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Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

amending Regulation (EU) 2021/1139 as regards simplification and the transposition of the WTO Agreement on Fisheries Subsidies

{COM(2026) 498 final}

CONTENTS

GLOSSARY

Term or acronym	Meaning or definition
ACs	Advisory Councils
AFS	Agreement on Fisheries Subsidies
CAP	Common Agricultural Policy
CFP	Common Fisheries Policy
EMFF	European Maritime and Fisheries Fund
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EU	European Union
FAMENET	Fisheries and Aquaculture Monitoring, Evaluation and Local Support Network
FRA	Fisheries Restricted Area
IUU Fishing	Illegal, Unreported and Unregulated Fishing
MAs	Managing Authorities
MPA	Multiannual Plans
NGO	Non-Governmental Organisation
R&D	Research and Development
SME	Small and Medium Enterprises
SO	Specific Objectives
SSCF	Small Scale Coastal Fisheries
SWD	Staff Working Document
WTO	World Trade Organisation

1. INTRODUCTION

The Commission's political guidelines for 2024-2029[1] set out a sustainable prosperity agenda aimed at boosting competitiveness, driving innovation and supporting growth in the EU. Mario Draghi's report 'The future of European Competitiveness'[2] points to costly regulatory burdens, which weigh particularly heavily on SMEs through excessive reporting obligations, investment gaps and unfavourable conditions for mobilising private investment. To address these challenges, the report advocates coordinated action, whether through smaller, incremental measures, bold EU-level initiatives, or greater subsidiarity.

Turning the report's recommendations into a strategic roadmap, the Commission's Competitiveness Compass[3] outlines five horizontal enablers cutting across all policies and sectors. Moreover, the 'Simpler and faster Europe' communication[4] proposes a new way of working between EU institutions, Member States and stakeholders, based on partnership and cooperation, to simplify EU rules, reduce regulatory burdens and improve the design and implementation of legislation. This includes systematic efforts to simplify decision-making procedures to make access to EU funds simpler, faster, and easier. The Compass also emphasises the close link with digitalisation as a means of improving data management and minimising compliance and administrative costs.

The European Maritime, Fisheries and Aquaculture Fund (EMFAF), established under Regulation (EU) 2021/1139[5] (hereinafter referred to as the EMFAF Regulation), allocates resources from the EU budget to support the common fisheries policy (CFP), the Union's maritime policy and its international commitments on ocean governance. The combination of the regulatory framework of the CFP and the structural support under the EMFAF has proven effective in maintaining or restoring healthy fish stocks and promoting sustainable aquaculture. Since the conservation of marine biological resources under the CFP falls within the EU's exclusive competence, the Union is responsible for establishing the relevant policy framework and for supporting its implementation through appropriate funding.

As key contributors to EU food production, the fisheries and aquaculture sectors require reliable financing to cope with negative externalities, environmental volatility, and the need for innovation, strategic planning and adaptation. The EMFAF therefore underpins sustainable fisheries and aquaculture, the conservation of marine biological resources, food security, the blue economy and the management of healthy, safe and secure seas and oceans. Member States draw up national EMFAF programmes tailored to their needs and based on the priorities and objectives set out in the EMFAF Regulation.

Despite its strategic importance, the current regulatory framework presents implementation challenges. The mid-term EMFAF evaluation[6] and regular feedback from Member States, stakeholders and advisory councils (ACs) indicate that funding opportunities are perceived as limited and insufficiently flexible. Legal uncertainty and excessive complexity are identified

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1 https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en.

2 https://commission.europa.eu/topics/competitiveness/draghi-report_en.

3 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025DC0030.

4 https://commission.europa.eu/document/download/8556fc33-48a3-4a96-94e8-8ecacef1ea18_en?filename=250201_Simplification_Communication_en.pdf.

5 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

6 https://ec.europa.eu/transparency/documents-register/detail?ref=SWD(2026)87&lang=en.

as major barriers to more effective support for the energy transition, small-scale fisheries and generational renewal in the sector. In essence, national authorities and sectoral representatives consider that certain EMFAF rules hinder investment.

Furthermore, the launch of the shared management component of the EMFAF was delayed due to the late adoption of the EMFAF Regulation, the wider crisis context, including COVID-19, Brexit and Russia's military aggression against Ukraine, and the challenges Member States faced in simultaneously closing the European Maritime and Fisheries Fund (EMFF) and launching the EMFAF. Most managing authorities reported that managing both processes in parallel was difficult without additional support. Moreover, structural changes within organisations contributed to capacity constraints. The economic deterioration resulting from Russia's military aggression against Ukraine also affected beneficiaries' capacity to complete projects. In addition, challenges related to Brexit, reduced economic activity and requirements stemming from new and existing environmental regulations further hindered the effective roll-out of the EMFAF.

