



Croatian Presidency of the Council (Fisheries)

EUROPEAN COMMISSION
DG for Maritime Affairs and Fisheries

Common position of BALTFISH on the necessary actions to enable to use EMFF for alleviating effects of COVID-19 on the fisheries and aquaculture sector

The COVID-19 outbreak is a severe public health emergency for citizens and societies. It is also a major shock to the Union's fisheries sector. It is crucial that Member States and EU institutions are able to take swift and determined actions to mitigate negative effects to the fisheries enterprises and to the fish supply for consumers.

The current situation is affecting the fisheries sector through different channels. There is a supply shock resulting from the disruption of global supply chains, there is a demand shock caused by lower consumer demand and there is the negative effect of uncertainty on investment plans and the impact of liquidity constraints for undertakings.

This extraordinary situation requires exceptional measures to alleviate these negative effects. It is important that also the European Maritime and Fisheries Fund 2014-2020 can be used to mitigate the consequences of this crisis. Since the EMFF Regulation does not contain appropriate and sufficient measures at the moment, it must be amended.

Finland has as the current BALTFISH presidency consulted the Baltic Sea Member States on their views concerning the needed mitigation measures regarding the COVID-19 outbreak to the fisheries sector. The BALTFISH high-level group has agreed on the attached common position for needed modifications to the EMFF Regulation.

All the BALTFISH Member States agree on these proposals with the exception of the proposal concerning temporary cessation and storage aid, which do not get the support of Sweden. Sweden has therefore abstained on these elements of the proposals, which however does not hinder the formation of a common position of BALTFISH in accordance with point 3.1.11 of the BALTFISH MoU.

On behalf of the BALTFISH high-level group,

Risto Lampinen
Director of Unit for Fisheries Industry
Ministry of Agriculture and Forestry
Natural Resources Department
FINLAND

Baltic Sea Member States proposals for the modification of the EMFF Regulation 508/2014

1. Budget flexibility

In order to enable the effective reaction to COVID-19 outbreak a temporary budgetary flexibility should be introduced.

A new paragraph should be inserted to Article 13 Budgetary resources under shared management:

“9. Paragraph 2-7 do not apply to the budget transfers related to the COVID-19 outbreak.“

2. Acceleration of national programme’s modifications

In order to allow quick reaction to the developing situation certain simplifications with regard of approval of the programme amendments should be introduced.

Paragraph 3 of Article 22 should be modified as follows:

“3. Paragraph 2 shall not apply to measures referred to in Articles 34 and 41(2).

A new paragraph should be added to Article 22 Rules on procedures and timetables:

“4. By way of derogation from paragraphs 1 and 2 of Article 30 of Regulation (EU) No 1303/2013 the Member State may transfer during the programming period an amount of up to 20% of the allocation as of 1 February 2020 of a priority and no more than 10% of the programme budget to another priority. Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however comply with all regulatory requirements and shall be approved by the monitoring committee in advance. The Member State shall notify the revised financial tables to the Commission.”

3. Temporary cessation in fishing sector

In order to alleviate the economic effects of stops in fishing activities due to the virus outbreak a compensation for temporary cessation should be enabled, without currently existing restrictions.

To Article 33 Temporary cessation of fishing activities:

in paragraph 1 a new point should be inserted:

“e) COVID-19 outbreak.“

and a new paragraphs should be inserted:

“5. Paragraphs 2 and 3 do not apply for operations of temporary cessation due to the COVID-19 outbreak.

6. The support referred to in paragraph 1 (e) shall only be granted to owners of Union fishing vessels which are registered as active and fishermen who have worked at fishing vessel preceding the date of submission of the application concerned by the temporary cessation ”

In Article 44

a new paragraph should be inserted:

“8. The EMFF may provide support for temporary cessation in accordance with Article 33 in case of COVID-19 outbreak, under the same conditions as set out in that Article. The reference made in Article 33 (6) to fishing vessels shall be understood as reference to vessels operating exclusively in inland waters;

4. Compensation of losses in aquaculture

In order to alleviate the economic effects on aquaculture sector caused by either employees infected or quarantined or disruptions in transport or marketing a compensation to cover economic losses should be enabled.

