# Review of the State aid instruments applicable to the fishery and aquaculture sector

Fields marked with \* are mandatory.

## Introduction

State aid control in the fishery and aquaculture sector is regulated by a specific framework of rules: *De minimis* Regulation[1], Block Exemption Regulation[2] and Guidelines for the examination of State aid to the fishery and aquaculture sector[3].

The Commission has embarked on the exercise of the review of this State aid framework, in order to ensure consistency of the regulations and the guidelines with the future rules governing the European Maritime and Fisheries Fund ('post-2020 EMFF regulation', currently negotiated by the co-legislators). The review will also ensure that any potential for simplification and for increased legal certainty is taken into account when designing future State aid rules. The revised framework will apply from 2021 to 2027.

The purpose of this public consultation is to collect evidence and views from a broad range of stakeholders in order to assess the relevance, effectiveness, efficiency, coherence, and EU added value of the State aid rules for the current and the future period as well as other potential impacts of the reviewed rules.

The current public consultation covers all the three State aid instruments. The consultation questionnaire is structured into three sections: Section I addresses evaluation of the existing State aid framework and Section II - the impact assessment on the future State aid framework applicable to the fishery and aquaculture sector. As the subject of State aid is very technical, the complexity of questions displayed will depend on the level of experience and knowledge that the respondent will indicate at the start of the questionnaire. Finally, Section III which includes specialised questions is only addressed to public authorities dealing with State aid.

[3] Communication from the Commission - Guidelines for the examination of State aid to the fishery and aquaculture sector (2015/C 217/01), as amended.

## About you

\* Language of my contribution

<sup>[1]</sup> Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector.

<sup>[2]</sup> Commission Regulation (EU) No 1388/2014 of 16 December 2014 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- Gaelic
- German
- Greek
- Hungarian
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish
- \* I am giving my contribution as
  - Academic/research institution
  - Business association
  - Company/business organisation
  - Consumer organisation
  - EU citizen
  - Environmental organisation
  - Non-EU citizen
  - Non-governmental organisation (NGO)
  - Public authority
  - Trade union
  - Other

\* Please indicate the stakeholder category to which you belong:

- Public authority responsible for granting State aid in an EU Member State
- Beneficiary of aid in the fishery and aquaculture sector
- Producer organisation
- NGO or other civil society organisation
- Academia, think-tank, consultancy or other expert organisation
- General public
- Other

## \* How would you define your experience/knowledge in State aid matters?

Please note that if you identify yourself as having some or a lot of experience /knowledge in State aid, you will be asked to reply to more complex questions.

- I have no experience/knowledge
- I have some experience/knowledge
- I have a lot of experience/knowledge

### \* First name

Flaminia

### \* Surname

TACCONI

### \* Email (this won't be published)

ftacconi@clientearth.org

### Organisation name

255 character(s) maximum

ClientEarth (referred to hereinafter as CE)

### Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

### Transparency register number

#### 255 character(s) maximum

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decisionmaking.

### 96645517357-19

* Country of origin Please add your country of origir	n, or that of your organisation.		
Afghanistan	Djibouti	Libya	Saint Pierre
	-	·	and Miquelon
Åland Islands	Dominica	Liechtenstein	Saint Vincent
			and the
-			Grenadines
Albania	Dominican Republic	Lithuania	Samoa

