



Annual Activity Report 2022

DG Maritime Affairs and Fisheries

Table of Contents

- DG MARE IN BRIEF.....3
- EXECUTIVE SUMMARY4
 - A. Key results and progress towards achieving the Commission’s general objectives and department’s specific objectives.....4
 - B. Key performance indicators7
 - C. Key conclusions on financial management and internal control.....9
 - D. Provision of information to the Commissioner(s).....9
- 1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION’S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT 10
- 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL36
 - 2.1. Financial management and internal control.....36
 - 2.1.1. Control results37
 - 2.1.2. Audit observations and recommendations.....51
 - 2.1.3. Assessment of the effectiveness of internal control systems.....53
 - 2.1.4. Conclusions on the assurance.....54
 - 2.1.5. Declaration of Assurance and reservations56
 - 2.2. Modern and efficient administration – other aspects57
 - 2.2.1. Human resource management.....57
 - 2.2.2. Digital transformation and information management57
 - 2.2.3. Sound environmental management58
 - 2.2.4. Examples of economy and efficiency58

DG MARE IN BRIEF

The **mission** of the Directorate-General for Maritime Affairs and Fisheries (DG MARE) is:

“To strive for healthy seas and a sustainable use of the oceans and of marine resources in the EU and worldwide. This involves ensuring sustainable fisheries through the full implementation of the Common Fisheries Policy, promoting in the EU an integrated approach to all policies impacting the oceans and their good governance, including fostering a sustainable blue economy, thus providing jobs and prosperity to coastal communities and sustainable food, and contributing to a healthy environment for today’s and future generations, as well as projecting these policies internationally.”

DG MARE’s work is guided by the [Commission’s Political Guidelines for 2019-2024](#)⁽¹⁾ and President von der Leyen’s [mission letter](#)⁽²⁾ to the Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius. Our deliverables contribute mainly to two headline ambitions: the European Green Deal and A Stronger Europe in the World. Internationally, we aim to contribute to the UN Sustainable Development Goals 2030.

Under the **common fisheries policy (CFP)** – the first strand of our work – the EU has **exclusive competence** for the conservation of marine biological resources and the **sustainable fisheries partnership agreements (SFPAs)** with third countries. On issues related to fisheries control, we work with the **European Fisheries Control Agency (EFCA)**. For the areas of **shared competence** between the EU and its Member States⁽³⁾ – including aquaculture and market policy – the subsidiarity principle⁽⁴⁾ applies. The maritime policy, in particular the sustainable blue economy policy, is the second strand of our actions. The third strand is international ocean governance for safe, secure, clean and sustainably managed oceans.

The European Maritime, Fisheries and Aquaculture Fund (EMFAF) for 2021-2027 is the main instrument to support the implementation of the common fisheries policy and certain actions under the maritime policy and international ocean governance. The bulk of the funds are managed in **shared management** jointly with the Member States, in addition to expenditure under **SFPAs, direct and indirect management**. DG MARE continued working with the Executive Agency for **Climate, Infrastructure and Environment Executive Agency (CINEA)**.

DG MARE has 344 (in 2021: 341) staff members⁽⁵⁾ organised in five directorates⁽⁶⁾ reporting directly to the Director-General, Ms Charlina Vitcheva. The organisational **values** DG MARE adheres to are translated in a Management Pledge of June 2017⁽⁷⁾.

(1) https://commission.europa.eu/system/files/2020-04/political-guidelines-next-commission_en_0.pdf

(2) https://ec.europa.eu/commission/commissioners/sites/default/files/commissioner_mission_letters/mission-letter-sinkevicius-2019-2024_en.pdf

(3) Article 4 (2) (d) of the Treaty on the Functioning of the European Union

(4) Article 5(3) of the Treaty on the European Union

(5) Number of Officials, Contract agents, Temporary agents and Seconded national experts on 31/12/2022

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of DG MARE to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the treaties⁽⁶⁾.

A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

During 2022, DG MARE continued to focus on achieving the **key objectives of the common fisheries policy, the maritime policy and international ocean governance**, with support from the European Maritime and Fisheries Fund 2014-2020 and the European Maritime, Fisheries and Aquaculture Fund 2021-2027. We aimed to ensure that fisheries, aquaculture and the EU blue economy are sustainable in the long-term, that they produce healthy food for EU citizens, and that our seas and oceans are kept healthy, safe and secure.

Under the [European Green Deal](#)⁽⁹⁾, DG MARE **contributes to the implementation of several EU priorities**, notably the [Farm to Fork Strategy](#)⁽¹⁰⁾, the [EU Biodiversity Strategy for 2030](#)⁽¹¹⁾ and the [EU Strategy for Adaptation to Climate Change](#)⁽¹²⁾. Internationally, we contribute to the UN Sustainable Development Goals (SDGs) 2030, notably SDG 14 dedicated to life below water, SDG 2 on food security and SDG 6 on climate change. Our work on international ocean governance and sustainable fisheries worldwide helps making "Europe Stronger in the World".

During 2022, the EU's blue economy, including the fisheries and aquaculture sector, continued to be affected by the **Covid-19 crisis**, while facing new challenges as a **consequence of Russia's war of aggression on Ukraine**. In view of their high dependence on fossil fuels, the fisheries and aquaculture sector strongly suffered from the impacts of significantly increased fuel prices, which we addressed through swiftly deploying specific support measures. We continued to encourage Member States to include blue

⁽⁶⁾ The five directorates cover: Maritime Policy and Blue Economy (directorate A), International Ocean Governance and Sustainable Fisheries (B), Fisheries Policy in the Atlantic, North Sea, Baltic and Outermost Regions (C), Fisheries Policy in the Mediterranean and Black Seas (D), and General Affairs and Resources (E)

⁽⁷⁾ <https://myintracomm.ec.europa.eu/dg/mare/Management/Documents/mare-management-pledge.pdf>

⁽⁸⁾ Article 17(1) of the Treaty on European Union

⁽⁹⁾ [A European Green Deal | European Commission \(europa.eu\)](#)

⁽¹⁰⁾ https://ec.europa.eu/food/farm2fork_en

⁽¹¹⁾ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/EU-biodiversity-strategy-2030_en

⁽¹²⁾ https://ec.europa.eu/clima/eu-action/adaptation-climate-change/eu-adaptation-strategy_en

economy investments in their national recovery and resilience plans and in their national programmes for EU support in 2021-2027 and worked successfully towards improving all programmes' contribution to a green, digital and resilient transition.

Progress towards sustainable fisheries continued in all EU sea basins. In the North-East Atlantic, stocks are overall fished sustainably. The Baltic Sea stocks continued to be in a more difficult situation, as many valuable stocks cannot be targeted at all anymore, due to a combination of a past overfishing and environmental factors, and measures continued to be focused on recovery of these stocks. We continued working with the UK, Norway and other coastal States aiming to ensure that shared stocks were managed sustainably and to guarantee the fishing opportunities for the EU fleets. In the Mediterranean and Black Seas, further progress was made, but key stocks are still fished above sustainable levels. Vigorous conservation efforts are to be continued, in particular by continuing the full implementation of the [Western Mediterranean multiannual plan](#)⁽¹³⁾ and the [2030 Strategy of the General Fisheries Commission for the Mediterranean](#)⁽¹⁴⁾. Sustainable fisheries increases the sector's resilience. While **overall the EU fishing fleet remained profitable**, latest data show that lower landings and higher fuel prices affected profits.

To facilitate the implementation of the **landing obligation**, discard plans have been adopted through regionalisation. In the area of **fisheries control** we continued working on enforcement and full implementation of the rules and continued working with the co-legislators to conclude the ongoing revision of the fisheries control system. If agreed, it will modernise control rules, reduce burdens, enhance the control of the landing obligation and step up the fight against illegal, unreported and unregulated fishing.

Implementation of the **new approach for a sustainable blue economy**⁽¹⁵⁾ continued to support a green and inclusive recovery, fully in line with the [European Green Deal](#)⁽¹⁶⁾ and the [Recovery plan for Europe](#)⁽¹⁷⁾. It provides coherence across the blue economy sectors, facilitates their coexistence and looks for synergies in the maritime space, without damaging the environment. The **2022 blue economy report**⁽¹⁸⁾ confirmed that the sector is expanding, in particular the marine renewable energy. The implementation of the [Strategic guidelines for a more sustainable and competitive EU aquaculture by 2030](#)⁽¹⁹⁾ supported further sustainable growth, including by promoting the share of organic aquaculture. We organised a successful first **BlueInvest** event for Africa.

Throughout the year, work with Member States continued to operationalise the new **European Maritime, Fisheries and Aquaculture Fund** 2021-2027, to support

(13) [Regulation \(EU\) 2019/1022 of the European Parliament and of the Council of 20 June 2019 establishing a multiannual plan for the fisheries exploiting demersal stocks in the western Mediterranean Sea and amending Regulation \(EU\) No 508/2014](#)

(14) https://oceans-and-fisheries.ec.europa.eu/news/new-strategy-sustainable-fisheries-and-aquaculture-mediterranean-and-black-sea-2021-11-08_en

(15) [COM/2021/240 final of 17.5.2021](#)

(16) [A European Green Deal | European Commission \(europa.eu\)](#)

(17) [Recovery plan for Europe | European Commission \(europa.eu\)](#)

(18) [2022 blue economy report](#)

(19) [COM/2021/236 final of 12.5.2021](#)

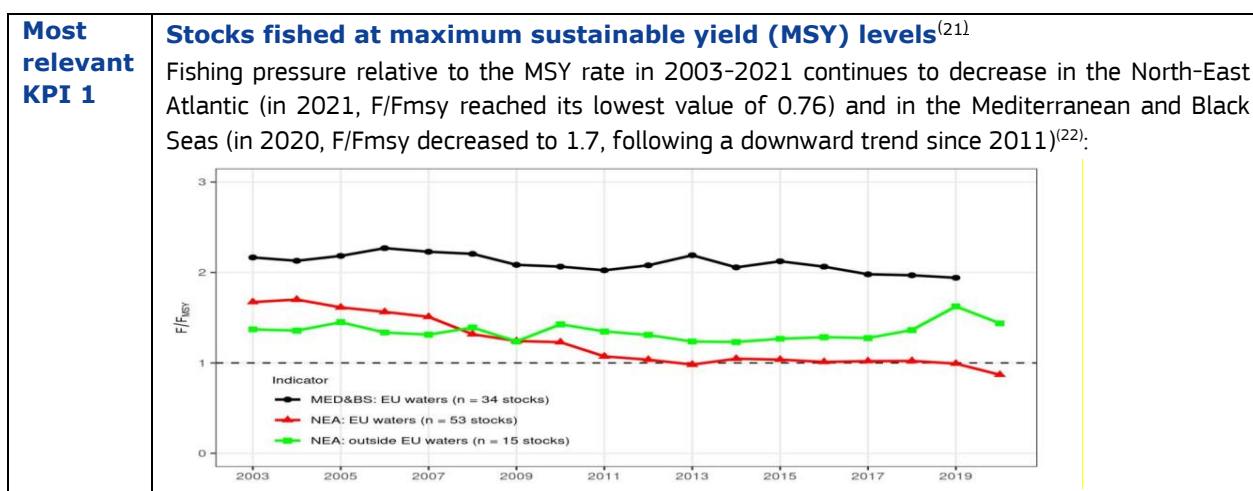
sustainable and resilient fisheries, a sustainable EU blue economy and international ocean governance. All but one national programmes were adopted by the end of 2022, providing important contributions towards the climate and biodiversity spending targets under the Multiannual Financial Framework 2021-2027.

Together with the European External Action Service, we delivered a [**new EU strategy for better international ocean governance**](#)⁽²⁰⁾. We continued to engage towards an ambitious High Seas Treaty on Biodiversity Beyond National Jurisdiction (BBNJ), within the United Nations and contributed to a partial agreement in the World Trade Organisation on phasing out harmful fisheries subsidies. In the **Regional Fisheries Management Organisations**, we continued to promote sustainable management of stocks in line with scientific advice, compliance with the rules and the fight against illegal fishing. We strived for new marine protected areas, especially in the Southern Ocean. Zero-tolerance towards **illegal, unreported and unregulated fishing** continued to guide our dialogues with third countries, in order to foster the necessary reforms in their legislation. These dialogues have taken place with 67 countries since 2012. At the end of 2022, **13 sustainable fisheries partnership agreements** were in force. They provide the EU's long-distance fleet access to fishing zones in third country waters, whilst partner countries receive EU support for better fisheries governance and a more sustainable local fishing sector.

As an organisation, we have continued **modernising the way we work**. We focused on digitalisation and collaborative methods, streamlining workflows and procedures and reducing further our environmental footprint.

⁽²⁰⁾ [JOIN/2022/28 final of 24.6.2022](#)

B. Key performance indicators



Most relevant KPI 2	Contribution from the European Maritime and Fisheries Funds (EMFF) 2014-2020 and 2021-2027 to climate related EU spending			
	2018 results	2021 results	2022 milestone	2024 target
EMFF 2014-2020	4% expenditure of total EMFF 2014-2020	17.6%	17%	22% (at end of implementation period)
EMFAF 2021-2027	N/A	0.007%	0% expenditure of EMFAF 2021-2027	2%

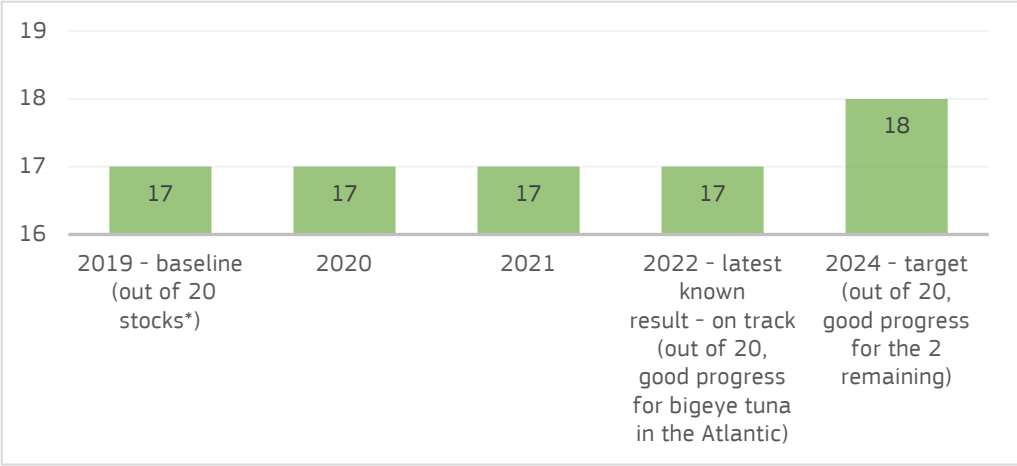
Most relevant KPI 3	Installed capacity in EU offshore wind energy and ocean energy			
	2018 baseline	2019 milestone	2021 results (latest data)	2024 target
Offshore wind energy	18.5 gigawatt	<ul style="list-style-type: none"> • 22.1 gigawatt (with UK) • 12 gigawatt (EU without UK) 	15.6 gigawatt (EU-27)	21 gigawatt (EU-27) for 2023
Ocean energy	38.9 megawatt	<ul style="list-style-type: none"> • 39.5 megawatt (with UK) • 34 megawatt (EU without UK) 	12.9 megawatt ⁽²³⁾ (EU-27)	100 megawatt

⁽²¹⁾ Managing stocks at “maximum sustainable yield” (MSY) means that fishers are allowed to fish the maximum amount of fish without compromising the regeneration and future productivity of the stocks.

⁽²²⁾ [STECF-PLN-23-01: Scientific, Technical and Economic Committee for Fisheries – 72nd Plenary Report](#)

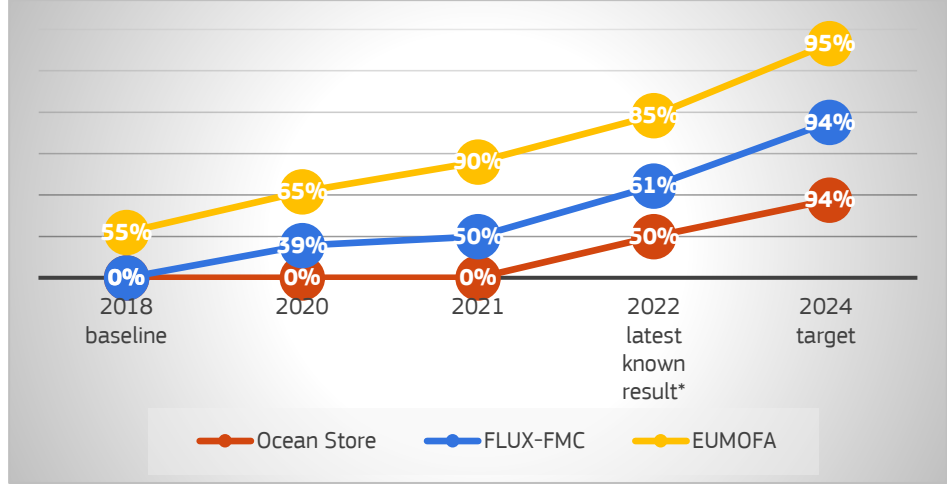
⁽²³⁾ This reduction is linked to a number of devices being decommissioned at the end of the testing period. Several multi-devices pilot farms with larger capacity are expected to be deployed in the short-term pending financial closure of the projects (expected in 2023-2024). While the technology is ready to grow (according to the JRC report), main challenges are related to the lack of visibility and funding of the first pilot and commercial farms by EU Member States. To address this, the Commission substantially increased its support to ocean energy in Horizon Europe 2023-2024 work programme (for a total close to €100 million), included offshore renewable technologies (including wave and tidal energy) as key net zero technologies in the Net Zero Industry Act ([COM\(2023\)161 final](#), [SWD\(2023\)68 final](#)). The Communication planned for October 2023 to take stock of achievements of the 2020 EU offshore renewable energy strategy will address the measures needed to accelerate deployment and reach the indicative targets for ocean energy.

