

Draft Regulations laid before Parliament under paragraph 1(3) of Schedule 7 to the European Union (Withdrawal) Act 2018, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2019 No. 0000

**EXITING THE EUROPEAN UNION
AGRICULTURE
FISHERIES**

**The European Structural and Investment Funds Common
Provisions (Amendment) (EU Exit) Regulations 2019**

Made - - - - *****

Coming into force in accordance with regulation 1

The Secretary of State makes these Regulations in exercise of the powers conferred by section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018(1).

In accordance with paragraph 1(3) of Schedule 7 to the European Union (Withdrawal) Act 2018, a draft of this instrument has been laid before Parliament and approved by a resolution of each House of Parliament.

PART 1

Introductory

Citation and commencement

1. These Regulations may be cited as the European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019 and come into force on exit day.

PART 2

Amendment to subordinate legislation

Amendment to the Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014

2. In regulation 2(1) of the Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014⁽²⁾, at the end of the definition of “the Common Provisions Regulation” insert “as amended by the European Structural and Investment Funds Common Provisions (Amendments) (EU Exit) Regulations 2019;”.

PART 3

Amendments to retained direct EU legislation

Amendment of Regulation (EU) No 1303/2013

3. Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, to the extent that it applies to support for rural development and support under Regulation (EU) No 508/2014, is amended in accordance with the following provisions of this Part.

Amendment of Part 1

4.—(1) In Article 1—

(a) for the first paragraph substitute—

“This Regulation lays down the common rules applicable to support for rural development and support under Regulation (EU) No 508/2014. It also lays down the provisions necessary to ensure the effectiveness of the support and co-ordination with other retained direct EU legislation. The common rules that apply are set out in Part Two.”;

(b) omit the second paragraph;

(c) in the third paragraph, for “the funds and the EMFF” substitute “support under Regulation (EU) No 508/2014”;

(d) in the fourth paragraph—

(i) omit points (1) to(4);

(ii) for point (5), substitute—

“(5) “Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (“Regulation (EU) No 1305/2013”);”;

(iii) for point (6), substitute—

“(6) Regulation (EU) No 508/2014 of the European Parliament and of the Council on the European Maritime and Fisheries Fund (“Regulation (EU) No 508/2014”);”;

(2) [S.I. 2014/3263](#).

- (e) for the fifth paragraph substitute—

“Part Two of this Regulation applies to support for rural development and support under Regulation (EU) No 508/2014 except when it explicitly allows for derogations. Part Four of this Regulation establishes complementary rules to Part Two that apply to support under Regulation (EU) No 508/2014 and may explicitly allow for derogations in the Fund-specific Regulations concerned. The Fund-specific Regulations may establish complementary rules to Parts Two and Four of this Regulation. The complementary rules in the Fund-specific Regulations must be read consistently with Parts Two and Four of this Regulation. In case of doubt about the application between provisions, Part Two and Four of this Regulation prevail over the Fund-specific Regulations.”.

- (2) In Article 2—

- (a) omit point (1);

- (b) for point (4) substitute—

“(4) “Fund-specific rules” means the provisions laid down in, or established on the basis of, Part Four of this Regulation or Regulation (EU) No 1305/2013 or Regulation (EU) No 508/2014”;

- (c) for point (5) substitute—

“(5) “programming” means the process of organisation, decision-making and allocation of financial resources in several stages, with the involvement of partners in accordance with Article 5, intended to implement, on a multi-annual basis, action by the relevant authority;”;

- (d) for point (6) substitute—

“(6) “programme” means an ‘operational programme’ as referred to in Part Four of this Regulation and in Regulation (EU) No 508/2014, and ‘rural development programme’ as referred to in Regulation (EU) No 1305/2013;”;

- (e) for point (8) substitute—

“(8) “priority”, in Parts Two and Four of this Regulation, means a priority for rural development referred to in Regulation (EU) No 1305/2013 or a priority for support under Regulation (EU) No 508/2014;”;

- (f) in point (10), for “Member State” substitute “relevant authority”;

- (g) for point (15) substitute—

“(15) “public expenditure” means any public contribution to the financing or operations the source of which is the budget of national, regional or local public authorities, the budget of the Union related to the European Agricultural Fund for Rural Development or the European Maritime and Sustainable Fisheries Fund, the budget of public law bodies or the budget of associations of public authorities or of public law bodies;”;

- (h) for point (16) substitute—

“(16) “public law body” means any body governed by public law within the criteria in paragraphs (a) to (c) of point 9 of Article 1 of [Directive 2004/18/EC](#) of the European Parliament and of the Council⁽³⁾

- (i) in point (19) omit “and which contributes to achieving the Union strategy for smart, sustainable and inclusive growth;”;

- (j) omit points (20), (22) and (23);

- (k) in point (21), at the end insert “as it had effect immediately before exit day”;

(3) OJ L 134, 30.4.2004, p. 114, as repealed by [Directive 2014/24/EU](#) of the European Parliament and of the Council on public procurement (OJ L 94, 28.3.2014, p. 65).

