European Commission - Press release





State aid: Commission invites comments on proposed revision of EU State aid rules for agriculture, forestry and fishery sectors

Brussels, 11 January 2022

The European Commission is <u>inviting all interested parties</u> to comment on proposed revised State aid rules for the <u>agricultural, forestry</u> and <u>fishery</u> sectors. The purpose of the proposed revision is to align the current rules with the current EU strategic priorities, in particular the <u>Common Agricultural Policy</u> (CAP), the <u>Common Fisheries Policy</u> (CFP), as well as to the <u>European Green Deal</u>. Member States and other interested parties can respond to the consultation until 13 March 2022.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, stated: "Today's proposals aim to ensure that our rules on State aid for the agricultural, forestry and fishery sectors are fit for the green transition. The revised rules will also make it easier and faster for Member States to provide funding, without causing undue distortions of competition in the Single Market. We encourage all interested parties to share their views."

The consultation covers the proposed revisions of the various sets of State aid rules applicable to the agricultural, forestry and fishery sectors, namely the 2014 Guidelines for State aid in the agricultural and forestry sectors and in rural areas, the Agricultural Block Exemption Regulation ('ABER'), the Guidelines for the examination of State aid to the fishery and aquaculture sector, the Fishery Block Exemption Regulation ('FIBER') and the Fishery de minimis Regulation.

The Commission has conducted an <u>evaluation</u> of the existing rules applicable to the agricultural and forestry sectors and is also performing an evaluation of the rules applicable to the fishery sector. The input gathered has been reflected in the proposals under consultation.

On this basis, the Commission considers that the rules under scrutiny work well and are broadly fit for purpose. In fact, they largely meet the needs of the sectors concerned, while also contributing to the achievement of broader EU policy objectives, such as environmental protection as well as plant, animal and, more generally, public health.

At the same time, the evaluation revealed that the existing rules need certain targeted revisions, including clarifications of some concepts, further streamlining and simplification, as well as adjustments to further reflect market and technological developments and the current EU's strategic priorities, including, notably, the <u>European Green Deal</u>, the <u>Farm to Fork Strategy</u> and the <u>Biodiversity Strategy</u>. Furthermore, the rules need to be adapted to enable Member States to quickly enact the reformed <u>Common Agricultural Policy</u> (CAP) and the new <u>European Maritime</u>, <u>Fisheries and Aquaculture Fund</u> (EMFAF).

In this context, the Commission is proposing a number of changes to the different sets of rules, such as, among others:

- Guidelines for State aid in the agricultural and forestry sectors and in rural areas. The Commission proposes to consider Member States' actions under the reformed CAP carried out as part of their CAP Strategic Plans to be in line with EU State aid rules, so that the necessary State aid approval procedure can be carried out swiftly. The proposal also introduces new categories of aid to be assessed and approved under the Guidelines, e.g. aid for the prevention, control and eradication of infestation by invasive alien species and emerging diseases to protect plant, animal and public health. Moreover, the proposed revised Guidelines provide more incentives for forest-management measures which are favourable for the environment and the climate (so-called forest-environment and climate services), by increasing the maximum aid intensity to 120% of the eligible costs for biodiversity, climate, water or soil related services, and carbon farming schemes.
- Agricultural Block Exemption Regulation. The Commission proposes to align the aid
 intensities for a measure to fall under the ABER with those provided by the CAP Strategic Plans
 under the reformed Common Agricultural Policy (CAP). It also proposes to introduce new
 categories of aid measures to be block exempted, e.g. aid to make good the damages caused
 by protected species of animals and aid to compensate for the additional costs incurred when

agricultural land is situated in Natura 2000 areas.

- Guidelines for the examination of State aid to the fishery and aquaculture sector. The Commission proposes to introduce new aid categories to be assessed by the Commission under the Guidelines, notably aid for the prevention, control and eradication of infestation by invasive alien species and emerging diseases and aid to compensate for damages caused by protected species of animals (unless they are block exempted). The proposed draft Guidelines also clarify and streamline the rules in a number of areas, such as those relating to aid for the renewal of the fishing fleet in outermost regions. This aims at increasing readability of the draft Guidelines, thus easing their application and providing more clarity to the Member States, also in light of the experience gained.
- **Fishery Block Exemption Regulation**. The Commission proposes to exempt new categories of aid measures from the obligation to notification to and approval by the Commission, in particular aid to compensate for damages caused by protected species of animals and aid to compensate damages caused by certain adverse weather conditions.
- **Fishery** *de minimis* **Regulation**. The Commission proposes an update of the maximum cumulative amounts of *de minimis* aid that can be granted per Member State on the basis of more recent sectoral data.

The proposals under consultations and all details about the public consultations are available:

- here as regards the agriculture and forestry sectors and rural areas and
- here as regards the fishery sector.

Next steps

In addition to the consultation launched today, the draft revised texts of the ABER and FIBER and the revised Fishery *de minimis* Regulation will also be discussed in two meetings between the Commission and the Member States, the first one taking place towards the end of the consultation period and the second one once the drafts are revised based on input received during the public consultation. The draft Guidelines will also be discussed in a multilateral meeting with the Member States taking place towards the end of the consultation period.

This will ensure that both Member States and other interested parties will have sufficient opportunities to comment on the draft Commission proposals.

The adoption of the revised rules is planned for the end of 2022.

Background

The Agricultural Block Exemption Regulation (<u>ABER</u>) and the Fishery Block Exemption Regulation (<u>FIBER</u>) declare specific categories of State aid compatible with the Treaty and exempt them from the requirement of prior notification to and approval by the Commission, provided that they fulfil certain conditions.

This exemption is a major simplification, which enables Member States to quickly provide aid, where conditions limiting the distortion of competition in the Single Market are met. As a result of these rules, a high percentage of State aid measures is now implemented by Member States without the need for prior approval by the Commission, for example around 80% in the agricultural sector. This is in line with the Commission's approach to focus on delivering more and faster, while doing less where it does not have an added value.

The rules laid down in the <u>ABER</u> and the <u>FIBER</u> are complementary to those set out in the Guidelines applicable to the <u>agricultural</u>, <u>forestry</u> and <u>fishery</u> sectors, which set the conditions under which the Commission assesses whether State aid measures that are not block-exempted are compatible with the Single Market. Together, these two sets of rules form a comprehensive rulebook for the granting of State aid in the agriculture, forestry and fishery sectors.

The *de minimis* Regulations exempt small aid amounts from the scope of State aid control since they are deemed to have no impact on competition and trade in the Single Market. As a consequence, *de minimis* support can be granted without prior notification and approval by the Commission.

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