Most relevant KPI 4 **Sustainable management of main regulated tuna(-like) species fished by the EU fleet under purview of Regional Fisheries Management Organisations of which the EU is a Member**



*20 tuna and tuna-like stocks targeted by the EU fleet: Albacore (North Atlantic, South Atlantic); bigeye (Atlantic, Eastern Pacific, Western Pacific, Indian Ocean); bluefin (East Atlantic); skipjack (Atlantic, Eastern Pacific, Western Pacific, Indian Ocean); swordfish (Atlantic, Mediterranean, Eastern Pacific, Western Pacific, Indian Ocean); yellowfin (Atlantic, Eastern Pacific, Western Pacific, Indian Ocean).

Most relevant KPI 5 **Degree of implementation of the digital strategy principles by the most important IT solutions⁽²⁴⁾**



*The Ocean Store is a complex project using innovative technologies, such as cloud-native development. The procurement process took longer than foreseen and has therefore delayed the start of the project. The complexity of the project and experience needed have been underestimated, and consequently the target will most probably be achieved in 2025, rather than 2024.

Both FLUX-FMC and EUMOFA systems are on track to achieve the 2024 targets.

⁽²⁴⁾ FLUX-FMC: Fisheries Language for Universal eXchange (FLUX) - Fisheries Monitoring Center (FMC).

EUMOFA: European Market Observatory for fisheries and aquaculture

C. Key conclusions on financial management and internal control

In line with the Commission's Internal Control Framework DG MARE has assessed its internal control systems during the reporting year and has concluded that it is effective and the components are present and functioning as intended. The principles are present and functioning well overall, but some improvements are needed as minor deficiencies persist related to staff allocation (ICP4). Please refer to annual activity report [section 2.1.3](#) for further details.

In addition, DG MARE has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to [section 2.1](#) for further details.

For the **EMFF**, the estimated risk at payment⁽²⁵⁾ and the estimated risk at closure⁽²⁶⁾ stand at 1.38% and 1.11% respectively. This is below the materiality threshold of 2%.

In conclusion, management has **reasonable assurance** that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance albeit qualified by a reservation concerning the European Maritime and Fisheries Fund.

D. Provision of information to the Commissioner(s)

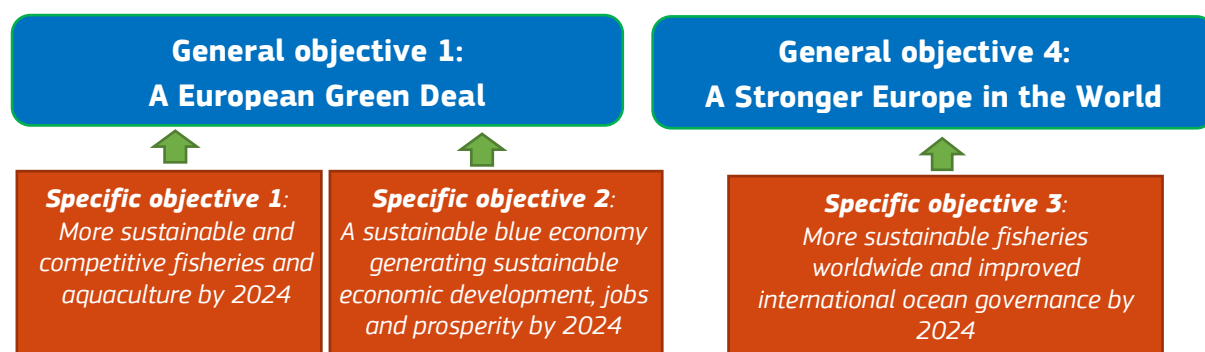
In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the main elements of this report and assurance declaration, including the reservation envisaged, have been brought to the attention of Commissioner Sinkevičius, responsible for Environment, Oceans and Fisheries.

⁽²⁵⁾ The risk at payment is the weighted average of the RTERs of the individual operational programmes. The RTER is "the best estimation of the value of the total expenditure which was not in conformity with the applicable regulatory and contractual provisions after corrective measures have been implemented; expressed as a percentage of the total expenditure"

⁽²⁶⁾ Estimated risk at closure = RTER minus the necessary financial correction to bring every RTER down to 2%

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT

DG MARE's work is guided by the [Commission's Political Guidelines for 2019-2024](#)⁽²⁷⁾ and President von der Leyen's [mission letter](#)⁽²⁸⁾ to Commissioner Sinkevičius. We contribute mainly to two Commission priorities: the [European Green Deal](#)⁽²⁹⁾ and [A Stronger Europe in the World](#)⁽³⁰⁾, which are translated in **three specific objectives** for DG MARE:



In 2022, we continued to contribute to the European Green Deal, and in particular to the [Farm to Fork Strategy](#)⁽³¹⁾, the [EU Biodiversity Strategy for 2030](#)⁽³²⁾, the [EU Strategy for Adaptation to Climate Change](#)⁽³³⁾, including their external dimension. Internationally, we contributed to achieving the UN Sustainable Development Goals (SDGs) 2030, notably SDG 14 on life below water, SDG 2 on food security and SDG 6 addressing climate change and its impacts. Our work on international ocean governance and sustainable fisheries worldwide provides an important contribution to making “Europe Stronger in the World”.

This section summarizes DG MARE's performance in 2022, reporting on the progress towards the achievement of key general and specific objectives, the main challenges encountered during the year and their impact. For more detailed technical information and full description of indicators and outputs, please refer to Annex 2 'Performance tables'.

General objective 1: A European Green Deal

Specific objective 1: More sustainable and competitive fisheries and aquaculture by 2024

Result indicator: Stocks fished at maximum sustainable yield (MSY) levels

⁽²⁷⁾ https://commission.europa.eu/system/files/2020-04/political-guidelines-next-commission_en_0.pdf

⁽²⁸⁾ https://ec.europa.eu/commission/commissioners/sites/default/files/commissioner_mission_letters/mission-letter-sinkevicius-2019-2024_en.pdf

⁽²⁹⁾ [A European Green Deal | European Commission \(europa.eu\)](#)

⁽³⁰⁾ [A stronger Europe in the world | European Commission \(europa.eu\)](#)

⁽³¹⁾ https://ec.europa.eu/food/farm2fork_en

⁽³²⁾ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/EU-biodiversity-strategy-2030_en

⁽³³⁾ https://ec.europa.eu/clima/eu-action/adaptation-climate-change/eu-adaptation-strategy_en

The full implementation of the common fisheries policy (CFP) is a top priority of Commissioner Sinkevičius' mandate. In 2022, DG MARE continued to work towards achieving the **key objectives of the CFP**, in particular:

- managing stocks at **maximum sustainable yield** (MSY) meaning that fishers are allowed to take the maximum amount of fish out of the sea without compromising the regeneration and future productivity of the stocks. Sustainable fishing is important also for fishers because of its correlation with economic returns and profitability;
- implementing the **landing obligation**, ending the wasteful practice of discards for all species subject to total allowable catch limits, or minimum conservation reference sizes in the Mediterranean;
- applying appropriate **technical measures** to minimise the negative impact of fishing on the marine environment.

Our assessment **on progress towards sustainable fishing in the EU and orientations for setting the fishing opportunities for 2023**⁽³⁴⁾ shows that the EU fisheries policy has been delivering in reducing overfishing in European waters. At the same time, further efforts are needed to protect marine resources, both through maintaining high levels of ambition within the EU and by striving to achieve the same high standard in the work with non-EU countries, like Norway, UK and the coastal States. The stocks in the northeast Atlantic are, on average, within levels that deliver the highest sustainable yields into the future (MSY). For the Mediterranean, the situation has continued to improve but vigorous conservation efforts need to be continued. In the Baltic Sea, due to eutrophication, low oxygen levels in the water are hindering the normal growth and reproduction of fish and protective measures have been put in place.

In the **North-East Atlantic**, including the North Sea and the Baltic Sea, although some fish stocks remain under pressure, significant progress towards sustainable fishing continued. In the early 2000s, fishing mortality was around 1.7 times higher than MSY, but this has reduced and stabilised close to slightly below 1 over the period 2013-2021, reaching its lowest value of 0.76 in 2021.

For **stocks managed only by the EU** in the Atlantic, Baltic Sea and the Skagerrak / Kattegat, progress towards sustainable fishing continued, with a challenging situation in the Baltic Sea.

For the 2023 **Baltic Sea fishing opportunities**, the EU implemented very stringent measures in line with the Baltic multiannual plan (Regulation (EU) 2016/1139). Four fisheries are reduced to by-catch only. The actual fisheries left are pelagics, plaice and in the northern part also salmon. The Commission therefore continues to use all tools from the Baltic multiannual plan, namely total allowable catches (TACs) below the International

⁽³⁴⁾ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Towards more sustainable fishing in the EU: state of play and orientations for 2023 – [COM\(2022\) 253 final of 1.6.2022](#) and [SWD\(2022\) 157 final of 1.6.2022](#)

on the principles of the new [GFCM 2030 Strategy](#)⁽³⁸⁾ and are key for curbing overfishing and improving the state of some of the most valuable fish stocks in this sea basin, such as deep-water shrimps, hake and blackspot seabream. These MAPs consolidate the legal framework for the sustainable exploitation of the stocks, in order to ensure the profitability of the fishing sector, and a level playing field for the Mediterranean fleets. Some of the other noteworthy measures adopted in GFCM upon EU proposal are:

- the strengthening of transitional management measures for red coral, as well as those for the European eel (extending the closure period to 6 months and banning recreational fisheries of eel);
- a resolution launching a roadmap for the establishment of a fisheries restricted area in the Cabliers coral mound in the Alboran Sea;
- measures for recreational fisheries and minimum standards for fisheries restricted areas (FRAs), which makes GFCM the first regional fisheries management organisation (RFMO) to have adopted such measures (after 2 years of discussions).

We reinforced synergies between fisheries and aquaculture, based on the restocking opportunities for vulnerable species such as sturgeons. Upon EU proposal and financed by an EU grant, the GFCM will provide support to Ukrainian aquaculture to ensure food security, in the form of the necessary brood stock (the genetically selected specimens for breeding) and fingerlings, in cooperation with Romanian and Bulgarian aquaculture enterprises. Finally, the GFCM established an integrated monitoring platform for non-indigenous species across the Mediterranean, and will work towards a regional action plan for vulnerable species in 2023.

In parallel the Commission is pursuing the inter-institutional negotiations on its proposal transposing into EU law the recommendations adopted by the GFCM in 2018 and 2019⁽³⁹⁾.

The [Commission proposal for 2023 fishing opportunities for the Mediterranean and Black Seas](#)⁽⁴⁰⁾ is a testimony of our efforts towards ensuring the sustainability of stocks and the implementation of the WestMed MAP, thus keeping us on track for reaching maximum sustainable yield (MSY) by 1 January 2025 at the latest. An integrated approach to secure the reduction in fishing mortality using all management tools provided by the MAP allowed for a reduction of the trawling fishing effort by 7%, combined with the implementation of additional management tools, such as catch limits for deep water shrimps and freezing the effort for long liners. Furthermore, in order to strengthen ecosystem resilience, the [Council regulation](#)⁽⁴¹⁾ expands the compensation mechanism introduced in 2022, granting 3.5% additional fishing days for trawlers. This provision rewards the use of more selective gears, the establishment of more efficient closure areas to protect juveniles and spawners and

⁽³⁸⁾ https://oceans-and-fisheries.ec.europa.eu/news/new-strategy-sustainable-fisheries-and-aquaculture-mediterranean-and-black-sea-2021-11-08_en

⁽³⁹⁾ [COM\(2021\)434 final of 30.7.2021](#)

⁽⁴⁰⁾ [COM\(2022\)525 final of 14.10.2022](#)

⁽⁴¹⁾ [Council Regulation \(EU\) 2023/195 of 30 January 2023 fixing for 2023 the fishing opportunities for certain stocks and groups of fish stocks applicable in the Mediterranean and Black Seas and amending Regulation \(EU\) 2022/110 as regards the fishing opportunities for 2022 applicable in the Mediterranean and the Black Seas](#)

greater use of minimum conservation reference size (MCRS) for the protection of juvenile hake. The regulation also continues the implementation of measures for the management of the small pelagic species and demersal stocks, based on the provisions of the MAPs adopted by the GFCM in 2019 and 2021. Finally, for the Black Sea, the regulation transposes the GFCM decisions to roll-over the total allowable catches (TAC) for turbot, as well as to carry-over the unused EU turbot quotas from 2021 to 2023.

We continued working with Member States on the alignment of national management plans under the Mediterranean Regulation to the objectives of the CFP and examined four requests for derogations from the provisions of the Mediterranean Regulation from France and Italy. The decisions on the granting of the derogations were adopted in 2022.

In addition, the European Fisheries Control Agency (EFCA) deployed important efforts to ensure compliance with the measures adopted at international level, notably with the deployment of a vessel in the Mediterranean Sea.

To facilitate the implementation of the landing obligation, **seven discard plans** establishing a de minimis and/or high survivability exemptions in the various sea basins were adopted.

While overall the poor status of some stocks is due to the high fishing pressure, other **external factors** go largely beyond DG MARE's control. These include climate change, pollution, the position of third countries and the way rules are implemented and enforced by Member States.

In 2022, we carried out intensive work in preparation of several initiatives whose delivery is planned for 2023. We continued work on the **action plan 'Protecting and restoring marine ecosystems for sustainable and resilient fisheries'**, designed to build bridges between the environmental and fisheries policies to help deliver on the objectives of the [EU Biodiversity Strategy for 2030](#)⁽⁴²⁾. We also carried out an extensive stakeholder consultation and gathered comprehensive input for the **report on the functioning of the CFP**.

Building awareness of and support for the common fisheries policy is a cornerstone of DG MARE's **communication** strategy for 2020-2024. Having identified changing consumption patterns as instrumental to fostering more sustainable seafood demand and thus underpinning the CFP objectives, the DG developed a second season of the campaign "Taste the Ocean" (February 2022). The action involved celebrity chefs from nine Member States to draw attention to the preparation of attractive meals using sustainably caught, or farmed fish and seafood. The campaign included recipes videos on social media and a [dedicated website](#) with sustainability information, recipes, chef biographies etc. The advertising campaign was very successful, with more than 23 million social media impressions and 14 million views of the recipe videos.

⁽⁴²⁾ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/actions-being-taken-eu/EU-biodiversity-strategy-2030_en



Figure 2: europa.eu

Result indicator: Profitability of the EU fishing fleet

Progress towards sustainable fisheries contributes to better economic performance of the EU fishing fleet. **Sustainable fisheries pay off in terms of higher profits of the fleets.** As fish stocks are more abundant, landings per unit of effort – such as the number of fishing days – are higher, whilst the operational costs are lower. By contrast, profitability

stagnates in the fleet segments that depend on stocks that are still overfished, or overexploited.

The [2022 Annual Economic Report on the EU Fishing Fleet](#)⁽⁴³⁾ provides a structural and economic overview of the EU fishing fleet in 2020 (latest data):

- in 2020, the EU fishing fleet numbered 73,716 vessels, with a combined gross tonnage of 1.30 million and engine power of 5.26 million kW. There were 56,111 active vessels, offering direct employment to 124,636 fishers, earning on average €25,654 in wages, annually;
- the Gross Value Added (GVA) and gross profit (all excluding subsidies and fishing rights) were estimated at €3.3 billion and €1.16 billion, respectively. GVA as a proportion of revenue was estimated at 55% and gross profit margin at almost 20%;
- with a total net profit of almost €0.4 billion in 2020, **7.3% of the revenue was retained as profit.** The results should be read in a context of progress towards ensuring sustainable fisheries within the ambition of the CFP, with higher landings per unit of effort and cheaper operating expenses. The other two main reasons were relatively low fuel prices and higher average first sale prices of several commercially important species;
- these results indicate a deterioration compared to 2019, while estimates suggest that **the performance of the EU fishing fleet will be moderately (in 2021) and heavily (in 2022) deteriorated**, as a result of the combined effects of external shocks, such as the COVID-19 pandemic, BREXIT, environmental changes and the increase in fuel prices as a consequence of the Russian war in Ukraine.

