5.2.2. Article 18

The EMFAF support for replacement or modernisation of a main or ancillary engine framed by *Article 18* of the EMFAF Regulation is attractive for small-scale coastal fishing vessels eligible to replacement by an engine of equivalent power. EMFF supported 172 operations and EMFAF 10 at the end of 2023. For other vessels up to 24 metres, utilisation of EMFAF support is assessed by stakeholders as impossible due to the condition for a 20% CO_2 emission reduction or 20% fuel consumption reduction. According to feedback from stakeholders, this would require a technological breakthrough that is not currently available. The French managing authorities further outline that there are currently no official procedures for measuring CO_2 emissions (unlike for other GhG such as sulphur and nitrogen oxides) that could be used to certify the eligibility of the operation, and that some provisions in the article (*Article 18(3)* about physical verifications) are insufficiently defined (what kind of physical verification?).

5.2.3. Article 19

The EMFAF support for increase of gross tonnage to improve safety, working conditions or energy efficiency framed by *Article 19* of the EMFAF Regulation failed to attract interest from fishers until now according to Infosys data confirmed by feedback from the consultation. Stakeholders consulted could

[19] F&S (2020) Étude sur les émissions de gaz à effet de serre par la flotte de pêche française – projet GESPECHE pour France Filière Pêche https://www.francefilierepeche.fr/projets/gespeche-evaluation-emission-gaz-effet-de-serre/

[20] Ziegler, F. and Hornbord, S. (2023) Decarbonising the fishing sector - Energy efficiency measures and alternative energy solutions for fishing vessels. European Parliamentary Research Service Scientific Foresight Unit (STOA) PE 740.225 – June 2023 https://www.europarl.europa.eu/thinktank/en/document/EPRS_STU(2023)740225

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not provide explanations but raised a perceived complexity of the measure stemming in particular from the availability and associated conditionality on GT used for modernisation purpose (*Article 19(2)* d), which specifies that GT must come from the same segment or from a segment not in balance with fishing opportunities. Additionally, fishers organisations and the French managing authority raised that GT used for modernisation of existing vessels should not be drawn from the national capacity reserve which is intended for construction of new vessels, including by young fishers, but from a distinct GT reserve. From a technical perspective, fishers associations outlined that operations involving retrofitting of hulls and decks of old vessels are limited in scope for technical and financial reasons, and not necessarily sustainable in the medium or long-term in view of the age structure of the fleet.

On a general note, stakeholders indicated that the capacity limitations imposed by the CFP based on GT and kW are no longer relevant to measure the fishing capacity of a fishing vessels in view of the improvement in fishing effectiveness underpinned by technological progress. The CFP capacity management rules should be reviewed to provide more flexibility for the modernisation of the fleet, in particular the entry/exit scheme (Article 23 of the CFP Regulation).

5.2.4. Other EMFAF types of operations

According to the French EMFAF programme, the modernisation of the fishing fleet is expected to contribute to specific objective 1.1 of the EMFAF (Strengthening economically, socially and environmentally sustainable fishing activities). A sub-specific objective 1.1.1 opens opportunities for EMFAF support to investment onboard without increase in GT for the purpose of modernisation, adaptation and diversification of fishing activities, in addition to operations and expenditures framed by *Article 17 to 19*. The implementation of these operations has also been delegated to Regions.

According to stakeholders consulted, the implementation of EMFAF support for modernisation, adaptation and diversification of fishing activities proves difficult to implement. The main difficulty stems from the interpretation of the overarching eligibility condition set out by Article 13.b of the EMFAF Regulation establishing ineligibility of operations and expenditure for acquisition of equipment that increases the ability of a fishing vessel to find fish.

In the absence of official guidance documents from the EU or from national authorities assisting managing entities and beneficiaries in the identification of eligible operations or expenditure in accordance with this overarching condition, EMFAF managing services in the Regions tend to adopt a precautionary approach which involves not taking on cases where there might be doubts, such as modernisation of winches, net haulers or innovative fishing gears. The legal uncertainty may also lead the management centres (*centres de gestion)* that help fishermen to put together their applications to discourage them from using the EMFAF. It also prevents fishers organisations from clearly explaining to fishers the details of the funding opportunities offered by EMFAF in relation to investments on fishing vessels. All this results in a low attractiveness of EMFAF for supporting certain operations contributing to modernisation, adaptation and diversification of fishing activities, in complement to operations and expenditure framed by *Article 17 to 19*, or operations and expenditure for which there is no issue of interpretation of the condition set out by Article 13(b).

6. POST-2027 EMFAF ADJUSTMENTS

KEY FINDINGS

- EMFAF modernisation measures framed by *Articles 17* and *18* are successful in attracting operators of the small scale coastal fleet, but are relatively ineffective for other fleet segments which represent a large majority of the fleet capacity in GT and of the national landings.
- Post-2027 EMFAF adjustments could consider adaptation of the conditions for replacement or modernisation of the main or ancillary engines for fishing vessels other than small-scale costal fishing vessels, as well as funding opportunities to support the introduction of new vessels in accordance with WTO rules on fisheries subsidies.
- In addition, Post-2027 EMFAF adjustments could include the possibility for the Commission to adopt implementing acts to clarify eligibility conditions that may be subject to interpretation, to ensure legal security of operations and expenditure.

The following main lessons can be drawn from the previous sections:

- The French fishing fleet is composed of vessels having exceeded 30 years-old on average. In view of the low renewal rate of the fleet during these last few years for various reasons, the average age of the fishing fleet is likely to increase further assuming continuation of the current trends on fleet renewal ().
- EMFAF support for modernisation of the fishing fleet appears to be effective to support to young fishers for the first acquisition of a fishing vessel and to support replacement of the main or ancillary engine of fishing vessels. However, various conditions imposed by the EMFAF Regulation and by the French managing entities, and the lack of mature technological solutions for innovative propulsion systems result in support being utilised by the small-scale coastal fleet only and not by other fishing vessels which represented in 2021 85% of national fleet capacity expressed in GT, and 78% of national landings in weight.
- EMFAF support for increase in GT to improve safety, working conditions and energy efficiency did not attract interest from potential beneficiaries until now. This could result from a lack of relevance in carrying out substantial retrofitting work on old fishing vessels whose designs are obsolete. This rationale will become even more valid as the average age of the fleet increases.
- Compared to EMFF, EMFAF provided more flexibility for implementation of operations and expenditure supporting modernisation of the fishing fleet. At the same time, the flexibility introduced some legal uncertainty that may result in limited uptake of EMFAF funding opportunities compared to expectations.

In view of this, post 2027 EMFAF adjustment may consider:

- Adaptation of the conditions for replacement or modernisation of the main or ancillary engines for fishing vessels other than small-scale costal fishing vessels considering the state of the art of propulsion technologies available to the different categories of fishing vessels in 2027 and beyond, with possibility to introduce different treatments according to environmental criteria.
- Introduction of funding opportunities to support the introduction of new vessels in accordance with WTO rules on fisheries subsidies to reverse the aging trend of the fishing fleet and to support introduction of modern energy efficient fishing vessels

- Possibility for the Commission to adopt implementing acts to further specify methodology elements for implementation of certain eligibility conditions which may be open to interpretation.
- Introduce as a full objective of a post 2027 EMFAF the decarbonisation of the fisheries and aquaculture sector to foster mobilisation of Member States on research and development, technological transfer and training of crew and port operators on utilisation of the new technologies.

7. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

EMFAF support for modernisation of the fishing fleet provides opportunities to satisfy the needs of an aging fleet in relation to reduction of operating costs, including energy efficiency, and improvement of working conditions. However, conditions set out by the EMFAF Regulation and managing entities (the thirteen administrative Regions of France) result in EMFAF operations and expenditure framed by *Article 17* and *Article 18* being attractive for operators in the small-scale coastal fleet segment which represent the majority of the fleet in number, but a low share of the national fishing capacity in GT (15%) and of national landings (22%).

Operations and expenditure framed by *Article 19* failed to attract interest until now. This could result from a lack of relevance in carrying out substantial retrofitting work on old fishing vessels whose designs are obsolete, compounded by difficulties in the identification of the extra-GT needed for modernisation in accordance with the EMFAF conditions. In addition, French stakeholders consider that the GT used for modernisation of existing vessels should not be drawn from the national capacity reserve which is intended for construction of new vessels. Going further, French stakeholders raise that the current CFP rules for managing fishing capacity are obsolete, and impose unnecessary constraints that impede the modernisation of the fleet.

In addition to operations and expenditure framed by *Article 17 to 19*, EMFAF provides funding opportunities for modernisation of the fleet without increase in GT in support to specific objective 1.1 (Strengthening economically, socially and environmentally sustainable fishing activities). However, the legal insecurity stemming from the uncertain interpretation by managing entities of the overarching EMFAF eligibility condition set out in Article 13(b) (acquisition of equipment that increase the ability of a fishing vessel to find fish) may limit the utilisation of EMFAF funding opportunities compared to expectations.

Recommendations

Recommendation 1: Conditions for replacement or modernisation of the main or ancillary engines for fishing vessels other than small-scale costal fishing vessels should be adapted considering the state of the art of propulsion technologies available to the different categories of fishing vessels in 2027 and beyond, with possibility to introduce different treatments according to environmental criteria.

Recommendation 2: Identification of funding opportunities to support the introduction of new vessels in accordance with WTO rules on fisheries subsidies to reverse the aging trend of the fishing fleet and to support introduction of modern energy efficient fishing vessels

Recommendation 3: Provide clarification to Member States and targeted beneficiaries on eligibility conditions that may be subject to interpretation through Commission Implementing Acts or official guidance document as appropriate.

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MAIN DATA SOURCES

The study is based on the following sources:

- Statistical data from STECF, the EU Fishing Fleet Register and data collected by the French research institutes (e.g. IFREMER).
- French EMFAF programme and publications of lists of beneficiaries.
- Extracts from the Infosys database (records of EMFF / EMFAF relevant operations implemented in France)
- Feedback from consultation with the EMFAF Managing Authority and representatives of different organisations including the National Association of Producer Organisations (ANOP), the national representation of the fishing sector (CNPMEM) and two of its regional representations (CDPMEM du Finistère, CRPMEM Bretagne).
- Technical and Scientific publications of relevance to the modernisation of fishing fleets.

RESEARCH FOR PECH COMMITTEE

Part IV: Case study on the Netherlands

Abstract

This study is the fourth in a series of four, commissioned for a PECH Committee Workshop on "The future of the EU fishing fleet – First assessment of Member States' EMFAF programmes for 2021–27". It reviews the implementation of EMFAF *Articles 17–19* in the Netherlands, assesses the future needs of the Dutch demersal fishing fleet and makes proposals for the adjustment of the EMFAF for the next financial period post-2027.

CONTENTS

LIST OF ABBREVIATIONS

B_{lim}	Limit reference point for spawning stock biomass (SSB)
$B_{trigger}$	Value of spawning stock biomass (SSB) that triggers a specific management action
CFP	Common Fisheries Policy
DCF	Data collection framework
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
EU	European Union
F_{msy}	Fishing mortality consistent with achieving Maximum Sustainable Yield (MSY)
FTE	Full time equivalent
GT	gross tonnage
JRC	Joint Research Centre
kW	kilowatt
MA	managing authority of EMFAF
MSY	Maximum sustainable yield
MSY $B_{trigger}$	A biomass reference point that triggers a cautious response within the ICES MSY framework
PECH	European Parliament, Committee on Fisheries
RVO	Rijksdienst voor Ondernemend Nederland / *Netherlands Enterprise Agency*
STECF	Scientific, Technical and Economic Committee on Fisheries
SWOT	strengths, weaknesses, opportunities, threats
TA	technical assistance
ToR	terms of reference
VIN	Visserij Innovatie Netwerk / *Fisheries Innovation Network*
WEcR	Wageningen Economics Research
WUR	Wageningen University & Research

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EXECUTIVE SUMMARY

Background

The purpose of this study is to provide background information to the PECH Committee Workshop on the "The future of the EU fishing fleet – First assessment of Member States' EMFAF programmes for 2021-27" on the implementation of the EMFAF *Articles 17–19* in the Netherlands.

Main findings

The Dutch fishing fleet was composed in 2022 of 508 vessels, of which 380 are smaller than 24 metres, fishing for demersal species, 120 are demersal vessels over 24 metres and 8 vessels are large pelagic (freezer) trawlers.

The fleet landed in 2021 about 299 000 tonnes of fish, of which 220 000 tonnes were small pelagic species and 79 000 tonnes were demersal species. The demersal fleets below and over 24 metres landed each about half of the demersal catches, but the composition of their catch was very different.

The profitability of the demersal fleet has been poor and deteriorating since 2019. Consequently, 54 vessels (mostly over 24 metres) were decommissioned in 2023. Further decommissioning of smaller (shrimp) vessels is under discussion.

The EMFAF programme of the Netherlands[1] has allocated EUR 7 million to projects to be supported under *Article 18*. It is foreseen to support 100 projects which should lead to a reduction of fuel use to 150 litres/hour. Implementation of these projects is foreseen after 2024. No support is foreseen under *Articles 17 and 19*.

Several national support schemes have been established to compensate fishers for loss of fishing grounds and promote modernization and sustainability. These schemes are closely related to EMFAF in terms of their objectives. The two most important schemes are the Climate Fund and the North Sea Agreement.

The fishing fleet needs to adapt to new conditions in several areas:

- Environmental impact: improve selectivity and energy efficiency, reduce bottom impact and nitrogen deposition;
- Competition for space: develop technologies which would allow fishing within wind parks;
- Economic performance: improve profitability and increase crew salaries through greater (energy-) efficiency;
- Social dimension: improve attractiveness of the profession and generational transfer.

Main conclusions

The Dutch cutter fleet is facing a difficult economic situation, coupled with major environmental and social challenges. Consequently, the size of the fleet is decreasing.

[1] NL-Programma EMFAF (Programme EMFAF - The Netherlands): see: https://oceans-and-fisheries.ec.europa.eu/document/download/d797927c-cd87-4881-ac87-69f1a7f69dc5_nl?filename=emfaf-programme-netherlands_nl.pdf&prefLang=en

The Netherlands intends to start with the implementation of EMFAF *Article 18* as of 2024. First call for proposals for innovative projects has been launched in March 2024. The Dutch EMFAF programme does not foresee to make use of the *Articles 17 and 19*.

In order to compensate the fleet for loss of fishing grounds and promote its adaptation and innovation, several national support schemes have been initiated.

The fleet needs to improve its economic performance, adapt to constraints imposed by the environmental requirements (legislation) and competition for space in the North Sea, and to address social problems like shortage of crew and generational transfer.

Only vessels below 24 metres are eligible for support from the EMFAF *Articles 17–19*. Consequently, an important part of the Dutch demersal fleet is excluded.