While the EMFAF is the only financial instrument supporting the implementation of the CFP, certain legal provisions go beyond the requirements laid down in the CFP Regulation. The mid-term EMFAF evaluation confirms that the Fund remains a strategic instrument for addressing EU policy priorities and national needs in the fisheries and aquaculture sectors. At the same time, it identifies persisting gaps, particularly in areas such as employment attractiveness, labour conditions and generational renewal, which remain insufficiently developed at both national and EU level. The evaluation therefore recommends targeted measures to speed up implementation and overcome administrative delays, with the aim of improving the Fund's responsiveness to EU and national needs.

As part of the wider EU simplification package, which aims to reduce administrative burdens and streamline processes, the proposal seeks to amend the EMFAF Regulation to make it more accessible and easier for Member States and beneficiaries to implement. The amendment also incorporates the necessary changes to ensure the full implementation in EU law of the World Trade Organization (WTO) Agreement on Fisheries Subsidies (AFS), which was adopted at the WTO's 12th Ministerial Conference on 17 June 2022, was ratified by the EU on 7 June 2023 and entered into force on 15 September 2025. The agreement prohibits harmful fisheries subsidies and targets specific fishing activities and areas, including illegal, unreported and unregulated (IUU) fishing, fishing of overfished stocks and fishing on the unregulated high seas, setting out corresponding new obligations.

This staff working document accompanies the legislative proposal to amend the EMFAF Regulation. It includes a summary of the key stakeholder input and feedback received in response to the call for evidence[7] underpinning the initiative and describes the amendments necessary to address the issues identified.

2. CONSULTATION AND EVIDENCE GATHERING

The Commission has developed the legislative proposal based on the available evidence on the implementation of the EMFAF. The Commission received input from various stakeholders on

[7] https://oceans-and-fisheries.ec.europa.eu/news/commission-seeks-feedback-potential-simplification-european-maritime-fisheries-and-aquaculture-fund-2026-06-25_en.

a voluntary basis and during meetings. Moreover, it drew on the EMFAF mid-term evaluation and the feedback received through the dedicated Call for Evidence. It also relied on information obtained through regular or dedicated expert group exchanges, ad hoc contributions and analytical work such as data, studies and internal analyses.

2.1 Feedback gathered from various stakeholders on a voluntary basis

The European Parliament has repeatedly called for a review of the EMFAF Regulation. In its resolution of January 2024[8] on the implementation of the CFP, Parliament highlighted constraints on access to EMFAF support for industry professionals and called on the Commission and the Member States to improve it. In its resolution of December 2025[9] on fleet decarbonisation and modernisation, Parliament warned that the current framework could 'severely restrict' access to finance for vessel renewal and energy efficiency. In March 2026, it further called for the removal of unnecessary regulatory barriers. Specifically, Parliament proposed revising Articles 17 and 19 of the EMFAF Regulation to simplify eligibility conditions, pointing to overly restrictive requirements, limited practical applicability and low uptake. These concerns are echoed in research by the PECH Committee, which found that stakeholders viewed fleet modernisation as a priority for reducing operating costs and improving working conditions, with decarbonisation seen as a complementary objective. Overall, Parliament therefore called for targeted amendments to both the CFP framework and the EMFAF to bring about the necessary improvements in safety and energy efficiency and boost the competitiveness and profitability of EU fishers.

In addition to regular exchanges with national authorities, the Commission has received a joint ministerial letter from 18 Member States calling for an assessment of whether the EMFAF Regulation is fit to support the energy transition and generational renewal, including through a simplification package. Several Member States have raised the issue formally, and the AGRIFISH Council discussed it in March 2025, November 2025 and March 2026.

Stakeholders have likewise submitted proposals for targeted amendments. ACs have cited implementation constraints, unclear timelines and complex procedures. Meanwhile, sectoral associations, NGOs and regional representations authorities have called for structural measures to strengthen the sector's long-term resilience, together with targeted adjustments and increased support for a just energy transition.

A recurring concern is the need to give greater priority to small-scale fisheries and generational renewal, including, where appropriate, more favourable and additional support under the EMFAF. Stakeholders also pointed to tensions between low- and zero-emission energy technologies, such as batteries or hydrogen which often require more onboard space and can affect stability and safety, and existing rules on engine power, gross tonnage and fleet capacity limits. They proposed targeted changes to funding and capacity rules to enable fleets to adopt cleaner propulsion and energy-efficiency upgrades without undermining overall capacity.

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8 Texts adopted - Thursday, 18 January 2024.

9 P10_TA(2025)0344 – Decarbonisation and modernisation of EU fisheries, and the development and deployment of fishing gear – European Parliament resolution of 18 December 2025 on the decarbonisation and modernisation of EU fisheries, and the development and deployment of fishing gear (2024/2123(INI)).

Some stakeholders also argued for low-interest credit pre-financing, simplified administration and targeted support for young fishers through preferential financial arrangements.