⁽⁴³⁾ [2022 Annual Economic Report on the EU Fishing Fleet \(STECF 22-06\)](#)

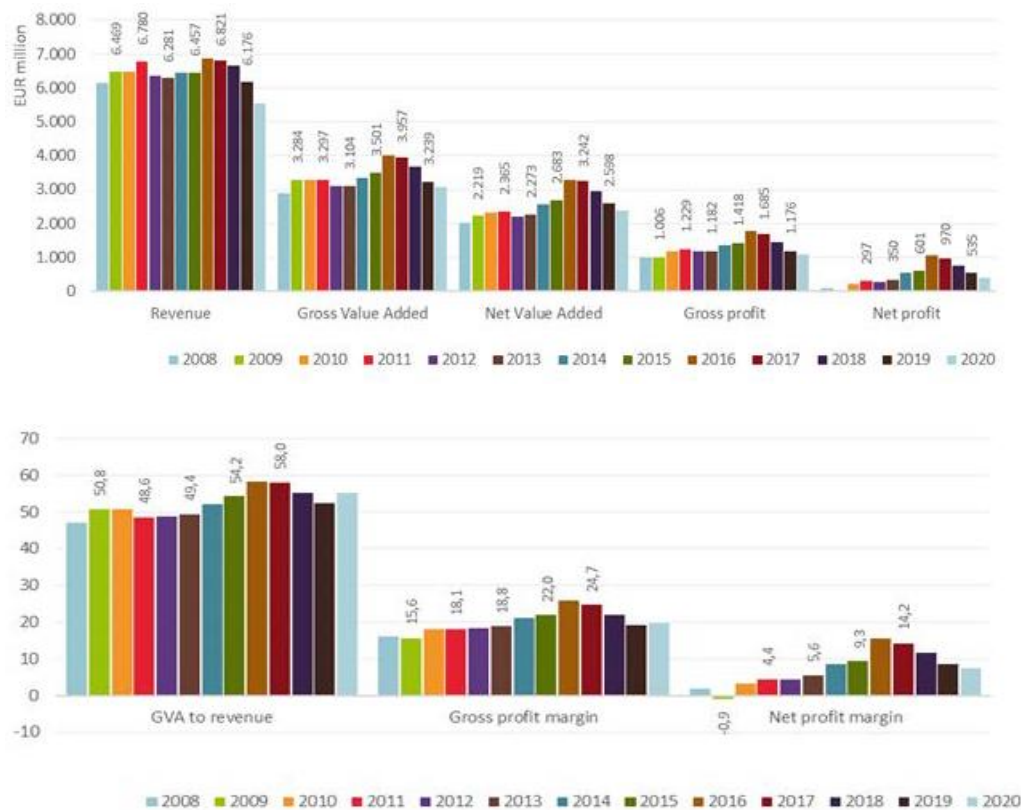


Figure 3: Trends on revenue and profit for the EU fishing fleet

Source: [2022 Annual Economic Report on the EU Fishing Fleet \(STECF 22-06\)](#), p. 37

Result indicators on aquaculture:

- Volume and value of aquaculture production in the EU
- Volume of organic aquaculture production in the EU
- Profitability of aquaculture production in the EU

When managed sustainably, **aquaculture** is a valuable, low-impact source of food and feed. It remains a sector with a growth potential in the EU. The **Strategic guidelines for a more sustainable and competitive EU aquaculture for 2021-2030**⁽⁴⁴⁾ set a concrete path for the Commission, Member States and stakeholders to work towards a more sustainable and competitive EU aquaculture that contributes to a sustainable food system. Throughout 2022, we continued to assess the draft multiannual national strategic plans for aquaculture and EMFAF programmes. In total, 25 draft plans have been reviewed and 25 EMFAF programmes have been approved.

The most recent data on aquaculture ([2022 Economic Report on the EU Aquaculture](#)⁽⁴⁵⁾) shows that, overall, the performance of the sector remains stable. The **EU aquaculture** sector reached 1.2 million tonnes in sales volume and €3.9 billion in turnover in 2020 (latest data). Although the turnover decreased from 2019 to 2020, the overall EU

⁽⁴⁴⁾ [COM\(2021\) 236 final of 12.5.2021](#) and [Annex – Recommended actions](#)

⁽⁴⁵⁾ [Economic Report on EU Aquaculture \(STECF-22-17\)](#)

aquaculture sector experienced an increase in most economic performance indicators in 2020.

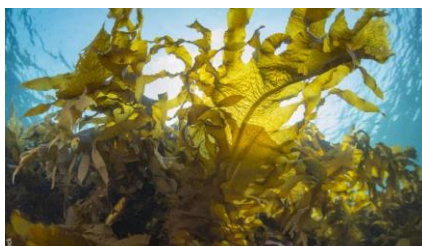


Figure 4: Seaweed and Sunlight ©
divedog / Adobe Stock

On 15 November 2022, the Commission adopted the **Communication ‘Towards a strong and sustainable EU Algae sector’**⁽⁴⁶⁾, a pioneering initiative to unlock the potential of algae in the European Union. It was complemented by an EU Algae action plan and a **staff working document**⁽⁴⁷⁾.

The **EU4Algae** Forum kicked off in June 2022. By December already, it had gathered more than 600 stakeholders. The Algae initiative was accompanied by an extensive package of social media products and press outreach, including a dedicated episode of Euronews OCEAN and tied in with the **Taste the Ocean** campaign on sustainable seafood consumption. The communication around the EU Algae initiative attracted a lot of attention from the media and from the audience on social media.

Virginijus **Sinkevičius**, Commissioner for Environment, Oceans and Fisheries said:

“Stronger EU algae farming and processing sectors can respond to demand in a wide range of industries, starting with food, animal feed or bio-based plastic to cosmetics, pharmaceuticals or biofuels. Algae biomass can serve as an alternative to raw materials that now are usually fossil-fuel-based, which is very much in line with the European Green Deal’s decarbonisation ambition.

With this initiative we approach the EU algae sector in such a holistic way as never before”

Source: [Commission proposes action to fully harness the potential of algae in Europe for healthier diets, lower CO2 emissions, and addressing water pollution \(europa.eu\)](#)

An evaluation of the **marketing standards framework for fishery and aquaculture products** in 2020 had found that the framework does not sufficiently ensure the supply of sustainable products. Consequently, the Commission launched work to identify crucial fisheries-specific sustainability criteria and indicators to inform the consumer about the sustainability performance of fisheries products. For the latter purpose, the Scientific, Technical and Economic Committee for Fisheries (STECF) carried out a study on the “Validation of selected sustainability indicators and underlying methodologies for the revision of the EU marketing standards for fisheries products”, published in December 2022.

The Commission worked on the preparation of an **EU wide Communication campaign on aquaculture** for 2023, as well as two guidance documents on access to marine space for aquaculture and on administrative procedures. The objective was to create familiarity with the new guidelines among stakeholders with potential spill-over to wider audiences regarding the sustainability of EU aquaculture.

⁽⁴⁶⁾ [COM\(2022\)592 final of 15.11.2022](#)

⁽⁴⁷⁾ [SWD\(2022\)361 final of 15.11.2022](#), accompanying [COM\(2022\)592 final of 15.11.2022](#)

Reaching the targets that DG MARE has set for aquaculture will depend on many factors, including on activities of private businesses and direct support from Member States, or regions.

Result indicator: Effectiveness of Member States' fisheries control systems measured by the number of control action plans implemented within the deadline set

The ambitious objectives of CFP for healthy fish and eco-systems, a profitable industry, viable coastal communities and food security can only be achieved if Member States and the EU as a whole have a proper control and enforcement system in place. In other words, a system that ensures that reliable, accurate and complete fisheries data are supplied on time, that Member States have the full control of their fleet, that measures are in place to allow effective controls of fisheries products in the supply chain and that ultimately a widespread culture of compliance allows fishing operators to compete fairly.

The ongoing **revision of the fisheries control system**⁽⁴⁸⁾ addresses some of these shortcomings. The new system as proposed by the Commission in 2018 would further harmonise the EU sanctioning system, modernise fisheries controls, ensure better quality and sharing of fisheries data, reduce burdens, strengthen enforcement, enhance the implementation of the landing obligation and the fight against illegal, unreported and unregulated fishing. Throughout 2022, the Commission continued to engage with the European Parliament and the Council to ensure a swift adoption of its proposal, while also preserving its level of ambition.

Enforcement is an essential part of an effective fisheries control system. In 2022 a particular effort was done in that respect with the adoption of EU pilots and the launch of infringements against Member States for failure to implement EU control rules. In particular, 13 of the new EU pilots concern Member States' implementation of the sanctioning provisions of the control⁽⁴⁹⁾ and fight against illegal, unreported and unregulated (IUU) fishing⁽⁵⁰⁾ Regulations. The European Court of Auditors confirmed in its **Special report 20/2022: EU action to combat illegal fishing** that the approach thus taken is adequate.

⁽⁴⁸⁾ [COM\(2018\)368 final and 2018/0193\(COD\) of 30.05.2018](#). This proposal includes amendments to the Control Regulation 1224/2009, the IUU Regulation 1005/2008 and the founding Regulation of the European Fisheries Control Agency (EFCA)

⁽⁴⁹⁾ [Council Regulation \(EC\) No 1224/2009 of 20 November 2009 establishing a Union control system for ensuring compliance with the rules of the common fisheries policy, amending Regulations \(EC\) No 847/96, \(EC\) No 2371/2002, \(EC\) No 811/2004, \(EC\) No 768/2005, \(EC\) No 2115/2005, \(EC\) No 2166/2005, \(EC\) No 388/2006, \(EC\) No 509/2007, \(EC\) No 676/2007, \(EC\) No 1098/2007, \(EC\) No 1300/2008, \(EC\) No 1342/2008 and repealing Regulations \(EEC\) No 2847/93, \(EC\) No 1627/94 and \(EC\) No 1966/2006](#)

⁽⁵⁰⁾ [Council Regulation \(EC\) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations \(EEC\) No 2847/93, \(EC\) No 1936/2001 and \(EC\) No 601/2004 and repealing Regulations \(EC\) No 1093/94 and \(EC\) No 1447/1999](#)

In terms of the relations with the European Fisheries Control Agency (EFCA) on international matters, the Internal Audit Service confirmed in its report of 20 September 2022 that the way DG MARE works with EFCA is adequate and recommended only minor improvements.

An effective and efficient control system also addresses the specific challenges of **access to external waters**, as in the case of British waters following the exit of the UK from the EU, which is essential for the social and economic dimension of the CFP. In this regard, control plays a critical role not only in ensuring that the EU fleet abide by the rules we subscribe to, but also in reassuring our international partners of our ability to create a culture of compliance.

In addition to the measures above, the Commission continued to implement action plans to strengthen the Member States' fisheries control system. While most of the remedial measures in the four new action plans adopted since 2020 have been implemented according to schedule, there are a few measures mainly related to the modernisation of IT-systems for fisheries control that have been delayed. For this reason, two actions plan that should have been implemented by the end of 2022 remain open (as the action plan cannot be entirely closed until all measures have been implemented).

Result indicator: Contribution from the European Maritime and Fisheries Fund (EMFF) for 2014-2020 and 2021-2027 to climate related EU spending⁽⁵¹⁾

The European Maritime and Fisheries Fund (EMFF) for 2014-2020 and the European Maritime Fisheries and Aquaculture Fund (EMFAF) for 2021-2027 are the main financing instruments to support the full implementation of the Common Fisheries Policy, as well as the maritime policy, the EU Blue Economy Strategy and International Ocean Governance. The funds provide support to fishers in the transition towards more sustainable fisheries, and to Member States for data collection and fisheries control, both essential to ensure sustainable fisheries.

In 2022, all the remaining necessary secondary legislation to support the EMFAF regulation was put in place as planned. These acts provided legal certainty for Member States, allowing for the programmes to be adopted on time and for all Member States to begin implementing their programmes effectively from the beginning of 2023.

In parallel, DG MARE launched the process of extensive informal and formal work with all 26 Member States concerned on the new EMFAF programmes. Negotiations on all EMFAF programmes were completed successfully in 2022 and 25 programmes were adopted, with Slovakia only carried over to 2023 because of the formality of not having the Strategic Environmental Assessment completed on time.

Following the Russian invasion of Ukraine and the disruption of the markets that ensued, in particular due to the limited availability of certain raw materials and energy costs, two initiatives were managed by DG MARE. The first was the triggering of the crisis mechanism of the EMFAF, allowing Member States to offer emergency support to operators in the form

⁽⁵¹⁾ See also the [Programme statement on the European Maritime Fisheries and Aquaculture Fund for the draft budget 2023](#)

of compensation for increased operating costs or income foregone, as well as the possibility for producer organisations to make use of aid for the storage of fishery products. This support is available to operators for compensating during the period 24 February 2022 – 31 December 2022. The second initiative was a legislative amendment of the EMFF Regulation, allowing any remaining EMFF funds to be directed to the same type of measures implemented under the EMFF until 31 December 2023. These two initiatives were also linked with the temporary crisis framework for State aid, which following its amendments during the course of 2022 allows for operators in the fisheries and aquaculture sector to receive support up to a value of 300,000 per undertaking until 31 December 2023.

For the 2021-2027 period, Member States need to comply with certain **horizontal enabling conditions** as laid down in annexe III of the Common Provisions Regulation⁽⁵²⁾, which are prerequisite conditions for the effective and efficient implementation of the specific objectives of the fund⁽⁵³⁾. If horizontal enabling conditions are not met, expenditure for the corresponding specific objectives can be submitted in a payment application to the Commission but will not be reimbursed. Horizontal enabling conditions include the effective monitoring mechanisms of the public procurement market, tools and capacity for effective application of State aid rules, as well as the effective application and implementation of the Charter on Fundamental Rights of the European Union, a cornerstone of the EU acquis. Member States had to self-assess in their programmes whether the enabling conditions linked to the selected specific objectives are fulfilled. With the input of other competent Commission services, DG MARE reviewed and the Commission decided whether it agreed with the Member State's own assessment on the fulfilment of enabling conditions. When necessary, the Commission provided recommendations to Member States to improve the situation.

For the EMFAF programmes, all Member States fulfil the horizontal enabling conditions, apart from Hungary and Poland.

In the case of Poland, the Member State itself considers that the horizontal enabling condition on the Charter of Fundamental Rights is not yet met. The Commission services are in dialogue with the Member State to ensure that the requirements of the enabling condition are fully met. This covers notably the institutional and procedural arrangements that are necessary to ensure respect of all relevant principles of the Charter in the implementation of the Fund at all stages.

In the case of Hungary, whilst the Hungarian Authorities assessed that they fulfil the horizontal enabling conditions on the Charter of Fundamental Rights, the Commission considered that the implementation of the Fund risks violating the Charter.

⁽⁵²⁾ [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](#)

⁽⁵³⁾ Similar to ex ante conditionalities under 2014-2020 programmes

As regards the **European Maritime and Fisheries Fund (EMFF) for 2014-2020**, our [EMFF implementation report 2021](#)⁽⁵⁴⁾ indicates that during its seventh year, the implementation continued to advance. Although less severe than in 2020, the COVID-19 pandemic continued to impact EMFF implementation in 2021. Member States continued to benefit from the emergency support available as a result of the amendment⁽⁵⁵⁾ to the EMFF Regulation. In several cases, these compensations even played a significant role in the absorption of funding: nearly 14% of all operations of the entire EMFF implementation period (2014–2021) were related to the mitigation of the COVID-19 outbreak. For some Member States' programmes, amounts related to the mitigation of the COVID-19 outbreak were around 10% of total commitments and close to 20% of total declared by beneficiaries.

EMFF **spending** continued to advance up to end 2021 (latest data):

- €4.9 billion of EMFF funding had been committed to operations in the Member States (87.0% of the total EMFF envelope under shared management). Commitments made during 2021 were EUR 843 million, or around 15% of the total EMFF allocation. Assuming this speed holds, all EMFF available funding will be committed by 31 December 2023;
- expenditure declared by beneficiaries reached €3.12 billion (55.2% of total EMFF funding) since the beginning of the programming period. Beneficiaries claimed €756 million, or 13.6% of the total EMFF allocation, in 2021. This is the highest amount of payments per year since the beginning of the period. It can be explained both by maturing investments and by compensation payments related to the mitigation of consequences of the coronavirus outbreak. The level of expenditure varies significantly between Member States, ranging from 22% to 89%. Overall, of every euro committed, €0.63 has been claimed by beneficiaries;
- overall, the EMFF contribution to climate change objectives⁽⁵⁶⁾ by the end of 2021 was EUR 847 million, or 18.0% of the total EMFF funding committed to date. The corresponding number for total EMFF funding already declared by beneficiaries was EUR 548 million (17.6% of total EMFF declared by beneficiaries). The EMFF supports operations related to climate change and energy efficiency in accordance with the headline target of the Europe 2020 strategy.

