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NOTE

From:	Presidency
To:	Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council (EMFF) - Partial General Approach

INTRODUCTION

1. On 13 June 2018, the Commission submitted the above proposal to the European Parliament and to the Council. This proposal was presented to the Agriculture and Fisheries Council on 18 June 2018.
2. The EMFF proposal must be seen in the context of the Commission's proposal for the multiannual financial framework for 2021-2027 (MFF)¹ and of the Commission's proposal laying down common provisions on the horizontal funds (CPR)².

¹ Proposal of the Commission for the Multiannual Financial Framework 2021-2027 (COM(2018) 321 final); (COM(2018) 322 final); (COM(2018) 323 final); (COM(2018) 324 final).

² Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument, COM/2018/375 final - 2018/0196 (COD).

3. The EMFF aims to target funding from the Union budget to support the Common Fisheries Policy (CFP), the Union's integrated maritime policy, and the EU's international commitments in the field of ocean governance. According to the MFF Communication, the new EMFF, like the current one, will continue to constitute an important instrument to support the implementation of the objectives of the CFP; notably, a sustainable EU fisheries sector and support to coastal communities dependent on fisheries activities. It will also continue to be a valuable tool in promoting the blue economy in fisheries and aquaculture, thus supporting growth and the creation of jobs while safeguarding the marine environment.
4. The European Economic and Social Committee and the Committee of the Regions delivered their opinions on 12 December 2018 and 16 May 2018 respectively.
5. The European Parliament adopted its position at first reading on 4 April 2019³.
6. The Council agreed on a partial General Approach on 18 June 2019⁴. This partial General Approach left aside all aspects related to the MFF (bracketed provisions) and CPR (Articles 54, 55 and 56) as well as Article 52 on delegated acts and result indicators (Articles 37, 48 and Annex I).
7. On 11 July 2019, the Presidency presented to the Working Party on Internal Fisheries Policy suggested lines for a Presidency compromise on the alignment to the CPR, the result indicators and the delegated acts.
8. This compromise was examined in the Working Party on Internal Fisheries Policy. On the basis of the discussions as well as written comments sent by delegations⁵, several revised Presidency compromises⁶ were examined in the Working Party on Internal Fisheries Policy at its meetings of 17 July 2019, 12 September 2019, 26 September 2019 and 3 October 2019. The final Presidency compromise received broad support at the Working Party of 3 October 2019.

³ Report on the proposal for a regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) No 508/2014 of the European Parliament and of the Council, PE 625.439v03-00, A8-0176/2019.

⁴ doc. 10297/19 INIT.

⁵ WK 8213/2019 ADD 1-14, WK 8478/2019 ADD 1-11, WK 9418 ADD 1-6.

⁶ WK 8478/2019, WK 9418/2019, WK 10216/2019,.

II. THE PRESIDENCY COMPROMISE FOR SOME REMAINING ISSUES OF A PARTIAL GENERAL APPROACH⁷

9. The main topics of the Presidency compromise concern the following points:
- a) The ceiling of the financial envelope that may be used by the Commission for technical assistance (Article 8(2)):
The Commission proposed a ceiling of 1.7%. The Presidency, taking into account that a large number of delegations considered this ceiling unacceptable, proposes a ceiling of 1.25%. The Presidency compromise has the support of a large number of delegations. Several delegations, nevertheless, would have preferred to keep the ceiling at a maximum of 1.1%.
 - b) Implementing and delegated acts (Article 37):
The Commission proposed a delegated act to review or complement the indicators in Annex I and to establish a monitoring and evaluation framework. The Presidency proposes well circumscribed empowerments allowing the Commission to adopt implementing acts concerning the data the managing authority shall provide to the Commission and to adopt delegated acts for supplementing the core performance indicators. The Presidency compromise has received broad support from the Working Party.
 - c) The indicators (Annex I):
The Presidency compromise includes some modifications to the Commission's proposal to take into account some request of a majority of delegations. The Presidency compromise has gathered broad support from delegations.
10. Other issues of the Presidency compromise concern the reduction of administrative burden for beneficiaries and managing authorities as well as an alignment of the timelines for mid-term and retrospective evaluations with the timelines established in Article 40 of the CPR.
11. On 9 October 2019, COREPER endorsed the final Presidency compromise as set out in the Annex.

⁷ Articles 8, 37, 37 new, 48, 48 new, 52, 54-56 and Annex I.