Algeria ۲ Ecuador Luxembourg ۲ San Marino American ۲ Macau São Tomé and Egypt Samoa Príncipe Andorra El Salvador Madagascar Saudi Arabia Equatorial Malawi ۲ Angola  $\odot$ Senegal Guinea Anguilla Eritrea ۲ Malaysia ۲ Serbia **Maldives** Antarctica Estonia ۲  $\bigcirc$ Seychelles Mali Sierra Leone  $\bigcirc$ Antigua and ۲ Ethiopia Barbuda Argentina  $\bigcirc$ Falkland Islands Malta Singapore ۲ ۲ Armenia  $\bigcirc$ ۲ Sint Maarten **Faroe Islands** ۲ Marshall Islands Aruba  $\odot$ Fiji Martinique ۲ Slovakia Australia  $\odot$ Finland  $\bigcirc$ Mauritania  $\bigcirc$ Slovenia Austria North Mauritius Solomon Macedonia Islands Azerbaijan Mayotte France Somalia ۲ Bahamas French Guiana ۲ Mexico ۲ South Africa French Bahrain  $\bigcirc$ Micronesia ۲ South Georgia and the South Polynesia Sandwich Islands Bangladesh ۲ French Moldova South Korea Southern and Antarctic Lands Barbados South Sudan Gabon Monaco ۲ Belarus Georgia Mongolia Spain Belgium Germany Montenegro  $\bigcirc$ Sri Lanka  $\bigcirc$ Belize ۲ Ghana Montserrat ۲ Sudan Benin ۲ Gibraltar Morocco  $\bigcirc$ Suriname Bermuda ۲ Greece Mozambique  $\bigcirc$ Svalbard and Jan Mayen Swaziland Bhutan  $\bigcirc$ Greenland ۲ Myanmar ۲ /Burma Bolivia Sweden Grenada Namibia ۲ Nauru Bonaire Saint Guadeloupe ۲ Switzerland Eustatius and Saba Nepal Bosnia and Guam ۲  $\bigcirc$ Syria Herzegovina Guatemala **Netherlands** Taiwan Botswana ۲ ۲ Bouvet Island ۲ Guernsey New Caledonia  $\odot$ Tajikistan Brazil ۲ Guinea New Zealand Tanzania British Indian ۲ Guinea-Bissau Nicaragua ۲ Thailand

Niger

 Ocean Territory
 British Virgin Islands

Guyana

The Gambia

<ul><li>Brunei</li><li>Bulgaria</li></ul>	<ul> <li>Haiti</li> <li>Heard Island and McDonald</li> </ul>	<ul><li>Nigeria</li><li>Niue</li></ul>	<ul><li>Timor-Leste</li><li>Togo</li></ul>
<ul> <li>Burkina Faso</li> <li>Burundi</li> <li>Cambodia</li> </ul>	Islands Honduras Hong Kong Hungary	<ul> <li>Norfolk Island</li> <li>North Korea</li> <li>Northern</li> <li>Moriana Islanda</li> </ul>	<ul> <li>Tokelau</li> <li>Tonga</li> <li>Trinidad and</li> <li>Tohaga</li> </ul>
<ul> <li>Cameroon</li> <li>Canada</li> <li>Cape Verde</li> <li>Cayman Islands</li> </ul>	<ul> <li>Iceland</li> <li>India</li> <li>Indonesia</li> <li>Iran</li> </ul>	Mariana Islands Norway Oman Pakistan Palau	Tobago Tunisia Turkey Turkmenistan Turks and Caicos Islands
<ul> <li>Central African</li> <li>Republic</li> <li>Chad</li> </ul>	<ul><li>Iraq</li><li>Ireland</li></ul>	<ul><li>Palestine</li><li>Panama</li></ul>	<ul><li>Tuvalu</li><li>Uganda</li></ul>
Chile	Isle of Man	Papua New Guinea	<ul> <li>Ukraine</li> </ul>
China	Israel	Paraguay	United Arab Emirates
Christmas Island	Italy	Peru	United Kingdom
<ul> <li>Clipperton</li> <li>Cocos (Keeling) Islands</li> </ul>	<ul><li>Jamaica</li><li>Japan</li></ul>	<ul><li>Philippines</li><li>Pitcairn Islands</li></ul>	<ul> <li>United States</li> <li>United States Minor Outlying Islands</li> </ul>
<ul><li>Colombia</li><li>Comoros</li></ul>	<ul><li>Jersey</li><li>Jordan</li></ul>	<ul><li>Poland</li><li>Portugal</li></ul>	<ul> <li>Uruguay</li> <li>US Virgin Islands</li> </ul>
<ul> <li>Congo</li> <li>Cook Islands</li> <li>Costa Rica</li> <li>Côte d'Ivoire</li> <li>Croatia</li> <li>Cuba</li> </ul>	<ul> <li>Kazakhstan</li> <li>Kenya</li> <li>Kiribati</li> <li>Kosovo</li> <li>Kuwait</li> <li>Kyrgyzstan</li> </ul>	<ul> <li>Puerto Rico</li> <li>Qatar</li> <li>Réunion</li> <li>Romania</li> <li>Russia</li> <li>Rwanda</li> </ul>	<ul> <li>Uzbekistan</li> <li>Vanuatu</li> <li>Vatican City</li> <li>Venezuela</li> <li>Vietnam</li> <li>Wallis and Futuna</li> </ul>
Curaçao	Laos	Saint Barthélemy	<ul> <li>Western</li> <li>Sahara</li> </ul>
Cyprus	Latvia	<ul> <li>Saint Helena</li> <li>Ascension and</li> <li>Tristan da</li> <li>Cunha</li> </ul>	Vemen
Czech Republic	Lebanon	Saint Kitts and Nevis	Zambia
Democratic Republic of the Congo	Lesotho	Saint Lucia	Zimbabwe
Denmark	Liberia	Saint Martin	

