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**STATEMENT OF THE COUNCIL'S REASONS**

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| Subject: | Position of the Council at first reading with a view to the adoption of a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004<br>– Statement of the Council's reasons<br>– Adopted by the Council on 14 June 2021 |

## I. INTRODUCTION

1. On 13 June 2018, the Commission submitted the proposal for a Regulation of the European Parliament and of the Council on the European Maritime and Fisheries Fund and repealing Regulation (EU) N° 508/2014 of the European Parliament and of the Council[1].

2. The proposal is based on Articles 42, 43(2), 91(1), 100(2), 173(3), 175, 188, 192(1), 194(2), 195(2) and 349 of the Treaty on the Functioning of the European Union.

3. The European Economic and Social Committee and the Committee of the Regions delivered their opinions on 12 December 2018 and 9 October 2018 respectively.

4. The European Parliament adopted its first reading position on 4 April 2019[2].

5. The Working Party on Internal and External Fisheries examined the Commission proposal in several meetings since the second part of 2018. The Council agreed on a first partial General Approach on 18 June 2019[3], on a second partial General Approach on 14-15 October 2019[4] and on a third partial General Approach on 19 October 2020[5].

6. The Council and the European Parliament entered into negotiations in November 2019 with a view to reaching an early second-reading agreement. The negotiations were successfully concluded on 3 December 2020 with the European Parliament and Council reaching a provisional agreement on a compromise text.

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1 Doc. ST 9627/18 + ADD1 + ADD2

2 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) N° 508/2014 of the European Parliament and of the Council, PE 625.439v03-00, A8-0176/2019

3 Doc. ST 10297/19

4 Doc. ST 12660/1/19 REV1

5 Doc. ST 10050/20 + COR1

7. On 25 February 2021, the Chair of the PECH Committee sent a letter to the Chair of the Permanent Representatives Committee, indicating that, should the Council transmit formally to the European Parliament its position as agreed, subject to legal-linguistic review, he will recommend to the Plenary that the Council's position be accepted without amendments at Parliament's second reading.

8. On 3 March 2021, the Permanent Representatives Committee reached a political agreement on the text of the Regulation, as it had been agreed by the two institutions.

## II. OBJECTIVE

9. The Regulation on the European Maritime, Fisheries and Aquaculture Fund (EMFAF) 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. It will constitute an important instrument to support the implementation of the objectives of the CFP, notably a sustainable EU fisheries sector. It will also support coastal and inland communities dependent on fisheries and aquaculture activities. It will 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.

## III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

### A. General

10. The European Parliament and the Council conducted negotiations with the aim of concluding an agreement at the stage of the Council's position at first reading ("early second-reading agreement").

### B. Key issues

11. The main elements of the compromise reached with the European Parliament are, among others:

– the EMFAF is structured in a way that the priorities are close to the objectives of the CFP and that there are one or more specific objectives identified for each one of the priorities;

– where applicable, the needs of small-scale coastal fishing are taken into account in the programming;

– the indicators to be used by Member States for monitoring and evaluation purposes are included in an Annex to the Regulation and cannot be amended or supplemented by the Commission;

– the promotion of sustainable aquaculture is one of the specific objectives of the EMFAF;

– operations that increase fishing capacity are in principle ineligible for funding, although subject to some derogations very well framed and under strict conditions;

– investments in the fleet (e.g. replacement and modernisation of engines), and temporary and permanent cessation of fishing activities are eligible for funding under very strict conditions;

– support is possible for cases of exceptional events generating a significant disruption of markets;

– there is a single maximum co-financing rate of 70% per specific objective with the exception of the promotion of a level-playing field for fishery and aquaculture products from the outermost regions, for which the maximum co-financing rate is of 100%.

## IV. CONCLUSION

12. The Council believes that its position at first reading represents a good balance so that the new Regulation, once adopted, will fulfil the objective of supporting the achievement of the objectives of the CFP, of fostering the implementation of the Union's maritime policy and of strengthening international ocean governance.

13. The Council's position reflects the fair compromise reached in the negotiations between the European Parliament and the Council, facilitated by the Commission.