- (l) in point (28), at the end, insert “as it had effect immediately before exit day”;
- (m) in points (29) and (30) omit “Part Three and”;
- (n) omit points (31) and (32);
- (o) in points (33) and (34), for “Union priority”, in each place it occurs, substitute “priority for rural development or priority for support under Regulation (EU) No 508/2014”;
- (p) omit point (35);
- (q) for point (36) substitute—
 - “(36) ”irregularity” means any breach of the law as it applies in the constituent nation resulting from an act or omission by an economic operator involved in the implementation of support for rural development or support under Regulation (EU) No 508/2014, which has, or would have, the effect of charging an unjustified item of expenditure to a programme budget;”;
- (r) for point (37) substitute—
 - “(37) ”economic operator” means any natural or legal person or other entity taking part in the implementation of support for rural development or support under Regulation (EU) No 508/2014, with the exception of a relevant authority exercising its prerogatives as a public authority;”;
- (s) in point (39), for “the Funds and the EMFF”, in both places it occurs, substitute “support under Regulation (EU) No 508/2014;”;
- (t) at the end insert—
 - “(40) ‘Financial Regulation’ means Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union as it had effect immediately before exit day;
 - (41) “CMO support” means financial support granted under Regulation (EU) No 1308/2013 or any of the delegated or implementing acts adopted on the basis of that regulation or of [Commission Regulation \(EU\) No 1234/2007](#);
 - (42) “direct payment support” means financial support granted under any of the support schemes listed in Annex I to Regulation (EU) No 1307/2013;
 - (43) “constituent nation” means England, Wales, Scotland or Northern Ireland, as the case may be; and, in the context of support under Regulation 508/2014—
 - (a) “Wales” includes the Welsh zone where “the Welsh zone” has the same meaning as it has by virtue of section 158(1) of the Government of Wales Act 2006(4);
 - (b) “Scotland” includes the Scottish zone where “the Scottish zone” has the same meaning as in section 126(1) of the Scotland Act 1998(5);
 - (c) “Northern Ireland” includes the Northern Ireland zone where “the Northern Ireland zone” has the same meaning as in section 98(1) of the Northern Ireland Act 1998(6); and

(4) [2006 c.32](#). Section 158(1) was amended by section 43(2) of the Marine and Coastal Access Act 2009. [S.I. 2010/760](#) determines the extent of the area of the sea which is to be treated as adjacent to Wales for the purposes of the definition of the Welsh zone.

(5) [1998 c.46](#). [S.I. 1999/1126](#) determines the extent of the area of the sea which is to be treated as adjacent to Scotland for the purposes of the definition of the Scottish zone.

(6) [1998 c.47](#). [S.I. 2002/791](#) determines the extent of the area of the sea which is to be treated as adjacent to Northern Ireland for the purposes of the definition of the Northern Ireland zone.

- (d) “England” includes British fishery limits excluding the Welsh, Scottish and Northern Ireland zones where “British fishery limits” has the same meaning as in section 1 of the Fishery Limits Act 1976(7);
- (44) “relevant authority” means—
 - (a) in respect of support under rural development
 - (i) in England, the Secretary of State,
 - (ii) in Northern Ireland, the Department of Agriculture, Environment and Rural Affairs,
 - (iii) in Scotland, the Scottish Ministers,
 - (iv) in Wales, the Welsh Ministers,
 - (b) in respect of support under Regulation (EU) No 508/2014, the Managing Authority;
- (45) “support for rural development” means financial support granted under Title 3 of Regulation (EU) No 1305/2013 or Title 3, Chapter 2 of this Regulation;
- (46) “support under Regulation (EU) No 508/2014” means financial support granted under Regulation (EU) No 508/2014;”.
- (u) Omit Article 3.

Amendment of Title 1 of Part Two

5.—(1) For the heading to Part Two substitute “Common Provisions applicable to support for rural development and support under Regulation (EU) No 508/2014”.

(2) For the heading to Title I substitute “Principles of support for rural development and support under Regulation (EU) No 508/2014”.

(3) In Article 4 —

(a) for paragraph 1 substitute—

“1. Support for rural development and support under Regulation (EU) No 508/2014 must be provided through multi-annual programmes that complement national, regional and local intervention, as well as the Fund-specific missions, including economic, social and territorial cohesion.”;

(b) for paragraph 2 substitute—

“2. The relevant authority must ensure, taking account of the specific context of each constituent nation, that support for rural development and support under Regulation (EU) No 508/2014 is consistent with the horizontal principles referred to in Articles 5, 7 and 8 and that it is complementary to CMO support and direct payment support and support under other retained direct EU legislation.”

(c) omit paragraph 3;

(d) for paragraph 4 substitute—

“(4) for the words from “Member States” to “by them” substitute “The relevant authority, in accordance with its institutional, legal and financial framework, and the bodies designated by it”;

(7) 1976 c. 86. By virtue of section 1(1) of the Fishery Limits Act 1976, “British fishery limits” are designated by [S.I. 2013/3161](#); section 1 of the Fishery Limits Act 1976 was amended (in relation to England and Wales) by paragraph 2(2) and (3) of Schedule 4, and Part 1 of Schedule 22, to the Marine and Coastal Access Act 2009 (c. 23).

- (e) in paragraph 5, for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
- (f) omit paragraphs 6, 7 and 8;
- (g) in paragraphs 9 and 10—
 - (i) for “the Commission and Member States” substitute “the relevant authority and Managing Authority”;
 - (ii) for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”.
- (4) In Article 5 —
 - (a) in paragraph 1, for the words from the beginning to “Member State” substitute “The relevant authority”;
 - (b) in point (a), omit “urban and other”;
 - (c) in paragraph 2—
 - (i) for “Member States” substitute “the relevant authority”;
 - (ii) omit “Partnership Agreements and”;
 - (d) omit paragraphs 5 and 6.
- (5) For Article 6 substitute—

“Compliance with the law as it applies in the constituent nation

Operations receiving support for rural development and support under Regulation (EU) No 508/2014 must comply with the law as it applies in the constituent nation relating to its application (“the law as it applies in the constituent nation”).”.