Recommendations

- Post-2027 EMFAF adjustment should increase the flexibility of support, so that it can be decided at national or even local level which support is best suited to address the specific challenges of a given situation.
- The eligibility threshold of 24 metres should be either increased or dropped altogether, as in the Netherlands the larger vessels are by far most important from the perspective of food production.

1. STRUCTURE OF THE DUTCH FISHING FLEET

KEY FINDINGS

- The Dutch fishing fleet was composed in 2022 of 508 vessels, of which 380 are smaller than 24 metres, fishing for demersal species, 120 are demersal cutters over 24 metres and 8 vessels are large pelagic (freezer) trawlers.
- The fleet landed in 2021 about 299 000 tonnes of fish, of which 220 000 tonnes were small pelagic species and 79 000 tonnes were demersal species. The demersal fleets below and over 24 metres landed each about half of the demersal catches, but the composition of their catch was very different.
- The profitability of the demersal fleet has been poor and deteriorating since 2019. Consequently, 54 vessels (mostly over 24 metres) were decommissioned in 2023. Further decommissioning of smaller (shrimp) vessels is foreseen for 2025.

1.1. Introduction

The dynamics of the development of the national fleet and its components (segments) depend on the economic performance (profitability) and various other internal and external factors (e.g. generational transfer, environmental policies, etc.). These dynamics determine the extent to which the vessel owners may or may not apply for EMFAF support under *Articles 17–19*. Therefore this section analyses the structure of the Dutch fishing fleet from several perspectives:

- Main characteristics of the fleet.
- Landings and the role of the main fleet segments in food production.
- Economic performance – role of the fleet segments as a source of income and employment.

This section deals with the whole fleet, from which it will be made clear, which part of the fleet is <24 metres and hence supported by EMFAF. Distinction between active and non-active vessels will allow link between DCF and EU Fishing Fleet Register.

1.2. Structure of the fleet

In 2021 the Dutch fishing fleet was composed of 508 active vessels with 216 393 kW and 93 350 GT. The average age was 32 years. Three main categories of vessels can be distinguished in terms of length groups:

- 380 demersal vessels below 24 metres, fishing mainly for North Sea shrimp and (non TAC) bottom species.
- 120 larger demersal vessels, most of them in the range 24-45 metres, using beam trawls and other demersal trawls and fishing mainly plaice and sole, and some other bottom species (cod, nephrops). Of these, 54 vessels were decommissioned in 2023, leading to a major reduction in the size of this fleet segment.
- 8 large pelagic freezer trawlers (51-142 metres), fishing for small pelagic species – mainly herring, blue whiting, horse mackerel and Atlantic mackerel.

The demersal vessels over 12 metres fishing for shrimp and (flat)fish are usually called ‘cutters’.

The fleet of vessels below 24 metres is composed of two segments:

- 190 vessels, using polyvalent (mostly passive) gears and
- 190 vessels, mostly beam trawlers, for which shrimp is the most important target species. [2]

The fleet below 24 metres represents 13% of the total national gross tonnage (GT) and 26% of the engine power. For the demersal fleet over 24 metres in length these percentages are 45% and 55% respectively. The share of the large pelagic vessels is 40% and 18% respectively. These percentages reflect the situation of 2022 before the decommissioning`.

Table 1: Composition of the Dutch fleet by its physical characteristics (2022)

Vessel length (m)	Gear	Number of vessels	Total vessel tonnage (GT)	Total vessel power (kW)	Mean age of vessels
00-10	Polyvalent gear	156	291	14 874	23
00-10	Bottom trawl	7	23	369	23
00-10	Beam trawl/dredge/demersal trawl	11	23	289	33
10-12	Polyvalent gear	19	134	2 924	27
10-12	Beam trawl/dredge/demersal trawl	4	40	363	39
12-18	Polyvalent gear	9	152	987	42
12-18	Beam trawl/dredge/demersal trawl	10	255	1 622	41
18-24	Polyvalent gear	6	357	986	54
18-24	Demersal trawl	6	863	1 620	27
18-24	Beam trawl/dredge	152	10 256	32 093	42
24-40	Demersal trawl	31	8 329	17 120	24
24-40	Beam trawl/dredge	28	5 335	16 969	47
40-XX	Beam trawl/dredge	61	28 746	85 408	28
40-XX	Pelagic trawl	8	38 546	40 769	30
Total fleet		508	93 350	216 393	32
	- below 24 m - demersal	380	12 394	56 127	33
	- over 24 m - demersal	128	42 410	119 497	31

Source: STECF 23 07 - EU Fleet Economic and Transversal data fleet segment.xlsx, https://stecf.ec.europa.eu/data-dissemination/aer_en

[2] The variety of gears is in fact greater than that shown in **Table 1**.

1.3. Fleet segments and their landings

Table 2: Landings of the Dutch fleet and the three main species (2021)

Vessel length (metres)	Gear	Live weight of landings (tonnes)	Three main species (% of tonnes)	Value of landings (million EUR)	Three main species (% of value)
00-10	Polyvalent gear	305	Seabass 47% Grey mullet 19% Crab 11%	2.5	Seabass 79% Grey mullet 9% Sole 3%
00-10	Beam trawl	64	Whelk 69% Crab 16% Shrimp 14%	0.2	Whelk 72% Shrimp 14% Crab 13%
10-12	Polyvalent gear	44	Sole 42% Crab 24% E. lobster 11%	0.3	Sole 68% Seabass 18% Crab 8%
12-18	Beam trawl	20 334	Razor shell 44% Surf clam 52% Shrimp 2%	28.9	Razor shell 47% Surf clam 46% Shrimp 3%
18-24	Drift / fixed nets	386	Crab 63% Smelt 16% Shrimp 16%	1.0	Crab 62% Shrimp 20% Smelt 7%
18-24	Demersal trawl	1 257	N. lobster 38% Plaice 22% Shrimp 14%	4.9	N. lobster 50% Plaice 13% Shrimp 11%
18-24	Beam trawl	16 249	Shrimp 88% Sole 3% Flounder 3%	53.5	Shrimp 86% Sole 9% Plaice 1%
24-40	Demersal trawl	11 713	Plaice 21% Surmullet 10% Gurnard 10%	38.1	Surmullet 20% Squid 17% Plaice 14%
24-40	Beam trawl	4 953	Plaice 38% Shrimp 22% Sole 17%	20.9	Sole 42% Plaice 20% Shrimp 17%
40-XX	Beam trawl	23 579	Plaice 51% Sole 20% Dab 5%	102.8	Sole 50% Plaice 26% Turbot 12%
40-XX	Pelagic trawl	220 219	Herring 34% Bl. whiting 28% Horse mack. 11%	96.5	Herring 30% Bl. whiting 20% Atl. mackerel 18%
Total active fleet		299 104	Herring 25% Bl. whiting 21% Horse mack. 8%	349.6	Sole 19% Shrimp 15% Plaice 11%
- <24m - demersal		38 640	Shrimp 39% Clam 27% Razor shell 23%	91.2	Shrimp 52% Razor shell 15% Clam 15%
- >24m - demersal		40 245	Plaice 41% Sole 14% Dab 5%	161.9	Sole 38% Plaice 22% Turbot 10%

Source: STECF 23 07 - EU Fleet Economic and Transversal data_fleet segment.xlsx, https://stecf.ec.europa.eu/data-dissemination/aer_en

The total Dutch fishing fleet landed in 2021 299 000 tonnes of fish. The pelagic freezer trawlers were by far the most important, landing some 220 000 tonnes, or 73% of the total. Vessels below and above 24 metres accounted for similar quantities of around 38-40 000 tonnes. Within the total demersal landings of almost 79 000 tonnes, the three beam trawl groups (12-18 metres, 18-24 metres and 40-XX metres, accounted for about 76%.