2.2 Feedback gathered from the Call for Evidence

The Commission collected feedback on a possible targeted amendment of the EMFAF Regulation through a call for evidence[10] open from 23 June to 21 July 2026. A total of 69 replies were submitted by stakeholders from 18 Member States, of which two received by email. Business associations were the largest respondent group (20 replies), followed by NGOs (17 replies), as depicted in Figure 1. Across the Spanish submissions (29 replies), there were indications of coordinated campaign activity, which amplified the apparent weight of certain positions in the dataset. The submission addressing regional flexibility, fleet renewal and CLLD simplification was replicated by five Spanish respondents and one individual citizen. As a result, what appeared to be six separate contributions reflected a single coordinated regional position. Similar patterns were also observed elsewhere in other Spanish replies submitting near-identical text on the SME-only restrictions, while associations in the Canary Islands submitted complementary contributions advocating the same amendments on outermost region, and strengthening the competitiveness, sustainability and generational renewal of small-scale fishing.

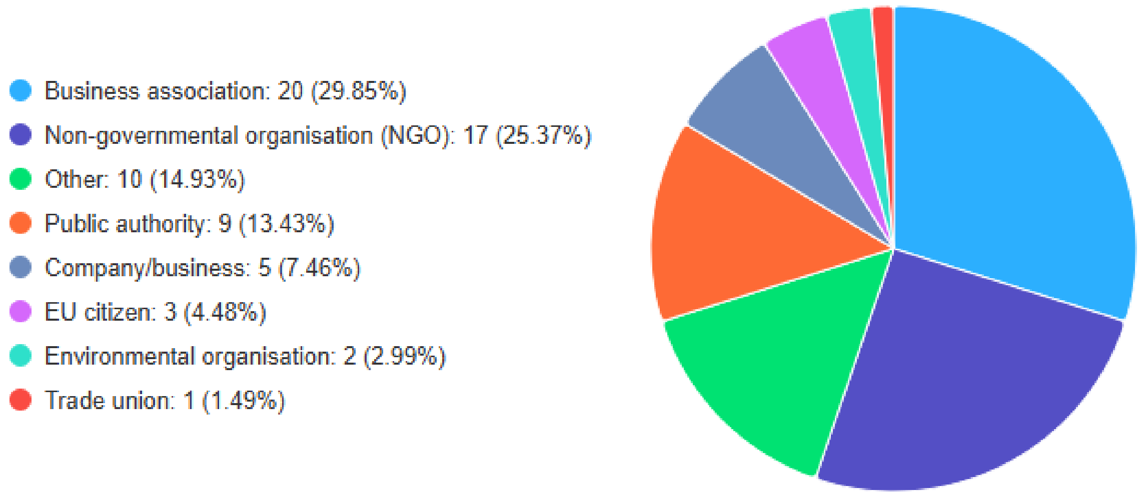

Figure 1: Overview of stakeholder group responses distribution to the Call for Evidence.

Business associations primarily called for simplification, greater flexibility in implementation and better alignment with current sectoral needs. On simplification, they asked for shorter and more harmonised application forms, a 'single documentation' principle, wider use of simplified cost options (including flat rates and unit costs), faster assessment and payment, and requirements better proportionate to the capacities of micro-enterprises. Many also called for eligibility to be extended beyond SMEs, notably to large enterprises and 'small mid-caps' in the processing and marketing segments.

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[10] Have Your Say – Call for Evidence: European maritime, fisheries and aquaculture fund – amendment for simplification and to transpose the WTO agreement

Respondents also advocated adjustments to better reflect sectoral realities, particularly as regards fleet-capacity rules, generational renewal and the energy transition. Suggested changes included lifting or easing the ban on the construction and acquisition of new vessels, excluding safety, efficiency, or low-emission-propulsion-driven tonnage and power increases from the definition of 'capacity increases', raising the age limit for young fishers from 40 to 45, lowering vessel-registration age requirements, relaxing the conditions for first vessel acquisitions, removing or lowering the CO^2-reduction threshold for engine replacement from 20% to 10-15, and granting more flexible support for retrofitting and alternative fuels.

Several business associations stressed the importance of preserving the EMFAF as a dedicated fund with a ring-fenced budget also after 2027. While supporting the transposition of the AFS, they considered that this should remain limited to legal requirements and should not entail additional restrictions for the EU fleet. One respondent called for stronger support to the processing sector, arguing that it is underfunded in relation to its economic contribution and that the sector should be included in crisis mechanism measures. Respondents from the outermost regions asked for broader access to processing support, mainly to include large enterprises, more flexible compensation of additional costs, exclusion of support for anchored Fish Aggregating Devices (FADs) from *de minimis* rules, and the creation of a dedicated 'POSEI Fisheries' instrument.