- (6) In Article 7, for “Member States and the Commission” in each place it occurs, substitute “relevant authority”.
- (7) In Article 8 —
 - (a) in the first paragraph—
 - (i) for “ESI Funds”, substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit “Union’s promotion of the”;
 - (b) for the second paragraph substitute—

“2. The relevant authority must ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of programmes. The relevant authority must provide information on the support for climate change objectives using a methodology based on the categories of intervention, focus areas or measures, as appropriate, for support for rural development and support under Regulation (EU) No 508/2014. That methodology must consist of assigning a specific weighting to the support provided at a level which reflects the extent to which such support makes a contribution to climate change mitigation and adaptation goals. The specific weighting assigned must be differentiated on the basis of whether the support makes a significant or a moderate contribution towards climate change objectives. Where the support does not contribute towards those objectives of the contribution is insignificant, a weighting of zero shall be assigned. In the case of support for rural development weightings shall be attached to focus areas set out in Regulation (EU) No 1305/2013 and

in the case of support under Regulation (EU) No 508/2014 to measures set out in that Regulation.”.

Amendment of Title 2 of Part Two

6.—(1) In Article 9 —

(a) for the first paragraph substitute—

“In order to contribute to the Fund-specific missions, support for rural development and support under Regulation (EU) No 508/2014 must support the following thematic objectives:”;

(b) in point (3), for “(for the EAFRD)” substitute ““(for support for rural development)” and for “(for the EMFF)” substitute ““(for support under Regulation (EU) No 508/2014)”;

(c) in the second and third paragraphs, for “each of the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;

(d) in the third paragraph, for “each ESI Fund”, substitute “support for rural development and support under Regulation (EU) No 508/2014”.

(2) In Article 10—

(a) for paragraph 1 substitute—

“**1.** In order to promote harmonious, balanced and sustainable development, a Common Strategic Framework (“CSF”) is hereby established as set out in Annex I. The CSF establishes strategic guiding principles to facilitate the programming process and the sectoral and territorial coordination of intervention through support for rural development and support under Regulation (EU) No 508/2014, taking into account the key territorial challenges of the various types of territories.”;

(b) for paragraph 2 substitute—

“**2.** The strategic guiding principles as set out in the CSF shall be established in line with the purpose and within the scope of the support for rural development and support under Regulation (EU) No 508/2014, and in line with this Regulation and the Fund-specific rules. The CSF shall not impose additional obligations upon constituent nations beyond those set out within the framework of the relevant sectorial policies.”

(c) in paragraph 3 omit “the Partnership Agreement and”.

(3) In Article 11 —

(a) omit point (a);

(b) for “the ESI Funds”, in each place it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”;

(c) in point (c), for the words from “other relevant Union” to “for co-operation” substitute “direct payment support and CMO support”;

(d) in point (e) omit “as referred to in Article 174 TFEU and the specific challenges of outermost regions within the meaning of Article 349 TFEU”;

(e) in point (f) omit the words from “taking account” to “strategies”.

(4) In Article 12 omit the first paragraph.

(5) Omit Articles 13 to 18.

(6) For Article 19 substitute—

“The relevant authority must assess in accordance with its institutional and legal framework and in the context of the preparation of its programmes whether the ex ante conditionalities laid down in

the respective Fund-specific rules and the general ex ante conditionalities set out in Part II of Annex XI are applicable to the specific objectives pursued within the priorities of their programmes and whether the applicable ex ante conditionalities are fulfilled.”.

(7) Omit Articles 20 to 25.

Amendment of Title 3 of Part Two

7.—(1) For Article 26 substitute—

“Support for rural development and support under Regulation (EU) No 508/2014 must be implemented through programmes. Each programmes shall cover the period from 1 January 2014 to 31 December 2020.”.

(2) In Article 27—

- (a) omit the first subparagraph of paragraph 1;
- (b) in the second subparagraph of paragraph 1, for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
- (c) in paragraph 2—
 - (i) for “from the ESI Funds” substitute “for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit “, including amounts related to the performance reserve,”;
- (d) omit paragraph 3;
- (e) in paragraph 4, for “For each ESI Fund, the” substitute “The”;
- (f) in paragraph 7, for “Member States”, substitute “The authority with responsibility for preparing the programme”.

(3) Omit Articles 28 and 29.

(4) For Article 30 substitute—

“Programmes may be amended by the relevant authority as set out in the Fund-specific regulations. The relevant authority must take into account this Regulation, the Fund-specific rules, the horizontal principles referred to in Article 5-7 and the expected impact of the changes to the programme on the programme’s objectives.”

(5) Omit Article 31.

(6) In Article 32 —

(a) for paragraph 1 substitute—

“1. Support for rural development must be provided by the relevant authority for community-led local development. The relevant authority may provide support under Regulation (EU) No 508/2014 for community-led local development. For the purposes of this Chapter, “the support concerned” means, collectively, support for rural development and support under Regulation (EU) No 508/2014.”;

- (b) for the first sentence of paragraph 3, substitute “Where the support concerned is made available to community-led local development it must be done so in a consistent and coordinated way.”;
- (c) omit paragraph 4;
- (d) for paragraph 5 substitute—

“(5) Community-led local development funded by the support concerned must be carried out under one or more priorities of the relevant programme or programmes in accordance with the Fund-specific rules.”.