The composition of the landings is quite different per segment. Shrimp and bivalves are important for the vessels under 24 metres. Vessels over 24 metres target plaice and sole while other species are 'bycatch'. Given the large price differences between the various species, their monetary importance is very different from the volume.

Support from EMFAF is conditional on maintaining the balance between capacity and fishing opportunities, which is assessed in the "Fleet report of the Netherlands for the year 2022"[3]. The report does not identify any fleet segments which would be considered overall 'not in balance', although some indicators do not meet the threshold value. Hence, it does not specify any action plan to address any imbalance. However, in practice an important part of the fleet over 24 metres was considered unsustainable in the long run, which led to the decommissioning of 54 vessels in 2023[4], together representing more than 30% of the capacity of the demersal fleet (in GT and kW). A reduction of the shrimp fleet (vessels below 24 metres) through decommissioning is under preparation for 2025[5]. At the same time construction of new vessels is limited.

1.4. Profitability of the Dutch fleet

Profitability of the Dutch fleet fluctuates quite strongly from year to year and there are significant differences between the various fleet segments.

In 2021 the total income of the Dutch fleet amounted to EUR 367 million, with a net profit of EUR 25.7 million. An important part of income and profit was realized by the 8 pelagic trawlers, followed by the large beam trawlers (TBB_VL40XX) and the small beam trawlers of 12-18 metres. All other segments were operating at approximately break-even level, i.e. income just about covered all costs.

The income of the crew (personnel costs / FTE) ranged between EUR 36 000 and 73 000 for most employed. The income level was significantly lower for the smallest vessels (<12 metres), in the order of EUR 8 000 to 13 000. On the other hand, crews of the pelagic trawlers earned income in excess of EUR 100 000 per FTE.

About half of the employed FTEs work on vessels which are relatively profitable and the other half on vessels breaking even.

[3] https://oceans-and-fisheries.ec.europa.eu/fisheries/rules/fishing-fleet-capacities/fleet-capacity-reports-2023_en

[4] https://www.rijksoverheid.nl/actueel/nieuws/2023/08/04/aantal-aanvragen-saneringsregeling-visserijkotters-valt-lager-uit#:~:text=Om%20de%20visserijvloot%20weer%20in,zoals%20tong%20en%20schol%20vissen

[5] https://zoek.officielebekendmakingen.nl/kst-21501-32-1573.html

Table 3: Economic performance by fleet segment (2021)

Length (metres)	Gear	Employment (FTE)	Personnel costs/FTE (EUR 1000)	Total income (EUR million)	Gross value added (EUR million)	Net profit (EUR million)
00-10	Polyvalent gear	53	7.8	2.6	1.6	0.2
00-10	Beam trawl	4	12.7	0.2	0.0	-0.2
10-12	Polyvalent gear	7	7.8	0.3	0.2	0.0
12-18	Beam trawl	101	73.5	29.4	20.4	8.9
18-24	Drift/fixed nets	6	45.7	1.0	0.6	0.0
18-24	Demersal trawl	29	42.1	5.0	2.0	0.0
18-24	Beam trawl	379	36.6	54.7	23.8	-2.4
24-40	Demersal trawl	199	52.9	40.6	15.7	-0.4
24-40	Beam trawl	121	40.9	21.1	5.6	-1.3
40-XX	Beam trawl	391	55.5	105.7	36.7	9.7
40-XX	Pelagic trawl	297	108.1	106.3	52.3	11.3
Total		1 586	58.4	367.0	158.9	25.7
	Demersal <24m	579	40.3	93.3	48.6	6.4
	Demersal >24m	711	52.3	167.5	58.0	8.1

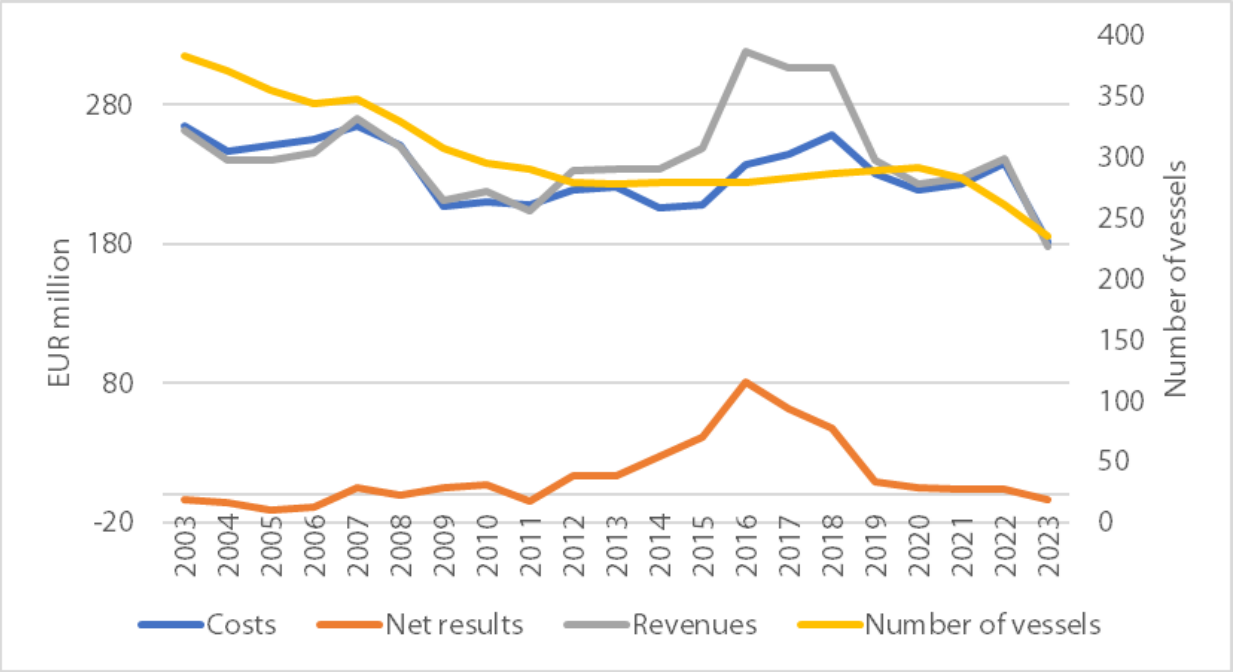
Source: STECF 23 07 - EU Fleet Economic and Transversal data_fleet segment.xlsx, https://stecf.ec.europa.eu/data-dissemination/aer_en

The above assessment of the economic performance of 2021 is complemented in figure 1 from a long term perspective and with more recent 2022-23 results for the cutter fleet. The figure shows that the net profit was mostly fluctuating around zero, with the exception of the period 2012-2018[6]. The size of the cutter fleet was continuously falling, from 384 vessels in 2003 to 216 vessels at the end of 2023. The economic performance in the period 2020-21 was affected by Covid and 2022 by the rise of energy prices due to the war in Ukraine. These developments, coupled with a number of other weaknesses (lack of crew, generational transfer, etc.) have led to decommissioning of 51 beam trawlers over 24 metres in 2023. Reduction/decommissioning of shrimp fleet (mainly beam trawlers of 18-24 metres) is

[6] According to the letter from the Minister of Agriculture to the Parliament of 1/7/2022 (DGNVLG / 22218250) the share of loss making fishing vessels increased from 47% in 2021 to 74% in 2022. This percentage is higher for larger vessels.

also expected in 2024/2025 due to its perceived ecological impact (bottom impact, nitrogen deposition, protection of Natura 2000 areas). Decommissioning of the shrimp fleet requires approval of the European Commission[7].