## \* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

### Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

### Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

### I agree with the personal data protection provisions

## **SECTION I - EVALUATION - CURRENT RULES**

# I.1. From your perspective, how important are the objectives pursued by the granting of State aid?

Please rate from 1 to 4, 1 being 'unimportant', 2 -'of little importance', 3 -'important', and 4 -'very important'.

	1	2	3	4	l don't know
* Environmental sustainability of fishing and aquaculture activities	۲	0	۲	۲	0
* Economic viability of enterprises in the fisheries and aquaculture sector	0	۲	0	0	0
* Contribution to social and employment benefits	۲	0	۲	$\odot$	0
* Contribution to the availability of food supplies	۲	0	0	0	0
* A level playing field for enterprises	0	0	0	۲	0
* Biodiversity	۲	0	0	۲	0
* Animal welfare	۲	0	۲	0	0
* Climate change mitigation and adaptation	۲	0	۲	0	0
* Protection of public and animal health	۲	0	۲	0	0
Other	۲	0	0	$\bigcirc$	۲

# I.2. How well have the current State aid rules achieved the following objectives?

Please rate from 1 to 4, 1 being 'not at all', 2- 'to some extent', 3 – 'to a large extent', 4 - 'fully'.

	1	2	3	4	l don't know
<ul> <li>Useful spending of taxpayers' money</li> </ul>	0	۲	۲	۲	0
* Addressing market failures, achieving other material improvements	0	۲	۲	۲	۲
* A level playing field for enterprises	۲	۲	۲	۲	0
<ul> <li>Transparency and legal certainty, consistent and coherent handling of State aid cases</li> </ul>	۲	۲	0	۲	0
<ul> <li>Consistency and coherence with the Common Fisheries Policy objectives</li> </ul>	۲	۲	0	۲	0
<ul> <li>Reduction of administrative burden for public authorities and aid beneficiaries</li> </ul>	۲	۲	0	۲	۲
* Climate change mitigation and adaptation	۲	۲	۲	۲	0
* Animal welfare	0	۲	۲	۲	۲
* Protection of public and animal health	0	۲	۲	۲	۲
Other	۲	۲	۲	۲	0

## \*I.2.a. If 'Other', please specify.

1000 character(s) maximum

CE considers that the absence of ex post monitoring does not allow to assess properly how well the current Fisheries state aid framework has achieved the objectives pursued. The fisheries state aid guidelines leave a lot of discretion to Member States by using vague wording such as for example "large amount", "novel characteristics", "significant" impacts". Given the ample discretionary power left to Member States on granting fisheries state aid, these should report back to the Commission on the allocation of aid at national level. Alternatively, the Commission should have the power to request ex-post monitoring in its decisions. This contributes to the lack of transparency of state aid in the fisheries sector.

## I.3. Do you consider that granting of aid under the following types of aid measures has distorted trade between Member States by giving some companies unfair advantage over others?

	Yes	No	l don't know
<ul> <li>Aid to make good the damage caused by natural disasters and exceptional occurrences</li> </ul>	0	0	۲
* Aid to make good the damages caused by adverse climatic events	0	$\bigcirc$	۲
<ul> <li>Aid for the cost of prevention, control and eradication of animal diseases in aquaculture</li> </ul>	0		۲

* Aid to make good damage caused by protected animals	۲	۲	۲
Other types of aid measures	$\odot$	$\odot$	۲

# I.4. Do you consider that granting of aid under the following types of aid measures has led to any unexpected or unintended results?

