

POST-2020 EU FUNDING FOR AQUACULTURE



WHY SHOULD EUROPEAN AQUACULTURE RECEIVE STRUCTURAL FUNDS POST2020 ?

The following opinions have been provided by individual Member Associations of the FEAP that represent professional fish farming within the European Union and compiled by the FEAP Secretariat.

Recent European-level studies, reports and opinions have clearly indicated the need for and the potential of contributions from European aquaculture to:

1. Providing high quality, safe and highly nutritious food for the European consumer
2. Sustaining and creating jobs in rural and coastal areas, creating prosperous communities
3. Offsetting imports of seafood within the EU market
4. Contributing to European food security, a position of increasing importance

Such aspects are already recognized within several European strategies and policies, where sustainable growth is foreseen, underlining aquaculture's resource efficiency and key contributions both to the Bioeconomy and the Circular Economy.

Independent of European support funding opportunities, European aquaculture's potential has been restricted by a range of issues, including – at national levels - bureaucratic red-tape and the administration/availability of aquaculture sites. Governance improvements in many Member States appear to open new opportunities for the sustainable development of European aquaculture.

Many improvements in aquaculture require investment – in materials, stocks and skills – and innovations, new products and processes all require attention to markets and management (e.g. Product Environmental Footprint). Funding is essential to assure a supportive, growth approach to such investments and developments.

The interpretation and application of European and national laws affecting aquaculture, directly or indirectly, have fluctuated considerably – leading to a lack of vision for the sector, preventing strategic planning by the economic actors of the aquaculture value chain.

Many who are active in EU fish aquaculture are young enterprises – which need support that ENABLES aquaculture development. The delivery of positive socio-economic and environmental contributions of the smaller farms, notably freshwater ones, are medium to long term goals that still require financial support to achieve these contributions.

Establishing a level playing field for European aquaculture is of the highest priority for the profession. Structural funding is needed to assist development and adaptation of the sector within a highly competitive marketplace to assure its contributions to food security, jobs and Blue Growth.

WHAT IS WRONG WITH THE CURENT EMFF ?

The reports of the STECF (2016) and the European Court of Auditors (2014) concluded that:

- Public spending did not have 'a clear and visible effect on production growth' and
- The EFF 'did not offer effective support for the sustainable development of [European] aquaculture

The absence of a coherent [development] strategy and the existing national strategic plans and operational programmes did not provide a clear basis for the support and development of European aquaculture. While public expenditure is not seen as a substitute for a better legal framework for development, it has the potential to improve European and National measures to support sustainable aquaculture development and sectoral growth.

Access to the current EMFF has suffered important delays; available for the period 2014-2020, by 2018 the application of funds for aquaculture has been minimal; complexities encountered in application and administrative procedures have discouraged use of EMFF, far below initial expectations.

Uncertainties in interpretation and a highly precautionary approach by Member States have led to lethargic EMFF implementation; completed 'projects' are sometimes waiting for years before funding is completed.

- Member States should be offered binding interpretation on any questions on the implementation of the EMFF at national level
- There is a lack of information on the new provisions within the EMFF (e.g. on stock insurance); few managing authorities are aware of how to activate such provisions (e.g. eligibility)

Reducing the administrative burden for Member States and applicants/beneficiaries should be a high priority.

Member States should have the flexibility to define within their own strategic development strategies and Multi-Annual Plans the areas of support envisaged for the EMFF.

An exchange of Best Practices between the administrations of Member States would assist this aspect and others (reduction of red tape).

A common opinion within the FEAP is that professional representatives (Producers and Value-Chain representatives) should have an advisory role on EMFF investments and support, at the European and National levels.

POLICY OBJECTIVES

The fund should provide leverage for the improvement of the operational legal framework, including specific measures for reducing red-tape and licensing procedures

National strategies should include spatial planning – on land and at sea – integrating environmental and physical space for aquaculture sites and growth.

The negative impact of poor diets on public health in Europe is of high importance. Measures to promote the consumption of health food (including aquaculture and fisheries products) need encouragement (e.g. Food2030 strategy)

WHAT SHOULD NO LONGER BE ELIGIBLE FOR SUPPORT ?

Funding should not be used predominantly for large 'innovative' projects or environmental measures; it should be geared to supporting industry [including upstream and downstream interventions] and its integrated development at national and European levels.

REGIONAL SOLUTIONS FOR REGIONAL CHALLENGES ?

Given the aquaculture sector's structural and operational differences (North-South, East-West; Fish farming vs. shellfish production), account needs to be taken of sectoral and sub-sectoral differences within National and European strategies and plans, in the absence of clear Regional positions and challenges.

Detailed information and advice on these aspects can be provided by the FEAP.

WHAT EMFF INSTRUMENTS SHOULD BE ADAPTED ON A REGIONAL BASIS TO TACKLE THESE CHALLENGES ?

It is necessary to move EMFF from a cost-eligibility mechanism to a results-oriented responsibility in EMFF use; this means that results/performance indicators are needed for each sector (or area that is supported) and that these are agreed by the European and national legislators and the operators. Such information should be transparent and publicly available.