Figure 1: Cutter fleet, number of vessels, revenues, costs and net results (2003-2023)



Source: WUR, Agrimatie, consulted 05/06/2024, see : https://agrimatie.nl/PublicatiePage.aspx?subpubID=2526&sectorID=2862&themaID=2272 & indicatorID=2871
Note: Cutter fleet corresponds approximately to the demersal vessels over 12 metres, presented in Table 1

[7] Letter from the Minister of Agriculture to the Parliament, 6 September 2023, https://open.overheid.nl/documenten/3ebdfc6f-64f0-4b0c-a2e3-ceebe5bf2ebe/file

2. IMPLEMENTATION OF EMFAF ARTICLES 17–19

KEY FINDINGS

- The Dutch EMFAF programme has allocated EUR 7 million to projects to be supported under *Article 18*.
- It is planned to support 100 projects, which should lead to a reduction of fuel consumption to 150 litres/hour. Implementation of these projects is foreseen after 2024.
- No support is planned under *Articles 17 and 19*.

National implementation of the EMFAF *Articles 17–19* is presented in two parts. Part 1 deals with the planning as specified in the EMFAF Programme. Part 2 reflects available information on the implementation until approximately mid-2024.

2.1. Planning in programme

The Dutch Programme recognises the importance of taking measures to mitigate the consequences of climate change through reduction of the use of fossil fuels and thus also reduction of CO_2 emissions. The development of the needed innovations is foreseen inter alia through cooperation with other maritime sectors and through the establishment of the Fisheries Innovation Network (VIN), which offers the sector a platform for cooperation in various areas, including engine innovation and energy reduction.

The Dutch EMFAF programme specifies the budget allocated to *Articles 17, 18 and 19* as well as the results which should be achieved by the end of the programme in 2029. The budget allocated to *Articles 17 and 19* is presented in Table 11A, under the specific objective 1.1.2.[8] The budget allocated to *Article 18* is presented under specific objective 1.2.[9] To illustrate the relative importance given to these articles within the overall programme under priority 1 the total budget of the programme and the budget for priority 1 are presented in the **Table 4** below. [10]

The Table 11A of the Programme EMFAF NL shows that the Netherlands has not allocated any resources to *Articles 17 and 19*. This means that neither acquisition of fishing vessels by young fishers nor increase in GT for health or safety will be supported.

As for *Article 18* (replacement and modernization of engines), the Netherlands intends to dedicate a total of EUR 10.18 million to this purpose, of which EUR 7 million will be sourced from EMFAF.

[8] SO 1.1.2: Strengthening economically, socially and environmentally sustainable fishing activities. Operations supported under *Articles 17 and 19*

[9] SO 1.2: Increasing energy efficiency and reducing CO2 emissions through the replacement or modernisation of engines of fishing vessels

[10] Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources.

Table 4: Dutch EMFAF budget and the allocations to priority 1 and Art. 17–19 (EUR 1 000)

EMFAF	EU contribution (excl. TA)	National contribution	Total budget
Total budget	**92 381**	**41 968**	**134 349**
Priority 1: Fostering sustainable fisheries and the restoration and conservation of aquatic biological resources	80 848	36 727	117 575
Specific objective 1.1.2 Strengthening economically, socially and environmentally sustainable fishing activities. (*Articles 17 &19*)	0	0	0
Specific objective 1.2 Increasing energy efficiency and reducing CO2 emissions through the replacement or modernisation of engines of fishing vessels. (*Article 18*)	7 000	3 180	10 180
% of priority 1	8.7%	8.7%	8.7%

Source: Programme EMFAF NL, see: Table 11A

The EMFAF programme for the Netherlands quantifies the target in two indicators, so called 'output' and 'result' indicator. Output refers to the number of foreseen operations in 2024 (milestone) and 2029. Result specifies what those operations should achieve. Realisation of these targets does not only depend on the availability of resources, but also on the interest and ability of the potential beneficiaries to make use of those resources, i.e. to identify technically and financially feasible improvements and successfully apply for support.

The "Programme EMFAF - The Netherlands"[11] specifies the following targets:

- Output: It is not foreseen to implement any operations by 2024. 100 operations should be completed by 2029. (EMFAF-NL, p.95).
- Result: the implemented operations should lead to a reduction of fuel use to 150 litres / hour. (EMFAF NL, p.96)

2.2. Implementation

The Netherlands will not support any projects under *Articles 17 and 19*, as no budget has been foreseen for this purpose.

A call for innovative project was launched in March 2024. This call covers the total range of innovations in fishing, which could also include reduction of energy use. Publication of beneficiaries of 30 June 2024 does not include the results of this call yet.

[11] see: https://oceans-and-fisheries.ec.europa.eu/document/download/d797927c-cd87-4881-ac87-69f1a7f69dc5_nl?filename=emfaf-programme-netherlands_nl.pdf&prefLang=en

4. NATIONAL FUNDING SCHEMES

KEY FINDINGS

- Several support schemes have been established to compensate fishers for loss of fishing grounds and promote modernization and sustainability.
- These schemes are closely related to EMFAF in terms of their objectives. The two most important schemes are the Climate Fund and the North Sea Agreement.

Fishing fleet may obtain support from national funding schemes which promote sustainability and mitigate consequences of increasing competition for space in the North Sea, mainly due to the priority given to wind parks: Noordzeeakkoord (North Sea Agreement) and the Klimaatfonds (Climate Fund). The basic information on these schemes is presented in the **Table 5** below.

Table 5: Basic information on the national funding schemes

Name	**Noordzeeakkoord** **(North Sea Agreement, NSA)**	**Klimaatfonds** **(Climate Fund)**
Budget allocated to fisheries	EUR 10 million from national sources Most activities are funded from EMFAF, BAR and Climate Fund	EUR 199 million
Duration	Till 2027	Until 2030
Background / Objective	Innovation	Compensation for the loss of fishing grounds due to wind parks
Coverage	Whole cutter fleet	Whole cutter fleet
Measures, particularly related to modernisation	Innovation	Innovations, fleet renovation, multiple use of marine space
Division of budget	Innovation under EMFAF: EUR 35 million Support to fisheries firms, including operation of the Fisheries Innovation Platform (VIN): EUR 10 million	Support to fish chain and communities: EUR 30 million Improvement of energy efficiency: EUR 28 million (Energievis) Rest to be determined
Status of implementation	VIN is on-going EMFAF 1st call for innovation projects launched in March 2024	Energy support was implemented

Source: Dutch Ministry of Agriculture, Nature and Food Quality

The national support schemes are presented below in more detail.

4.1. North Sea Agreement (NSA)

The NSA is a policy document, outlining the priorities and approaches to adapt the Dutch cutter fleet to the new conditions in the North Sea [12]. The NSA does not have its own budget. The resources come from budgets of EMFAF, BAR and the Climate Fund. The NSA is composed of several pillars that are partly related to modernisation pursued through EMFAF *Articles 17–19*[13]. These pillars are presented below, to illustrate the policy priorities of the Dutch government.