- (7) In Article 33—
- (a) in paragraph 1—
 - (i) for the last sentence of point (c) substitute “The strategy shall be consistent with the relevant programmes.”;
 - (ii) in point (g), for “each of the ESI Funds concerned” substitute “the support concerned”;
 - (b) in paragraph 2, for “Member States” substitute “The relevant authority”;
 - (c) omit paragraph 4;
 - (d) in paragraph 5, for “of each of the ESI Funds concerned” substitute “from the relevant programmes”;
 - (e) in paragraph 6 omit the second sentence.
- (8) In paragraph 1 of Article 34, for “Member States” substitute “The relevant authority”.
- (9) In the heading to Article 35 omit “from the ESI Funds”;
- (10) In paragraph 1 of Article 35, omit “from the ESI Funds concerned” substitute “The support concerned”.
- (11) Omit Article 36.

Amendment of Title 4 of Part Two

- 8.—**(1) In Article 37 —
- (a) in each place it occurs, omit “Union”;
 - (b) in paragraph 1, for “The ESI Funds” substitute “Support for rural development and support under Regulation (EU) No 508/2014”;
 - (c) in paragraph 2(b), for “support from the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (d) in paragraph 2(d), for “Member State” substitute “relevant authority”;
 - (e) in paragraph 7, for “support from ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (f) omit paragraph 8.
- (2) In Article 38 —
- (a) for paragraph 1 substitute—
 - “(1) In implementing Article 37, Managing Authorities may provide a financial contribution to financial instruments set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the Managing Authority.”
 - (b) omit paragraph 2;
 - (c) in paragraph 3, omit “point (b) of” and for “laid down by the Commission” substitute “as set out in Regulation (EU) No 964/2014”;
 - (d) in paragraph 4—
 - (i) for point (a) substitute—
 - “(a) invest in the capital of existing or newly created legal entities dedicated to implementing financial instrument consistent with the objectives of the support for rural development and support under Regulation (EU) No 508/2014, which will undertake implementation tasks; the support to such entities shall be limited to the amounts

necessary to implement new investments in accordance with Article 37 and in a manner that is consistent with the objectives of this Regulation;”

(ii) in point (b)—

(aa) omit point (i);

(bb) in point (ii) for “Member State” substitute “relevant authority”;

(cc) in point (iii), in the first indent, for “national legislative provisions, in conformity with the Treaties,” substitute “the law as it applies in the constituent nation”;

(dd) in point (iii), in the first three indents, for “the ESI Funds”, in each place it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”.

(3) Omit Articles 39 and 39a.

(4) In Article 40—

(a) in paragraph 1, for the first three subparagraphs substitute—

“The authorities designated in accordance with Article 65 of the Regulation (EU) No 1305/2013 must not carry out on-the-spot verifications at the level of international financial institutions in which a relevant authority is a shareholder, for financial instruments implemented by them.

However, the designated authorities shall carry out checks in accordance with Article 59(1) of Regulation (EU) No 1306/2013 at the level of other bodies implementing the financial instruments in the jurisdiction of their respective constituent nation.

International financial institutions in which a relevant authority is a shareholder must provide to the designated authorities a control report with each application for payment. They shall also provide to the designated authorities an annual audit report drawn up by their external auditors. Those reporting obligations are without prejudice to the reporting obligations, including as regards the performance of the financial instruments, as set out in Article 46(1) and (2) of this Regulation.”;

(b) in paragraph 2—

(i) in the first subparagraph—

(aa) omit “the EIB or other”;

(bb) for “Member State” substitute “relevant authority”;

(ii) in the second subparagraph, for “Member States” substitute “constituent nation”;

(iii) omit the third subparagraph;

(c) omit paragraphs 2a and 4;

(d) in paragraph 5A, in the words before point (a) substitute—

“(5A) By way of derogation from the second paragraph of Article 56 of Regulation (EU) No 1306/2013, in operations comprising financial instruments, a contribution cancelled in accordance with the first paragraph of Article 56 of Regulation (EU) No 1306/2013, as a result of an individual irregularity, may be reused within the same operation under the following conditions:”.

(5) In Article 42, in paragraph 4(a), for “the support from the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”.

(6) In Article 43—

(a) for “from the ESI Funds”, in each place it occurs (including in the heading), substitute “for rural development and support under Regulation (EU) No 508/2014”;

- (b) for “Member States” substitute “the constituent nation”.
- (7) In Article 43a—
 - (a) in paragraph 1—
 - (i) for “from the ESI Funds”, in both places it occurs, substitute “for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit the words from “as well as” to “Regulation (EU) 2015/1017”;
 - (b) in paragraph 2 omit “and 39a(3)”;
 - (c) in paragraph 3 omit the words from “or the EIB” to “Regulation (EU) 2015/1017”;
 - (d) in paragraph 4 omit “Union”.
- (8) In Article 44, in paragraph 1—
 - (a) in the words before point (a), for “the support from the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (b) in point (b), for “of the ESI Funds contribution” substitute “contribution from support for rural development or support under Regulation (EU) No 508/2014”.
- (9) In Article 45—
 - (a) for “Member States” substitute “The relevant authority”;
 - (b) for “the support from the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”.
- (10) In Article 46—
 - (a) in paragraph 1, for “Commission” substitute “Programme Monitoring Committee”;
 - (b) in paragraph 2, for “from the ESI Funds”, in both places it occurs, substitute “for rural development and support under Regulation (EU) No 508/2014”;
 - (c) omit paragraph 4.