NGOs supported full transposition of the AFS, including strong provisions on IUU fishing and fishing of overfished stocks. At the same time, they stressed that simplification should not lead to deregulation and warned against weakening eligibility conditions, monitoring, verification or stakeholder participation. Many called for support to be redirected away from measures considered to increase fishing capacity or constitute harmful subsidies and towards small-scale, low-impact fisheries, biodiversity protection and ecosystem restoration. A group of NGOs also advocated for animal welfare safeguards in aquaculture funding, including a precautionary exclusion of funding of farming systems where welfare needs cannot be ensured. Transparency and accountability were also highlighted, notably through calls for harmonised public disclosure of beneficiaries, beneficial ownership and enforcement data.

Some associations emphasised the social and territorial dimension of fisheries policy, referring to employment quality, generational renewal and the wellbeing of coastal communities. Support was expressed for maintaining or strengthening the autonomy of Fisheries Local Action Groups (FLAG) and funding for Community-Led Local Development (CLLD). Some NGOs also favoured more flexible rules on generational renewal, for example by raising or removing the 40-year age limit and abolishing the first vessel conditions. One respondent representing small-scale fishing federations in the outermost regions considered EMFAF procedures excessively burdensome and argued that fisheries in those regions should not be treated in the same way as mainland fleets.

Public authorities supported simplification and called for greater flexibility for managing authorities at national and regional level to adapt implementation to local needs. They advocated for a review of the fishing capacity concept, considering GT/kW ceilings outdated in light of existing management tools such as TACs, quotas and effort limits. They argued that safety, efficiency, and habitability-driven tonnage or power increases should be excluded from capacity restrictions. Some authorities also supported easing rules on generational and fleet renewal. Proposals included reintroducing aid for vessel construction and raising or removing age caps and first-acquisition restrictions for young fishers. While supporting the transposition of the AFS, they stressed that this should be limited to legal requirements and should not create additional eligibility conditions or duplicate existing CFP control.

Authorities from the outermost regions stressed the need for stronger recognition of regional and insular specificities. Suggestions included a dedicated definition for the Mediterranean coastal-littoral fleet, compensatory mechanisms for insularity, and explicit recognition of the outermost regions under Article 349 TFEU. Moreover, they argued that the EU methodology for assessing fleet balance and capacity, which relies largely on ICES-type stock assessments, is not well adapted to their multi-species tropical fisheries. Therefore, they requested that any future legislative proposal include a dedicated chapter on the outermost regions.

Some authorities also proposed a new crisis financial mechanism to respond to geopolitical shocks, such as fuel-price increases and import dependence. Other suggestions concerned simplification of CLLD/FLAG management, removal of the 15% ring-fencing for fisheries control expenditure, extension of processing aid to non-SMEs at lower aid intensity, raising the vessel-length threshold for engine-replacement support to 32 metres to cover the Azorean tuna fleet, and reconsideration of the exclusion of vessels over 24 metres, which account for around 70% of EU landings. Further technical proposals related to generational renewal and fleet management. These included exempting vessel transfers to young fishers from the balanced fleet segment test, creating a dedicated funding line and award criterion for generational renewal, adapting capacity-measurement rules so that electric or hybrid propulsion upgrades would not be treated as capacity increases, and establishing a dedicated non-transferable capacity reserve for the coastal fleet.

Fishing associations called for greater autonomy in the selection of operations, arguing that managing authorities should be limited to legality and eligibility checks and should not reassess strategic merit already evaluated locally. Some respondents also pointed to persistent gender gaps and called for dedicated support for women across the fisheries value chain, as well as measures to ensure their representation in the governing bodies of fisheries associations. For their part, companies argued that restricting support to SMEs unfairly excludes larger processing and marketing enterprises. They supported funding for digital landing, weighing and reporting infrastructure in small ports, islands and remote landing sites, stressing that such investments should be treated as compliance infrastructure rather than as capacity-enhancing measures. One respondent warned that a blanket exclusion of subsidies related to bottom trawling subsidies could create legal uncertainty and, if successfully challenged, weaken the subsidy framework. The producer organisation respondent called for simpler application forms, a one-off digital documentation system, faster processing and payment, wider use of simplified cost models, and more harmonised requirements across Member States.

Citizens generally favoured a stricter transposition of WTO rules, going beyond a minimal approach, with particular emphasis on tackling IUU and unregulated fishing. They also argued that EMFAF support should be made conditional on environmental safeguards and should prioritise low-impact fisheries. Meanwhile, environmental organisations supported full WTO transposition and streamlined implementation. However, they argued that low uptake of funds cannot be attributed primarily to administrative burden. In their view, support should be concentrated on measures delivering the highest environmental public value rather than on a general relaxation of eligibility conditions. Finally, trade unions welcomed simplification, asking for a broader range of eligible investment categories, targeted relief for micro and small enterprises, and the removal of the SME-only restriction for processing and marketing support.

3. DESCRIPTION OF THE AMENDMENTS

The Commission has considered various options in response to these requests. While workshops and exchanges of best practices will continue, more concrete action is needed to provide greater flexibility, resolve unintended restrictions and unlock the Fund's full potential for the remainder of the programming period.