⁽⁵⁴⁾ https://oceans-and-fisheries.ec.europa.eu/publications/emff-implementation-report-2021_en

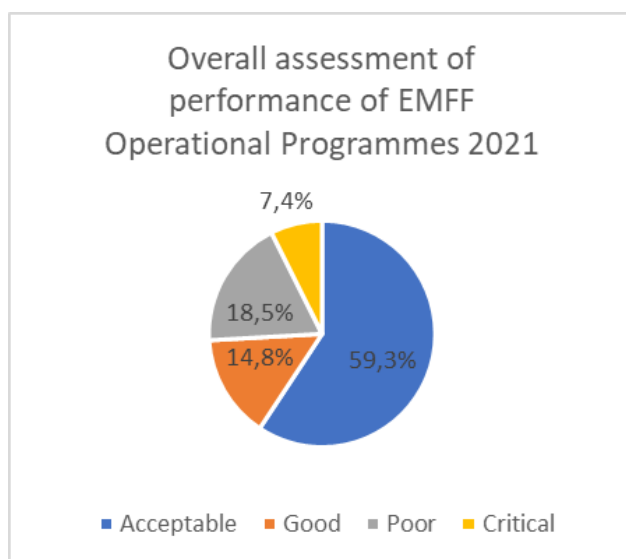
⁽⁵⁵⁾ Regulation (EU) 2020/560 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 508/2014 and (EU) No 1379/2013 as regards specific measures to mitigate the impact of the COVID-19 outbreak in the fishery and aquaculture sector (OJ L 130, 24.4.2020, p. 11)

⁽⁵⁶⁾ The coefficients for calculating amounts of support for climate change objectives are provided in Annex III of the Commission Implementing Regulation (EU) No. 1232/2014

Table: EMFF contribution to climate change of operations selected for support.

Total EMFF allocation (Annual Implementation Report, 31/12/2021)	Total EMFF committed by Managing Authority (Infosys, 31/12/2021)	Climate change amount of total EMFF committed by Managing Authority (Annual Implementation Report, 31/12/2021)	Climate change / EMFF allocation	Climate change / EMFF committed
€5,650,751,587	€4,860,159,780	€874,432,194	15.5%	18.0%

Throughout 2022, we encouraged Member States to speed up absorption of the funds, including for dedicated climate and biodiversity related actions.



Overall, the **performance of the 27 EMFF programmes** is satisfactory, with 74.1% of programmes assessed as good or acceptable⁽⁵⁷⁾. Financial implementation in terms of EMFF commitments went up from 71.6% (end of 2020) to 87.1% (end of 2021) while selected operations increased to over 89,000 (68,000 at the end of 2020). For 88.9% of the programmes, progress with regard to output implementation was assessed as acceptable or good, which shows good implementation towards reaching the output indicator targets for 2023. The

administrative capacity ranked high and was found satisfactory, with again 88.9% of the programmes assessed as good or acceptable.

The COVID-19 pandemic crisis and the imminent advance towards the few remaining years of the funding period are the best descriptors of EMFF implementation in 2021. However, in comparison with 2020, it seems that most Member States' authorities managed to adapt their working procedures to limit the impact of COVID-19.

The impacts of the pandemic most often mentioned related to the implementation of already approved projects. Operations had to be scaled back, delayed or even withdrawn. Potential beneficiaries were also more risk-averse when considering new projects. Other obstacles included price increases (especially for energy) causing cash shortages for investors; problems in global supply chains and international freight transport; difficulties in the provision of services; construction projects affected by rising prices for raw materials and restrictions on site work; falling exports and retail sales; difficult access to loans; challenges related to unpredictable price increases for contractors during tendering

⁽⁵⁷⁾ https://oceans-and-fisheries.ec.europa.eu/publications/emff-implementation-report-2021_en.

The decrease compared with 2020 (81.5%) is mainly due to changes introduced in the questionnaire (for example, among others, the increase of thresholds for the financial implementation – certified eligible expenditure).

procedures; banks' lack of interest in co-financing; and upsets in sales channels following the closure of catering businesses.

Examples of EU added value of EMFF support:

- [Aspiring wingsails – A fishing vessel using less fuel thanks to the wind](#)



Figure 5: *Aspiring wingsails - Balueiro Segundo vessel*

The Aspiring Wingsails project has developed, tested and validated a wind propulsion system (eSAIL®) that reduces the fuel consumption and pollutant emissions of fishing vessels. The project responds to the need of the maritime and fisheries industry to adapt to higher fuel costs and new regulations to reduce harmful emissions. The Spanish start-up bound4blue coordinated the project and, together with project partner Kyma (Norway) and Organización de Palangreros de A Guarda (ORPAGU – Spain), successfully installed a 12-metre eSAIL® on the Balueiro Segundo vessel. The Balueiro Segundo is the first fishing vessel in the world to be equipped with an auxiliary wind-assisted propulsion technology.

- [ProPesca - Sustainably managing coastal fisheries in the Gulf of Cádiz](#)



Figure 6 : *ProPesca app interface*

In the Gulf of Cádiz in Spain, coastal fishers have teamed up with three fisheries local action groups to sustainably manage the local fisheries. As part of the ProPesca project, they have developed an app to facilitate the lives of the coastal fishers. The app gives near-real-time information on important issues like area closures, minimum sizes of fish, value of catches, and how much fishers have left of their quotas, thus facilitating the job of fishers. With a few clicks, they now have an easy access to all they need to know and can focus on fishing instead of administration.

The [Report from the European Court of Auditors on the performance of the EU budget \(status 2021\)](#)⁽⁵⁸⁾ assessed in its Chapter 1 the integration of five horizontal policy priorities into the selected spending programmes. For EMFAF (the selected fund under DG MARE's responsibility), the ECA concluded that combating climate change and preserving biodiversity had been integrated, SDGs and digital transition – partially integrated, while for gender equality there is only limited integration. And following upon the Court's [Special Report 26/2020 on the marine environment](#), we continued to work closely with DG Environment on an action plan to timely implement the Court's recommendations (by end 2023).

As regards the **European Fisheries Fund (EFF) for 2007-2013**, all operational programmes of Member States were closed or pre-closed.

The partnership with Euronews on the OCEAN magazine continued in 2022 and enabled strong coverage of key priorities, such as algae cultivation, climate change and the Arctic,

⁽⁵⁸⁾ [Report of the European Court of Auditors on the performance of the EU budget – Status 2021](#)

reaching millions of viewers in Europe. The 12 episodes of the show also formed the basis of a spin-off virtual reality version (“OCEAN360”), which was launched in 2022, enabling users with a virtual reality headset to literally dive into the episodes. Building on the successful partnership with Euronews, a podcast series was also launched in June 2022 with 8 episodes covering topics from illegal fishing to offshore renewables and the protection of the High Seas. The series involved renowned speakers such as Jane Goodall, or Alexandra Cousteau.

DG MARE has also proactively contributed to corporate communication priorities (in particular the European Green Deal and NextGenerationEU), including through alignment with corporate visual identity. Systematic showcasing of EU-funded projects continued throughout 2022, with an average publication rate of one new success story per week. EU-funded projects have also remained a linchpin of the OCEAN magazine on Euronews.

Specific objective 2: A sustainable blue economy generating sustainable economic development, jobs and prosperity by 2024

Result indicator: Size of the EU blue economy



Figure 7: [EU Blue Economy report: ocean economy fuels European green transition](#) ([europa.eu](#))

In its fifth edition, the [EU blue economy report 2022](#)⁽⁵⁹⁾ gives an overview of the **size and performance of its seven established sectors** in the EU-27 (final data 2019): they directly employed close to 4.5 million people and generated around €670 billion in turnover and €183.9 billion in gross value added in 2019.

Two sectors are particularly noteworthy: the living resources and marine renewable energy sectors. Living resources, with gross profits valued at €7.2 billion in 2019 saw a 41% rise on 2009 (€5.1 billion). Turnover reached €121.1 billion, 26% more than in 2009. Marine renewable energy (offshore wind) has also seen important growing trends, with employment increasing by 17% in 2019 (compared to 2018).

7 established sectors of EU-27 blue economy (final data 2019)		
Economic performance:		
gross value added generated	€183.9 billion	+20% compared to 2009
gross operating surplus (profit)	€72.9 billion	+22% compared to 2009
total turnover	€667.2 billion	+15% compared to 2009
Social dimension:		
Direct employment	almost 4.45 million people	Around 0.5% more compared to 2009 The increase is largely driven by coastal tourism that employs 63% of the total EU blue economy jobs

⁽⁵⁹⁾ [EU blue economy report 2022](#), see:
 - p. 3: The 7 established sectors are: marine living resources, marine non-living resources, marine renewable energy, port activities, shipbuilding and repair, maritime transport and coastal tourism.
 - p. 23: In the 2022 report, 2019 data are final and cover EU-27. At time of publication, 2020 data from EUROSTAT were not available.

The outbreak of the COVID-19 pandemic in February 2020 and the direct and indirect consequences of the unprovoked invasion of Russia in Ukraine in February 2022 represented a major shock for the global and the EU economies. It is expected that the EU blue economy will be more affected by the crisis than the overall EU economy; however the latter may grow faster when the economy eventually recovers, also driven by the intended acceleration of the energy transition of the EU's economy in the context of increasing strategic independence in energy supply and the REPowerEU plan, offering important investment opportunities.

Through the [BlueInvest](#)⁽⁶⁰⁾ platform and the BlueInvest Day organised in March 2022, we have contributed to stimulating investment in the innovation needed to achieve a sustainable blue economy, through raising awareness of opportunities, matchmaking investors with entrepreneurs and investments in venture capitalists specialising in the blue economy.

In close alignment with Horizon Europe, smart specialisation strategies helped boosting innovation. The progressive development of the [Smart Specialisation Platform for the Blue Economy](#)⁽⁶¹⁾, with the five brokerage events and one follow up event contributed to the implementation of the blue economy strategy in 2022. Under the Horizon Europe Mission Restore our Ocean and Waters by 2030, 4 lighthouses were rolled out in 2022 to test and demonstrate new solutions, for the green/blue and digital transition. The Mission Charter was launched with more than 200 actions submitted at the end of 2022 by a large variety of stakeholders.

We continued to foster cooperation in Europe's sea basins, also with third countries, through the implementation of the [revised Atlantic Action Plan](#)⁽⁶²⁾, the [WestMED Initiative](#)⁽⁶³⁾ and the [Common Maritime Agenda for the Black Sea](#)⁽⁶⁴⁾. In 2022, we completed the [report to the European Parliament and to the Council on the implementation of the WestMED Initiative](#)⁽⁶⁵⁾ (adopted by the Commission on 5 January 2023). We also supported maritime regional cooperation with dedicated calls for flagship projects under EMFAF, targeting all sea basins around Europe and outermost regions.

Russia's war in Ukraine delayed activities in the Common Maritime Agenda for the Black Sea, while action was taken to exclude Russian actors from the beneficiaries of grants and assistance schemes. The Commission relaunched the works with the Common Maritime Agenda countries, excluding Russia, in December 2022, with a dedicated meeting in Brussels. On this occasion, Romania took over the role of coordinator from Georgia for 2023 and the Agenda regional activities are expected to start again at regional level, despite the continuation of the war in Ukraine.

⁽⁶⁰⁾ <https://webgate.ec.europa.eu/maritimeforum/en/frontpage/1451>

⁽⁶¹⁾ [Smart Specialisation Platform for the Blue Economy](#)

⁽⁶²⁾ https://oceans-and-fisheries.ec.europa.eu/news/atlantic-action-plan-20-revamped-maritime-strategy-foster-sustainable-blue-economy-and-eu-green-deal-2020-07-23_en

⁽⁶³⁾ [COM\(2017\)183 final of 19.4.2017](#)

⁽⁶⁴⁾ https://oceans-and-fisheries.ec.europa.eu/ocean/sea-basins/black-sea_en

⁽⁶⁵⁾ [COM\(2023\)3 final of 05.01.2023](#)

As co-presidency of the Union for the Mediterranean, the Commission has played an active role in preparing and pushing for an ambitious **Ministerial Declaration on sustainable blue economy**⁽⁶⁶⁾ in 2021. It has also been active in the development of a roadmap for the implementation of the Declaration throughout 2022 and is at the origin of new initiatives supporting funding on sustainable blue economy projects in the non-EU countries in the Mediterranean (blue economy partnerships launched with the European Bank for Reconstruction and Development / European Investment Fund).



The Sustainable Blue Economy agenda was promoted throughout the year and in particular during the **European Maritime Day (EMD)**⁽⁶⁷⁾ in Ravenna, Italy (1,411 participants), and through more than 630 **EMD in my country** events in the EU and across the world.

Figure 8: European Maritime Day 2022: Sustainable blue economy for green recovery (europa.eu)

Result indicator: Improved marine knowledge measured by the degree of use of the European Marine Observation and Data Network (EMODnet) in terms of the quantity of downloaded data per month

The **European Marine Observation and Data Network** (EMODnet)⁽⁶⁸⁾ provides marine data, data products and metadata for those who analyse, or use the seas and oceans. More than 120 organisations contribute to EMODnet through collection and dissemination of marine data. Private users represent about a quarter of EMODnet usage. The average monthly download of data and data products from the EMODnet central portal was 94.3 GB per month in 2022 (average from EU27), a slight increase from 2021 (90.83 GB per month).

⁽⁶⁶⁾ [Declaration-UfM-Blue-Economy-EN-1.pdf](#) (ufmsecretariat.org)

⁽⁶⁷⁾ [European Maritime Day 2022: Sustainable blue economy for green recovery](#) (europa.eu)

⁽⁶⁸⁾ <https://emodnet.eu/en>

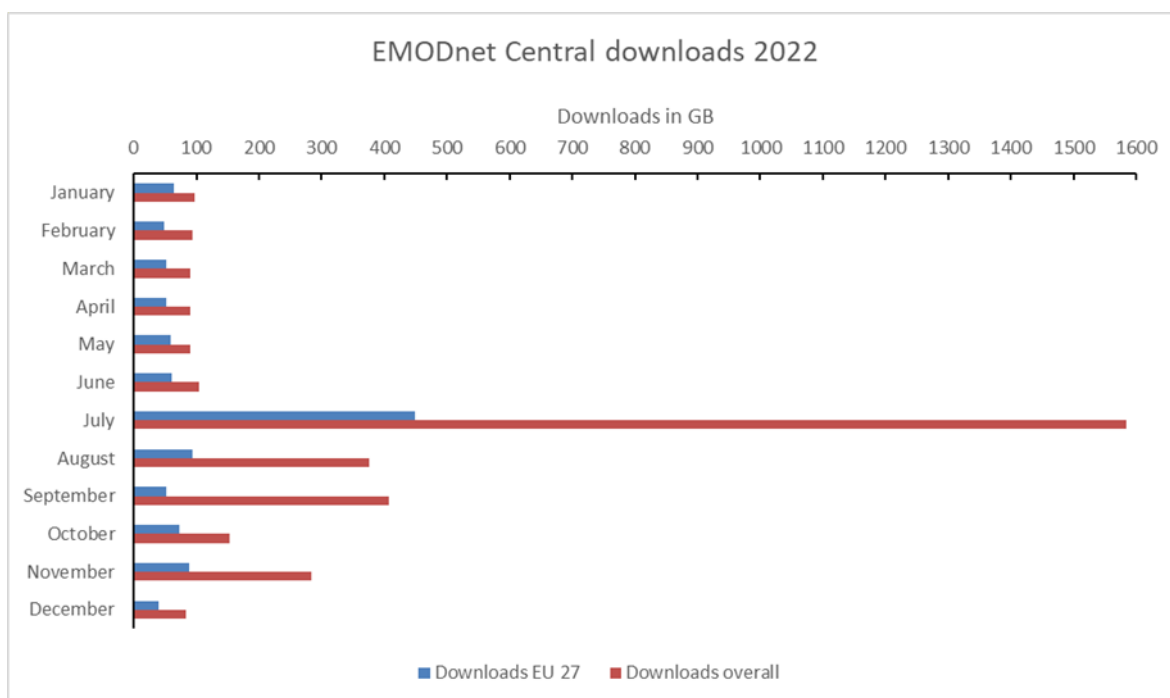


Figure 9: EMODnet Central portal downloads in 2022

Throughout 2022, we continued to work on preparing the **ocean observation initiative** in view of its adoption in 2023.