Amendment of Title 5 of Part Two

- 9.—(1) In Article 47—
 - (a) for paragraph 1 substitute—
 - “1. The Managing Authority must agree with a Programme Monitoring Committee, set up in accordance with the institutional, legal and financial framework of the constituent nation, on the monitoring and implementation of the programme.”;
 - (b) in paragraph 2, for “Member State” substitute “constituent nation”;
 - (c) omit paragraph 3.
- (2) In Article 48—
 - (a) for “Member State”, in the first place it occurs, substitute “Managing Authority”;
 - (b) in the second place it occurs, omit “Member State”;
 - (c) omit the second subparagraph of paragraph 1.
 - (d) omit paragraphs 3 and 4;
 - (e) in paragraph 5, for “Member State” substitute “constituent nation”.
- (3) In Article 49—
 - (a) in paragraph 1, omit “, and the milestones defined in the performance framework referred to in Article 21(1),”;

- (b) in paragraph 4, for “from the ESI Funds” substitute “for rural development and support under Regulation (EU) No 508/2014”.
- (4) In Article 50—
 - (a) for paragraph 1 substitute—
 - “1. Until and including 2023, each Managing Authority must submit to the Programme Monitoring Committee an annual report on implementation of the programme in the previous financial year by the deadline established in the Fund-specific rules.”;
 - (b) in paragraph 2, omit the words from “, and, beginning” to “performance framework”;
 - (c) omit paragraph 3;
 - (d) for “the ESI Funds”, in both places it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (e) in paragraph 5 omit the words from “and its contribution” to the end of the paragraph;
 - (f) in paragraph 6 omit the second subparagraph;
 - (g) omit paragraphs 7 and 8.
- (5) Omit Articles 51, 52 and 53.
- (6) In Article 54—
 - (a) in paragraph 1 —
 - (i) for “each ESI fund” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit “in relation to the targets under the Union strategy for smart, sustainable and inclusive growth and “;
 - (b) in paragraph 2, for “Member States” substitute “The relevant authority”;
 - (c) in paragraph 3 omit the words from “The Commission” to the end of the paragraph.
- (7) Omit Article 55.
- (8) In Article 56—
 - (a) in paragraph 1, for “Member State” substitute “the relevant authority”;
 - (b) in paragraph 2, for “Member States” substitute “The relevant authority”;
 - (c) in paragraph 3—
 - (i) for “support from the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit “and sent to the Commission”;
 - (d) omit paragraph 4.
- (9) Omit Article 57.

Amendment of Title 6 of Part Two

- 10.—(1) Omit Article 58.
- (2) In Article 59—
 - (a) in paragraph 1—
 - (i) for “Member State”, in each place it occurs, substitute “relevant authority”;
 - (ii) for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;

- (iii) for “The ESI Funds”, in both places it occurs, substitute “Support for rural development and support under Regulation (EU) No 508/2014”;
- (iv) omit “authorities”;
- (b) for paragraph 1A substitute—
 - “(1A) Any programme may support technical assistance operations eligible under any other programme.”;
- (c) in paragraph 2, for “of each ESI Fund” substitute “under any programme”;
- (d) in paragraph 3—
 - (i) for “Member States” substitute “the relevant authority”;
 - (ii) omit point (a);
 - (iii) in point (b), for “Member State” substitute “relevant authority”.

Amendment of Title 7 of Part 2

- 11.**—(1) Omit Article 60.
- (2) In Article 61—
- (a) in paragraph 2, for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (b) for “Member State”, in each place it occurs, substitute “relevant authority”;
 - (c) omit paragraph 4;
 - (d) in paragraph 5, for “Union co-financing rate” substitute “core contribution”;
 - (e) in paragraph 6, for “Commission” substitute “relevant authority”;
 - (f) in paragraph 7—
 - (i) omit point (a);
 - (ii) in point (h)—
 - (aa) for “the EAFRD Regulation” substitute “Regulation (EU) No 1305/2013”;
 - (bb) for “the EMFF Regulation” substitute “Regulation (EU) No 508/2014”.
- (3) In Article 62, for “The ESI Funds” substitute “Support for rural development or support under Regulation (EU) No 508/2014”.
- (4) In Article 63—
- (a) in paragraph 1, point (b), for “a Member State” substitute “a relevant authority”;
 - (b) in paragraph 2, for “the ESI Funds” substitute “support for rural development or support under Regulation (EU) No 508/2014”.
- (5) In Article 64—
- (a) in paragraph 1—
 - (i) in the first subparagraph, for “included in a payment application to the Commission” substitute “eligible for support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) in point (b), omit “Union and”;
 - (b) in paragraph 2 omit “included with a payment application”.
- (6) In Article 65—
- (a) for “the ESI Funds”, in each place it occurs, substitute “support for rural development or support under Regulation (EU) No 508/2014”;

- (b) in paragraph 2—
 - (i) for “the ESI Funds” substitute “support for rural development or support under Regulation (EU) No 508/2014”;
 - (ii) for “a contribution from the EAFRD” substitute “support for rural development”;
- (c) omit paragraphs 3, 5 and 7;
- (d) in paragraph 8—
 - (i) in the second subparagraph, for “to be co-financed from the ESI Funds” substitute “receiving support for rural development or support under Regulation (EU) No 508/2014”;
 - (ii) in point (h)—
 - (aa) for “the EAFRD Regulation” substitute “Regulation (EU) No 1305/2013”;
 - (bb) for “the EMFF Regulation”, in both places it occurs, substitute “Regulation (EU) No 508/2014”;
- (e) in paragraph 9—
 - (i) for “Commission” substitute “relevant authority”;
 - (ii) omit “or, in the event of application of Article 96(11), from the date of entry into force of the decision amending the programme”;
 - (iii) for “The Fund-specific rules for the EMFF” substitute “Regulation (EU) No 508/2014”;
- (f) in paragraph 10, for “the EAFRD Regulation”, substitute “Regulation (EU) No 1305/2013”;
- (g) for paragraph 11 substitute—