In Article 49 Management, relief and advisory services for aquaculture farms:
in paragraph 1 new point should be inserted:

“c) compensations for economic losses due to the COVID-19 outbreak”

and a new paragraph should be inserted:

In Article 95 Intensity of public aid, new point should be added in paragraph 2:

“h) the operation is related to the compensation referred in Art. 49 (1) (c).”

5. Producer organisations

The virus outbreak will have effect on the sales of fisheries and aquaculture products due to the stops in production, problems in transport, closure of restaurants and decrease of demand for fresh products. The decrease value of production will have direct effect on the support granted for preparation and implementation of production and marketing plans.

Therefore, the limit in Article 66 paragraph 3 should be increased.

“3. Support granted per producer organisation per year under this Article shall not exceed 3 5% of the average annual value of the production placed on the market by that producer organisation during the preceding three calendar years. For any newly recognised producer organisation, that support shall not exceed 3 5 % of the average annual value of the production placed on the market by the members of that organisation during the preceding three calendar years.“

6. Storage aid

In order to react to market disturbances caused by virus outbreak the storage aid should be enabled.

A new paragraph should be inserted to Article 67 Storage aid:

“6. Paragraph 1 point b-c and paragraph 2 do not apply to the storage aid granted due to the COVID-19 outbreak”.

7. Working capital

All subsectors will have issues related to liquidity and therefore provision of working capital should be enabled.

New Article X, Y, Z should be inserted under priorities 1, 2 and 5.

“Article X (Y, Z) Temporary measures to address COVID-19 outbreak

(1) In order to mitigate negative effects caused by COVID-19 outbreak, the EMFF may support the financing of working capital, by financial instruments or grants, where necessary as a temporary measure to provide an effective response to a COVID-19 outbreak;

(2) By way of derogation from paragraph 2 of Article 37 of Regulation (EU) No 1303/2013, where the working capital is provided to SME-s in form of financial instruments, it can be provided without carrying out ex-ante assessment.”

It is necessary also to modify the Article 44, by adding new paragraph:

“(9)“ In order to mitigate negative effects caused by COVID-19 outbreak to inland fishing, the EMFF may support measures as referred in Article X”.

A new paragraph should be inserted to Article 25 General conditions:

“(6) Paragraph 2 does not apply to the financing of working capital provided in Article X”.

In Article 95 Intensity of public aid new points should be added in paragraph 2:

“(g) the operation is related to temporary measures referred in Article X, Y, Z and Article 44 (8).

8. Eligibility of expenditure related to the exceptional measures

New article on eligibility of exceptional measures should be inserted.

1. The expenditure related to the support referred in Article 33 (1) (e), 49 (1) (c), 67 (6) and X, Y, Z shall be eligible for a contribution from EMFF from 1st of February 2020.”

Additional considerations

It is highly likely that implementation of new programmes will be delayed, therefore we ask the Commission to explore the possibility for transitional provisions similar to EAFRD proposal, in order to enable a limited extension of measures under current operational programmes in 2021 financed from the corresponding budget allocation for the year 2021.

In addition, we believe that in order to react quickly to extraordinary crises in future, there is a need to introduce certain provisions to the EMFF 2021-2027 Regulation. We ask the Commission to consult with the Presidency and European Parliament in that regard and explore the possibility to add such provisions to the proposal of the EMFF Regulation for the 2021-2027 period.

Lastly, we would like to highlight the existing difficult situation concerning the TAC’s cutting for the Baltic fleets targeting cod and herring. The COVID-19 outbreak has made the situation even harder to vessels concerned. The Council has adopted an amendment of Article 34 EMFF Regulation in its meeting in December 2019 regarding an aid scheme for permanent cessation. It is important that this legislative process is carried out without delay especially in these exceptional circumstances caused by the COVID-19.