Regulation (EU) 2020/560 of the European Parliament and of the Council of 23 April 2020 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

REGULATION (EU) 2020/560 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 23 April 2020

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

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 43(2)and 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

After consulting the European Economic and Social Committee,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure[(1)],

Whereas:

(1) The fishery and aquaculture sector has been particularly hard hit by the market disruption generated by a significant drop in demand ensuing from the COVID#19 outbreak. The closure of sales venues, markets, outlets and distribution channels has seen prices and volumes drop substantially. The drop in demand and prices, combined with the vulnerability and complexity of the supply chain, has made the operations of fishing fleets and seafood production loss#making. Consequently, fishers have been forced to stay in port and fish farmers will have to discard or destroy products within weeks.

(2) It should be possible for the European Maritime and Fisheries Fund (EMFF) established by Regulation (EU) No 508/2014 of the European Parliament and of the Council[(2)] to support specific measures until 31 December 2020 to mitigate the impact of the COVID#19 outbreak in the fishery and aquaculture sector. Those measures should comprise support for the temporary cessation of fishing activities, including for inland fishing and fishers on foot, and for certain economic losses for aquaculture producers and processing enterprises and in the outermost regions, provided that they are the consequence of the COVID#19 outbreak. Those measures should also comprise the provision of working capital to aquaculture producers and processing enterprises and support to producer organisations and associations of producer organisations for the

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storage of fishery and aquaculture products in accordance with Regulation (EU) No 1379/2013 of the European Parliament and of the Council[(3)]. Expenditure for operations supported under those measures should be eligible as of 1 February 2020.

(3) The resources available for commitments from the EMFF under shared management should be broken down in a way that ensures that fixed amounts are established for fisheries control and for the collection of scientific data, while permitting 10 % of those amounts to be used for measures related to the mitigation of the COVID#19 outbreak, and for the compensation of additional costs in the outermost regions. The other resources under shared management should be allocated by Member States on the basis of their needs.

(4) Given the significant socio#economic consequences of the COVID#19 outbreak and the need for liquidity in the economy, it should be possible to support the temporary cessation of fishing activities caused by the COVID#19 outbreak crisis with a maximum co#financing rate of 75 % of eligible public expenditure.

(5) Given the need for flexibility in the reallocation of financial resources to address the consequences of the COVID#19 outbreak, the provision of support for the temporary cessation of fishing activities caused by that outbreak should not be subject to financial capping. That should be without prejudice to the existing financial capping for the other cases of temporary cessation of fishing activities. The obligation to deduct support granted for temporary cessation from support granted for the permanent cessation of fishing activities to the same vessel should continue to apply. For measures related to the mitigation of the COVID#19 outbreak, the requirement of 120 days of activity should be proportionately reduced for owners of vessels registered for less than two years and for fishermen who have started working less than two years prior to the application for support.

(6) Given the urgency of providing the support needed, it should be possible to extend the scope of the simplified procedure to include amendments to operational programmes related to the specific measures and the reallocation of financial resources thereto to address the consequences of the COVID#19 outbreak. That simplified procedure should cover all the amendments necessary for the full implementation of the measures concerned, including their introduction and the description of the methods for calculating support.

(7) Given the key role played by producer organisations in the management of the crisis, the ceiling for support to production and marketing plans should be increased to 12 % of the average annual value of the production placed on the market. It should also be possible for Member States to grant advances of up to 100 % of the financial support to producer organisations for that support.

(8) The sudden disruptions of fishery and aquaculture activities ensuing from the COVID# 19 outbreak, and the resulting risk of jeopardising markets for fishery and aquaculture products, make it appropriate to set up a mechanism for storing fishery and aquaculture products for human consumption. That will aim to foster greater market stability, mitigate the risk of having such products wasted or redirected to non#human food purposes, and contribute to absorbing the impact of the crisis on the return on products.

That mechanism should enable fishery and aquaculture producers to make use of the same preservation or conservation techniques for similar species to ensure that fair competition between producers is maintained.

(9) Given the suddenness and magnitude of the contraction of demand for fishery and aquaculture products resulting from the COVID#19 outbreak, it should be possible to increase the quantities eligible for storage aid to 25 % of the annual quantities of the products concerned put up for sale by the producer organisation concerned.

(10) To enable Member States to react promptly to the suddenness and unpredictability of the COVID#19 outbreak, they should be entitled to set trigger prices for their producer organisations to trigger the storage mechanism. Those trigger prices should be set in such a way that fair competition between operators is maintained.

(11) EMFF support should also be available for measures to compensate the economic losses resulting from the COVID#19 outbreak for operators in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the outermost regions, in particular those resulting from the deterioration in the price of fish or increased storage costs. The Commission should approve, without delay, such measures proposed by Member States.

