

Dear,

As Flemish farmers organisation Boerenbond we want to give feedback on the draft revised Climate, Energy and Environmental Aid Guidelines in particular those regarding horticulture in line with contributions of our European Farmers association Copa Cogeca to previous consultations.

The Flemish horticulture sector is facing major challenges to shoulder the energy transition and climate action and to pursue the path of decarbonisation. Significant financial resources are needed to make the essential investments. The following rules on aid are especially relevant for horticulture: Aid for the reduction and removal of greenhouse gas emissions including through support for renewable energy (section 4.1); Aid in the form of reductions in taxes or parafiscal levies (section 4.7); and Aid in the form of reductions from electricity levies for energy-intensive users (section 4.11).

The draft text includes at various points the reference that investments in measures based on natural gas only reduce greenhouse gas emissions in the short run and in the long term have negative environmental effects compared to alternative investments (among others section 4; 110). It is, however, also true that especially for many SMEs highly efficient gas-powered installations are an important bridge technology, which make significant emission reductions possible while on the road to alternative techniques. They should therefore not be excluded from support in general.

On section 4.7, we welcome the fact that for eligibility from now on no listing of the sectors in the annex to these guidelines is intended. Otherwise, it should be pointed out that the four-digit NACE codes do not allow a clear differentiation between horticultural and agricultural crops. Floriculture crops, for example, are combined with other annual plants, including fodder maize or swede. The alternative PRODCOM classification cannot be used to describe horticulture because it only pools industry sectors.

The proposed guideline 261 states that the aid should be restricted to the undertakings that are most affected by higher taxes. This approach overlooks the fact that SMEs are also hit hard by a higher CO2 pricing. An aid that guarantees relief and that leads to further investments in energy efficiency and in renewable energy urgently needs to be open to a wider range of undertakings, such as the greenhouse horticulture sector.

In previous consultations, Copa and Cogeca (were we are a member) have suggested reducing the “electro-intensity” threshold from 20% to a maximum of 15%. In the EU, the horticulture sector (NACE 4-sector) as a whole has a trade intensity of at least 4% according to a report on EU trade intensity assessment for horticulture products provided by Ecofys in 2014. EU-wide, the horticulture sector (NACE 4-sector) as a whole could demonstrate an electro-intensity of at least 10%.

Best wishes,

Diane Schoonhoven

Boerenbond vzw

Boerenbond
Studiedienst - Adviseur Klimaat, Energie en Duurzaamheid
E diane.schoonhoven@boerenbond.be
T [\(016\) 28 64 06](tel:016286406)
M [\(0473\) 37 34 55](tel:0473373455)

Diestsevest 40, 3000 Leuven
<http://www.boerenbond.be>