- Innovation towards flexibility and sustainability

Support for innovation is funded from EMFAF, as discussed above. The main goals are reduction of use of energy, reduction of bottom impact, less discards and less waste (circular fisheries). More selective gear should be developed for the sole fishery and new vessels should be more flexible and more sustainable. The policy intends to 'nudge' innovation.

- Decommissioning

Decommissioning of 51 flatfish cutters has been implemented in 2023 and funded by BAR. Further decommissioning is being discussed, to promote the sustainability of the shrimp fleet[14].

- Monitoring and control

Improved monitoring and control should be achieved through the development of a black box, to start with the shrimp fishery and subsequently for the flatfish fishery. The black box will also monitor the engine power. In addition, the staffing of the control agency (NVWA) is to be expanded.

- Shrimp and other coastal fisheries

Shrimp fishers should also be eligible for innovation support. 19 licences to fish in the Wadden Sea were decommissioned on the basis of the VisWad convenant[15]. Waddenfonds dedicated EUR 10 million for this purpose in 2021[16].

4.2. Climate fund – Reduction of energy use

The Climate Fund has allocated EUR 199 million to the fisheries sector to compensate the deterioration of income due to the loss of fishing grounds related to development of wind parks and to strengthen the sustainability of the sector. The resources will be spent inter alia on innovation, renovation of the fleet and development of multiple uses of the wind park areas.

State aid support related to energy saving measures was launched on 22 August 2023 under the heading 'ENERGIEVIS', with a total budget of EUR 20 million. The Ministry of Agriculture received relatively quickly 85 submissions for support which depleted the budget. The budget was therefore increased to EUR 28 million.

[12] Letter from the Minister to the Parliament, 19 June 2020

[13] https://vissersbond.nl/noordzeeakkoord-kottervisie-visserij/

[14] https://www.visserijnieuws.nl/nieuws/algemeen/39687/tweede-kamer-koude-sanering-voorkomen-#google_vignette

[15] https://rijkewaddenzee.nl/wp-content/uploads/2016/03/transitie-garnalenvisserij-natuurambitie-rijke-waddenzee.pdf

[16] https://waddenfonds.nl/tenderregeling-garnalenvisserij-waddenzee/

The following conditions apply:

- Co-financing share is 50%.
- Maximum amount per beneficiary is EUR 1.25 million. The beneficiary is defined as the owner of the company, independently of the number of vessels the company(ies) operate.
- Suppport is available for the following types of improvements, aligned to Article 27(4) of the Regulation 2022/2473[17] :
    - Hydrodynamics: vessel stability, use of non-toxic antifouling
    - Propulsion: propellers and drive shafts, catalysors, generators, ecometers (fuel management and monitoring systems), application of renewable energy, nozzles to improve propulsion systems.
    - Fishing gear: gear modifications, change from towed to other gear, towed gear monitoring equipment.

4.3. Other support schemes

The following support schemes all promote sustainability and corresponding modernization in fisheries and aquaculture[18].

IPC Vis[19]

This support was open over the period 15/7-15/10/2022 with a total budget of EUR 2.75 million. It offered a maximum of EUR 550 000 per project.

The scheme promoted innovation of gear for selectivity, less bottom impact, reduction of negative impact on climate or environment and other catch or fish culture methods improving sustainability.

A specific requirement was that at least two unrelated SMEs must participate, of which at least one must be a fishing or fish farming company.

Overbrugging (Bridging)[20]

This support was open between 27/3 and22/5/2023 with a total budget of EUR 7 million. It offered a maximum of EUR 30 000 per beneficiary over 3 years.

This scheme falls under the de-minimis support. It aims to provide a limited compensation for example to bridge a period of innovation.

SDVA (sustainable fisheries and aquaculture)[21]

This support was open from 8/7 to15/9/2021with a total budget of EUR 4.5 million, with a maximum of EUR 1 000 000 per project, and a minimum size of the project of EUR 500 000.

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17 Commission Regulation (EU) 2022/2473 of 14 December 2022 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union

18 RVO, https://www.rvo.nl/subsidies-financiering

19 Innovatie Prestatie Contracten Visserij, https://www.rvo.nl/subsidies-financiering/ipc-visserij

20 https://www.rvo.nl/subsidies-financiering/overbrugging-visserij

21 Subsidieregeling Duurzame Visserij en Aquacultuur, https://www.rvo.nl/subsidies-financiering/sdva and https://zoek.officielebekendmakingen.nl/stcrt-2021-31892.html

This scheme focuses on research and development to promote sustainability in the fisheries and aquaculture sector. It supports cooperation between companies, organisations and research institutions. The percentage of subsidy depends on the nature of the partnership, for example research institutions could get 100%, SMEs 50 or 75%.

MIA/VAMIL[22]

This scheme is an on-going fiscal stimulus for sustainability related investments in capital goods which must be specified in MIA/VAMIL list of eligible investments. The investor's profit tax is reduced.

[22] Milieu-investeringsaftrek (MIA) en de Willekeurige afschrijving milieu-investeringen (Vamil), https://data.rvo.nl/subsidies-regelingen/milieulijst-en-energielijst/2023?search=%23LMA&type=all

5. ADAPTATION NEEDS

KEY FINDINGS

The fishing fleet needs to adapt to new conditions in several areas:

- Environmental impact: improve selectivity and energy efficiency, reduce bottom impact and nitrogen deposition;
- Competition for space: develop technologies which would allow fishing within wind parks;
- Economic performance: improve profitability and increase crew salaries through greater (energy-) efficiency;
- Social dimension: improve attractiveness of the profession and generational transfer;
- Small scale fishing will have to meet new higher educational requirements.

Several recent policy documents and research reports assess in detail the adaptation needs of the Dutch cutter fleet[23]. Most of these adaptation needs are independent of the vessel size. The following assessment takes the SWOT analysis of the EMFAF programme as a starting point and complements it with several other, more recent, sources.

The problems facing the Dutch fishery are discussed under four headings: sustainability, competition for space, economic performance and social dimension. The extent to which adaptation to these 'challenges' is feasible and could be supported from the public sources depends on the nature of each specific topic.

5.1. Sustainability

Environmental sustainability of the Dutch fishing fleet shows a mixed picture when it comes to the status of fish stocks and general environmental assessment.

It was shown in section 3.3 that the Dutch fleet depends significantly on three stocks: sole, plaice and shrimp. The 2023 status of these stocks is presented in the **Table 6** below.

[23] The large pelagic fleet is not considered here, being entirely outside the scope of this study.

Table 6: Sustainability of main stocks

Species / Stock	Fishing pressure	Spawning stock biomass
Plaice, North Sea and Skagerrak Stock code: ple.27.4	Below Fmsy since 2006	Above MSY $B_{trigger}$ since 2005
Sole Stock code: sol.27.4	Sharp decrease since 2018 Below F_{msy} since 2022	Around B_{lim} (30 000 t) since 1997 MSY $B_{trigger}$ is 50 000 t
Shrimp	Scientific assessment of shrimp stock does not exist for the time being. North Sea shrimp is a short lived species, so that the biomass depends on various short term environmental conditions. Calculation of MSY biomass is not feasible. Catches fluctuated between 2013 and 2022, with no statistically significant trend. North Sea shrimp fishery is MSC certified, which indicates that it is overall sustainable.	