	Yes	No	l don't know
* Aid to make good the damage caused by natural disasters and exceptional occurrences	۲	O	۲
* Aid to make good the damages caused by adverse climatic events	0	۲	۲
<ul> <li>Aid for the cost of prevention, control and eradication of animal diseases in aquaculture</li> </ul>	0	0	۲
* Aid to make good damage caused by protected animals	0	۲	۲
Other types of aid measures	0	۲	۲

# \*I.5. Do you consider that aid under EUR 30,000 (current *de minimis* threshold) is indeed unlikely to distort competition and trade in the EU?

- Yes
- No
- I don't know

### \* I.5.a. Please explain.

3000 character(s) maximum

The fisheries and aquaculture sector in Europe is very diverse. There are many different types of enterprises ranging from micro enterprises to very large ones as described in the Blue Economy Report from 2019. The fishing vessels used are very diverse through the EU waters, e.g. in fishing capacity, fishing techniques and thus in production capacity. It is very likely that 30.000 EUR can distort competition and trade at local or regional level. The thresholds for de minimis should be decreased to enable a better control on the effect of aid on competition and trade but also to be able to assess the impact on the sustainability of fisheries and the impact on the wider marine environment.

# I.6. Based on your experience, are the current State aid rules coherent with other EU policies and legislation?

Please rate from 1 to 4, 1 being 'not at all', 2- 'to some extent', 3 -'to a large extent', 4 -'fully'.

	1	2	3	4	l don't know
* Horizontal State aid instruments	$\bigcirc$	۲	0	$\bigcirc$	0
*					

Common Fisheries Policy and European Maritime and Fisheries Fund		۲			٢
* EU Cohesion Policy	۲	۲	۲	0	۲
* EU Environmental Protection Policy	۲	۲	۲	$\bigcirc$	0
* EU 2030 Climate and Energy Framework	۲	۲	۲	$\bigcirc$	۲
* EU Veterinary and Public Health Policy	۲	۲	۲	$\odot$	۲
* EU Research and Development Policy	۲	۲	۲	$\bigcirc$	۲
* EU Policy on Small and Medium Enterprises (SMEs)	0	۲	0	0	0

\*I.7. Have you experienced any particular difficulties in complying with the current State aid rules on aid for the fishery and aquaculture sector?

- Yes
- No
- I don't know

# I.8. Do you consider that the administrative burden resulting from the application of State aid rules is reasonable?

Please rate from 1 to 4, 1 being 'not at all', 2 - 'to some extent', 3 -'to a large extent', 4 -'fully'.

	1	2	3	4	l don't know
* For the public authorities	0	۲	0	۲	۲
* For the beneficiaries		0	0		۲

# I.9. Do you agree that a common framework of rules on State aid in the fishery and aquaculture sector helps to contribute to Union's policies more efficiently, in particular by:

	Strongly disagree	Disagree	Agree	Strongly agree	l don't know
<ul> <li>Allowing the direct implementation of certain aid measures without prior approval by the Commission</li> </ul>	۲	0	0	0	0
<ul> <li>Increasing legal certainty, consistency, coherence, and reducing length of State aid control</li> </ul>	۲	0	0	0	0
Maintaining a level playing field for companies in the internal market	0	0	۲	0	0

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## \*I.9.a. If 'Other', please specify.

1000 character(s) maximum

Para. 50 of fisheries guidelines states "Operating aid and aid to facilitate the achievement of obligatory standards is in principle incompatible with the internal market, unless exceptions are expressly provided for in Union legislation or these Guidelines and in duly justified other cases". It is unclear what these "other" cases are. It leaves a lot of discretion to Member States to design, and the Commission to authorise, an aid that only aims at meeting obligatory standards whereas it is a general principle of state aid law that this should not be allowed (companies have to face the normal costs of strictly complying with legislation). As a valuable comparison, guidelines for environment and energy (EEAG, para. 50-53) prohibit aid for meeting EU environmental standards. Only aid for going beyond these, or for an early implementation, are allowed. In the future, a more straightforward position needs to be adopted in order to avoid public money being spent on complying with the law.