“11. An operation may receive support for rural development or support under Regulation (EU) No 508/2014 or both of them or from one or more programmes and from CMO support or direct payment support or support under other retained direct EU legislation, provided that the expenditure declared is not declared more than once.”.
- (7) In Article 66—
 - (a) in the first subparagraph, for “The ESI Funds shall be used to provide support” substitute “Support for rural development and support under Regulation (EU) No 508/2014 may be provided”;
 - (b) in the second subparagraph, omit “of the Member State”.
- (8) In Article 67—
 - (a) in paragraph 2, for “the EMFF Regulation” substitute “Regulation (EU) No 508/2014”;
 - (b) in paragraph 2a—
 - (i) omit the first and fourth subparagraphs;
 - (ii) in the third subparagraph, for “supported by the EAFRD, ERDF or the ESF” substitute “receiving support for rural development”;
 - (c) in paragraph 5—
 - (i) in point (aa), for “EAFRD” substitute “support for rural development”;
 - (ii) omit point (b);
 - (iii) in point (c) for “the Member State” substitute “the relevant authority”.
- (9) In Article 68—
 - (a) for “Member State”, in both places it occurs, substitute “relevant authority”;

- (b) omit “Union”.
- (10) In Article 68a—
 - (a) in paragraph 1 for “Member States” substitute “the relevant authority”;
 - (b) in paragraph 3 omit the second subparagraph.
- (11) In Article 68b—
 - (a) for “Member State” substitute “relevant authority”;
 - (b) for “supported by the ESF, the ERDF or the EAFRD,” substitute “receiving support for rural development”.
- (12) In Article 69—
 - (a) in paragraph 1—
 - (i) in the first subparagraph—
 - (aa) for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (bb) in point (d), for “a single unit of the currency of the Member States” substitute “one pound”;
 - (b) in paragraph 3—
 - (i) for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) omit “and from the amount of support transferred from the Cohesion Fund to the CEF as referred to in Article 92(6)”.
- (13) In Article 70—
 - (a) in paragraph 1—
 - (i) for “the ESI Funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (ii) for “Member State”—
 - (aa) in the first place it occurs, substitute “relevant authority”;
 - (bb) in the second place it occurs, substitute “constituent nation”;
 - (b) in paragraph 2—
 - (i) in the first subparagraph, omit “but within the Union,”;
 - (ii) for point (b) substitute—
 - “(b) the total amount allocated under the programme to operations located outside the programme area does not exceed 15% of the support for rural development or support under Regulation (EU) No 508/2014 at the level of the priority at the time of the adoption of the programme;”;
 - (iii) in the second subparagraph omit “financed from the Funds and the EMFF”;
 - (iv) omit the third subparagraph;
 - (c) in paragraph 3, for “the Union” substitute “the constituent nations”;
 - (d) omit paragraph 4.
- (14) In Article 71—
 - (a) for “the ESI Funds”, in each place it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”;
 - (b) in paragraph 1—

- (i) in the second subparagraph, for “Member State” substitute “relevant authority”;
- (ii) in the third subparagraph, for “Member States” substitute “The relevant authority”;
- (c) in paragraph 2, for “the Union” substitute “the United Kingdom and its territorial sea”;
- (d) for paragraph 3 substitute—

“(3) Support for rural development or support under Regulation (EU) No 508/2014 must only be repaid in respect of operations that are not investments in infrastructure or productive investments where the operations are subject to an obligation for maintenance of investment under the applicable State aid rules and where they undergo a cessation or relocation of a productive activity within the period laid down in those rules.”;

- (e) omit paragraph 5.

Amendment of Title 8

- 12. Omit Title 8.

Amendment of Title 9 of Part Two

- 13.—(1) Omit Articles 76 to 79.
- (2) For Article 80 substitute—

“Amounts set out in programmes relating to support for rural development, forecasts of expenditure, payment applications, accounts and expenditure mentioned in the annual and final implementation reports shall be denominated in euros.”.

- (3) Omit Articles 81 to 88.

Omission of Part Three

- 14. Omit Part Three.

Amendment of Title 1 of Part Four and Five

- 15.—(1) Omit Articles 122 to 124.
- (2) In Article 125—
 - (a) in paragraph 2—
 - (i) for point (b) substitute—
 - “(b) draw up annual and final implementation reports, as referred to in Article 50, and obtain the approval of the monitoring committee of such reports;”;
 - (ii) in point (e) omit from “, and that data” to “the ESF Regulation”;
 - (b) in paragraph 3—
 - (i) in point (b)—
 - (aa) for “the EMFF, the Fund or Funds concerned” substitute “Regulation (EU) No 508/2014”;
 - (bb) omit “a category of intervention or, in the case of the EMFF,”;
 - (ii) in point (f), for “from the Funds or the EMFF” substitute “under Regulation (EU) No 508/2014”;
 - (iii) in point (g) omit “the categories of intervention or, in the case of the EMFF,”;

- (c) in paragraph 4—
 - (i) in point (a), for “co-financed” substitute “financed”;
 - (ii) in point (d) omit “in accordance with the requirements of point (g) of Article 72”; and
 - (iii) omit point (e);
 - (d) in paragraph 4 omit the second subparagraph;
 - (e) omit paragraphs 8, 9 and 10.
- (3) In Article 126—
- (a) in point (a), for the words from the beginning to “certifying that they” substitute “certifying that payment applications”;
 - (b) in point (g) omit “declared to the Commission and of corresponding public contribution”;
 - (c) omit point (h).
- (4) In Article 127—
- (a) in paragraph 1 omit the fourth subparagraph;
 - (b) in paragraph 4 omit the final sentence;
 - (c) omit paragraphs 6, 7 and 8.
- (5) Omit Article 128.