Figure 10: [A new Blue Economy Observatory to monitor and promote the sustainability of our ocean related activities \(europa.eu\)](https://european-council.europa.eu/media/en/press-communications/inline/2022/07/10)

The challenges of the blue economy report are mostly due to the lack of data for the emerging sectors. The **Blue Economy Observatory** launched in 2022 in collaboration with the JRC services intends to overcome these difficulties, by collecting and analysing data for both the established and emerging sectors of the blue economy, and acting as a data dissemination platform for policymakers, national authorities, academia, industry and other blue economy stakeholders.

For the implementation of the pilot project proposed by the European Parliament on **marine noise**, the Commission has adopted the financing decision in July 2022⁽⁶⁹⁾. EMODnet will collaborate with data on marine noise, also to support the relevant [Marine Strategy Framework Directive](#)⁽⁷⁰⁾ descriptor. The tender was published by CINEA on 20 December 2022.

⁽⁶⁹⁾ C(2022)5010 final of 20/07/2022

⁽⁷⁰⁾ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (Text with EEA relevance), OJ L 164, 25.6.2008, p. 19–40

Result indicator: Reduction of economic impact of marine litter in the EU measured in terms of median number of litter items per 100 metres of beach in the EU

The work in [EU4Ocean Coalition for Ocean Literacy](#)⁽⁷¹⁾, uniting ocean literacy efforts in the EU with an emphasis on a better understanding amongst youth of how humankind and the ocean influence each other has reached its potential and exceeded the number of memberships set as goal. Ocean Literacy events, including the final conference organised in the European Maritime Day 2022 in Ravenna have reinforced the dynamic of the coalition across all Europe and supported the creation of regional ocean literacy communities of action. The [International Ocean Literacy Agreement](#)⁽⁷²⁾ signed at the beginning of 2022 with the Intergovernmental Oceanographic Commission (IOC) of UNESCO is optimising the activities of the coalition internationally and promotes ocean literacy activities in the context of the UN Decade of Ocean Science for Sustainable Development.



Figure 11: europa.eu

Taking plastics out of the oceans remains a priority as well. The Commission co-organised with the United Nations and the European External Action Service, the fifth and so far largest [#EUBeachCleanup](#)⁽⁷³⁾ campaign (August-October). Nearly 415 events were organised, mobilising some 15,000 volunteers worldwide. The campaign succeeded in multiplying the number of grassroots events (i.e. events organised without the direct involvement of the EU, or UN staff), thanks to the deployment of the ActNow mobile app.

Result indicator: Maritime security measured by the number of new CISE (Common Information Sharing Environment) connections/nodes

In 2022, DG MARE undertook important actions on maritime security and surveillance. Jointly with the European External Action Service, we have worked on the update of the [EU Maritime Security Strategy and its Action Plan](#)⁽⁷⁴⁾ as a key contribution to the implementation of the Strategic Compass, and to address current and future maritime security challenges in a complex geopolitical context, taking also into account the effects of Russia's war against Ukraine. This Joint Communication is a key deliverable for the 2023 Commission Work Programme.

The transitional phase for the [Common Information Sharing Environment](#) (CISE) for maritime surveillance is running and the operational phase will be launched in 2024, as part of the actions under the EU's Maritime Security Strategy. 12 out of the expected 15 nodes were established at the end of 2022. CISE is a network, where stakeholders (Member States and EU Agencies) participate on a voluntary basis. Several stakeholders were delayed in the establishment of the node, due to the implication of the changes needed at operational level, despite the Commission's efforts to assist them. Another contributing factor was the delay in the start of the EU project "CISE incident alerting service", which

⁽⁷¹⁾ [EU4Ocean Coalition for Ocean Literacy](#)

⁽⁷²⁾ <https://ioc.unesco.org/news/european-commission-and-unesco-start-collaboration-ocean-literacy>

⁽⁷³⁾ [#EUBeachCleanup 2022 – Global campaign for clean, plastic-free oceans](#)

⁽⁷⁴⁾ https://oceans-and-fisheries.ec.europa.eu/ocean/blue-economy/other-sectors/maritime-security-strategy_en

facilitates the participation of Member States in CISE and the establishment of nodes. More nodes are in progress and are expected to be fully functional in 2023.

DG MARE continued to monitor the cooperation between Frontex, the European Fisheries Control Agency and the European Maritime Safety Agency for better assistance to Member States’ national authorities performing coast guard functions and to support cooperation among these national authorities in the context of the European and Mediterranean Coastguard Functions Fora.

Result indicator: Installed capacity of offshore wind energy and ocean energy in the EU

The **European Green Deal** emphasises the key role of marine renewable energy, and in particular offshore wind energy in the transition to a climate-neutral economy. Ocean energy technologies are reaching pre-commercial stage and should be able to provide substantial capacity at commercial size in the coming years, also thanks to a substantial increase of support through the Horizon Europe work programme 2023-2024. In 2022, DG MARE contributed to the implementation of the [EU Strategy on Offshore Renewable Energy](#)⁽⁷⁵⁾ (lead: DG ENER) which includes the following EU targets:

		By 2030	By 2050
Offshore wind	current level: 12 GW	60 gigawatt	300 gigawatt
Ocean energy	by 2025: 100 megawatt	1 gigawatt	40 gigawatt

In 2022, we set up a Community of Practice to promote offshore renewables and maritime spatial planning in the North and Baltic Sea. We launched a similar Community for the Mediterranean in November. Our work on offshore renewables accelerated through REPowerEU and the increased ambition for this type of renewables, which will have an impact on Member States’ maritime spatial plans and offshore licensing procedures.

On 3 May 2022, the Commission adopted its [Report on the implementation of the Maritime Spatial Planning Directive 2014/89/EU](#)⁽⁷⁶⁾. By the end of 2022, 15 out of 22 coastal Member States had established a maritime spatial plan. Following those sent in December 2021, Letters of Formal Notice were sent to two additional Member States (Bulgaria, Spain) in May 2022.

General objective 4: A Stronger Europe in the World

Specific objective 3: More sustainable fisheries worldwide and improved international ocean governance by 2024

2022, the “**Big Year for Ocean**” has seen several major achievements:

- the adoption of the [Joint Communication on International Ocean Governance](#)⁽⁷⁷⁾ (and related inter-institutional work on Council conclusions, European Parliament resolution and European Economic and Social Committee opinion);

⁽⁷⁵⁾ [COM\(2020\)741 final of 19.11.2020](#)

⁽⁷⁶⁾ [COM/2022/185 final of 3.5.2022](#)

⁽⁷⁷⁾ [JOIN\(2022\)28 final](#) and [SWD\(2022\)174 final \(synopsis of consultation activities\) of 24.6.2022](#)

- the EU coordination and participation in the [One Ocean Summit](#)⁽⁷⁸⁾ in February in Brest, the [7th Our Ocean Conference](#)⁽⁷⁹⁾ in April in Palau, the [2nd UN Ocean conference](#)⁽⁸⁰⁾ in June in Lisbon, where more than €7 billion were committed by the EU and its Member States to the benefit of the ocean;
- the launch of a 50 countries strong [High Ambition Coalition on Biodiversity Beyond National Jurisdiction \(BBNJ\)](#)⁽⁸¹⁾ and the successful representation of the EU in two rounds of BBNJ negotiations, the organisation of two BBNJ workshops, a high-level side event in Lisbon, and one High Ambition Coalition ministerial meeting, where the EU has strengthened its leading role on BBNJ;
- on 17 June 2022, the 12th Ministerial Conference of the World Trade Organization (WTO) reached a historic agreement on ending unsustainable fisheries subsidies, after over twenty years of negotiations. The EU is keen to complete the rulebook to stop unsustainable subsidies that contribute to overcapacity and overfishing, to fully deliver on [UN Sustainable Development Goal Target 14.6](#)⁽⁸²⁾. WTO members agreed to continue negotiations on this, while putting in place the first phase of the agreement;
- we continued to implement the [EU's Arctic policy](#)⁽⁸³⁾, and the Commission office in Nuuk is due to open in the first semester 2023. An accord on the Conference of the Parties (COP) rules of procedure to implement the [Agreement to Prevent Unregulated High Seas fisheries in the Central Arctic Ocean](#)⁽⁸⁴⁾ was found at the first physical COP meeting;
- the EU remains the first donor under the UN Food and Agriculture Organisation (FAO) Global Capacity Development Programme, supporting developing countries to strengthen the fight against IUU fishing and the implementation of the Port State Measures Agreement. Moreover, the EU coordinated and participated in the 35th session of the FAO Committee on Fisheries, ensuring a successful outcome (creation of a sub-committee on fisheries management, adoption of the guidelines on transshipment, recognition of small-scale fishers' role, call for achieving ambitious and robust FAO guidelines on aquaculture);
- a successful first **BlueInvest** match-making event for Africa in Seychelles in September;
- the successful negotiation of the two UN General Assembly (UNGA) resolutions on Sustainable Fisheries and on Oceans and the Law of the Sea, despite heightened geopolitical tensions;

⁽⁷⁸⁾ [One Ocean Summit: new steps strengthen EU leadership in protecting the Ocean](#)

⁽⁷⁹⁾ <https://ourocean2022.pw/>

⁽⁸⁰⁾ <https://www.un.org/en/conferences/ocean2022>

⁽⁸¹⁾ https://oceans-and-fisheries.ec.europa.eu/ocean/international-ocean-governance/protecting-ocean-time-action_en

⁽⁸²⁾ [UN Sustainable Development Goal Target 14.6](#)

⁽⁸³⁾ The [EU's Arctic policy](#)

⁽⁸⁴⁾ https://oceans-and-fisheries.ec.europa.eu/news/arctic-agreement-prevent-unregulated-fishing-enters-force-2021-06-25_en

- 5 high-level dialogues with partner countries (Canada, Indonesia, Japan, New Zealand and the United States), and the first EU-Canada Forum;
- after two years of pandemic disruption, we organised the 5th International Maritime Spatial Planning Forum on 21 November 2022 in Barcelona (attended by 90 planners from 40 countries), back-to-back with the 3rd International Maritime Spatial Planning (MSP) conference organised jointly with the Intergovernmental Oceanographic Commission (IOC) UNESCO on 22-23 November (180 in-person participants from 54 countries, with 750, and respectively 415 online participants from around the world). On this occasion, DG MARE and IOC UNESCO adopted an updated [Joint Roadmap to advance MSP globally](#)⁽⁸⁵⁾.

Result indicator: Sustainable management of the main regulated tuna and tuna-like species fished by the EU fleet under the purview of Regional Fisheries Management Organisations of which the EU is a Member⁽⁸⁶⁾

Regional Fisheries Management Organisations (RFMO) manage fish stocks by geographical area. The organisations are open both to coastal States and countries with interests in the fisheries concerned. The EU, represented by the Commission, plays an active role in 5 tuna organisations and 13 non-tuna organisations⁽⁸⁷⁾. RFMOs are key actors for the joint management of highly migratory and straddling stocks under the Law of the Sea. Their performance is essential to ensure sustainable fisheries worldwide, notably by promoting science-based conservation and sustainable management of those stocks, their ecosystems and marine biodiversity more generally.

17 out of 20 tuna and tuna-like stocks fished by the EU fleet are in good shape and good progress was made further in 2022 for one additional stock (bigeye tuna in the Atlantic). In 2022, of the total commercial tuna catch worldwide, 87% came from stocks at healthy levels of abundance. This is due to the fact that skipjack stocks contribute to more than half of the global tuna catches and are all in a healthy situation. By contrast, the Atlantic bigeye tuna stocks and Indian Ocean bigeye yellowfin tuna stocks are currently overfished, although overfishing is limited to yellowfin and, as noted above, Atlantic bigeye is on good track to sustainability.

Bigeye tuna in the Atlantic is overfished due to the fact that catches exceeded the total allowable catch (65,000 tonnes) between 2016 and 2019 by 13-21%. Although in 2020 and 2021, catches were below the TAC (which was also reduced to 62,000 tonnes), it is still advisable to take appropriate measures in the International Commission for the Conservation of Atlantic Tunas (ICCAT) to ensure the long-term sustainability of the stock and taking into account scientific advice of 2021. Due to the complexity of the discussions, and the contrasting interests from the ICCAT Contracting Parties (CPCs) involved, the 2022 annual meeting of ICCAT could not agree to the EU proposal to reinforce the management

⁽⁸⁵⁾ https://oceans-and-fisheries.ec.europa.eu/news/european-commission-and-ioc-unesco-renew-their-joint-efforts-advance-marine-spatial-planning-2022-11-28_en

⁽⁸⁶⁾ See also the [Programme statement on the Sustainable Fisheries Partnership Agreements \(SFPA\) and Regional Fisheries Management Organisations \(RFMO\) for the draft budget 2023](#)

⁽⁸⁷⁾ https://ec.europa.eu/oceans-and-fisheries/fisheries/international-agreements/regional-fisheries-management-organisations-rfmos_en

of bigeye, including in particular stricter rules on fishing capacity that would also apply to developing coastal States. Instead, the current ICCAT measure was rolled over, which is a precautionary approach by any means.

Yellowfin tuna in the Indian Ocean remains overfished. Despite the measures that the Indian Ocean Tuna Commission (IOTC) has been adopting since 2017, many based on EU proposals, the stock is not recovering. At the last annual meeting in 2022, the EU had proposed a wide set of measures to address those matters, which were not adopted. We will continue to promote the sustainability of the stocks in 2023.

Result indicator: Conservation measures based on scientific advice adopted for the main regulated species fished by the EU fleet under the purview of Regional Fisheries Management Organisations of which the EU is a Member⁽⁸⁸⁾

In 2022, 40 out of 41 (97%) **conservation measures adopted by Regional Fisheries Management Organisations** (RFMOs) for the management of the stocks under their purview were **in line with scientific advice**. This outcome is higher than the results in 2019 (88%) and 2020 (74%) and it shows an upward trend to bring the result for this indicator very close to 100%.

The positions taken by the EU in the RFMOs are fully in line with the objectives of the [EU Biodiversity Strategy for 2030^{\(89\)}](#) and the [Farm to Fork Strategy^{\(90\)}](#). We have consistently promoted a **sustainable management of stocks based on scientific advice**, adequate monitoring, control and surveillance measures, the fight against illegal, unreported and unregulated fishing and better governance in these organisations. However, the EU has only a certain leverage to influence the decisions of RFMOs that are normally taken by consensus of all members.

In 2022, the Commission has adopted one transposition of conservation and control measures (for the Southern Indian Ocean Fisheries Commission), while the co-legislators have adopted two regulations transposing control, conservation and management measures (for the Indian Ocean Tuna Commission and Western and Central Pacific Fisheries Commission).

Result indicator: Fighting illegal, unreported and unregulated (IUU) fishing measured by the number of non-EU Member States that the Commission has engaged in a dialogue with and the number of countries having addressed their deficiencies

Illegal, unreported and unregulated (IUU) fishing has strong detrimental effects on the stocks and the marine environment, profitability of operators, viability of coastal communities, and on food security.

⁽⁸⁸⁾ See also the [Programme statement on the Sustainable Fisheries Partnership Agreements \(SFPA\) and Regional Fisheries Management Organisations \(RFMO\) for the draft budget 2023](#)

⁽⁸⁹⁾ https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

⁽⁹⁰⁾ https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en

Using a system of yellow and red cards, the EU warns third countries that they could be listed as a non-cooperating country in the fight against IUU fishing, if they do not comply with their **obligations as flag, coastal, port and market State** under international law. Since 2012, the Commission has held **IUU dialogues** with 67 third countries (cumulative figure). The number increased when compared to 2021, as we resumed cooperation with countries already subject to dialogues in the past and actively interacted with some countries exporting tuna species to the EU. COVID-19 restrictions were at least partially lifted so audits on the spot resumed by means of missions to third countries, but some dialogues and exchanges continued remotely (videoconferences). Relations with all yellow carded countries (nine) have been maintained, despite travel bans, but audit missions remain the most efficient way to ensure a proper assessment of the situation in third countries. In 2022, one red card has been prepared (Cameroon, adopted on 5 January 2023). Although some improvements have been recorded, the identified shortcomings have still not been addressed in the three red carded countries (Cambodia, Comoros, and Saint Vincent and the Grenadines), thus not allowing for a lifting of those red cards.

Following the withdrawal of the UK from the EU, we established close and continued technical exchanges with this country to ensure its compliance with the IUU rules without affecting legitimate trade and engaged in discussions on the facilitation of implementation of the Ireland/Northern Ireland protocol, part of the Withdrawal Agreement.