## **SECTION II - IMPACT ASSESSMENT - FUTURE RULES**

# II.1. Based on your experience, please rank the problems that State aid rules should address.

Please rate from 1 to 4, 1 being 'unimportant', 2 – 'of little importance', 3 – 'important', and 4 - 'very important'.

	1	2	3	4	l don't know
* Environmental sustainability of fishing and aquaculture activities	۲	۲	۲	۲	0
<ul> <li>Competitiveness, resilience and economic viability of enterprises</li> </ul>	۲	0	۲	0	0
* Social and employment challenges	۲	۲	۲	۲	0
<ul> <li>Societal demands on food and health</li> </ul>	۲	۲	۲	۲	0
<ul> <li>Avoidance of harmful impacts on environment</li> </ul>	۲	۲	۲	۲	0
* Biodiversity loss	۲	۲	۲	۲	0
<ul> <li>Reduction of greenhouse gas emissions</li> </ul>	۲	۲	۲	۲	0
* Adverse climatic events	۲	۲	۲	۲	0
* Animal diseases	۲	۲	۲	۲	۲
* Damage caused by wild animals	۲	۲	۲	۲	0
* Protection of public and animal health	۲	۲	۲	۲	0
* Administrative costs and burdens	۲	۲	۲	۲	0
<ul> <li>Useful spending of taxpayers' money</li> </ul>	۲	۲	۲	۲	0

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### \*II.1.a. If 'Other', please specify.

1000 character(s) maximum

On the reduction of greenhouse gas emissions, CE is aware that it is one of the 2030 targets that generally applies in the EU, and that it is one of the objectives that the guidelines on state aid for environmental protection and energy 2014-2020 (the EEAG), in particular, pursue. It is a very important objective, for every sector, and state aid should indeed contribute to this. However, this objective needs to be put in balance with other objectives of the CFP that relate to sustainable fishing and are equally as important. In particular, aid for modernising/upgrading fishing vessels with new engines that would contribute to reducing GHG, allows these fishing vessels to stay longer at sea and cover more fishing grounds. This means that it increases directly the fishing capacity of these fishing vessels. Increasing the capacity of fishing vessels in a situation where in all EU waters there is overfishing is not a desirable objective until fishing is sustainable in all EU waters.

# II.2. To limit undue distortive effects of aid on the internal market, how important are the following elements in the State aid rules?

Please rate from 1 to 4, 1 being 'unimportant', 2 – 'of little importance', 3 – 'important', and 4 - 'very important'.

	1	2	3	4	l don't know
* Detailed description of types of aid measures	۲	۲	۲	۲	0
* Detailed description of eligible costs	۲	۲	۲	۲	0
* Limitation of eligible costs	۲	۲	۲	۲	0
* Maximum aid intensities/maximum aid amounts	۲	۲	۲	۲	0
* The form of the aid (e.g. loans or guarantees instead of direct grants)	۲	۲	۲	۲	0
* Stricter conditions for granting aid to large enterprises as opposed to SMEs	0	0	0	۲	0
* Stricter conditions for granting investment aid to enterprises active in processing and marketing of fisheries and aquaculture products, as opposed to undertakings active in fishing/primary production	0	0	0	۲	0
Other	۲	0		۲	۲

### \*II.2.a. If 'Other', please specify.

1000 character(s) maximum

It is fundamental to have more favourable conditions for granting aid to micro and small and medium enterprises (SMEs) that are using low impact fishing techniques and gears, that are cooperating with scientists to develop more sustainable fishing practices or that are participating in the management and protection of marine protected areas, recovery areas or spawning grounds. Eligible costs should include

qualitative sustainability criteria, consistent with CFP Reg and EU Environmental law, to ensure that only the most sustainable techniques, investment and operations are supported. Similarly, it is extremely important to exclude from funding large industrial fleets, which are extremely profitable businesses, do not need public support and very often use extremely environmentally damaging fishing techniques such as bottom trawling. Higher aid intensities thresholds for SMEs than for larger enterprises shall be maintained.

# II.3. To what extent could the following measures simplify State aid rules, while still limiting the distortions of competition and trade to a minimum?

Please rate from 1 to 4, 1 being 'not at all', 2 – 'very little', 3 – 'to some extent', and 4 - 'to a large extent'.

