



# LEGISLATIVE CORNER

**Part 1 - June 3, 2020: UE RESPONSE TO COVID OUTBREAK**

Part 2: - June 4, 2020: Other issues from Ue Institutions



Co-founded by the  
European Union

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GL, Ceccaroni 2020

# THE UE RESPONSE TO THE COVID-19 OUTBREAK

- ❖ COMMUNICATION FROM THE COMMISSION **Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak** (19/3/2020) (C(2020)1863 as amended (C(2020)2215 - (C(2020)3156)
- ❖ REGULATION (EU) 2020/460 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) **No 508/2014** as regards **specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)** (30/3/2020)
- ❖ REGULATION (EU) 2020/560 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No **508/2014** and (EU) No **1379/2013** as regards **specific measures to mitigate the impact of the COVID-19 outbreak in the fishery and aquaculture sector** (23/4/2020)

# TEMPORARY FRAMEWORK FOR STATE AID MEASURES

- The Communication of the Commission "**Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak**", aims to support the economy in the current COVID-19 crisis in derogation from the ordinary rules on State aid.



- EC recognizes that beyond the existing possibilities based on Article 107(3)(c) TFEU, temporary limited amounts of aid to undertakings facing a sudden shortage or even unavailability of liquidity **can be an appropriate, necessary and targeted solution during the current circumstances.** (point 21 of Communication)

# TEMPORARY FRAMEWORK FOR STATE AID MEASURES

The Commission will consider such State aid **compatible** with the internal market on the basis of Article 107(3)(b) TFEU, provided that **all the following conditions are met (point 22)**:

a. The overall aid does not exceed **800.000 €** per undertaking. The aid may be granted in the form of direct grants, tax and payment advantages or other forms such as repayable advances, guarantees, loans and equity provided the total nominal value of such measures remains below the overall cap of EUR 800 000 per undertaking; all figures used must be gross, that is, before any deduction of tax or other charge

b. the aid is granted on the basis of a scheme with an estimated budget;

c. aid may not be granted to undertakings that were already in difficulty (within the meaning of the General Block Exemption Regulation on 31 December 2019

d. the aid is granted no later than 31 December 2020;

e. ...omissis...

## Specific provisions for fishery and aquaculture sectors (point 23)

By way of derogation from point 22(a), the following specific conditions shall apply to aid granted to undertakings in the agriculture, fishery and aquaculture sectors, in addition to the conditions of point 22 (b) to (e)

- a. the overall aid does not exceed **120.000 € per undertaking** active in the fishery and aquaculture sector or 100.000 € per undertaking active in the primary production of agricultural products; the aid may be granted in the form of direct grants, tax and payment advantages or other forms such as repayable advances, guarantees, loans and equity provided the total nominal value of such measures does not exceed the overall cap of **120.000 €** or 100.000 € per undertaking; all figures used must be gross, that is, before any deduction of tax or other charge
- b. ...omissis... (agriculture)
- c. aid to undertakings active in the fishery and aquaculture does not concern any of the categories of aid referred to in Article 1, paragraph (1) (a) to (k), of Commission Regulation (EU) No 717/2014 (*de minimis aid in fishery sector regulation*) (see next page);

# TEMPORARY FRAMEWORK FOR STATE AID MEASURES

Regulation 717/2014 applies to aid granted to undertakings in the fishery and aquaculture sector, with the exception of (art.1):

- (a) aid the amount of which is fixed on the basis of price or quantity of products purchased or put on the market;**
- (b) aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;**
- (c) aid contingent upon the use of domestic over imported goods;**
- (d) aid for the purchase of fishing vessels;**
- (e) aid for the modernisation or replacement of main or ancillary engines of fishing vessels;**
- (f) aid to operations increasing the fishing capacity of a vessel or equipment increasing the ability of a vessel to find fish;**
- (g) aid for the construction of new fishing vessels or importation of fishing vessels;**
- (h) aid to the temporary or permanent cessation of fishing activities unless specifically provided for in the Regulation (EU) No 508/2014;**
- (i) aid to exploratory fishing;**
- (j) aid to the transfer of ownership of a business;**
- (k) aid to direct restocking, unless explicitly provided for as a conservation measure by a Union legal act or in the case of experimental restocking.**

