



FLEET RENEWAL IN THE OUTERMOST REGIONS OF THE EU

**REVISION OF THE STATE AID GUIDELINES (2017)
& COVID-19 TEMPORARY FRAMEWORK**

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I. REVISION OF THE STATE AID GUIDELINES (2017)

1. BACKGROUND

- State aid in outermost regions for the fishery and aquaculture sector is controlled under various instruments linked to the CFP and the EMFF: Fisheries Block Exemption Regulation (FIBER), *De minimis* Regulation and the Fisheries & Aquaculture State Aid Guidelines.
- The amendment of the Fishery Guidelines was one of the actions foreseen in the new Strategy for the outermost regions adopted in 2017.

2. CONDITIONS FOR THE GRANTING OF THE AID

a. Types of vessels that may be renewed

- It allows State aid for the acquisition of all types of vessels, irrespective of their length or gear.
- The Commission considers that there are sufficient arguments to allow renewal of all vessels as long as we provide for sufficient safeguards to avoid detrimental impacts.

b. Conditions for the owner

- The beneficiary has to have its main place of residence or registration in the outermost region for at least 5 years.
- In order to also allow young people to take part in the scheme and ensure entry of such people into the fisheries profession, there is no requirement of having been involved in fisheries.

c. Vessels must remain and land all their catches in the outermost region

- To ensure that the aid benefits outermost regions only, vessels bought with public aid must remain in the outermost region for a period of at least 15 years after the purchase and must during that period land all their catches in an outermost region.

d. Coherence with the CFP Objectives

- Any granting of State aid is subject to compliance with the conditions of the CFP rules.
- Ensuring coherence with the CFP objectives is crucial to address some concerns expressed and for assuring our WTO partners that vessel renewal aid in the EU contributes to rather than endangers sustainable fisheries.
- In order to ensure full coherence with CFP objectives, the following two requirements are expressly mentioned in the Guidelines:

○ Balance between fishing capacity and opportunities

- The Guidelines firstly include the essential condition that there must be a balance between the fishing capacity and fishing opportunities in the relevant fleet segment of the concerned outermost region before granting the aid.
- An analysis of the 2015 – 2017 national reports showed that for several segments, there was a lack of sufficient data, making it impossible to assess the balance between capacity and opportunities of some fleet segments. These two problems remain today.

○ Capacity ceilings

- For any new vessel that enters the fleet with State aid, the capacity ceilings established in Annex II of Regulation 1380/2013 must be respected.
- This condition aims at ensuring coherence with the CFP rules and keeps the existing capacity levels in the various fleet segments stable.

e. Aid intensity

- The Guidelines establish two different levels for the maximum aid intensity, depending on the length of the vessel being purchased :
 - for vessel of an overall length of less than 24 metres the maximum aid intensity should be 50% ;
 - for larger vessels, the maximum aid intensity should be set at 25%.
- This differentiation aims to encourage fleet renewal of smaller and mid-range vessels, which has been the declared preference of many outermost regions.
- Smaller and mid-range vessels, landing their catches in the outermost region, appear to have the highest potential to boost the blue economy in the regions.

3. NEXT STEPS

- Overall, the aim of the 2017 revision of the Guidelines was, and still is, at maximising the effects for the general economic development of the outermost regions and at triggering some dynamic impacts on the management of the fleets in those regions.
- So far, the Commission received only 2 notifications under these new rules and, unfortunately, the above-mentioned criteria are not all respected, in particular as regards the balance between the fishing capacity and the relevant fish stocks.
- The implementation of the new rules on State aid for vessel renewal could be assessed in the context of the next regular revision of the Fishery State aid Guidelines in 2021.

II. THE COVID-19 TEMPORARY FRAMEWORK

- On 19 March 2020, the Commission adopted a new State aid [Temporary Framework](#) (TF) to support the economy in the context of the coronavirus outbreak, based on Article 107(3)(b) of the Treaty on the Functioning of the European Union.
- The TF recognises that the entire EU economy is experiencing a serious disturbance. It enables Member States to use the full flexibility foreseen under State aid rules to support the economy, while limiting negative consequences to the level playing field in the Single Market.

For the Fishery and aquaculture sector in the ORs, what does it mean ?

- Fisheries and aquaculture are among the hardest hit sectors, as demand has seen a sudden decline. The Commission has therefore proposed a range of temporary and targeted measures to address the challenges faced by the sector.
- The new TF for State aid provides that temporary limited amounts of aid in the form of **direct grants, repayable advances or tax advantages, guarantee on loans or subsidised interest rates for loans** can be granted by Member States (national funding) to undertakings in the fisheries and aquaculture sector that face difficulties as a consequence of the Coronavirus pandemic.

- The maximum amount per undertaking in the fisheries and aquaculture sector will be EUR 120 000.
- Beneficiaries must be undertakings who face difficulties as a result of the Coronavirus pandemic.
- This temporary aid does not apply to the cases explicitly excluded from the de minimis aid in the fishery and aquaculture sector, in particular:
 - aid for the purchase of fishing vessels;
 - aid for the modernisation or replacement of engines of fishing vessels;
 - aid to operations increasing the fishing capacity of a vessel;
 - aid for the construction of new fishing vessels or importation of fishing vessels;
 - aid to the temporary or permanent cessation of fishing activities unless specifically provided for in the EMFF regulation (Regulation (EU) No 508/2014);

- The aid under this TF can be granted until 31 December 2020.

DG Competition has set-up a dedicated mailbox and telephone number, to assist Member States with any queries they have or measures they would like to discuss:

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Thank you

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