

Contribution of the for Agriculture of the European Parliament to the public consultation on draft Agricultural Block Exemption Regulation (ABER) and the draft Guidelines on State aid for the agricultural and forestry sectors and in rural areas

Committee for Agriculture of the European Parliament (the Committee) recognises the importance of reviewing and revising the State Aid Rules to ensure they remain appropriate and in line with the latest legislation. In that regard we welcome the draft Agricultural Block Exemption Regulation (ABER) and the draft Guidelines on State aid for the agricultural and forestry sectors and in rural areas and thank the Commission for their work.

In particular, the Committee welcomes the necessary alignment to the new Strategic plans Regulation and the principles of the Green Deal. Furthermore the Committee believe that the introduction of increased possibilities for funding for compensation for farmers, inter alia for predator attacks, in addition to those already possible under CAP investments, insurance and costs incurred/ income forgone presents a right approach. Last but not least, the Committee welcomes the proposed simplification and removal of duplications in other

Having said that, the Committee calls to the Commission to take into account the following issues that we find would be needed to further improve the proposals:

1. Publication obligation: maintaining the previous thresholds

In Art. 9 para. 1 (c) of the draft for the revised Commission Regulation declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EU) No 702/2014 (“draft regulation”) and in paragraph 107 (c) (i) + (ii) of the draft for the revised guidelines for State aid in the agricultural and forestry sectors and in rural areas (“draft guidelines”), it is proposed to reduce the publication threshold of individual aid from € 60,000 to € 10,000 for beneficiaries active in primary agricultural production and from € 500,000 to € 100,000 for beneficiaries active in the processing or marketing of agricultural products or in forestry or carrying out activities not covered by Art. 42 TFEU. Such a reduction, especially such a drastic one, is not expedient. These thresholds, which are even below the de minimis thresholds, are likely to lead to a considerable additional bureaucratic burden for the Member States without any apparent added value. Furthermore, a lowering of the threshold value would also counteract a simplification and facilitation of the implementation of aid measures. The publication obligation of the regulation and guidelines is intended to lead to a balance between sufficient attractiveness of the corresponding aid scheme on the one hand and the necessary transparency on the other, so that the desired funding purpose is achieved and at the same time unfair use of aid is avoided. This balance is maintained with the current publication obligation and would be disturbed by lowering the transparency thresholds.

For these reasons, the publication obligation of an individual aid should continue to apply only from €60,000 or €500,000 as it was previously the case.

2. Simplified cost options (SCOs): opening for purely nationally financed measures

The proposals on Art. 7 (1) of the draft regulation and on paragraph 91 of the draft guidelines continue to restrict the application of SCOs to co-financed measures. Considering the positive effects of the use of SCOs for financial contribution procedures, the European Commission should again be called upon to open the SCOs for purely nationally financed measures. No objective reasons are apparent to push for the award of grants in the area of EU funds, while excluding this option in the area of nationally financed measures. The objectives of EU funds law for the use of the SCOs also fully apply to nationally financed projects (significant reduction of administrative burden; relief of human and administrative resources in favour of the implementation of policy objectives; facilitation of access to funding instruments also for "inexperienced" beneficiaries; efficient and proper use of budgetary resources by reducing the error rate).

3. Further exceptions to the incentive effect (risk management instruments)

Art. 6 of the draft regulation and paragraph 53 of the draft guidelines could be extended so that measures for risk management instruments such as the conclusion of insurances may also be started before the application is submitted. In this way, unnecessary terminations of insurance contracts can be avoided.

4. Extension of the elements of Art. 50, 51 of the regulation to municipalities

According to the definition of SMEs, municipalities are considered as large enterprises regardless of their actual size. Against this background, the criteria of Art. 50, 51 of the draft regulation should be extended, if not in general to large enterprises, at least specifically to municipalities, as far as CLLD projects are concerned, since municipalities are often the applicants.

5. Introduction of a de minimis arrangement

The introduction of a general de minimis arrangement, according to which individual aid for minimum amounts (e.g. up to € 500) would generally be considered as not relevant for competition, would lead to an enormous simplification of funding practice, especially with regard to indirect aid with limited aid values.

6. Extension of aid for relocation

The draft regulation in Art. 29 includes in the scope of the Agricultural Block Exemption, the aid to compensate for disadvantages related to Natura 2000, however that article is limited to annual payments per hectare for farmers who remain located in the areas impacted by the implementation of the directives. Provisions should be extended, notably also in Art. 15, to allow for full compensation for farmers who agree to relocate their agricultural holding comprising of land, premises and facilities, out of the areas concerned by the implementation of the directives.

Your sincerely, on behalf of the Committee

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