III. CONCLUSIONS

12. Council is invited to agree on the partial General Approach on the EMFF in Annex (on Articles 8, 37, 37 new, 48, 48 new, 52, 54-56 and Annex I) in order to complete the partial General Approach which was agreed in June 2019.
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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the European Maritime, and Fisheries and Aquaculture Fund ~~and repealing Regulation~~
(EU) No ~~508/2014~~ of the European Parliament and of the Council

CHAPTER II

Financial framework

Article 8

Budgetary resources under direct and indirect management

[...]

2. The amount referred to in paragraph 1 may be used for technical and administrative assistance for the implementation of the EMFAF, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.

In particular, the EMFAF may support, at the initiative of the Commission and subject to the ceiling of ~~1.7%~~ 1.25 % of the financial envelope referred to in Article 5 (1):

[...]

TITLE II: SUPPORT UNDER SHARED MANAGEMENT

CHAPTER VI

Rules for implementation under shared management

SECTION 3

MONITORING AND REPORTING

Article 37

Monitoring and evaluation framework

~~1. Indicators to report on progress of the EMFF towards the achievement of the priorities referred to in Article 4 are set out in Annex I.~~

~~2. To ensure effective assessment of progress of the EMFF towards the achievement of its priorities, the Commission shall be empowered to adopt delegated acts, in accordance with Article 52, to amend Annex I to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.~~

1. Common output and result indicators for the EMFAF as set out in Annex I and where necessary, programme-specific indicators, shall be used in accordance with point (a) of the second subparagraph of Article [12(1)], point (d)(ii) of Article [17(3)] and point (b) of Article [37(2)] of Regulation (EU) 2018/xxx CPR.

2. In compliance with its reporting requirement pursuant to Article 41(3)(h)(iii) of Regulation (EU) No 2018/1046 (Financial Regulation), the Commission shall report to the European Parliament and the Council on the performance of the EMFAF. In this report, the Commission shall use core performance indicators set out in Annex I.

3. In addition to the general rules set out in Article 37 of Regulation (EU) No 2018/xxx (CPR), the managing authority shall provide the Commission with relevant operation level implementation data which include key characteristics of the beneficiary (name, type of beneficiary, size of enterprise, gender and contact details) and funded operations (specific objective, type of operation, sector addressed, values of indicators, state of progress of the operation, vessel number, financial data and form of support). The data shall be reported on 31 January of each year. The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.

4. The Commission shall adopt implementing acts laying down rules for further specifying the exact data referred to in paragraph 3 and for its presentation. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 53 (2).⁸

5. The Commission shall be empowered to adopt delegated acts, in accordance with Article 52, to supplement core performance indicators of Annex I in order to adapt to changes occurring during the programming period.

Article 37 new

Reporting of the results of the funded operation

1. The beneficiaries shall report the value of relevant result indicators after the completion of the operation and no later than with the final payment claim. The Managing Authority shall review the plausibility of the value of result indicators reported by the beneficiary in parallel with the final payment.

2. The timelines established in paragraph 1 can be postponed if so decided at the national level.

⁸ It will be necessary to ensure consistency between paragraphs 3 and 4 of this Article and Article 66(4) and Annex XYZ of the CPR.

TITLE III: SUPPORT UNDER DIRECT AND INDIRECT MANAGEMENT

CHAPTER V

Rules for implementation under direct and indirect management

Article 48

Evaluations by the Commission

1. Evaluations shall be carried out in a timely manner to feed into the decision-making process. **Evaluations shall be entrusted to internal or external experts who are functionally independent.**
2. The interim evaluation of the support under Title III shall be performed ~~once there is sufficient information available about the implementation, but not later than four years after the start of the implementation of the support~~ **by the end of 2024.**
3. ~~At the end of the implementation period, but no later than four years after it, a~~ **A** final evaluation report on the support under Title III ~~shall be prepared by the Commission~~ **shall be delivered by the end of 2031.**
4. The Commission shall communicate the conclusion of the evaluations, accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 48 new

Monitoring under direct and indirect management

1. **The Commission shall use the result and output indicators set out in the Annex I to monitor the results of the EMFAF under direct and indirect management.**
2. **The Commission shall collect data on operations selected for funding, including key characteristics of the beneficiary and the operation itself under direct and indirect management as set out in the Article 37(3).**

TITLE IV: PROCEDURAL PROVISIONS

Article 52

Exercise of delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Articles 12, ~~17~~, 21, ~~33, 34, 36~~, 37 and 55 shall be conferred until 31 December 2027.
3. The delegation of power referred to in Articles 12, ~~17~~, 21, ~~33, 34, 36~~, 37 and 55 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the powers specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
- 4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.**
- ~~5.~~ **4.** As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
- ~~6.~~ **5.** A delegated act adopted pursuant to in Articles 12, ~~17~~, 21, ~~33, 34, 36~~, 37 and 55 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.