Result indicator: Control of imports of fisheries products in the EU measured by the number of catch certificates import refusals by Member States

One of the key elements of the [EU Regulation on the fight against illegal, unreported and unregulated \(IUU\) fishing](#)⁽⁹¹⁾ is the **EU IUU catch certification scheme**. The scheme aims to ensure that fishery products imported into the EU stem from legal fishing in accordance with international law of the sea and in compliance with national and regional conservation and management rules. It is the Member States' responsibility to apply the scheme and, in particular to apply the controls and verifications on imports of fishery products. In 2022, consignments refused have increased (32) when compared with 2021 (11).

Since 2019, the tool **IT CATCH** is used for a digital transmission of catch certificates, processing statements and other relevant processes. IT developments of IT CATCH have continued as planned in 2022, alerts have been proposed to Member States and the logic of the system has been revised to better match the future legal requirements.

The discussions in Council and European Parliament continue on the revision of the fisheries control system and are fruitful as regards provisions intended to ensure the compulsory use of IT CATCH by operators.

⁽⁹¹⁾ [Council Regulation \(EC\) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing](#)

Result indicator: Number of sustainable fisheries partnership agreements (SFPAs) in force⁽⁹²⁾

Sustainable fisheries partnership agreements (SFPAs) give access for the EU long distance fleet to fishing zones in third country waters, and provide support to those third countries for better fisheries governance and a sustainable development of their local fishing sector. These agreements also contribute to economic activity and job creation both in the EU and in partner countries.

At the end of 2022, there were **13 SFPAs in force⁽⁹³⁾**. Protocols were negotiated and renewed with Mauritius (signed and entered into provisional application on 21 December 2021) and Seychelles (regarding the waters of Mayotte, still to be signed by the Parties). SFPA negotiations have been completed with Madagascar and a new Agreement and new Protocol have been initiated in October. Negotiations have also continued with Kiribati and were successfully completed in December 2022.

Evaluation studies in view of the renewal of the SFPAs with Morocco, Côte d'Ivoire, Cape Verde and Guinea-Bissau have been launched, while a study regarding a possible new Agreement with Angola has also been launched.

Joint Committee meetings were held with partner countries throughout the year for the monitoring of the implementation of the protocols, and in particular the implementation of the sectoral support envelop granted through the protocols.

The number of fishing authorisations issued in the framework of the SFPAs in force has reached a total of 496 for 2022 (338 in mixed agreements and 158 in tuna agreements) benefiting to a total of 168 vessels (one vessel can receive several authorisations to fish in various countries). In addition, around 50 licences have been attributed to non-EU vessels in the framework of access agreements concerning French Guyana and Mayotte waters. Finally, 55 direct authorisations regarding fishing activities in third countries outside Union waters where no SFPAs have been notified to the Commission in the framework of the implementation of the [Regulation \(EU\) 2017/2403 on the sustainable management of external fishing fleets^{\(94\)}](#).

The Commission has always planned negotiations with the objective of ensuring continuity of the fishing activity. On some occasions, however, negotiations have taken more time than expected because of unrealistic financial expectations of the partner country, like in the case of Mauritius, or Madagascar. As there has been an interruption in the implementation of some SFPAs (Madagascar, Mauritius, Kiribati), some ship-owners had to stop their fishing activities, or modify their strategies, in the context of sharp global competition between various long distant fishing fleets. However, the impact was limited as ship-owners could find alternative fishing grounds, in countries benefiting from an SFPAs or

⁽⁹²⁾ See also the [Programme statement on the Sustainable Fisheries Partnership Agreements \(SFPAs\) and Regional Fisheries Management Organisations \(RFMO\) for the draft budget 2023](#)

⁽⁹³⁾ Cabo Verde, Cook Islands, Côte d'Ivoire, Gabon, The Gambia, Greenland, Guinea-Bissau, Mauritania, Mauritius, Morocco, Sao-Tome e Principe, Senegal and Seychelles

⁽⁹⁴⁾ [Regulation \(EU\) 2017/2403 of the European Parliament and of the Council of 12 December 2017 on the sustainable management of external fishing fleets, and repealing Council Regulation \(EC\) No 1006/2008](#)

sometimes in other countries, under the [Regulation \(EU\) 2017/2403 on the sustainable management of external fishing fleets](#)⁽⁹⁵⁾.

⁽⁹⁵⁾ [Regulation \(EU\) 2017/2403 of the European Parliament and of the Council of 12 December 2017 on the sustainable management of external fishing fleets, and repealing Council Regulation \(EC\) No 1006/2008](#)

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes. This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following **reports/documentation** have been considered:

- the reports from Authorising Officers by Subdelegation (AOSDs) in accordance with the AOSD Charter, together with questionnaires designed for the preparation of the Annual Activity Report;
- the reports on control results from managing/audit authorities in Member States in shared management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross sub-delegation;
- the reports on control results from entrusted entities in indirect management, as well as the results of the DG's supervisory controls on the activities of these bodies;
- the contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at the DG level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Article 92.3 of the Financial Regulation);
- the reports of the ex-post control sector;
- the monthly reports to MARE management on budget implementation;
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG MARE.

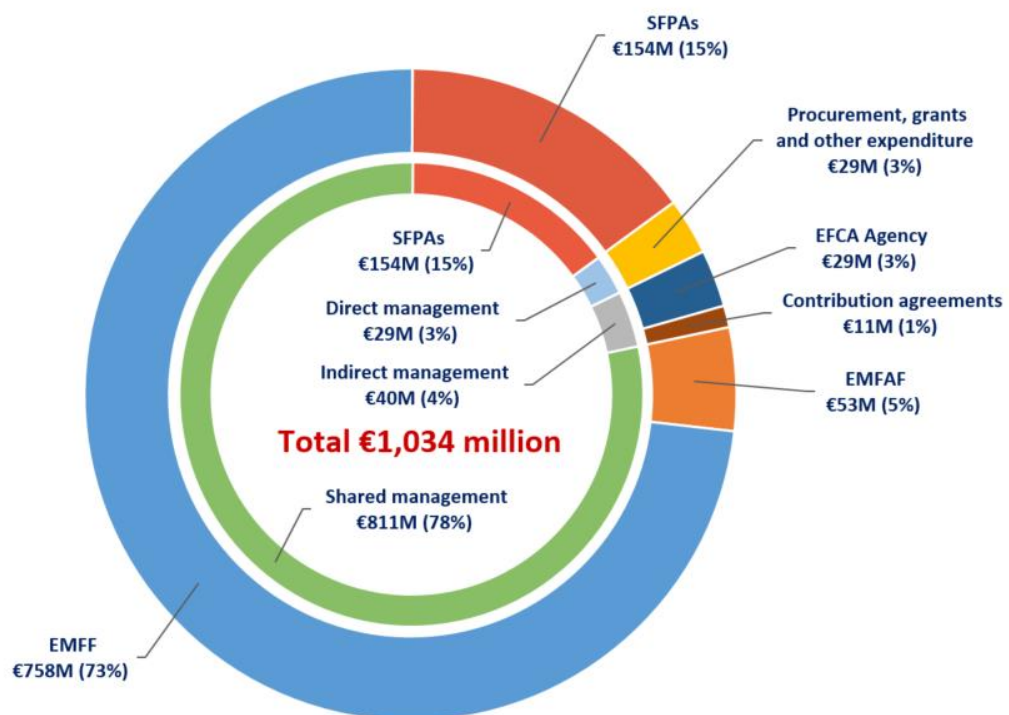
This section covers the control results and other relevant elements that support management's assurance. It is structured into [2.1.1 Control results](#), [2.1.2 Audit observations and recommendations](#), [2.1.3 Assessment of the effectiveness of internal control systems](#), and resulting in [2.1.4 Conclusions on the assurance](#).

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the **internal control objectives (ICO)** ⁽⁹⁶⁾. DG MARE's assurance building and materiality criteria are outlined in annual activity report Annex 5. The annual activity report Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

In 2022 DG MARE executed payments totalling **€1 billion** spread across the different expenditure areas, namely shared management, SFPAs, indirect and direct management.

DG MARE 2022 PAYMENTS PER EXPENDITURE AREA



Shared management (78% of 2022 payments)

The most significant expenditure area for DG MARE relates to the programmes implemented by Member States under shared management amounting to €811 million of the DG's executed payments in 2022.

The main expenditure area relates to the **European Maritime and Fisheries Fund (EMFF)** 2014-2020. In 2022, €758 million were paid (€644 million as interim payments and €113 million as pre-financing).

⁽⁹⁶⁾ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities

For the **European Maritime, Fisheries and Aquaculture Fund (EMFAF)**, its successor for the 2021-2027 programming period, only pre-financing payments, amounting to €53 million, were made in 2022.

Sustainable Fisheries Partnership Agreements (SFPAs) (15% of 2022 payments)

The second most significant expenditure area for DG MARE relates to **SFPAs**, amounting to €154 million of the DG's executed payments in 2022. These financial contributions cover the EU access to a third country's exclusive economic zone (EEZ) allowing for EU vessels to carry out fishing activities. These contributions are paid to each partner country annually, on the basis of the provisions set in the signed protocols.

Indirect management (4% of 2022 payments)

In 2022, the EU contribution to **European Fisheries Control Agency (EFCA)**⁽⁹⁷⁾ amounted to €29 million (3% of 2022 payments). In addition, DG MARE paid €11 million (1% of 2022 payments) related to **contributions agreements**⁽⁹⁸⁾. These payments mainly concerned the voluntary contributions to the activities of international organisations dealing with fisheries.

Direct management (3% of 2022 payments)

In 2022 DG MARE implemented €26 million (2.5% of 2022 payments) in the form of procurement contracts and grant agreements under the EMFF or EMFAF. In addition, €3 million (0.3% of 2022 payments) were implemented regarding pilot projects and routine administrative expenditure.

DG MARE also delegates the execution of the majority of the grant and procurement actions to the **European Climate, Infrastructure and Environment Executive Agency (CINEA)**. As a parent DG, DG MARE participates as an observer in CINEA's Steering Committee, chaired by DG MOVE and composed of representatives of all 6 parent DGs. A dedicated unit in CINEA manages the delegated grant actions, procurement procedures, calls and evaluations in line with the adopted work programmes. A Memorandum of Understanding on mutual cooperation have been established and formalised between DG MARE and CINEA.

In line with the 2018 Financial Regulation, DG MARE's assessment for the new reporting requirement is as follows:

- no cases of "confirmation of instructions" (new FR art 92.3);
- eight cases of financing not linked to costs (new FR art 125.3) linked to grant agreements signed with the Advisory Councils;
- no Financial Framework Partnerships >4 years (new FR art 130.4);
- no cases of flat-rates >7% for indirect costs (new FR art 181.6);

⁽⁹⁷⁾ For further details refer to Annex 13

⁽⁹⁸⁾ For further details refer to Annex 11

- no cases of "Derogations from the principle of non-retroactivity pursuant to Article 193 FR" (new Financial Regulation Article 193.2).

1. Effectiveness of controls

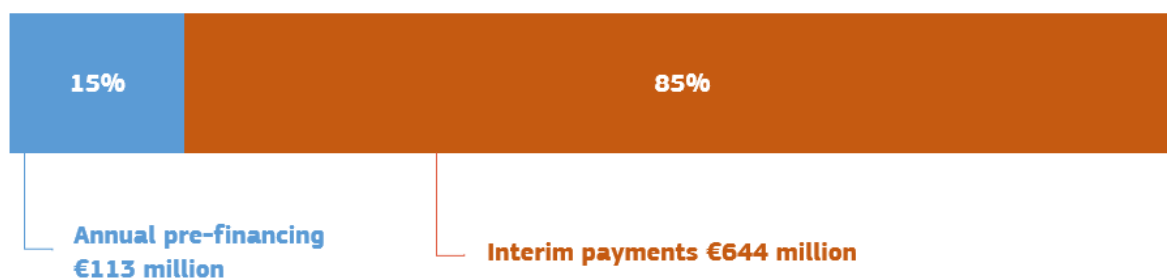
a) Legality and regularity of the transactions

DG MARE uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

Shared Management

In 2022, €758 million was paid out for the EMFF, of which €113 million in pre-financing and €644 million in interim payments.

2022 EMFF payments



For the EMFAF, pre-financing payments amounting to €53 million were made.

Overall, during the accounting year 2021-2022 and in the second semester of 2022 Member States did not declare expenditure to the Commission and did not make interim payments to the 2021-2027 programmes⁽⁹⁹⁾.

A specific feature of the 2021-2027 period is the need for Member States to comply with a set of **horizontal enabling conditions**⁽¹⁰⁰⁾ set in the [Common Provisions Regulation](#)⁽¹⁰¹⁾ to ensure that an appropriate and sound strategic and legal framework, including the required policy reforms, are in place at the start of the period and during implementation, to allow for the effective implementation of the Fund during the period. The possibility to reimburse expenditure to the Member States in each specific area is conditioned to the continued compliance with enabling conditions. DG MARE monitors the situation for each programme.

⁽⁹⁹⁾ Apart from the regulatory advances paid at the adoption of programmes that are, by definition, free of risk

⁽¹⁰⁰⁾ Similar to ex ante conditionalities under 2014-2020

⁽¹⁰¹⁾ [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](#)

Until it assesses the horizontal enabling condition related to compliance with the Charter of Fundamental rights as fulfilled, the Commission would not be able to process interim payments for **Polish and Hungarian programmes** (with the exception of technical assistance or operations contributing to the fulfilment of the enabling conditions), should either Member State decide to declare expenditure (see details in part 1, page 20).

Moreover, for **Hungary**, the verification of compliance of the 2021-2027 EMFAF programmes with the policy objectives (including the implementation of the horizontal enabling conditions) and the design of a solid management and control system ran in parallel to the processes under the **General regime of conditionality mechanism** (under which the Council in December 2022 found that certain remedial measures proposed by Hungary had not been fully or correctly implemented). Most of the remedial measures proposed by Hungary under the general regime of conditionality have an overarching scope and go beyond the legal remedies under the sectorial regulations. There are however key synergies between the sectorial regulations and the general regime of conditionality and the measures taken under these regulatory frameworks are complementary and aim, among other things, to strengthen further control mechanisms, notably on public procurement (to increase transparency and competition), and to enhance prevention, detection and correction of fraud and conflict of interest. One of the measures taken under the general regime of conditionality, in particular aims at improving further the independence of the joint audit authority through its operational and financial autonomy. It is expected that these actions will contribute positively to sound management and to the effective functioning of management and control systems for the programme in Hungary. DG MARE will continue to closely monitor the effective implementation of all relevant implementation steps and enabling conditions with the other Commission services involved.

Control objective and results

For the EMFF 2014-2020 as well as for its successor, the EMFAF 2021-2027, the **control objective** is to ensure that the estimated residual total error rate (RTER) per programme does not exceed 2% for each accounting year.

The main source of information is the **assurance package** that national authorities must provide each year by 15 February. This comprises the management declaration (and annual summary for the EMFF), the certified accounts and the annual control report and audit opinion. In addition, DG MARE also uses the following sources of information, among others:

- DG MARE's audit work on the review of the reliability of the audit authorities, including compliance audits and assessment of national system audit reports;
- DG MARE's thematic audits as well as targeted fact-finding missions;
- relevant audit information received from DG REGIO, DG EMPL and/or the ECA;
- annual control and quarterly technical meetings with national audit authorities;
- annual implementation reports from the Member States;
- monitoring committees and annual review meetings;

- contacts with regional and national programme managers;
- OLAF.

DG MARE's annual assurance is mainly based on the analysis of the assurance packages provided by the Member States' authorities, in combination with the results from all audit information available throughout the year, as listed above. In particular, the audit authorities report a **total error rate (TER)**, which is the rate prior to corrections, and a **residual total error rate (RTER)** which represents the error remaining in the accounts after corrections. Further details on the control cycle are disclosed in Annex 7.

DG MARE assesses and monitors the controls and audits carried out by the Member States' authorities and regularly discusses related issues with the other shared management DGs to ensure a fully coherent approach across this family cluster.

Results of controls during the reporting year

- European Maritime and Fisheries Fund (2014-2020)

The audit authorities have reported **significant audit coverage** through their audits of operations for the accounting year 2020-2021 by auditing 810 out of a total of 21,807 items in the population (payments claims/operations), representing 32% of the total declared expenditure. Of the total irregular expenditure reported by the audit authorities relating to accounting year 2020-2021, 44% relates to "ineligible expenditure" and 37% to "ineligible projects". Further details are included in Annex 7.

In addition, DG MARE carried out **23 audit assignments** during the reporting year. 14 of these assignments related to the assurance packages for the accounting year 2020-2021, 4 fact-finding missions and 10 compliance audits (relating to eight Member States). 9 audits covered thematic issues such as effective and proportionate anti-fraud measures, selection of operations and adequate management verifications. The main errors found during the compliance audit work carried out by DG MARE in relation to the accounting year 2020-2021 relate to "lack or incomplete audit trail" (30%), "lack or incomplete verification" (30%) and "additional ineligible expenditure" (30%). Further details are included in Annex 7.