The Commission proposes amending the EMFAF Regulation by introducing new definitions to provide greater legal certainty, making certain conditions on engine replacement or modernisation more flexible, introducing two new schemes for temporary cessation and small-scale fisheries, increasing the aid intensity to support generational renewal, and easing certain restrictions on budget allocations.

The proposed amendments draw on lessons learned from the mid-term evaluation and the feedback received in response to the call for evidence. Their aim is to enable a balanced transition towards improved funding practices and make it easier for fishers, especially young and small-scale fishers, to access accessing financing.

3.1 AMENDMENTS ON THE TRANSPOSITION OF THE WTO FISHERIES AGREEMENT ON SUBSIDIES

On 17 June 2022, the 12th WTO Ministerial Conference adopted the Protocol amending the Marrakesh Agreement establishing the WTO ('the Protocol'), which contains the Agreement on Fisheries Subsidies (AFS). The EU deposited its instrument of acceptance on 7 June 2023. The Protocol entered into force on 15 September 2025, upon acceptance by two thirds of WTO members.

The AFS identifies a number of fisheries subsidies as harmful and establishes an obligation for WTO members to prohibit subsidies for vessels or operators involved in illegal, unreported and unregulated ('IUU') fishing or fishing-related activities in support of IUU fishing, fishing or fishing-related activities involving overfished stocks or fishing or fishing-related activities on high seas outside the regulatory competence of a relevant regional fisheries management organisation or arrangement ('RFMO/A').

In order to implement the provisions of the Agreement and ensure full compliance with its obligations, in particular as regards EU funding, it is necessary to amend Regulation (EU) 2021/1139 to provide that for operators and vessels involved in IUU fishing or fishing-related activities in support of IUU fishing, as determined in accordance with Article 3.2 of the Agreement, and fishing and fishing-related activities on the high seas outside the regulatory competence of a relevant RFMO/A are ineligible for support under the EMFAF. To ensure consistency with the AFS obligations, applications for support should be inadmissible and operations and expenditure should be ineligible for as long as the AFS remains in force.

3.2 AMENDMENTS ON THE ENERGY TRANSITION

The CFP and the EMFAF will be instrumental in guiding the energy transition of the fisheries and aquaculture sectors over the coming years. Securing adequate financing for this transition is crucial for increasing the sector's competitiveness and economic performance, reducing its environmental footprint and contributing to the EU's climate objectives, including climate neutrality by 2050. In particular, a majority of stakeholders have stressed that the transition towards low-impact, climate-smart fisheries requires targeted investments in vessel modernisation, energy-efficient technology and infrastructure.

Member States already have considerable opportunities to advance energy-efficient technologies in the fisheries sector through the EMFAF while respecting the fundamentals of the CFP, particularly the requirement to maintain a balance between fleet segments and available fishing opportunities. A wide range of measures contributing to the energy transition are already eligible for support, including investments in technologies to improve vessel structure and on-board equipment, propulsion and auxiliary engines, fuel performance and LED lighting, as well as strategies to improve fishing operations, such as route optimisation, on-board fuel control and monitoring, slow steaming and the use of fishing gear technologies intended to reduce fuel consumption, including new netting and gear designs that reduce drag.

As confirmed by the EMFAF mid-term evaluation, the fund has helped reduce the carbon footprint of the fisheries and aquaculture sectors through a range of interventions. These include support for the adoption of more energy-efficient production methods, such as the deployment of CO_2-efficient propulsion technologies for fishing vessels and the use of renewable energy sources in aquaculture.

However, support under the EMFAF for such investments remains subject to strict eligibility conditions designed to prevent overcapacity and overfishing. As a result, the uptake of support for the transition to clean technologies has been limited to date. In particular, EMFAF investments in the development of pilot projects and the retrofitting of fishing vessels have not been sufficiently used, possibly due to legal uncertainty as to whether vessels used for pilot activities should be classified as fishing vessels and therefore be subject to the requirements applicable to fishing vessels engaged in normal fishing operations. It is therefore necessary to amend the EMFAF Regulation to provide legal clarity and ensure that the legal framework reflects the practical realities of the energy transition in the fisheries and aquaculture sectors.

- **New definitions**

New definitions are introduced for ‘energy transition’, ‘pilot projects for energy transition’ and ‘demonstrators.’ These definitions clarify that pilot projects are not to be regarded as fishing vessels and that, accordingly, the requirements laid down in Articles 17 to 19 do not apply. This clarification is intended to enable Member States to support pilot projects and demonstrator vessels, thereby promoting innovation, facilitating the testing of new decarbonisation and energy efficiency technologies and contributing to the development of sustainable fishing practices.

- **Higher caps for fleet measures and permanent cessation**

The evaluation of the CFP Regulation concluded that insufficient rationalisation of capacity in certain fleet segments, combined with reduced landings in several sea basins, continues to weigh on incomes and undermines the long-term profitability of many fleet segments11. Since 2013, reductions in fleet capacity have fallen short of expectations, and capacity imbalances persist in some fleet segments, reflecting inter alia, market conditions, fleet profitability and national implementation choices. The evaluation also indicates that a significant number of

[11] SWD(2026)120.

operators are delaying their exit from the sector in anticipation of EU-funded permanent cessation schemes.