Sources: ICES https://ices-taf.shinyapps.io/advicexplorer (plaice and sole),: Beier, U. et. al., Ecologische en sociaaleconomische effecten van alternatieve beheerscenario's voor de garnalenvisserij, WUR Research report C053/23 and STECF 27 03. (shrimp)

While the main stocks are in reasonably good condition, the general environmental impact is a source of concern and on-going discussion. This concerns four areas:

- Bottom impact: relatively heavy beam and bottom trawls affect the flora and fauna of the fishing grounds.
- Selectivity: in relation to the landing obligation, the Dutch fleet faces a major constraint due to by-catch of choke species. The fleet has been granted a number of exemptions, which make the situation manageable until 2027[24].
- Nitrogen deposition, by the shrimp fleet in coastal Natura 2000 areas.
- Energy intensity: beam trawl vessels use relatively large quantities of fuel due to their size and weight of the gear, leading to high CO2 discharge.

Consequently, the Dutch cutter fleet is working on adaptations to resolve these problems.

As for small-scale fishing fleet, the gear adaptations needed to reduce environmental impact are mainly related to avoiding by-catch of birds and meeting the conditions to fish in protected areas (Natura 2000).

[24] Exemptions for the North Sea (ICES area 4):
- The survivability exemptions referred to in Articles 4, 6, 7,8 and 9 of Commission Delegated Regulation (EU) 2023/2459.
- The de minimis exemptions referred to in Articles 11(b), 11(f), 11(g), 11(i) and 11(j) of Commission Delegated Regulation (EU) 2023/2459.

Exemptions for the North Western Waters (ICES area 7):
- The survivability exemptions referred to in Articles 5 and 6 of Commission Delegated Regulation (EU) 2023/2623.
- The de minimis exemptions referred to in Articles 13(1) and 13(10) of Commission Delegated Regulation (EU) 2023/2623.

5.2. Competition for space

The North Sea is one of the most heavily used marine areas with marine traffic, oil and gas exploitation and various other 'traditional' uses (cables, tourism, sand winning, military grounds). Over the recent years additional areas were dedicated to nature protection (Natura 2000) and allocated to wind parks.

The priority given to energy production and the small and decreasing size of the fishing sector lead to progressive loss of fishing grounds and hence to a narrowing basis for the continuation of this activity.

To adapt to these conditions new technologies will be required, e.g. to allow fishing within the wind parks. At present this is not possible for safety reasons. This could be in particular relevant for small scale vessels.

5.3. Economic performance

Figure 1 showed that, with the exception of the years 2014-2018, the net result of the cutter fleet fluctuated around zero since 2003. In 2023 the performance deteriorated further.

The economic performance at approximately break-even level has led to ever decreasing numbers of new constructions, which is illustrated in figure 2. Since the year 2000 the number of new cutters entering the Dutch fleet each year has structurally decreased and consequently also the aggregate gross tonnage. In 2023 only 2 new relatively small vessels joined the fleet. Assuming an economic lifetime of a fishing vessel of 40 years, then (with a fleet of some 300 cutters) 7 to 8 new vessels should join the fleet annually to ensure its renewal. In the 5 yeas 2019-2023, only 23 vessels were built, instead of about 40.

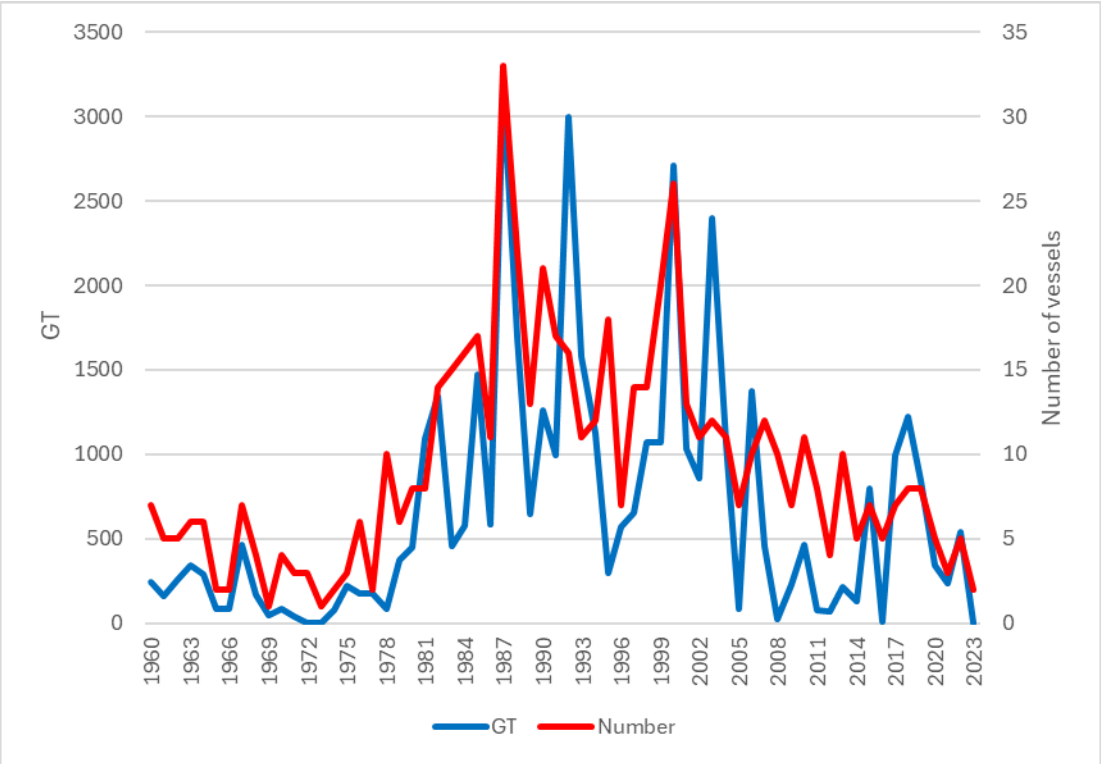
The average age of the cutter fleet of 12-40 metres was 38 years in 2021. In other words on average these vessels are close to the end of their technical and economic life span.

This situation has at least two other underlying causes. Firstly, new constructions are only possible when there is a dynamic trade in used vessels, which can still be sold at a good price. With recent poor performance this trade is stagnating. Secondly, banks are reluctant to provide the necessary credit, for the because fishing is perceived as high risk, the economic performance is poor and the market value of fishing rights (which could be use as collateral in the past) has fallen dramatically.

The fall in revenues after 2018 has also seriously impacted the income of the crews, which are remunerated on share basis. Between 2015 and 2018, the average crew costs per FTE amounted to EUR 67 200 per year. In the following three years (2019-2021) this amount dropped to EUR 46 500, i.e. by almost 31%. Given that the net result in 2022 and 2023 is even lower, the nominal crew revenues have decreased further. With 15% inflation in these two years, the deterioration in real terms was even greater.

Improving the economic performance of small scale vessels is also a priority. The latest available data for 2020 shows that gross earning per engaged person amounted to a mere EUR 1 500 while per FTE this amounted to around EUR 14 000. These figures highlight that small scale fishing can be only carried out as a part time activity.

Figure 2: Composition of the cutter fleet by year of construction (number of vessels and GT)



Source: EU Fishing Fleet Register, consulted 6/12/2023

In order to reverse this negative trend, the fleet must significantly improve its efficiency, in particular by reducing costs in general and fuel costs in particular. This was successfully achieved with the introduction of the pulse trawl, which allowed 40-50% reduction in energy use and costs. The ban on the pulse trawl in 2021 was a serious blow to the Dutch cutter fleet, which was obliged to return to using beam trawl, which uses much more energy. New gears are being developed and tested, but a breakthrough has not yet been achieved.