The **risk at payment** for the accounting year 2020-2021 is 1.38%. Details on the audit activity and related results during the reporting year can be found in Annex 7.

In relation to the accounting year 2021-2022, DG MARE has carried out a first preliminary consistency review of the error rates reported by the Member States leading to the "reportable" error rates.

Out of seven Member States reporting a total error rate above the materiality threshold, six have taken adequate measures to reduce the residual error in the population to 2% or below (refer to Annex 7).

One Member State (Romania) has, as for the previous accounting year, not applied the necessary financial corrections to reduce the risk in the overall expenditure declared to DG

MARE to the materiality threshold. Therefore, in accordance with the materiality criteria established in Annex 5, the related reservation issued in the 2021 AAR for the EMFF Romanian operational programme is maintained, as further described in Annex 9.

For one operational programme (Hungary), while the reported total error rate exceeds 10%, the programme is exceptionally not put under reservation, the main reason for the high error rate being a unique error corrected in the accounts received in 2023, as further described in Annex 7.

Conclusion and benefits of controls

DG MARE has **reasonable assurance** on EU payments made for the 2014-2020 programming period in 2022. Pre-financing payments bear no risk as still being assets of the European Commission until their 'clearance'. For the interim payments made, adequate mechanisms are in place to ensure that only legal and regular expenditure is included and certified in the annual accounts, such as the review of the effective functioning of management and control systems through assessment of the annual assurance packages of Member States and related audits.

The confirmed EMFF error rate for the **amount at risk at payment** for the relevant expenditure 2022 is 1.38% and the confirmed error rate for the amount at risk at closure is 1.11%⁽¹⁰²⁾. Details per operational programme are included in Annex 7.

The maintained reservation for one operational programme under the EMFF is duly followed up through the legal procedures available to protect the Union budget. Further details are described in Annex 9.

The benefit of controls relates partially to the **financial corrections** applied by the Member State following the Audit Authority's, the Court of auditors' or the Commission's audit work as well as OLAF recommendations. These financial corrections are in general directly implemented by the Member States through deductions from interim payment applications and/or from the annual accounts. Therefore, such deductions also include corrections due to the Court of auditors and DG MARE's audit work and OLAF recommendations, as applicable. Further details are described in Annex 7.

DG MARE has not applied any net financial corrections under the EMFF. Nonetheless, its corrective capacity is unaffected, since Member States have fully implemented all necessary financial corrections, in accordance with Article 143 of the [Common Provisions Regulation \(EU\) No 1303/2013 \(CPR\)](#)⁽¹⁰³⁾. No financial correction decisions by the Commission have therefore been necessary.

It should be noted however, that the provisions for the net financial corrections in the CPR adopted by the co-legislators are very strict, limiting the scope for their application and

⁽¹⁰²⁾ The amount at risk "at closure" indicates the remaining risk to the 2022 relevant expenditure once the necessary financial corrections have been applied to bring the total residual error rates for all OPs down to 2%. DG MARE is able to identify for which OPs additional financial corrections are required. These estimated future corrections - if any - are deducted from the amount at risk at payment

⁽¹⁰³⁾ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013

potentially leading to considerable challenges in applying net financial corrections in practice.

In this context, it must be pointed out that financial corrections are not an objective as such. A decreasing level of corrections over the years would not solely result from the quality and/or quantity of controls but could also reflect an improvement in sound financial management of the programme by the Member States.

In addition, there are a number of non-quantifiable benefits resulting from the controls operated throughout the various control stages (notably the negotiation procedures of the programmes, which aim to ensure that the financed programmes contributed to the achievement of the policy objectives, the management of the programmes by the operational units of the DG, and the deterrent effect of ex-post controls). At the selection, implementation and monitoring stages, by ensuring compliance with the applicable rules and procedures, it is ensured that the underlying operations are legal and regular. In addition, system audits strive to continuously improve the management and control systems to prevent irregularities and thus to reduce the need for financial corrections.

- [European Fisheries Fund \(2007-2013\)](#)

Regarding the **legality and regularity** of the underlying transactions, the objective is to ensure that the estimated residual risk of error does not exceed 2%, at the end of the implementation of each programme.

During 2022, following the finalisation of the closure procedure, no final balance payments were made. Three net financial corrections amounting to €0.6 million were established and implemented in 2022 regarding two Member States.

Other expenditure areas

Control objective and results

As regards legality and regularity of the transactions that fall under SFPAs, indirect and direct management, the standard quantitative materiality threshold of 2% of the executed payments is applied. In addition, significant weaknesses detected in the functioning of the internal control system or entailing significant reputational risks for the DG or the Commission are considered as materiality criteria.

A combination of preventive, detective and corrective controls, as detailed in Annex 6, are embedded into the programming and planning, verification, execution and monitoring, management and reporting processes so as to ensure effective mitigation of the financial and management risks.

Sustainable Fisheries Partnership Agreements

Payments relating to SFPAs made during the year totalled €154 million, equivalent to 15% of all amounts paid by DG MARE. At the end of 2022, **13 SFPAs protocols** were in force including a new protocol signed with Mauritius.

An essential element of a SFPAs is the policy dialogue on fisheries between the EU and the partner country during the negotiation process and the lifetime of the protocol. Through its controls, the DG ensures that the financial contribution resulting from the negotiations represents a fair balance between the access to third country waters and the positive returns for the EU.

Indirect management

Payments relating to indirect management made during the year relating to the EU contribution to **EFCA Agency** and **international organisations** totalled €40 million, equivalent to 4% of all amounts paid by DG MARE.

When it comes to the EFCA Agency, although Union bodies have full responsibility for their own management, a number of reporting and supervising arrangements allow DG MARE to exercise its supervisory role. DG MARE participates at different levels of governance within the Agency, from the Administrative Board to the Joint Deployment Plans. The Commission supervises the EFCA annual and multi-annual work programmes, the Staff establishment plan and Budget and adopts an opinion on its draft Single Programming Document. The Commission follows-up the discharge process by participating and, if necessary, intervening in the relevant parliamentary debates.

In 2022, DG MARE also signed various **contribution agreements** under indirect management mode mainly with international organisations falling under the umbrella of the United Nations agencies and sub-organisations. The signature of these specific agreements took place after the conclusion of a pillar assessment at a horizontal Commission level. This assessment confirms the reliability of control systems applied by the organisations. DG MARE scrutinises ex-ante all contribution agreements.

Direct Management

In 2022, DG MARE made payments for an amount of €29 million, equivalent to 3% of all amounts paid by the DG, in relation to procurement, grants and other expenditure implementing both the EMFAF and the legacy EMFF programmes. **No interest paid** due to late payments in 2022 (2021: €253.15). The procurement and grant procedures are subject to regulatory requirements, which cannot be curtailed.

In 2022, DG MARE launched two open calls for tender which resulted in the signature of two procurement contracts. No open calls for proposals were initiated and published by DG MARE. Three exceptional negotiated procedures without a publication of a contract notices were conducted, for cases covered by the Financial Regulation (EU) 2018/1046 Art 164(1)(d) Point 11.1(b) of Annex 1.

One request for authorisation of an exception stemming from a non-compliance event was recorded in 2022 (2021: 1 non-compliance event triggering a request for prior authorisation for an exception). Examination of the non-compliance event leading to a request for an exception did not reveal any weaknesses in the control system and it was considered not to affect the legality and regularity of the underlying transactions. Mitigating measures were put in place to avoid a similar situation arising in the future.

Conclusion and benefits of controls for other expenditure areas

Since a quantitative estimation of the value of errors prevented and detected is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls. The benefits of control in non-financial terms cover: better value for money, deterrents efficiency gains, system improvements and compliance with regulatory provisions.

In conclusion, through the analysis of the available control results relating to **other expenditure areas**, an assessment can be made of identified weaknesses and their relative impact on legality and regularity. This assessment has not unveiled any significant weakness which could have a material impact as regards the legality and regularity of these financial operations.

Overall conclusion of legality and regularity of the transactions

DG MARE's portfolio consists of segments with a relatively low error rate. This is, respectively, thanks to the inherent risk profile of the programmes and funding modalities and the performance of the related control systems.

In addition, DG MARE has in place an effective mechanism for correcting errors, through ex-ante and ex-post controls, resulting in preventive and corrective measures. For the EMFF, Member States play an important role in this corrective mechanism and part of the benefit stems from their actions. Please see table below for details:

Preventive and corrective measures (m EUR) in 2022 of DG MARE

	Preventive Measures EU share	Corrective measures EU share
Implemented by the Member States ⁽¹⁰⁴⁾	29.11	4.14
<i>of which from Member States controls</i>	26.97	3.17
<i>of which from EU controls⁽¹⁰⁵⁾</i>	2.14	0.97
Implemented by the Commission	0.75	0.60
<i>of which from Member States controls</i>	-	-
<i>of which from EU controls</i>	0.75	0.60
DG MARE total	29.86	4.73

⁽¹⁰⁴⁾ For the EMFF, the EU share is calculated using the ratio between the EMFF certified expenditure and total expenditure declared

⁽¹⁰⁵⁾ For the EMFF, as a result of Commission controls and audits (including additional corrections to ensure a risk at closure below 2% in case of EMPL, REGIO and MARE), OLAF investigations or ECA audits

Based on all the above, DG MARE presents in the following Table X an estimation of the risk at payment and risk at closure for the expenditure managed during the reporting year:

Table X: Estimated risk at payment and at closure (amounts in € million)

The full detailed version of the table is provided in Annex 9.

DG MARE	Payments made	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	m EUR	m EUR	m EUR	%	m EUR	%	m EUR	%
EMFAF	52.99	-	-	0.00%	-	0.00%	-	
EMFF	758.36	679.73	9.38	1.38%	1.85	0.27%	7.53	1.11%
EFF/FIFG	-	-	-	0.00%	-	0.00%	-	
SFPAs	153.60	153.60	-	0.00%	-	0.00%	-	0.00%
EFCA Agency	29.34	20.44	0.10	0.50%	-	0.00%	0.10	0.50%
Contribution agreements	11.02	-	-	0.50%	-	0.00%	-	
Procurement, grants and other expenditure	29.03	30.07	0.15	0.50%	0.03	0.11%	0.12	0.39%
DG MARE total	1,034.33	883.83	9.63	1.09%	1.88	0.21%	7.75	0.88%

The **estimated overall risk at payment** for 2022 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable **at the time the payment was made**. This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. This amount corresponds to the conservatively **estimated future corrections** for 2022 expenditure.

The difference between those two amounts results in the **estimated overall risk at closure** ⁽¹⁰⁶⁾. The overall risk remains relatively stable at 0.88% compared to 2021 (0.75%).

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

⁽¹⁰⁶⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme

b) Fraud prevention, detection and correction

DG MARE has developed and implemented a **joint anti-fraud strategy** together with DG REGIO and DG EMPL since 2015, on the basis of the methodology provided by OLAF. It is updated as necessary. It was last updated in December 2019. Its implementation is being monitored and reported to the management twice a year in the bi-annual report on audit matters to the Commissioner. All necessary actions for which DG MARE is chef de file, have been implemented. The implementation of the remaining actions is in progress, in close cooperation with DG REGIO and DG EMPL; their completion is of an ongoing nature such as raising fraud awareness during technical meetings with the national authorities.

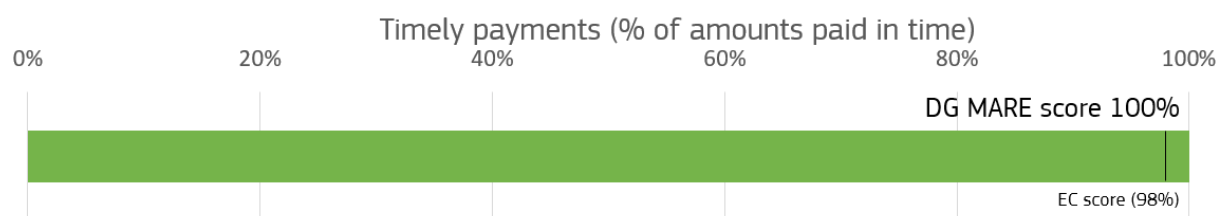
DG MARE also contributed to the **Commission anti-fraud strategy** and followed up to OLAF's *financial* recommendations with the following results: 50% of recommendations were implemented and 50% are still under analysis⁽¹⁰⁷⁾. The reason for not (yet) implementing the remaining recommendations is the need for further details from the Member States concerned to establish the exact EMFF amounts to be recovered.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: **Fraud awareness** was overall increased through dedicated information sessions and continuous cooperation with OLAF and the Member States. On the basis of the available information, DG MARE has reasonable assurance that the anti-fraud measures in place are effective overall.

2. Efficiency of controls

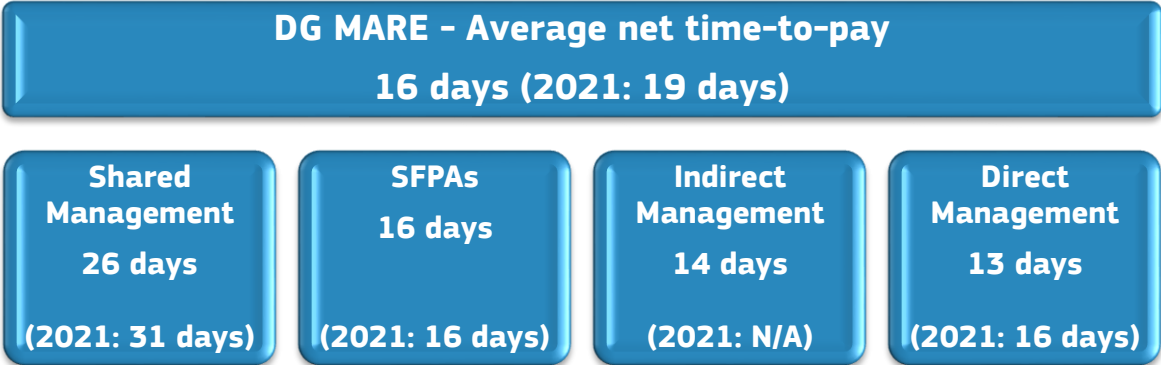
The principle of efficiency concerns the best relationship between resources employed and results achieved. This section outlines the indicators used to monitor the efficiency of the relevant control systems.

DG MARE closely monitors the efficient processing of payments to ensure that they are made within the legal deadlines. One indicator is defined for all relevant control systems, namely timely payments (% of amounts paid in time), which for DG MARE stood at 100% in 2022 (2021: 97%).



⁽¹⁰⁷⁾ Number of financial recommendations to DG MARE 2018-2022: Four

Furthermore, the **average net time-to-pay** of DG MARE are presented below:



Shared Management

For shared management, efficiency indicators are defined as a relationship between the resources utilised in DG MARE to meet the deadlines laid down in the Regulation (EU) No 1303/2013.

All accounts provided by Member States were accepted within the regulatory deadline 31 May 2022, in accordance with Article 84 of Regulation (EU) No 1303/2013. Furthermore, all legality and regularity assessments, although not subject to regulatory deadlines, were analysed within the deadlines set in the internal procedures (90 days), the average assessment time being 37 days (2021: 66 days) and constituting an increase in efficiency.

Throughout the reporting year, a total of 68 (2021: 78) national system audit reports were received. DG MARE’s internal procedure foresees a feedback to the Member States within 90 days. The average response time was 34 days (2021: 51 days) which constitutes an increase of efficiency.

Finally, DG MARE issued 46 audit reports in 2022. All 46 reports were delivered in due time, i.e. within the regulatory 3 month period in accordance with Article 75(2a) of Regulation (EU) No 1303/2013.

Initiatives to improve control efficiency

DG MARE strives to continuously **improve and optimise** the financial processes. With the evolution of the **Qualified Electronic Signature (QES)** as a Corporate tool, DG MARE took full advantage of its functionality and today manages the majority of the contractual agreements with third parties in an electronic way. Furthermore, the Commission authorising officers in DG MARE sign contractual agreements electronically. The QES significantly increased efficiency and drastically decreased time-to-sign agreements.

In 2022, following a Commission-wide reform, all procurement procedures in the DG are logged and managed via the dedicated **Public Procurement Management Tool (PPMT)** which ensures streamlining of the processes of notification, publication, submission and evaluation, and minimises the possible risks and errors.

