



CORONAVIRUS: Emergency response to support the fishing and aquaculture sectors

March 2020
#COVID-19



"The Coronavirus pandemic causes major disruption in our societies. It threatens our health and it slows down our economies. Our fishermen and women and our aquaculture farmers are among the first to suffer the economic consequences, as seafood demand has experienced a dramatic slump. Let me say it loud and clear: The European Union stands with you through this crisis. Together, we will ensure that the EU maintains a strong seafood industry and thriving coastal communities, now and in the future."

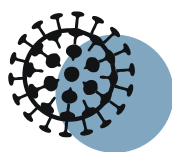
Virginijus Sinkevičius, European Commissioner for Environment, Oceans and Fisheries

The Coronavirus is a severe public health emergency with huge consequences for the EU's citizens, societies and economies. The fishing and aquaculture sectors have been particularly hard hit by market disruption.

The European Commission proposed on 13 March 2020 measures for an immediate response against the economic and social consequences of the Coronavirus crisis.

The EU's fishing and aquaculture sector can benefit from support under **three strands of action**. Actions under strand 2 and 3 are **immediately available** and can be used by Member States **without delay**. Instruments under strand 1 will become available once the Commission's proposal has been adopted by the co-legislators and enters into force, which is expected in the coming weeks.

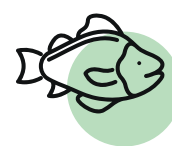
In addition to these measures, the European Commission is currently in contact with the fisheries, aquaculture and processing sectors, as well as with Member State authorities and the European Parliament, to urgently look into further effective support tools.



EU Coronavirus
response



New EU Temporary
Framework for
State aid



Immediate EMFF
measures

1. EU support to the European economy

The [package](#) proposed by the Commission on 13 March includes the following general instruments for an immediate response, which will also be available for the fisheries, aquaculture and processing sector:

Mobilising cash reserves in the EU budget

The Coronavirus Response Investment Initiative seeks to mobilise all existing EU budget resources to provide financial support to Member States for their immediate response to the crisis and its long-term impact. This includes advancing payments, redirecting structural funds and assisting Member States in channelling money where it is most needed as quickly as possible, including in coastal areas.

To make money available for fighting the crisis, the Commission is proposing to mobilise quickly cash reserves from the EU's structural funds. This will provide immediate liquidity to Member States' budgets, by frontloading the use of in total €65 billion of structural funds within the 2014-2020 programmes, thus providing a much needed boost to investments.

The European Maritime and Fisheries Fund (2014-2020) has a budget of €5.7 billion in shared management with Member States. Many Member States still have a substantial EMFF budget left to support their fisheries, aquaculture and processing sectors, which they can use until the end of 2023. They can redirect the unspent budget to existing and new EMFF measures in their programme to reduce the negative impact of the Coronavirus crisis on the workers and businesses in these sectors.

The Member States are also strongly encouraged to speed up payments to beneficiaries by making a maximum use of simplified cost options for EMFF support, which can reduce handling times for payment claims substantially. Member States can also use their unspent EMFF Technical Assistance Budget in order to employ staff and speed up the handling of applications for support and payment claims from beneficiaries as a result of the Coronavirus crisis.

Alleviating the impact on employment

We need to protect workers from unemployment and loss of income, across all sectors of the economy. The European Social Fund, in particular, can provide vital support during the current crisis and its aftermath. It can provide support to healthcare, for example, funding protective equipment, medical devices, disease preventive measures or measures to ensure access to healthcare for the most vulnerable groups. Moreover, it can support national schemes, which help to cushion the impact of the outbreak in combination with upskilling and reskilling during the programming period. The European Social Fund is open to support all economic sectors, including the fisheries, aquaculture and processing sectors. Member States are therefore strongly encouraged to mobilise available ESF support also for workers in these sectors.

Providing liquidity to SMEs

The Commission will make available €1 billion from the EU budget to act as a guarantee to the European Investment Fund (EIF). With the backing of the additional EU guarantee, the EIF will incentivise the banks to provide liquidity

➤ **€65 billion**
cohesion money

➤ **Up to €120,000**
State aid

➤ **€1 billion**
guarantee
-> €8 billion capital

➤ **50%** advance on
production and marketing
plans



to SMEs and midcaps. This is expected to mobilise €8 billion of working capital financing and supporting at least 100,000 small and medium-sized enterprises in the EU, including in the seafood sector and services such as restaurants, in turn sustaining the demand for seafood.

The increase to the budget guarantee to the EIF can be made available in the coming weeks. The banks can benefit from the additional liquidity from April 2020, allowing them to increase their support to SMEs, including in the fisheries and aquaculture dependent sectors.

Compensating economic losses of fishermen and aquaculture producers through the EMFF

The Commission has proposed to extend the scope of insurance mechanisms in the European Maritime and Fisheries Fund (EMFF) to pay financial compensation for economic losses caused by a public health crisis. If Member States activate these measures, the EMFF could contribute to mutual funds or stock insurance contracts to compensate fishers and aquaculture farmers whose economic losses amount to more than 30% of their annual turnover.

2. Mobilising aid from national budgets under new EU temporary State Aid Framework

In line with EU rules on state aid, temporary limited amounts of aid in the form of direct grants or tax advantages can be granted by Member States (national funding) to undertakings in the fisheries and aquaculture sector that find themselves facing a sudden shortage or unavailability of liquidity.

In view of the current crisis, the Commission has proposed a new [temporary State Aid Framework](#) on 19 March 2020, under which aid to fisheries and aquaculture can be authorised up to a level of €120,000. Beneficiaries can be undertakings which face difficulties as a result of the Coronavirus outbreak. This temporary aid does not apply to cases explicitly excluded from the *de minimis* aid in the fishery and aquaculture sector. Aid can be granted until 31 December 2020.

Member States can also give public guarantees on loans and enable public and private loans with subsidised interest rates, subject to specific conditions.

3. Measures immediately available under current EMFF rules: actions by producers' organisations and by Member States

A series of measures under the EMFF are immediately available under current EMFF-rules. [Details can be found here](#). Examples include:

- Producers' organisations can, at short notice, adapt their Production and Marketing Plans (PMPs) to the evolving situation. This includes adapting their extraction and marketing strategies in order to continue a certain level of fishing activity and therefore ensure their economic viability and a stable supply to the market.
- Member States are strongly advised to use the possibility for an advance of at least 50% of the financial support provided to the Production and Marketing Plans. For all valid PMPs, such advances may be paid without delay.
- Both of the above can be pursued in parallel. Once a new PMP is approved, new advances must be paid. There is therefore a way to rapidly and legally inject liquidities. As payments related to the preparation and implementation of PMPs are conditioned on the approval of the annual report, payments related to past PMPs should be accelerated. In most cases, annual reports on the implementation of the 2019 PMPs (or 2019 phase of multiannual PMPs) have been or will shortly be submitted. Competent authorities should treat the related payment requests promptly.
- The Commission encourages Member States to ensure swift payments to beneficiaries, including through advances where possible, and to consider an accelerated selection of beneficiaries. This will help to keep cash flows in support to the sector.
- The EMFF supports community-led local development by providing financial support to Fisheries Local Action Groups (FLAGs), who implement their strategies. These strategies can be relatively easily and quickly updated or modified to take into account needs arising from the impact of the Coronavirus pandemic. Member States are encouraged to communicate this possibility to their respective FLAGs.