Amendment of Title 2 of Part 4

- 16.—(1) Omit Articles 129 to 131.
- (2) In paragraph 1 of Article 132, for the words from “Subject to” to “interim payments, the” substitute “The”.
- (3) Omit Articles 133 to 136.
- (4) Omit Articles 137 to 148.

Amendment of Part 5

- 17.—(1) Omit Articles 150 to 153.
- (2) After Article 154, omit from “This Regulation” to “Member States”.

Amendment of Annex 1

- 18.—(1) Annex 1 is amended as follows.
- (2) For “the ESI Funds”, in each place it occurs (including in the heading of paragraph 3), substitute “support for rural development and support under Regulation (EU) No 508/2014”.
- (3) For “ESI Funds” (in the headings of paragraphs 2 and 4) substitute “support for rural development and support under Regulation (EU) No 508/2014”.
- (4) For paragraph 1 substitute—
- “In order to promote the harmonious, balanced and sustainable development of the constituent nations and to maximise the contribution of support for rural development and support under Regulation (EU) No 508/2014, including to economic, social and territorial cohesion, it is necessary to ensure that policy commitments are underpinned by investment. The Common Strategic Framework (CSF) shall therefore, in accordance with Article 10 and in compliance with the priorities and objectives laid down in the Fund-specific Regulations, provide strategic guiding principles in order to achieve an integrated development approach, in line with policy objectives, and, where

appropriate, the flagship initiatives, while taking into account the key territorial challenges and specific national, regional and local contexts.”.

- (5) In paragraph 2—
- (a) for the heading substitute “Coherence with Economic Governance”;
 - (b) omit “Partnership Agreements and”;
 - (c) omit “the Union strategy for smart, sustainable and inclusive growth”, in both place it occurs;
 - (d) for “Member States”—
 - (i) in the first and third place it occurs, substitute “the relevant authority”;
 - (ii) in the second place it occurs, substitute “The relevant authority”;
 - (e) omit point 3.
- (6) In paragraph 3—
- (a) in section 3.1—
 - (i) in point 1—
 - (aa) omit the first sentence;
 - (bb) for “Member States”, in both places, substitute “The relevant authority”;
 - (cc) omit “Union”;
 - (ii) omit point 2;
 - (b) in section 3.2, in point 1—
 - (i) for the introductory wording substitute—

“(1) The relevant authority and the Managing Authority responsible for each programme must work closely together in the preparation, implementation, monitoring and evaluation of the programme. In particular they shall ensure that the following actions are carried out:”;
 - (ii) omit points (b) and (f);
 - (c) in section 3.3—
 - (i) in point 1—
 - (aa) for “Member States” substitute “The relevant authority”;
 - (bb) omit “Partnership Agreement and”;
 - (cc) omit “ITIs,”;
 - (ii) omit point 2;
 - (iii) in point 3, omit from “from the ERDF” to “thematic objective”;
 - (iv) for point 4 substitute—

“(4) The relevant authority must promote, in accordance with their institutional and legal framework and with Article 32 the development of local and sub-regional approaches. Community-led local development must be implemented in the context of a strategic approach to ensure that the “bottom-up” definition of local needs takes account of priorities set at a higher level. The relevant authority must therefore define the approach to community-led local development in its rural development programme and, where appropriate, in its programme for support under Regulation (EU) No 508/2014.”.
- (7) In paragraph 4—
- (a) in the first section—

- (i) for “Member States” substitute “the relevant authority”;
 - (ii) for “Member State” substitute “relevant authority”;
 - (iii) for “other Union instruments” substitute “retained direct EU legislation”;
 - (iv) in the last sentence, omit “Union”;
- (b) in section 4.1—
- (i) in point 1—
 - (aa) for the words from “Member States to “respective responsibilities,” substitute “The relevant authority must”;
 - (bb) omit “Union”, in each place it occurs;
 - (cc) in the last sentence, for “Member States” substitute “The relevant authority”;
 - (ii) in point 2—
 - (iii) for the words from “Member States” to “respective responsibilities,” substitute “The relevant authority must”;
 - (iv) for “Union instruments at Union and Member State level” substitute “the law as it operates in the constituent nation, including retained direct EU legislation”;
 - (v) omit “Union”, in the third and fifth places it occurs;
 - (vi) for “different Union instruments” substitute “retained direct EU legislation”;
 - (vii) for “at Union and national level”, in both places it occurs, substitute “in the constituent nation”;
- (c) in section 4.2—
- (i) in point 1—
 - (aa) for the first sentence substitute—

“Support for rural development complements the measures for direct payment support and CMO support to farmers and to support market measures.”;
 - (bb) for “Member States” substitute “The relevant authority”;
 - (cc) for “Union support” substitute “support for rural development”;
 - (ii) omit point 2;
- (d) omit section 4.3 to 4.9.
- (8) In paragraph 5—
- (a) in section 5.1—
 - (i) in point 1—
 - (aa) for “Member States” substitute “the relevant authority”;
 - (bb) omit “and delivery of the Union’s priorities of smart, sustainable and inclusive growth”;
 - (cc) omit “Partnership Agreement and”;
 - (ii) in point 2 for “Member States” substitute “The relevant authority”;
 - (b) in section 5.2—
 - (i) in point 1—
 - (aa) omit “as laid down in Article 3(3) TEU”;

