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NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	European Maritime, Fisheries and Aquaculture Fund (EMFAF) programming: Maximising the added value of public investment in fisheries and aquaculture – Information Note from the Commission

Delegations will find in the Annex an Information Note from the Commission on the above-mentioned subject, as received from the European Commission services. The Note will be discussed under "Any other business" at the session of the Agriculture and Fisheries Council on 28 June 2021.

ANNEX

EMFF AND EMFAF: MAXIMISING THE ADDED VALUE OF PUBLIC INVESTMENT IN FISHERIES AND AQUACULTURE

INFORMATION NOTE

1. Introduction

European fisheries and aquaculture sectors are going through a challenging period, as the combined impacts of the COVID-19 pandemic and of UK's withdrawal from the EU are being felt. The Commission believes that the new European Maritime, Fisheries and Aquaculture Fund (EMFAF) can play a decisive role in supporting the sectors in this difficult context, and thus calls on Member States to speed the preparatory steps in view of the establishment of their programmes. Also, and in parallel, the Commission invites Member States to step up the implementation of the current operational programmes under the European Maritime and Fisheries Fund (EMFF), including the specific COVID-19-related measures, to ensure that available funding is put to best use.

2. EMFAF programming

Subject to the adoption of the European Parliament's second reading, the EMFAF Regulation is expected to enter into force by mid-July 2021, two weeks after the adoption of the overall Common Provision Regulation governing all European and Structural and Investment (ESIF) Funds. This paves the way for formal adoption of the Member States' programmes.

In the meantime, the process of preparing the next generation of Member States' programmes is advancing. So far, many Member States have informally submitted at least a draft partial programme to the Commission, other Member States plan to do so in the course of autumn. Based on information communicated by Member States to the Commission, the formal submission of some programmes is likely to take place during the last months of this year, but many Member States are shifting the formal submission already to the first months of 2022.

A key challenge for an efficient programming process and a timely adoption of programmes is the good cooperation between Member States and the Commission. The adoption procedure provides sufficient flexibility to ensure a quality dialogue based on the Commission's operational observations on the draft programmes before their formal submission. The Commission reiterates its continuous availability to exchange as much as possible with Member States at the informal stages, to ensure that the formal submission is fully satisfactory for both sides, thus speeding the procedure.

The assessment of the draft programmes by the Commission will, in particular, include their contribution to:

- Greater resilience: a key challenge is to promote the recovery of the fishery and aquaculture sectors while strengthening the ability to withstand and overcome future crises, in a way that is consistent with the objectives of the European Green Deal. In this respect, in their programmes the Member States should endeavour to unlock new business opportunities in the fisheries, aquaculture and processing sectors, foster innovation, skills, knowledge development and collective organisation, and help fisheries and aquaculture communities to diversify.
- Digital transition: the programmes should fully exploit the potential of digital technologies and innovation to boost economic competitiveness, enhance resource efficiency, support innovative fisheries control and enable the green transition.
- Green transition and the objectives of the European Green Deal: in particular by investing in actions that deliver strongly on the sustainability objectives of the Common Fisheries Policy; by embedding fisheries, aquaculture and blue economy in the Biodiversity and Farm to Fork strategies; by enabling climate change mitigation and adaptation in fisheries and aquaculture.

In this respect, the multiannual financial framework sets spending targets for climate and biodiversity objectives: 30% of the budget will be spent on fighting climate change; in 2026 and 2027, 10% of the annual spending under the budget will contribute to halting and reversing the decline of biodiversity. While the EMFAF does not include a specific binding target or a ring fencing of financial resources for climate and biodiversity, the Fund should actively contribute to the common targets set in the multiannual financial framework.

The Commission thus calls on Member States to:

- engage informally with Commission services as early as possible regarding the development of their draft programmes under the EMFAF;
- invest sufficient resources in the programming exercise to ensure high quality and added-value content, and synergies with other EU funded instruments, notably by making full use of the strategic flexibility allowed by the EMFAF regulation focusing on results and impacts of the envisaged investments;
- consulting stakeholders adequately on the draft programmes;
- target formal submission of the programmes to the Commission during the second semester 2021.

3. EMFF implementation

Given the late adoption of the EMFF Regulation, the implementation of operational programmes implemented by the Member States is still lagging behind the other ESIF funds (*see Table 1 below*). On 31 May, the implementation rate in net payments for the EMFF stood at 43% (35% end June 2020). This average implementation rate covers significant differences between Member States, where it varies from 12 to 66%.

At the outset of the COVID-19 pandemic, the EU adopted a set of emergency measures (under the Corona Response Investment Initiative package) through the EMFF to mitigate the socio-economic impact of the COVID-19 virus in the fishery and aquaculture sectors, with a retroactive eligibility of the expenditure effective as of 1 February 2020. Member States have reallocated existing financial resources within their operational programmes to these specific measures and started to select the operations. Plans are in place to spend EUR 326,3 million on COVID-19-related measures, equivalent to 5.8% of the total EMFF allocation. The majority of the measures relate to temporary cessation in sea fisheries and compensation for the aquaculture producers.

The Commission has been closely monitoring the situation of the EMFF operational programmes on a continuous basis. The overview of state of play of implementation is a standard agenda item of the monitoring committees and bilateral meetings with national authorities, leading to specific Action Plans in some Member States. It has also been raised a number of times in the Council as an information point by the Commission.

The Commission invites Member States to:

- Put in place renewed efforts to step up EMFF implementation, to maximise the use of existing funds and avoid any automatic de-commitments;
- Reassess whether further use of the flexibility measures for COVID-19 response would be necessary in support of the fisheries and aquaculture sectors.

Programmes 2014-2020

Table 1: State of execution of net* payments per ESI fund (2014-20)

(31st May 2021)

Summary Table: State of execution per Fund EUR million

Fund	Total allocation of programmes	Net Pre-financing payments paid in 2014 to 2021	Net interim payments paid in 2014 to 2021	Total Net payments paid in 2014 to 2021	Implementation Rate [%]
	[a]	[b]	[c]	[d]=[b]+[c]	[e]=[d]/[a]
ERDF	193,918	12,104	94,791	106,895	55%
CF	61,455	4,325	32,592	36,917	60%
ESF	89,939	6,741	44,495	51,236	57%
YEI	4,474	797	2,603	3,400	76%
FEAD	3,674	417	2,032	2,448	67%
ETC	9,409	606	4,240	4,845	51%
EAFRD	105,015	3,193	70,494	73,687	70%
EMFF	**5,655**	**325**	**2,123**	**2,447**	**43%**
TOTAL	**473,539**	**28,506**	**253,369**	**281,876**	**60%**

Monthly data are provisional and do not prejudge official accounting reports published by the Commission

ETC= Multi-country programmes

[a] Total allocation of the programmes as adopted at the cut-off date.

* The reported value of the payments takes into account the results of the annual examination and acceptance of accounts procedure