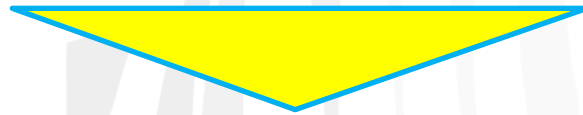
# THE REGULATION 2020/460

- Regulation is part of "**Coronavirus Response Investment Initiative**" launched by the Commission to mobilise cohesion policy to flexibly respond to the rapidly emerging needs in the most exposed sectors, such as healthcare, SMEs and labour markets, and help the most affected territories in Member States and their citizens.
- It provides more flexibility to Member State in programmes implementation, and a simplified procedure not requiring a Commission decision for changes to operational programmes.
- In order to ensure that Member States have sufficient financial means to make the investments, regulation states that the Commission will not issue recovery orders for amounts recoverable from Member States for the annual accounts submitted in 2020.

# THE REGULATION 2020/460

- → MS can use the amounts not recovered to accelerate investments related to the COVID-19 outbreak

## For the fishery sector (reg. 508/2014):



- **Art. 35 of EMFF** Reg. is modified adding “**public health crises**” to the list of circumstances under which the fund may support mutual funds and stock insurance to safeguard the income of fishermen and aquaculture farmers affected.
- **Art. 57** is modified to add the possibility for the EMFF to safeguard the income of aquaculture producers by contributing to an aquaculture stock insurance covering economic losses due to a public health crisis.



# THE REGULATION 2020/560

- Com (2020/142)
- Specific measures to mitigate the impact of the COVID-19 outbreak in the fishery and aquaculture sector
- Regulation 2020/560 strengthens the **Coronavirus Response Investment Initiative** and the revised State aid rules under the new **Temporary Framework**, adopted on 19 March 2020
- Measures eligible retroactively as of 1 February 2020 and available until 31 December 2020.

# REGULATION 2020/560

## Temporary cessation of fishing activities (art.33)

- Support for the temporary cessation caused by the coronavirus outbreak **is not be subject** to the financial capping applicable to the other cases of temporary cessation (art.25 EMFF).
- **Cofinancing: maximum EMFF EU contribution 75%** (other cases 50%)
- Vessels that have already reached the maximum six month duration of EMFF support for temporary cessation **will nevertheless be eligible** for support under the Coronavirus measures until the end of 2020.

## Producer Organizations (PO) (art.66)

- Ceiling for support to production and marketing plans increased from **3% up to 12%** of the average annual value of the output placed on the market.
- Member States can grant **advances of up to 100%** of the financial support to PO for this support.

## Storage aid (art.67 EMFF) and Trigger prices (art.31 CMO)

- Improve and strengthen the support to PO and associations of PO for the storage of fishery and aquaculture products, in accordance with the Common Market Organisation (CMO-Reg.1379/2013)

# REGULATION 2020/560

## Simplification of procedures and budgetary flexibility

- **Simplified procedure** for amendments to Member States' operational programmes under the EMFF, related to the specific measures and the reallocation of financial resources.
- **10 %** of the budgetary resources referred **to control and enforcement and data collection** may be allocated to measures related to the mitigation of the COVID-19 outbreak.

## Aquaculture

- Possibility to **grant financial compensation** to aquaculture farmers for the temporary suspension or reduction of production, where it is the consequence of the coronavirus outbreak.
- Compensation calculated on the basis of income foregone.
- Cofinancing up to 75% of this compensation



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## DOSSIERS *IN ITINERE*

- **Fisheries control** COM(2018)0368 (Rapporteur: Aguilera - ES)
- Amendments: presented
- Vote in Pech Committee: 12/10/2020 TBC

- **European Maritime and Fisheries Fund** COM(2018)039 (Rapporteur: Mato –ES)
- Next Trilogue: mid June (TBC)

- **Multiannual management plan for bluefin tuna in the eastern Atlantic and the Mediterranean, amending Reg. (EU) 2017/2107, (EU) 2019/[NAFO], (EU) 1936/2001, and repealing Reg.(EU) 2016/1627 COM(2019)619** (Rapporteur: Ferrandino – IT)
- Vote in Pech Committee: JULY 2020 TBC

# INI REPORTS

- By means of the own-initiative report the European Parliament request the European Commission to put forward a legislative proposal on a certain issue:

- **Interesting for MEDAC work:**

- The impact on fisheries of marine litter 2019/2160 (INI)

- Consequences for fish stocks and fisheries related to rising seawater temperatures 2019/2163 (INI)
- --> **Climate change**

- Rebuilding fish stocks in the Mediterranean Sea: assessment and next steps 2019/2178 (INI)

**Thank You for your attention!**