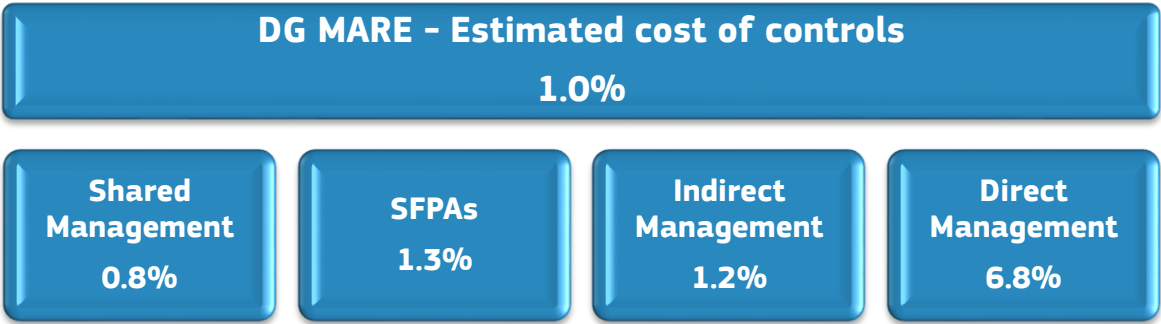
In 2022, DG MARE issued for the first time a **financing decision** which covers in a single document the work programme for direct and indirect management for both years 2022 and 2023. This led to significant savings on administrative effort.

Conclusion on efficiency of controls

In conclusion, controls carried out by DG MARE were efficient during the reporting year 2022.

3. Economy of controls

This section presents the **estimated cost of controls** per relevant control system in 2022. The total estimated cost of controls for DG MARE’s systems is 1.0%⁽¹⁰⁸⁾, refer to Annex 7 table Y for further details. Overall costs has **slightly decreased**⁽¹⁰⁹⁾ compared to 2021 (1.2%).



Shared Management

In 2022, the estimated costs of controls relating to shared management (0.8%) has **slightly decreased** compared to 2021 (1.0%).

DG MARE quantifies the costs of the resources and inputs required for carrying out the controls described in Annex 6. The costs relate to the annual overall Commission costs. They include:

- costs relating to Commission staff who carry out controls throughout the different design, implementation and monitoring phases; and the Commission ex-ante checks of the periodic expenditure declarations (financial circuits);
- the assessment by the Commission of management and control systems in Member States (including the Commission ex-post audits).

⁽¹⁰⁸⁾ Equivalent to €8.8 million

⁽¹⁰⁹⁾ This variation is mainly due to an increase in the value of the shared management payments made in 2022 compared with the previous year

In relation to the **cost of controls in Member States**, the administrative costs for the EMFF stand at 4.4%⁽¹¹⁰⁾ of eligible public funding. This is slightly above the average for ESI Funds (4%), although taking account of the private contribution element of the EMFF⁽¹¹¹⁾, the percentage decreases to 3.5%.

Sustainable Fisheries Partnership Agreements

The 2022 cost of controls for SFPAs (1.3%) **remained stable** compared to 2021 (1.2%).

Indirect management

The cost of control related to indirectly managed expenditure for 2022 is 1.2%. In 2021, as the payments under indirect management were of an immaterial amount, no separate cost of control was calculated.

Direct management

For 2022, the cost of controls for procurement, grants and other expenditure (6.8%) **remained stable** compared to 2021 (6.7%). This cost is mainly driven by the significant number of low value contracts awarded (not offering material economies of scale typical for larger contracts) carried-out at stable staffing levels.

4. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, DG MARE has assessed the effectiveness, efficiency and economy of its control system and reached a **positive conclusion on the cost-effectiveness of the controls** for which it is responsible.

Shared Management

The amount at risk at payment is **below materiality**. In addition, the retention of 10% from each of the interim payments made by the Commission protects the EU budget.

The assurance elements, in particular assurance packages and national and EU audit reports, were processed in a timely manner and mitigating and corrective actions were taken as necessary. Furthermore, Member States were timely reimbursed.

The costs of controls of the Commission and the Member States have been analysed and are in line with the principle of economy. In addition, the benefits of the controls in place are demonstrated by an increased level of assurance through improvements in the management and control systems and interruption of payment requests for unreliable systems. DG MARE therefore considers that the necessity of these controls is undeniable, as the totality of the appropriations would be at risk were they not in place.

⁽¹¹⁰⁾ For the EMFF, the administrative costs are on average €44,200 per million Euro of eligible public funding, as per the final report of the study "New assessment of ESIF administrative costs and burden" issued in October 2018. The Commission plans to launch a new study in 2023/2024 for which conclusions shall be available in 2024/2025

⁽¹¹¹⁾ There is a significant private contribution element of the EMFF (20%) which is also subject to controls but which was not taken into account in the study

In light of the above, the control strategy applied by DG MARE during the reporting year for the management of the budget appropriations for shared management is considered being the best suited to fulfil the control objectives efficiently and at a reasonable cost.

Sustainable Fisheries Partnership Agreements

For SPFAs, in the absence of any significant weakness detected which could have a material impact as regards the legality and regularity of the financial operations, it is concluded that the relevant control objective of effectiveness has been achieved.

Indirect management

For contribution agreements signed under indirect management, a significant part of the control is ex-ante and covered by the pillar assessments performed at horizontal level in the European Commission. DG MARE builds its assurance on these pillar assessments, complementing it by MARE-specific internal procedures which cover 100% of the related expenditure. It can be concluded that the cost-effectiveness control objective has been achieved.

Direct management

For procurement, grants and other expenditure, the control procedures stem to a large degree from regulatory requirements, which cannot be curtailed. Since costs cannot be compared with quantifiable benefits, it is therefore not possible to quantify the overall cost-effectiveness of controls. Nonetheless, as the cost of controls has remained stable over the last years, DG MARE can conclude that the applied control strategy adequately and efficiently fulfilled its control objective.

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

Conclusion of the Internal Auditor on the state of internal control in DG MARE

In 2022 DG MARE received the final audit report of the following audit:

“Audit on interruptions, suspensions and financial corrections for ESIF 2014-2020 by DGs REGIO, EMPL and MARE” with the objective to assess the design and implementation of the preventive measures (interruption and suspension mechanisms) as well as the corrective measures (financial corrections) applied by the DGs. For DG MARE, the audit resulted in one very important recommendation (nr. 8), which concerns: 1) the update of guidance and operational procedures on financial corrections and the introduction of a simple document listing all requirements for pursuing net financial corrections (implementation expected to be finalized by 31/7/2023 – original 15/10/2022 deadline postponed due to dependency on

alignment with REGIO and EMPL, where implementation is also delayed) and 2) clear communication in the AAR on the constraints regarding the application of net financial corrections with a clear link to the fact that no such corrections have been implemented in practice for the 2014-2020 programming period and an analysis of the impact on the Commission's corrective capacity (implemented).

Based on all work undertaken by the Internal Audit Service in the period 2018-2022, the IAS concludes that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the 'very important' recommendation as mentioned above. This recommendation will be addressed according to the agreed action plan.

[Audit work of the European Court of Auditors in 2022](#)

[2021 Annual Report on compliance](#)⁽¹¹²⁾

The [report](#) was published on 13 October 2022. DG MARE is concerned by the following two Chapters:

- in Chapter 2 'Budgetary and financial management', the ECA recommends that the Commission services take appropriate action with a view to gradually reducing outstanding commitments in the long term (by end 2023);
- Chapter 6 'Natural Resources'. ECA's assessment of the estimated overall error rate stands at 1.8% (2020: 2.0%), which is below the materiality threshold and in line with its own assessment of the risk at payment. ECA sampled seven DG MARE transactions for the Statement of Assurance 2021: six EMFF payments under shared management and one payment executed by CINEA under direct management (project "ecosystem-based approach to maritime spatial planning").

Financial errors were reported for 3 of the 6 sampled EMFF payments: 2 transactions audited for France and 1 transaction audited for Germany. One transaction (for France) led to an error rate above 20%, resulting from an incorrect calculation of eligible costs.

The other 4 sampled transactions were declared by ECA error-free.

[ECA 2021 Annual Report on the performance of the EU budget](#)⁽¹¹³⁾

The report was published on 14 November 2022. DG MARE is directly concerned by Chapter 4 'Natural Resources'. The ECA selected the EMFAF for its audit. DG MARE is contributing to the implementation of both recommendations related to the reporting of horizontal policy priorities (DG BUDG is in the lead).

⁽¹¹²⁾ [2021 Annual Reports on the implementation of the EU budget for the 2020 financial year and on the activities funded by the 8th, 9th, 10th and 11th European Development Funds \(EDFs\) for the 2021 financial year \(europa.eu\)](#)

⁽¹¹³⁾ [annualreport-Performance-2021_EN.pdf](#)

Overall conclusion

As a result of the assessment of the risks underlying the auditors' observations, together with the management measures taken in response, the management of DG MARE believes that the recommendations issued do not raise any assurance implications and are being implemented as part of the ongoing continuous efforts in terms of further improvements.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

Directorate-General MARE uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

Its annual assessment of the effectiveness of its key internal control systems relies on a number of monitoring measures and sources of information including a survey-based management self-assessment; interviews with staff, AOSD management reports, reported instances of exceptions, non-compliance events and internal control weaknesses; relevant audit findings; and the risk assessment process.

Based on the end-of-the-year assessment carried out, no weaknesses were identified which could seriously affect DG MARE compliance in 2022 with the internal control principles.

The critical risk related to the impact of UK's withdrawal from the EU and subsequent arrangements is no longer maintained for 2023 following the necessary mitigating measures having been put in place. DG MARE will continue monitoring the developments closely at the operational level deriving from this specific environment (ICP7).

DG MARE has assessed its **internal control system** during the reporting year and has concluded that it is effective and the components are present and functioning as intended. The principles are present and functioning well overall, but some improvements are needed as minor deficiencies persist related to the principle "*The Commission demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives*" (ICP4). Its effectiveness remained relatively weak, notably with regard to the deficiencies identified in relation to the staff allocation component. The gap between corporate staff allocation and resources required for the objectives set at political level remains significant, putting pressure on staff's health, engagement and morale. The MARE HR Strategy adopted in 2021, is aiming at tackling these issues. Progress in the implementation of its Action Plan adopted in February 2022 was made, notably in the area of strengthening specialist skills with a list of laureates to be available at the beginning of 2023. Many actions were taken to improve the working methods and personal effectiveness in order to tackle the high workload. The work will continue in 2023.

2.1.4. Conclusions on the assurance

The information reported in [section 2.1](#) stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director-General of DG MARE.

The report has been prepared with the objective of providing the reader with the fullest possible reliable information and does not knowingly contain any material inaccuracy or omission.

The EMFF and the EMFAF expenditure are implemented under shared management through comprehensive management and control systems which are designed to ensure the legality and regularity of transactions at the level of the beneficiaries. The multi-layered approach taken by DG MARE shows that evidence can be drawn from different sources in order to provide the basis for an assessment. As a general rule, these various sources of evidence corroborate and complement each other and enable conclusions to be drawn.

In 2022, for **shared management**, the estimated risk at closure for the 2022 EMFF payments is 1.11% and thus below materiality.

The reservation issued in the 2021 AAR for the EMFF Romanian operational programme is maintained, due to inadequate remedial measures implemented by the Member State and a repeated residual total error rate exceeding the materiality threshold of 2%. The necessary protective measures are taken to address the reservation for the operational programme under the EMFF.

For the activities under **SFPA's, indirect and direct management**, the information (covering internal control, internal audit opinion, ex-ante and ex-post controls) is considered as complete and reliable for the purposes of the declaration of assurance. No material deficiencies were identified affecting the expenditure paid in 2022.

DG MARE has in place a **joint anti-fraud strategy**, together with DG REGIO and DG EMPL, and is regularly following up on OLAF investigations.

Looking at **efficiency and economy of controls**, the main benefits are largely non-quantifiable, in particular as regards shared management where they are demonstrated by an increased level of assurance through improvements in the Member States management and control systems. Similarly, the benefits under direct and indirect management stem principally from the simplification and optimisation of processes in the past three years. The costs of control remained stable compared to 2021 and DG MARE's control objective was met.

The assessment of the risks underlying the recommendations issued by **auditors' observations**, together with the management measures taken in response, do not raise any assurance implications. DG MARE can conclude that the internal control framework in place functions effectively and reporting is reliable.

Overall, the resources for which DG MARE was responsible in 2022 have remained stable and have been managed for their intended purpose and in accordance with the applicable legislation and the Financial Regulation and in particular in accordance with the principles of sound financial management. In addition, the control framework yielded the necessary assurance with respect to legality and regularity of the funds spent.

The table below reflects the evolution of the reservations between 2021 and 2022.

Reservation Title	Financial Impact (m EUR)		Residual error rate 2022	Evolution
	2021	2022		
Shared management – EMFF (concerning the management and controls system in one MS)	0.99	0.08	See Annex 9	Maintained

In conclusion, based on the elements reported above, management has **reasonable assurance** that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a reservation concerning the EMFF.

2.1.5. Declaration of Assurance and reservations

Declaration of Assurance

I, the undersigned, Charlina Vitcheva

Director-General of DG Maritime Affairs and Fisheries

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽¹¹⁴⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

However, the following reservation should be noted:

- *A reservation concerning the European Maritime and Fisheries Fund management and control systems in one Member State. More details are provided in Annex 9.*

Brussels, 25 April 2023

(e-signed)

Charlina Vitcheva

⁽¹¹⁴⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG

2.2. Modern and efficient administration – other aspects

This section covers the key achievements in the fields of human resources, digital transformation and information management and sound environmental management. For an extensive reporting on all outputs identified in the management plan 2022, please refer to Annex 10.

2.2.1. Human resource management

We have made good progress in the implementation of DG MARE local HR Strategy and its action plan, and notably in the area of strengthening specialist skills with a list of laureats to be available at the beginning of 2023. Colleagues also had a possibility to learn on the job and through study visits as well as trainings in the interest of the service. Onboarding of newcomers has been improved, including a welcome pack and bilateral integration interviews to see how they are settling in.

MARE's staff engagement index has not been measured in 2022. In 2021, it was 78%, which despite being a bit lower than DG MARE's ambitious target, nevertheless placed MARE among the top DGs with the highest levels of staff engagements across the Commission and well beyond the Commission average of 72%.

With 55% women in middle management and 52 % including the senior management, DG MARE has achieved its gender balance objectives contributing to those at the corporate level. Furthermore, in order to tackle workload, a number of initiatives as defined in section *Examples of Economy and Efficiency* have been launched to improve DG MARE working methods and personal effectiveness. Nine MARE units/teams received a dedicated training and coaching on personal effectiveness.

Throughout the year, internal communication continued, both on our intranet as well as through physical events. EMAS initiatives – corporate and local – were widely advertised, as well as MARE staff events and volunteering initiatives, with a particular focus on Ukraine. We organised nine lunchtime conferences covering a wide range of MARE policy topics.

2.2.2. Digital transformation and information management

Digital transformation

The Integrated Fisheries Data Management (IFDM) programme progressed with further development of its main IT tools:

- good progress with the strategic Ocean Store project (migration to cloud) through establishing the foundations of the new cloud infrastructure and launching migration of the first business system;
- onboarding of UK and Norway in the LICENCE information system for fishing authorisations.

Furthermore, in line with the MARE Digital Strategy, special attention was paid to adherence to corporate requirements while developing systems and websites for Business led projects, extending best practices and finding synergies across initiatives.

The move of DG MARE Local Data Centre has been completed in full; the migration of DG MARE SharePoint sites to the new corporate SharePoint Online has been started, this offers higher security and better interoperability with other collaborative tools. All necessary actions have been put in place to comply with the cybersecurity requirements set in June by the corporate IT Cybersecurity Board.

Document management

The Qualified Electronic Signature (QES) was fully established and 98% of all contracts were signed with a QES. In addition, an important progress has been made in managing the physical archives, where we successfully reduced the total occupied archive space by 15 %.

Protection of personal data

The implementation of the Commission's Data Protection Action Plan (C(2018)7432 final) continued to be a priority in 2022. The Data Protection Coordinator of DG MARE ensured transparency and guidance on the implementation of the legislative framework, on the consultation of the European Data Protection Supervisor and drafting of model data protection agreement for bilateral fisheries agreements, and the subsequent adoption of international agreements including transfers of personal data and the follow-up of the action plan.

During 2022, next to multiple individual consultations, the Data Protection Coordinator has also conducted general awareness raising activities on data protection compliance and provided several trainings to staff.

2.2.3. Sound environmental management

DG MARE took serious efforts to implement its local strategy to reduce the carbon footprint and even with the restart of missions, we managed to reduce the footprint by 40% (to be noted that the first half of the year was still largely affected by covid related restrictions). Colleagues are making good use of 7 video conferencing rooms available (2 more available in the meantime since January 2023), compared to only 1 room available in 2019. DG MARE staff was also actively engaged in cycling and walking challenges.

2.2.4. Examples of economy and efficiency

To reduce the number of emails and enhance collaboration across DG MARE, the use of real-time collaboration and communication tools have been extended through the creation and use of new channels.

Individual commitments for small IT related purchases have been replaced, whenever possible, by a unique commitment for all purchases, thus reducing the administrative burden.

DG MARE strives to continuously improve and optimise the financial processes (please refer to point 2 efficiency of [section 2.1.1](#) for further information).