Certain categories of support, referred to as 'fleet measures'[12] under the EMFAF Regulation, are capped to limit budgetary exposure and preserve resources for the Fund's other priorities. Support for the first acquisition of fishing vessels, specific investments relating to fishing vessel operations, and the permanent and temporary cessation of fishing activities, is financially capped. Aggregate expenditure under these measures may not exceed EUR 6 million or 15% of the financial allocation of each Member State, whichever is lower.

Increasing the budgetary threshold for fleet measures and permanent cessation from 15% to 30% and eliminating this threshold for temporary cessation will give Member States greater flexibility in programming support under these measures. This will enable them to respond more effectively to the sector's needs, including the need to improve the balance between fishing fleet capacity and available fishing opportunities. This increased budgetary flexibility will respond to requests from a majority of Member States for additional flexibility in the allocation of their EMFAF envelopes for the remainder of the programming period. This would enable them to increase the allocate more funding to interventions such as permanent and temporary cessation, thereby addressing the growing need to restore balance within their fleets, while increasing the financial allocation to other fleet measures.

- **Engine replacement and modernisation**

The CFP Regulation evaluation[13] identified persistently low levels of investment in fleet renewal. This reflects the inherently risky nature of the fisheries sector, where long asset lifetimes and uncertain economic returns tend to discourage capital investment. Meanwhile, the vulnerability of marine biological resources further increases revenue uncertainty and thereby weakens incentives for fleet modernisation and adaptation. In addition, limited profitability constrains operators' capacity to invest in fleet modernisation, while the strict conditions governing the use of public funding to support such investments further intensify these constraints. Consequently, certain fleet segments continue to be characterised by ageing vessels, safety concerns, reliance on obsolete technologies and lower competitiveness compared with some third-country fishing fleets. The advanced age of parts of the EU fleet, coupled with high energy dependence and rising operational costs, erodes the sector's economic resilience to external shocks.

Furthermore, the EMFAF mid-term evaluation has shown that the modernisation of small-scale vessels is impeded not by a lack of policy relevance, but by administrative complexity, which limits short-term effectiveness[14]. Stakeholder input further indicates that the transition to low-impact, climate-smart fisheries requires targeted investment in vessel modernisation, energy-efficient technologies and related infrastructure. Without such structural modernisation, the effectiveness of the green transition in the fisheries sector will remain limited.

The current rules on engine replacement provide particularly limited flexibility, while the applicable measurement methodology has proved excessively complex. That complexity has often been identified by Member States as a significant obstacle to implementation. To date,

12 Articles 17, 18, 19 of Regulation (EU) 2021/1139.
13 SWD(2026)120.
14 SWD(2026) 88 final https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=SWD:2026:87:FIN.

the Commission has received no evidence that Member States have successfully applied such detailed requirements. As a result, the existing methodology hinders the effective use of support under the EMFAF, for measures contributing to the energy transition.

To accelerate the energy transition and enhance the attractiveness of the sector, the rules governing the modernisation or replacement of engines in small-scale coastal fishing vessels should be made more flexible. Simplifying the technical approval process, including by allowing the installation of more efficient engines and removing the current non-operational methodology, should enable more vessels to be modernised, thereby contributing to an overall reduction in CO_2 emissions.

Increased flexibility for installing new or modernised engines in small-scale fisheries, combined with the removal of the unworkable methodology for calculating CO_2 emission reductions, will provide more effective support for the sector's transition. In addition, shifting the focus from kW engine power capacity to gains in energy efficiency, as reflected in the proposed reduction in CO_2 emissions, will enable support for more efficient engines while ensuring an overall reduction in fuel consumption and emissions. To preserve the balance of the fleet, such modernisation should continue to comply with existing fleet capacity rules and be strictly linked to the energy transition and CO_2 emissions reduction objectives.

In addition, the minimum fleet registration period will be reduced from ten to five calendar years. The vessel capacity threshold expressed in gross tonnage will be increased for vessels of less than 12 metres in length to accommodate the additional volume requirements associated with engine replacement and improvements in energy efficiency.

3.3 Amendments on the socio-economic outlook of the sector

- **Specific support for small-scale coastal fisheries (SSCF)**

Small-scale coastal fisheries (SSCF) are carried out by marine and inland fishing vessels with an overall length of less than 12 metres that do not use towed fishing gear, as well as by fishers on foot, including shellfish gatherers. This sector accounts for nearly 75% of all fishing vessels registered in the Union and almost half of all employment in the fisheries sector. They are vital to coastal communities, providing employment opportunities and contributing to local economies. These fishers have cultural and social ties to their communities and pass down traditional fishing knowledge from one generation to the next.