	1	2	3	4	l don't know
* Clearer rules and definitions	۲	۲	۲	۲	0
<ul> <li>Higher notification thresholds under the Block Exemption Regulation</li> </ul>	۲	۲	۲	۲	0
* Extension of the scope of the Block Exemption Regulation to new types of aid measures	۲	0	0	0	۲

## \*II.4. Do you have any suggestions for simplification?

- Yes
- No

### \*II.4.a. If your answer is 'Yes', please explain.

### 3000 character(s) maximum

Simplification could be achieved by limiting the access to national state aid only to micro and small-and medium enterprises active in the productive sector in fisheries. Large businesses are viable and extremely profitable and do not need public support. However simplification should not be done at the detriment of proper implementation and respect of EU laws and policies. CE believes that state aid is a tool that must not distort competition but must also strike the right balance between competition and other essential EU laws such as those protecting the environment. In the fisheries sector, this means ensuring that fish stocks are exploited sustainably or that the marine environment does not suffer from an increased capacity or exploitation. By decreasing the level of control at EU level on state aid granted at national level, there is a risk that harmful state aid are granted and that the CFP and EU Environmental law, notably, are undermined or circumvented. This can lead to more impact on the marine environment or less sustainable fishing practices. The level of control can be decreased through the adoption of a large number of exemptions in block exemption regulation, or by increasing the de minimis threshold (or maintaining the current threshold of EUR30,000) or by granting other looser conditions for granting national aid than those included in the EU structural funds legislation. The common framework of rules have jeopardised the proper implementation of the Common Fisheries Policy. CE would like to raise the attention to the fact that fisheries state guidelines have been modified in June 2018 to allow for the construction of fishing vessels in Outermost regions. This modification has been adopted despite the fact that the European Maritime and Fisheries Fund ban this type of aid. This aid is considered harmful for the sector because it contributes to overcapacity which then leads to overfishing. But also from an economic perspective aid for construction of vessels perpetuates a culture of dependency from public aid in a sector that is already heavily subsidised. The objective of state aid in

fisheries should in no way be to increase pressure on fish stocks nor to hamper the long-term economic viability of the sector. This modification has certainly not contributed positively to the proper implementation of the CFP nor to the proper implementation of relevant EU environmental laws. In addition, it has created a very dangerous precedent for the revision of the EMFF for the next funding period running from 2021 to 2026, which might reintroduce this type of subsidies at EU level despite the efforts undertaken at international level through the WTO negotiations to eliminate capacity-enhancing subsidies in the fisheries sector. CE has already raised the issue in our reply to the road map consultation and proposed to ban any aid for construction in the future guidelines.

# II.5. What are your views on the possible design of the future State aid rules for the fishery and aquaculture sector?

	More detailed	Less detailed	The same as today	l don't know
* Types of aid measures in the legal instruments should be:	۲	O	0	0
* Eligibility conditions (e.g. beneficiaries, requirements to be fulfilled, etc.) should be:	۲	0	0	۲
* Eligible costs should be:	۲	0	0	0

## \*II.6. Based on your experience, is there a type of aid measure not covered by the current Block Exemption Regulation that should be included in a revised regulation?

- Yes
- No
- I don't know
- \*II.6.a. If your answer is 'Yes', please provide detailed information on the type of measure and the reasons as to why it should be exempted from the notification requirement

3000 character(s) maximum

CE highlights how crucially important it is that the future fisheries state aid framework is consistent with EU secondary legislation such as the CFP Reg., Technical Measures Reg. and EU Environmental legislation (Birds and Habitats Directives and Marine Strategy Framework Directive for example). In our state aid work, we notice that the Commission usually does not to assess violations of EU secondary legislation when assessing the compatibility of State aid with State aid guidelines. We reiterate the urgent need to eliminate harmful subsidies in the fisheries sector such as construction of fishing vessels or other capacity enhancing subsidies from the list of state aid that can be granted at national level. These subsidies have a negative impact on fishing capacity and lead to overfishing. These types of subsidies are also very expensive and will deprive states from funds available for more useful aid such as develop more selective gears or finance MPAs or fish stocks recovery areas.

## \*II.7. Based on your experience, is there a type of aid measure in the current Block Exemption Regulation that did not function well and should be amended?

Yes



# \* II.7.a. If your answer is 'Yes', please provide detailed information on the type of measure and the reasons as to why it should be amended.