5.4. Social dimension

There are insufficient data about social challenges of the Dutch fishing fleet. However, various articles and reports indicate that the Dutch fleet is facing a number of challenges on social level, in particular succession, shortage of crews[25] and insufficient inflow of students in fisheries schools[26].

Lack of successors to continue the existing companies was one of the arguments why 51 vessels were decommissioned in 2023, which is closely related to the financial performance. According to CBS

[25] M.L. Kraan,1 N.A. Steins,2 X. Verschuur,2 O. van der Valk,1 D. van Wonderen,1 L. Puister-Jansen,1 A. Klok,1 B. Deetman,1 2023. Sociale en culturele waarde van visserij voor de visserijgemeenschap; En gevolgen van beleidswijzigingen. Wageningen, Wageningen Economic Research, Rapport 2023-053. 136 pp.

[26] Hoekstra, F.F., Valk, Y. de, Deetman, B., 2023. Visclusters in Nederland (nulmeting): omvang en afhankelijkheid voor de keten en toeleverende industrie van Noordzeevisserij; Impactanalyse beleidsbeslissingen op de keten van Nederlandse visserijregio's. Wageningen, Wageningen Economic Research, Rapport 2023-030. 98 pp., p.56

(Statistics Netherlands) in 2020 59% of agricultural firms with head of 55 years or older did not have a successor[27]. There is no reason to assume that in fishing the situation is any better.

Shortage of crews has been a persistent problem for many years. There are strict rules about minimum crew size and education level for a given vessel size. Although foreign crewmen are not very common on board Dutch cutters, there is anecdotal evidence that a vessel could not sail because the rules could not be met[28]. The fact that income of fishers has decreased so dramatically, as stated above, is one of the reasons why this profession has become less attractive.

The Dutch fisheries schools have expanded their curricula and became 'maritime colleges', offering training for fishing as well as professions in off-shore industries, merchant shipping and other maritime sectors. In this way they attract a larger number of students and at the same time the students get acquainted with a broad range of possible employment at sea. The schools do not follow to which extent their graduates enter fishing or pursue careers in other sectors.

The mentioned social problems have existed for a long time in fisheries, and they occur also in many other EU Member States. Turning the tide has proven difficult, despite implementation of projects like 'Catching the potential'[29] which promotes fisheries education at EU level.

The fishers working on small scale vessels face an additional challenge. As of 2024, a higher minimum educational level will be required. The EMFAF programme intends to provide the necessary financial support for this purpose.

27 https://www.cbs.nl/nl-nl/zoeken?q=keyword:bedrijfsopvolging

28 https://www.omroepzeeland.nl/nieuws/13599482/vissers-kampen-met-gebrek-aan-personeel-en-zoeken-nieuwe-collegas-vaker-in-buitenland

29 https://catchingthepotential.eu/

6. POST-2027 EMFAF ADJUSTMENT

KEY FINDINGS

- Post-2027 EMFAF adjustment should increase the flexibility of support, so that it can be decided at national or even local level what support is best suited to address specific challenges of a given situation.
- The eligibility threshold of 24 metres should be either increased or dropped all together.

Chapter 5 shows that the Dutch fishing fleet is facing a number of structural problems, which are mutually related. They do not originate only from certain weaknesses of the sector, which could potentially be addressed by the sector itself with support from present and future EMFAF. Some of these problems are threats from major rapid developments of the society at large (e.g. need of sustainable energy supply) to which the sector can barely adapt with the required speed.

At the same time the Dutch fisheries sector makes a contribution to the EU food production and reduces EU dependence on fish imports. About half of that production comes from vessels under 24 metres and the other half from larger vessels (disregarding pelagic trawlers).

The adjustment of post-2027 EMFAF will depend on political choices, goals and priorities for the period 2028-35. The EU priorities may regard eligibility thresholds (e.g. 24 metres) or nature of supported adaptation (energy, selectivity, gear innovation, etc.). In the national OPs, the EU priorities are narrowed down to national needs and priorities through selection of articles which would or would not be used. The effectiveness of EMFAF support depends partly on the broader context in terms of legislation, economic and social conditions, and partly on the attitude of individual vessel owner and their trust in the future of their firm and their profession.

In the case of the Dutch demersal fishing fleet, the lack of 'trust in future', due to the problems highlighted in chapter 5, is at present one of the main bottlenecks constraining the dynamics of the sector. It is clear that the relatively narrowly defined support of *Articles 17–19* is unlikely to contribute to the resolution of these problems. Given the complexity and dynamics of the situation, it seems very difficult to determine many years ahead what is needed, when and by whom. This was already recognized in changes introduced from EMFF to EMFAF, allowing for greater flexibility of support.

From the perspective of the needs of the Dutch fisheries, future EMFAF adjustments should continue this trend of 'flexibilization' so that it can be decided at national or even local level what support is best suited in a given situation. The future EMFAF should probably focus on definition of goals and conditions, without specifying the nature of support like the *Articles 17–19*. Also the threshold of 24 metres, making larger vessels ineligible, is from the Dutch perspective too restrictive.

7. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The Dutch fleet is facing a difficult economic situation, coupled with major environmental and social challenges. Consequently, the size of the fleet is decreasing.

The Netherlands foresees to start with the implementation of EMFAF *Article 18* as of 2024. The first call for proposals for innovative projects has been launched in March 2024. The Dutch Programme does not foresee to make use of the *Articles 17 and 19*.

In order to compensate the fleet for the loss of fishing grounds and to promote its adaptation and innovation, the several national support schemes have been initiated.

The fleet needs to improve its economic performance, to adapt to the constraints imposed by the requirements of environmental legislation and to the competition for space in the North Sea, and to address social problems like shortage of crew and generational transfer.

Only vessels below 24 metres are eligible for support from the EMFAF *Articles 17–19*. Consequently, an important part of the Dutch demersal fleet is excluded.

Recommendations

The Parliament has three main roles– legislative, supervisory and budgetary. From the perspective of the Dutch fishing fleet, recommendations can be made from legislative and supervisory perspective.

From a legislative perspective, the post-2027 EMFAF adjustment should increase the flexibility of support, so that it can be decided at national or even local level which support is best suited to address the specific challenges of a given situation. The eligibility threshold of 24 metres should be either increased or dropped altogether.

From a supervisory perspective, Parliament should critically assess evidence supporting legislative proposals and possibly collect its own information to ensure that the post-2027 EMFAF legislation is future proof and meets the industry needs as well as policy priorities.

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MAIN DATA SOURCES

The study is mostly based on the following sources:

- Statistical data from JRC / STECF and official Dutch data collected by Wageningen University & Research (WUR).
- Dutch EMFAF programme and publications of lists of beneficiaries.
- Information about other funding schemes operated by RVO (Rijksdienst voor Ondernemend Nederland / Netherlands Enterprise Agency), the intermediate body responsible for implementation of financial support to various sectors, including fisheries.
- Scientific publications related to the Dutch fisheries.
- Information obtained from the EMFAF managing authority.
- Description of the fleet is based on the year 2022 to use a common reference year for all case studies. Catches and economic performance are based on 2021.

This workshop provides a first assessment of the programming of the EMFAF for the period 2021-27. It focuses on *Article 17* on "First acquisition of a fishing vessel", *Article 18* on "Engine replacement or modernisation" and *Article 19* on "Increase of gross tonnage to improve safety, working conditions or energy efficiency". While a synopsis study provides a general overview of the implementation of the EMFAF, three case studies on Spain, France and the Netherlands discuss the national specificities of the fishing fleets and the support provided under the current EMFAF rules.

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