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NOTE

From:	Presidency
To:	Permanent Representatives Committee
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

I. INTRODUCTION

1. On 12 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[2](CPR).

[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 2019[3].

6. The Working Party on Internal Fisheries Policy examined the proposal at its meetings between 27 June 2018 and 11 April 2019. On 11 April 2019, at the request of a majority of delegations, the Presidency clarified the structure of the Fund in the compromise text, by replacing the reference to 'areas of support' with 'specific objectives' linked with the achievement of the CFP objectives.

7. On the basis of these discussions, the Presidency presented a compromise[4] to the Working Party that was discussed at the meetings on 6 May, 10 May and 16 May. On the basis of these discussions, the Presidency presented a revised compromise[5] on 23 May. Most provisions of the revised compromise were widely supported by delegations, with some points remaining open.

8. On 29 May 2019, the Presidency received COREPER's guidance on the main outstanding issues. On the basis of this, the Presidency prepared the compromise text as set out in ADD 1 to this note. This text was given broad support at the Working Party on 6 June 2019[6].

9. DK entered a parliamentary scrutiny reservation.

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[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] WK 5543/2019.
[5] WK 6253/2019.
[6] WK 6669/2019.

II. THE PRESIDENCY COMPROMISE FOR A PARTIAL GENERAL APPROACH

10. The Presidency compromise leaves aside all aspects related to the MFF [bracketed provisions] and CPR (Articles 54, 55 and 56). In addition, further adjustments will be required to align the EMFF text to the MFF and CPR Regulations, once adopted. No in-depth discussions have taken place in relation to recitals, delegated acts (Article 52) or results indicators (Articles 37, 48 and Annex I). These provisions should be examined at a later stage.

11. The Presidency compromise was drawn up on the basis of the discussions in the Working Party, the guidance received from COREPER on 29 May 2019, as well as numerous written comments by delegations. The Presidency believes that this compromise constitutes a good balance between the positions of delegations and a good basis for future discussions with the European Parliament.

12. The main topics of the Presidency compromise concern the following points:

a) Ineligible operations (Article 13(a), (b), (d) and (l), and Articles 16, 16 new, 17 and 18):

i. Operations increasing the capacity of a fishing vessel or its ability to find fish (Article 13(a)):

As in the Commission proposal, the compromise provides that the operations increasing the capacity of a fishing vessel or its ability to find fish are not eligible operations for EMFF support. However, at the request of several delegations and after confirmation by COREPER on 29 May 2019, the compromise text includes a derogation to this provision. This derogation is limited to operations related to investments in on-board safety, labour conditions and energy efficiency, and is accompanied by very restrictive conditions:

- the segment of the corresponding fleet shall be in balance; and
- the national ceiling for fishing capacity assigned to each Member State shall be respected.

A similar approach is adopted in the first reading position of the European Parliament.

The Presidency considers that the compromise text represents a fair balance between the Members States' positions, while supporting the CFP environmental and socio-economic objectives and without jeopardising the EU's commitments in international fora, namely the WTO.

ii. Construction and acquisition or importation of fishing vessels (Articles 13(b) and 16) and on replacement or modernisation of engines (Articles 13(l) and 16 new):

As in the Commission proposal, the Presidency compromise provides that the construction and acquisition of fishing vessels or the importation of fishing vessels, as well as the replacement or modernisation of engines are not eligible operations for EMFF support (Article 13(b) and (l)), with some derogations.

In its proposal, the Commission limited the derogations only to small-scale fishing vessels. Nevertheless, during the examination of the proposal by the Working Party, a large majority of delegations considered that the derogations should be extended beyond the small-scale coastal fleets. To take this large majority into account, the Presidency compromise extends the derogations to vessels up to 24 metres. On 29 May 2019, COREPER confirmed this approach.

- First acquisition of a fishing vessel

The derogation in Article 16 new for the first acquisition of a fishing vessel provides for very strict conditions, taking into account the Commission proposal's underlying objective of supporting generation renewal. The Presidency considers that this compromise represents a very good balance between the views of the Member States.

In its first reading position, as regards the first acquisition of a fishing vessel, the European Parliament provided for facilitation of access to credit, insurance and financial instruments to all vessels, independently of their length.

- Replacement or modernisation of engines

The Presidency compromise maintains the condition provided for in the Commission proposal, i.e. the new/modernised engine should not have more power in kW, but includes an additional condition for vessels between 12 and 24 metres: the new/modernised engine should emit at least 15% less CO2 than the current engine. On 29 May 2019, COREPER confirmed this approach. Moreover, regarding the method to be used for measuring the reduction of CO2 emissions, COREPER supported the way forward proposed by the Presidency, i.e. empowering the Commission to adopt an implementing act to establish this method to calculate the reduction of CO2 emissions in order to ensure a level playing field in the implementation of such a condition.

The Presidency compromise reflects the wish of a large majority of Member States to extend support beyond the small-scale fleet, without a compulsory reduction of the power in kW, in line with the current EMFF.

iii. Temporary or permanent cessation of fishing activities (Articles 13(d), 17 and 18)

As in the Commission proposal, the Presidency compromise provides that temporary or permanent cessation of fishing activities are not eligible operations for EMFF support, with some derogations.

These derogations reflect the request of a large majority of delegations to maintain the status quo of the current EMFF Regulation on this point. The European Parliament adopted a similar position on this point.

b) Aid intensity rate for first acquisition of fishing vessels (row 1 of Annex III)

The Commission proposed to deviate from the general rule of 50% for the maximum aid intensity rate and to establish a maximum aid intensity rate of 30% for investments for both the first acquisition of a fishing vessel and engine replacement or modernisation.

During the examination by the Working Party, a significant number of delegations asked for the aid intensity rate to be maintained at 50%. On 29 May 2019, the Presidency received guidance from COREPER to maintain the aid intensity rate for these investments at 50%.

c) Ring-fencing for control and data collection (Article 6(4))

As in the Commission proposal, the Presidency compromise provides for at least 15% of the Union financial support allocated per Member State to be granted for control and data collection. This would allow the number of stocks for which scientific advice is available to be increased and scientific knowledge on the marine environment to be improved, in accordance with the CFP objectives. Some delegations would like to ring-fence a larger proportion, up to 25%, while other delegations asked to decrease the amount to 3% or even remove it altogether.

By retaining the Commission proposal on this point, the Presidency believes that the text constitutes a balanced compromise between the different positions of delegations and provides for flexibility on all the requirements expressed by the delegations.

III. CONCLUSIONS

13. COREPER is invited:

- to endorse the Presidency's compromise for a partial General Approach on the EMFF, as set out in ADD 1 to this note; and

- to invite the Council to agree on this partial General Approach on the EMFF at its next session on 18 June 2019.