TITLE V: FINAL PROVISIONS

~~Article 54~~

~~Repeal~~

~~1. Regulation (EU) No 508/2014 is repealed with effect from 1 January 2021.~~

~~2. References to the repealed Regulation shall be construed as references to this Regulation.~~

Article 55

Transitional provisions

1. Regulation (EU) No 508/2014 and any act adopted thereunder shall continue to apply to programmes and operations supported by the EMFF under the 2014–2020 programming period.

~~2. This Regulation shall not affect the continuation or modification of the actions concerned, until their closure, under Regulation (EU) No 508/2014, which shall continue to apply to the actions concerned until their closure.~~

2. In order to facilitate the transition from the support scheme established by Regulation (EU) No 508/2014 to the scheme established by this Regulation, the Commission shall be empowered to adopt delegated acts, in accordance with Article 52, laying down the conditions under which support approved by the Commission under Regulation (EU) No 508/2014 may be integrated into support provided for under this Regulation.

~~3. Applications made under Regulation (EU) No 508/2014 shall remain valid.~~

Article 56

Entry into force and date of application

This Regulation shall enter into force 20 days following that of its publication in the Official Journal of the European Union. This Regulation shall apply from 1 January 2021.

Common indicators of the EMFAF

<u>Core performance indicators⁹</u>	<u>Result indicators (measurement unit)</u>	<u>Output indicators</u>
<u>CI 1 - Businesses created</u> <u>CI 2 - Business with higher turnover</u> <u>CI 3 - Jobs created</u> <u>CI 4 - Jobs maintained</u> <u>CI 5 - Persons benefitting</u> <u>CI 6 - Actions addressing nature restoration, conservation, protection of ecosystems, biodiversity, health and welfare</u> <u>CI 7 - Energy consumption leading to CO₂ emissions reduction</u> <u>CI 8- Number of SMEs supported</u> <u>CI 9 - Number of fishing vessels equipped with electronic position and catch reporting devices</u> <u>CI 10 - Number of local action groups</u>	<u>RI 1 - New production capacity (tonnes/annum)</u> <u>RI 2 - Aquaculture production maintained (tonnes/annum)</u> <u>RI 3 - Businesses created (number of entities)</u> <u>RI 4 - Business with higher turnover (number of entities)</u> <u>RI 5 - Capacity of vessels withdrawn (GT and kW)</u> <u>RI 6 - Jobs created (number of persons)</u> <u>RI 7 - Jobs maintained (number of persons)</u> <u>RI 8 - Persons benefitting (number of persons)</u> <u>RI 9 - Area addressed by operations protecting, conserving, and restoring biodiversity and ecosystems (km² or km)</u> <u>RI 10 - Actions addressing nature restoration, conservation, protection of ecosystems, biodiversity, health and welfare (number of actions)</u> <u>RI 11 - Entities increasing social sustainability (number of entities)</u> <u>RI 12 - Effectiveness of the system for “collection, management and use of data” (scale: high, medium, low)</u> <u>RI 13 - Cooperation activities between stakeholders (number of actions)</u> <u>RI 14 - Innovations enabled (number of new products, services, processes, business models or methods)</u>	<u>Number of operations</u>

⁹ Core performance indicators for EMFAF to be used by the Commission in compliance with its reporting requirement pursuant to Article 41(3)(h)(iii) of Regulation (EU) No 2018/1046 (Financial Regulation).

	<p><u>RI 15- Control means installed or improved (number of means)</u></p> <p><u>RI 16 - Entities benefitting from promotion and information activities (number of entities)</u></p> <p><u>RI 17 - Entities improving resource efficiency in production and/or processing (number of entities)</u></p> <p><u>RI 18 - Energy consumption leading to CO₂ emissions reduction (kWh/tonnes or litres/h)</u></p> <p><u>RI 19 - Actions to improve governance capacity (number of actions)</u></p> <p><u>RI 20 - Investment induced (EUR)</u></p> <p><u>RI 21 – Datasets and advice made available (number)</u></p>	
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