- (bb) omit “pursuant to Article 11 TFEU”;
 - (cc) omit “as set out in Article 191(2) TFEU”;
 - (ii) in point 2 for “Member States” substitute “The relevant authority”;
- (c) in section 5.3—
 - (i) in point 1—
 - (aa) for “Member States and the Commission” substitute “the relevant authority”;
 - (bb) in the second sentence, for “Member States” substitute “the relevant authority”;
 - (cc) in the last sentence, for “Member States” substitute “The relevant authority”;
 - (ii) in points 2 and 4, for “Member States” substitute “The relevant authority”;
- (d) in point 1 of section 5.4, for “Member States and the Commission” substitute “The relevant authority”;
- (e) in section 5.5—
 - (i) in point 1, for “Member States” substitute “The relevant authority”;
 - (ii) in point 2—
 - (aa) for “Member States” substitute “The relevant authority”;
 - (bb) omit “Union”;
 - (cc) omit “of the Union’s”;
 - (iii) in point 3, for “Member States” substitute “the relevant authority”;
- (f) in section 5.6, omit “Partnership Agreements and”.
- (9) In paragraph 6—
 - (a) in section 6.1, for “Member States” substitute “The relevant authority”;
 - (b) in section 6.2—
 - (i) for “Union priorities” substitute “priorities for rural development and priorities for sustainable fisheries”;
 - (ii) for “Member State” substitute “constituent nation”;
 - (c) in section 6.3—
 - (i) omit “Partnership Agreements and”;
 - (ii) for “Member States” substitute “the relevant authority”
 - (iii) for “the Union” substitute “the United Kingdom”;
 - (d) in section 6.4—
 - (i) in the first paragraph—
 - (aa) for “Member States”, in both places it occurs, substitute “the relevant authority”;
 - (bb) omit “European”;
 - (cc) omit “and regions”
 - (dd) omit “Partnership Agreements and”;
 - (ii) omit point (a);
 - (iii) in point (b), for “Member State” substitute “constituent nation”;

- (iv) in point (d)—
 - (aa) for “Member States” substitute “constituent nations”;
 - (bb) omit “the Union strategy for smart, sustainable and inclusive growth”;
- (e) in section 6.5, for “Member States” substitute “constituent nations”.
- (10) In paragraph 7—
 - (a) in section 7.1—
 - (i) in point 1 for “Member States” substitute “The relevant authority”;
 - (ii) for point 2 substitute—
 - “(ii) The relevant authority must ensure that cooperation activities are organised in support of wider policy goals. To achieve this the relevant authority must ensure complementarity and coordination with other programmes.”;
 - (iii) omit points 3 to 5;
 - (iv) in point 6—
 - (aa) for “Member States” substitute “Constituent nations”;
 - (bb) omit from “while contributing” to “inclusive growth”;
 - (cc) omit from “In this context,” to “Article 349 TFEU.”;
 - (b) omit section 7.2 to 7.4.

Omission of Annexes 2 and 3

- 19. Omit Annexes 2 and 3.

Amendment of Annex 4

- 20.—(1) Annex 4 is amended as follows.
- (2) In paragraph 1—
 - (a) in the introductory wording omit “Article 39a and”;
 - (b) in point (e) omit from “of Member States,” to “European Court of Auditors”;
 - (c) in point (f) omit “and the second subparagraph of Article 39a(5)”;
 - (d) in points (i) and (j), for “support from the ESI funds”, in each place it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”.
- (3) In paragraph 2(c), for “support of the ESI funds” substitute “support for rural development and support under Regulation (EU) No 508/2014”.

Omission of Annexes 6 to 10

- 21. Omit Annexes 6 to 10.

Amendment of Annex 11

- 22.—(1) Annex 11 is amended as follows.
- (2) Omit Part 1.
- (3) In Part 2—
 - (a) for “ESI funds”, in each place it occurs, substitute “support for rural development and support under Regulation (EU) No 508/2014”;

- (b) omit “of Member States”, in each place it occurs;
- (c) in rows 1 and 2, for “ESI Fund-related activities” substitute “activities benefitting from support for rural development or support under Regulation (EU) No 508/2014”;
- (d) in rows 1 and 2, omit “Union”, in both places it occurs;
- (e) in row 3, in the second indent in column 3—
 - (i) for “applicable Union and national disability law and policy” substitute “disability law and policy applying in the constituent nation”;
 - (ii) for “Union and national legislation” substitute “the law as it applied in the constituent nation”;
- (f) in row 4, omit “Union”, in both place it occurs;
- (g) in row 5 , omit “Union”, in both places it occurs;
- (h) in row 6, omit “Union”.

Omission of Annexes 12 to 14

23. Omit Annexes 12 to 14.

Date

Name
Minister of State
Department for Environment, Food and Rural
Affairs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of the powers in section 8(1) of the European Union (Withdrawal) Act 2018 (c. 16) to address failures of retained EU law to operate effectively and other deficiencies (in particular under section 8(2)(a), (b), (c), (d) and (g)) arising from the withdrawal of the United Kingdom from the European Union.

These Regulations make amendments to retained direct EU legislation and domestic legislation in the field of the European Structural and Investment Funds.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private or voluntary sector is foreseen.