Although the sector was profitable in 2025 and recorded increased labour productivity, the situation varies across regions, with many small-scale fleets continuing to face net losses. The 2025 Annual Economic Report on the EU Fishing Fleet, compiled by the Scientific, Technical and Economic Committee for Fisheries (STECF), points out that small-scale fishers receive fewer operating subsidies despite paying higher fuel prices[15]. The sector's lack of attractiveness, particularly due to safety concerns and poor working conditions, requires continued attention. In addition, with the average age in many fishing communities exceeding 50, generational renewal and the diversification of activities remain major challenges. To encourage sustainable fishing practices, the EMFAF should therefore grant preferential

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[15] The 2025 annual economic report on the EU fishing fleet (STECF 25-03 & 25-07) - Publications Office of the EU.

treatment to these operators. Stakeholders emphasise that SSCF, which are both environmentally sustainable and financially vulnerable, should be prioritised to ensure they receive enhanced support. The proposed amendment to Article 13 of the EMFAF Regulation aims to secure greater financial support for generational renewal and SSCF, which are two key priorities under the social dimension of the blue economy that remain insufficiently tackled at EU level. Given current demographic trends, these challenges are likely to intensify, requiring increased attention to strengthen social sustainability and improve conditions for young fishers and SSCF.

The proposed adjustments to the EMFAF Regulation aim to improve and facilitate implementation by addressing identified issues, in line with CFP objectives. The changes seek to increase flexibility for Member States and reduce the administrative burden for beneficiaries, enabling the EMFAF budget to be used more effectively. Greater flexibility and simplification are necessary to ensure that the future of fisheries is ecologically, economically and socially sustainable.

- **Transfer of ownership**

With the average age in many fishing communities exceeding 50, generational renewal and diversification of activities remain a challenge. In particular, creating and developing new economic activities in the fisheries sector is financially demanding for young fishers and should therefore be taken into account in the allocation and targeting of EMFAF support. Such development is essential to strengthen the sector's competitiveness in the EU. Accordingly, support should be made available to young fishers starting fishing activities to help them establish themselves in the sector.

The CFP Regulation evaluation found that the lack of generational renewal in the fishing sector is primarily linked to weak economic performance, which appears to undermine job security and wage levels. It also highlighted that an ageing fleet, poor safety conditions and uneven skills levels across Member States contribute to unattractive working conditions. The evaluation points to a widening gap between policy ambition and the economic conditions necessary to ensure generational renewal, as the sector's economic performance has not improved sufficiently to support it. Declining profitability and continued price volatility have further increased income instability, thereby making the sector less attractive to new entrants.

The Fishers of the Future report identified several challenges associated with the lack of generational renewal[16]. In many regions, the number of large-scale fishers – those who own or work on vessels over 12 metres – has decreased as a result of fleet consolidation and increasing concentration of ownership. As access to funding is not available to all large-scale vessel owners, fishing rights have gradually become concentrated in fewer hands. Many large-scale fishers are now employed by corporate entities operating multiple vessels, while others continue to work for individual vessel owners. This process has increasingly concentrated profits from large-scale fishing within large corporations, although a considerable number of vessels remain individually- or family-owned.

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[16] Foresight Study on the Fishers of the Future. https://op.europa.eu/en/publication-detail/-/publication/d1fde0a2-cf0f-11ef-be2a-01aa75ed71a1

A key condition for young people entering the sector is the ability to invest in and acquire ownership of vessels and businesses, which would enable them to build a career. To address fleet concentration and support young fishers in becoming entrepreneurs rather than employees, the Commission proposes amending Article 13 by removing business ownership transfers from the list of ineligible operations. At present, start-up support for vessel acquisition is limited to the purchase of a first vessel or of a controlling share, which does not sufficiently ensure business continuity or ownership transfer. Extending support to cover business transfers would help address the challenges of generational renewal by enabling the transfer of both vessels and businesses from older to younger generations. This would also reduce the need for exceptions and improve uptake of the Fund.

- **Introduction of a new scheme to alleviate the socio-economic impact of annual fishing quotas on fishers**

Decreasing fishing opportunities would have a significant impact on fishing enterprises, particularly small-scale fisheries, which often lack the financial resilience to absorb such reductions. The primary objective of the CFP and the EMFAF is to ensure the conservation of fish stocks, not only through the annual allocation of quotas, but also by providing appropriate incentives for fishers to diversify their activities or suspend them temporarily.

As noted above, excessive fishing capacity relative to available resources leads to suboptimal economic outcomes for the sector. To date, public support has only partially mitigated these difficulties, mainly through temporary and permanent cessation schemes. However, existing support remains insufficient to address the serious socio-economic consequences faced by fishers as a result of quota reductions and effort limitations. The new temporary cessation scheme is intended to provide additional support to operators by helping them to cover fixed costs and offering short-term relief. In the longer term, the sector's viability may depend on how such financial support is used.