Reliable and efficient data collection mechanisms that support general and specific objectives and indicators; these will require definition and agreement prior to the EMFF implementation. More qualitative performance indicators – rather than the rate of funding of a number of projects – should be developed.

The financing of live aquaculture stocks (both fish and shellfish) is one of the most important investments made by new/young farmers and those who are increasing production capacity. Stocks should then be used as assets for guaranteeing debts. A European Guarantee fund, supporting the obtaining of loans, would provide an additional support instrument to practically assist growth and development of European aquaculture; within the FEAP, this is a top priority for successful development of aquaculture in Europe.

WHAT KIND OF FLEXIBILITY SHOULD BE GRANTED TO MS DEMONSTRATING GOOD MANAGEMENT PRACTICE (IN AQUACULTURE) ?

Member States need greater flexibility to address national needs and long-term objectives as set out in the Multiannual National Strategic Plans

Simplification of EMFF application to reduce the administrative and financial burden for managing authorities, control bodies and beneficiaries.

Monitoring and evaluation mechanisms require to be integrated within the operational basis of EMFF implementation, being updated or changed as needed at MS level.

Funding should be given to realistic 'projects', where industry representatives should be involved in steering committees that influence funding allocation;

ACTION PRIORITIES FOR A NEW EMFF

This can be divided into 2 broad categories:

PREREQUISITES FOR FUNDING OPPORTUNITIES

Relating primarily to Member State strategies and plans, these have helped the design of funding implementation but much more can be done. Strategies need to include how Member States will develop/implement regulatory actions that provide a legal framework for effective funding actions. This needs to include the creation of new aquaculture sites/areas and the expansion/growth of existing sites. Growth cannot be achieved without these priority considerations.

This approach has to be supported by clear and binding spatial planning so that aquaculture investors are sure of what areas can be used, under what conditions and with a pre-defined timeline for approval and use. Progress in aquaculture zoning within Maritime Spatial planning is needed.

Accommodation of environmental regulations within the conditions of aquaculture operation needs to be improved at the European and national levels (e.g. Integration guidelines).

- Freshwater wetlands, supported by inland pond-farming, might not exist without the financial support provided by European funding

The fear of fund recovery for incorrect allocations has led to timid EMFF approvals in certain Member States. Closer accompanying communication between the Commission and the MS would assist this aspect.

TECHNICAL ASPECTS THAT QUALIFY FOR FUNDING

The following provides an overview of the priorities identified by FEAP Member Associations

- Priority should be given to production growth and the achievement of this, within the approach of achieving a fully sustainable sector – it is necessary to unlock the potential for significant sectoral growth
 - Nonetheless, both productive and non-productive investments should be considered within the EMFF
 - These should be considered and assessed within the scope of improving competitiveness and long-term operational sustainability
 - Support for implementing innovation, resulting from applied research actions
- Support for professional collective actions, such as interbranch organisations, should continue – allowing an anticipatory identification of obstacles to growth/development, encouraging sectoral stability
- Producer Organisations – identified as a key requirement for improving sectoral stability and marketing efficiency
 - Assisting their creation/operation with higher levels of state aid than at present
 - Supporting the development of production and marketing plans
- Financial and participative support for National Mirror Platforms to the European Aquaculture Technology and Innovation Platform so as to stimulate research and innovation actions to improved competitiveness and sustainability
- Existing farmers: Support for
 - Implementation of innovations in production and processing
 - Investments that compensate the impacts of climate change
 - Maintenance/adaptation of traditional installations, including water treatment/RAS systems
- New (young) farmers; support for
 - Productive investments
 - Investing in systems supported by the competition rules set out under the CFP
 - Guarantee fund for obtaining loans
- Support for skill development and incorporation in SMEs is needed.
 - Access to vocational training support
- Recognition/Support for environmental services made by aquaculture operators
 - Research to raise recognition of the environmental benefits of freshwater pond farming and extensive marine aquaculture
- Support effective measures (at national and regional levels) to respond to predation and associate stock losses
- Assistance to actions that are directed at improving aquatic animal health and welfare, particularly in the regulation of diseases covered by Directive 2006/88 and Regulation 429/2016
- Assistance to processing, distribution and marketing, particularly for products and sectors that are relatively unknown to the consumer

- Information/Promotion campaigns (local→European levels)
 - Communication actions to raise social acceptance
 - The 'FARMED in the EU' campaign could be developed further (supporting social licence and improved consumer information)
- Data collection – where EUMOFA should continue to be supported and developed

HOW ARE THESE IN LINE WITH BLUE GROWTH OBJECTIVES ?

Developing an operating regulatory framework that encourages best environmental and fish health practices, competitiveness and innovation will support Blue Growth objectives.

A competitive and dynamic sector will foster and integrate innovation but innovation *per se* will not necessarily foster a competitive and dynamic sector.

Freshwater aquaculture, using available freshwater resources, can demonstrate the realisation of Blue Growth principles, focusing on efficient multi-functional production and environmental services.

FEAP Secretariat

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