(12) Since the objective of this Regulation, namely to mitigate the social and economic impact of the COVID#19 outbreak in the fishery and aquaculture sector, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the proposed action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union ('TEU'). In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve that objective.

(13) Given the urgency of providing the support needed, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(14) In view of the COVID#19 outbreak and the urgency of addressing its social and economic impact in the fishery and aquaculture sector, it was considered to be appropriate to provide for an exception to the eight#week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.

(15) Regulations (EU) No 508/2014 and (EU) No 1379/2013 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

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Article 1

Amendments to Regulation (EU) No 508/2014

Regulation (EU) No 508/2014 is amended as follows:

(1) Article 13 is replaced by the following:

Article 13

Budgetary resources under shared management

1 The resources available for commitments from the EMFF for the period from 2014 to 2020 under shared management shall be EUR 5 749 331 600 in current prices, in accordance with the annual breakdown set out in Annex II.

2 EUR 580 000 000 of the budgetary resources referred to in paragraph 1 shall be allocated to the control and enforcement measures referred to in Article 76.

3 EUR 520 000 000 of the budgetary resources referred to in paragraph 1 shall be allocated to the measures on data collection referred to in Article 77.

4 EUR 192 500 000 of the budgetary resources referred to in paragraph 1 shall be allocated to the compensation of outermost regions under Chapter V of Title V. That compensation shall not exceed, per year:

a EUR 6 450 000 for the Azores and Madeira;

b EUR 8 700 000 for the Canary Islands;

c EUR 12 350 000 for the French outermost regions referred to in Article 349 TFEU.

5 Member States shall have the possibility of using interchangeably the resources available under paragraphs 2 and 3.

6 10 % of the budgetary resources referred to in paragraphs 2 and 3 may be allocated to measures related to the mitigation of the COVID#19 outbreak.;

(2) in Article 16(1), the introductory part is replaced by the following:

1. The resources available for commitments by Member States referred to in Article 13(1) for the period from 2014 to 2020, as set out in the table in Annex II, shall be determined on the basis of the following objective criteria:;

(3) Article 22 is amended as follows:

(a) in paragraph 2, the following point is added:

(e) amendments to operational programmes concerning the support referred to in point (d) of Article 33(1), Article 35, Article 44(4a), point (b) of Article 55(1), Articles 57, 66 and 67 and Article 69(3), including the reallocation of financial resources thereto to address the consequences of the COVID#19 outbreak.;

(b) paragraph 3 is replaced by the following:

3. Paragraph 2 shall not apply to the support referred to in points (a), (b) and (c) of Article 33(1), Article 34 and Article 41(2).;

(4) in Article 25(3), the introductory part is replaced by the following:

3. Without prejudice to paragraph 5 of this Article, the total financial contribution from the EMFF to the measures referred to in points (a), (b) and (c) of Article 33(1) and in Article 34 and to the replacement or modernisation of main or ancillary engines as referred to in Article 41 shall not exceed the higher of the following two thresholds:;

(5) Article 33 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

1. The EMFF may support measures for the temporary cessation of fishing activities in the following cases:

a the implementation of Commission measures or Member States emergency measures referred to in Articles 12 and 13, respectively, of Regulation (EU) No 1380/2013 or of conservation measures referred to in Article 7 of that Regulation, including biological recovery periods;

b a non#renewal of Sustainable fisheries partnership agreements or protocols thereto;

c where the temporary cessation of fishing activities is provided for in a management plan adopted in accordance with Council Regulation (EC) No 1967/2006[4] or in a multiannual plan adopted under Articles 9 and 10 of Regulation (EU) No 1380/2013, where, based on scientific advice, a reduction of fishing effort is needed in order to achieve the objectives referred to in Article 2(2) and point (a) of Article 2(5) of Regulation (EU) No 1380/2013;

d where the temporary cessation of fishing activities occurs between 1 February and 31 December 2020 as a consequence of the COVID# 19 outbreak, including for vessels operating under a Sustainable fisheries partnership agreement.

In accordance with the second subparagraph of Article 65(9) of Regulation (EU) No 1303/2013 and by way of derogation from the first subparagraph thereof, expenditure for operations supported under point (d) of the first subparagraph of this paragraph shall be eligible as of 1 February 2020.

2 The support referred to in points (a), (b) and (c) of the first subparagraph of paragraph 1 may be granted for a maximum duration of six months per vessel during the period from 2014 to 2020. That maximum duration shall not apply to the support referred to in point (d) of that subparagraph.;

(b) the following paragraph is inserted:

3a. For the purpose of point (d) of paragraph 1, the following derogations shall apply:

a by way of derogation from point (a) of paragraph 3, where a fishing vessel has been registered in the Union fishing fleet register for