3000 character(s) maximum

CE highlights how crucially important it is that the future fisheries state aid framework is consistent with EU secondary legislation such as the CFP Reg., Technical Measures Reg. and EU Environmental legislation (Birds and Habitats Directives and Marine Strategy Framework Directive for example). In our state aid work, we notice that the Commission usually does not to assess violations of EU secondary legislation when assessing the compatibility of State aid with State aid guidelines. We reiterate the urgent need to eliminate harmful subsidies in the fisheries sector such as construction of fishing vessels or other capacity enhancing subsidies from the list of state aid that can be granted at national level. These subsidies have a negative impact on fishing capacity and lead to overfishing. These types of subsidies are also very expensive and will deprive states from funds available for more useful aid such as develop more selective gears or finance MPAs or fish stocks recovery areas.

### \*II.8. Based on your experience, is there a type of aid measure not covered by the current Fishery State aid Guidelines that should be included in the revised guidelines?

- Yes
- No
- I don't know

### \*II.8.a. If your answer is 'Yes', please provide detailed information on the type of measure and the reasons as to why it should be covered by the Fishery State aid Guidelines.

#### 3000 character(s) maximum

Fishery state aid guidelines should favour any aid truly aiming at increasing the sustainability of fisheries and protecting the marine environment. We believe that public money should be spent for public good and that any national funds should strive for collective benefits rather than individual private gains. Furthermore, investments must not be harmful to the environment, which concerning state aids in the fisheries sector means in particular that these do not cause overfishing and pollution, and that they are instead invested in supporting the marine environment and the sustainability of the marine sectors

Subsidies to the fisheries sector which incentivise the construction of new vessels or the modernisation of older ones (e.g. replacing engines to allow boats to remain active at sea for longer) have led to the EU fleet's current state of overcapacity and jeopardised the future of the very industry they should support. The United Nations Sustainable Development Goal on the oceans, seas and marine resources (SDG 14.6) explicitly calls for the elimination of these subsidies by 2020 worldwide. The EU fisheries state aid guidelines should reflect the international commitments of the EU to the international community and the objectives of the Common Fisheries Policy and prohibit any state aid for fleet renewal or for the modernisation of fishing vessels, and ensure that any aid granted at national level supports the transition to sustainable fishing. Fishery state aid guidelines should favour any aid truly aiming at increasing the sustainability of fisheries and protecting the marine environment. We believe that public money should be spent for public good and that any national funds should strive for collective benefits rather than individual private gains. Furthermore, investments must not be harmful to the environment, which concerning state aids in the fisheries sector means in particular that these do not cause overfishing and pollution, and that they are instead invested in supporting the marine environment and the sustainability of the marine sectors

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## II.9. Do you agree with the following statements?

	Strongly disagree	Disagree	Agree	Strongly agree	l don't know
* The scope for granting aid to prevent, control and eradicate animal diseases and to make good damage should be extended to emerging diseases.	O	0	0	O	۲
* Compensation for damage caused by animal diseases should cover loss of value of products also where those products are not destroyed.	0	0	0	۲	0
* Compensation for damage caused by protected animals should cover indirect costs for damage (such as treatments costs and additional labour costs).	0	0	۲	0	0
* Compensation for damage caused by protected animals should cover indirect income losses (such as reduced production capacity).	0	0	۲	0	0

## FINAL COMMENTS AND DOCUMENT UPLOAD

# You can provide any comments other than those covered by the previous questions.

### 3000 character(s) maximum

CE would like to reiterate that the absence of ex post monitoring does not allow to assess properly how well the current Fisheries state aid framework has achieved the objectives pursued. Given the ample discretionary power left to Member States on granting fisheries state aid, these should report back to the Commission on the allocation of aid at national level. Alternatively, the Commission should have the power to request ex-post monitoring in its decisions. This contributes to the lack of transparency of state aid in the fisheries sector. In the future, the rules for granting aid should be more specific and precise concerning eligibility criteria and an ex-post assessment should be mandatory for truly understanding what the impact of the aids on the sector are.

You may attach supporting documents for your replies to the questions above.

\* Please indicate whether the Commission services may contact you for further details on the information submitted, if required.

- Yes
- No

## Contact

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