This new scheme could provide one-off, targeted support to fishers severely affected by reductions in fishing quotas or further effort limitations, helping to alleviate the resulting socio-economic impacts. Accordingly, the amendment of Article 21 would benefit not only operators, but also their employees and, by extension, the coastal communities that depend on the fishing industry.

- **Increased aid intensity for young fishers**

Structural challenges persist in the fishing and aquaculture sectors and discourage younger generations from entering the profession. These difficulties are linked to weak economic performance, including declining profitability and continued price volatility, and factors beyond the scope of the CFP, such as demographic ageing and safety and working conditions.

The proposed increase in aid intensity for young fishers represents a critical step towards addressing structural gaps in the current framework, particularly within the fisheries sector, where issues such as employment attractiveness and generational renewal are not adequately addressed. By strengthening financial support, the amendment would help reduce barriers linked to limited access to finance, which continue to hinder young fishers' entry into the sector. This targeted intervention would promote greater inclusiveness and contribute directly to generational renewal, thereby helping to safeguard the long-term sustainability of the sector. By making it easier for young workers to establish themselves, the measure could renew the workforce, foster innovation and enhance the future viability of a sector that is vital to both local economies and food security.

3.4 AMENDMENTS TO PROVIDE FURTHER ENVIRONMENTAL INCENTIVES

- **Collective implementation of the national strategy for marine protected areas and the creation of fishing restricted areas**

Marine protected areas (MPAs) are essential for achieving biodiversity conservation targets and supporting the long-term sustainability of fisheries. At the same time, fisheries are likely to be affected by the further expansion of offshore wind energy and MPAs, both offshore and in coastal areas. Fisheries stakeholders are already involved in planning processes under EU energy and environmental legislation. Recent policy developments, including the European Ocean Pact, seek to address these concerns through improved coordination across relevant legal instruments, including the CFP Regulation.

The EMFAF mid-term evaluation concluded that support for measures related to data collection, control and enforcement, the management of MPAs, and community-led local development (CLLD) could generate long-term benefits for the fisheries sector. However, the overall impact of the Fund will depend on the effectiveness of the projects supported by the end of the programming period.

The Commission is proposing an amendment by adding a paragraph to Article 25 to further encourage support for the collective implementation of national MPA strategies and the establishment of fishing restricted areas (FRAs). It provides for support for the design, development and collective implementation of national MPA and FRA strategies, the management of such areas, and the development of fisheries co-management schemes. The amendment also covers awareness-raising measures aimed at promoting stakeholder cooperation in the establishment and management of MPAs and FRAs. In addition, the amendment would also allow support for measures to maintain viable SSCF and facilitate the diversification of fishing activities. Such support would be provided exclusively in the form of a lump sum.

- **Flexibility in the limit on days at sea for permanent cessation eligibility for eel fisheries**

Eel fishing is seasonal and takes place under specific conditions. Therefore, a derogation from the limit on the number of days at sea applicable to eel fishing under Article 21 would be justified. This would enhance the implementation of the Eels Regulation and contribute to a more sustainable management of this stock.

3.5 AMENDMENTS TO INCREASE SAFETY AT SEA

- **Support for navigation technologies such as GPS and radars to increase safety at sea**

As noted above, several stakeholders have highlighted the limited attractiveness of the fisheries sector, due in part to safety concerns and inadequate working conditions. Additionally, the need to ensure generational renewal is considered critical to the sector's future viability and requires, among other things, adjustments to improve operational safety and efficiency.

It is therefore necessary to amend Article 13 in order to enhance the safety of fishing vessels and support technological improvements and modernisation. This would help ensure that funding is used not only to preserve existing activities, but also to foster innovation and the long-term profitability of the sector. Subject to the necessary safeguards and verification by the Member States, this measure would significantly improve safety on board without increasing a vessel's capacity to locate fish, while.

4. CONCLUSION

Although the core issues addressed by the EMFAF – including market failures and the implementation of the CFP – remain unchanged, lessons learned have highlighted the need for targeted adjustments to the EMFAF Regulation.

Through the proposed amendments, the Commission seeks to improve and facilitate the implementation of the EMFAF by enabling a swift and robust response to certain issues identified in practice, while preserving the fundamental principles of the policy and ensuring compliance with the CFP Regulation. The proposed response would give Member States greater flexibility and reduce the administrative burden on beneficiaries, thereby enabling better use of the opportunities offered by the EMFAF during the remainder of the programming period. At the same time, the amendments are specific, targeted and limited in scope.

The proposal is specifically designed to simplify the EMFAF legal framework and incorporate the necessary changes stemming from the WTO Agreement on Fisheries Subsidies, in order to ensure effective implementation of the internationally agreed disciplines.

Alongside the measures proposed by the Commission, Member States will continue to play an essential role in ensuring that the administrative burden on fishers, aquaculture producers and other beneficiaries remains limited and proportionate.

The proposed amendments have therefore been developed to support a balanced transition towards improved funding practices and facilitate access to financing for fishers, especially young and small-scale fishers.