Commission adopts limited prolongation of State aid crisis tools to further support agriculture and fisheries sectors

Brussels, 2 May 2024

Today, the European Commission has adopted an amendment to the State aid Temporary Crisis and Transition Framework (TCTF) to prolong by six months certain provisions of the Framework aimed to address persisting market disturbances specifically in the agriculture and fisheries sectors.

On 11 April 2024, the Commission consulted Member States on the persistence of a serious disturbance of the economy affecting in particular the primary agricultural, fisheries and aquaculture sectors. The Commission has also taken note of the European Council's conclusions of 17 and 18 April 2024 on the importance of a resilient and sustainable agricultural sector for food security and the EU's strategic autonomy, and its encouragement to pursue the work on a possible extension of the TCTF.

Against this background, the Commission has decided to adopt a **limited prolongation** of section 2.1 of the TCTF **for the primary agricultural sector, as well as the fisheries and aquaculture sectors**. This decision to delay the phase-out of the TCTF allows Member States to provide limited amounts of aid to companies active in these sectors for further six months, until 31 December 2024. It will give Member States more time to implement support measures, if needed.

The prolongation does not include an increase of the ceilings set out for the limited amounts of aid. Member States will therefore continue to be able to provide companies affected by the crisis or by the subsequent sanctions and countersanctions, including by Russia, up to €280,000 for the agricultural sector and up to €335,000 for the fisheries and aquaculture sectors.

Today's amendment **does not affect the remaining provisions of the TCTF**:

- Section 2.1, allowing Member States to grant limited amounts of aid, will phase-out by 30 June 2024 for all sectors other than agricultural primary production, fisheries and aquaculture;
- Section 2.4, allowing Member States to grant aid to compensate for high energy prices, will also phase out by 30 June 2024;
- Sections 2.2 and 2.3 on liquidity support in form of State guarantees and subsidised loans, and section 2.7 on measures aimed at supporting electricity demand reduction have already phased-out on 31 December 2023; while
- Sections 2.5, 2.6 and 2.8 aimed at accelerating the green transition and reducing fuel dependencies will remain available until 31 December 2025.

In parallel to today's amendment, the Commission will also **launch a revision of the Agricultural *de minimis* Regulation**, in light of the inflationary pressure in recent years and the current context with, amongst others, high commodity prices affecting the agricultural sector. This Regulation exempts small amounts of support in the agricultural sector from State aid control since they are deemed to have no impact on competition and trade in the Single Market. More specifically, Member States can grant support to the agricultural sector of up to €20,000 per beneficiary (€25,000, if the Member State has a central register to register *de minimis* aid) over a period of 3 years without prior notification to the Commission for approval. The Agricultural *de minimis* rules were last revised in 2019 and will need a revision before they are currently set to expire on 31 December 2027.

Background

The State aid Temporary Crisis Framework, adopted on 23 March 2022, enabled Member States to use the flexibility foreseen under State aid rules **to support the economy in the context of Russia's war against Ukraine**. The Temporary Crisis Framework was amended on 20 July 2022 and on 28 October 2022.

On 9 March 2023, the Commission adopted the current Temporary Crisis and Transition Framework to foster support measures in sectors which are key for the **transition to a net-zero economy**, in line with the Green Deal Industrial Plan. On 20 November 2023, the Commission adopted a limited prolongation for certain types of aid in view of the persisting market distortions, particularly in the energy sector.

Following today's amendment, the TCTF allows:

- **Section 2.1: Limited amounts of aid,** in any form up to €280,000 per company active in the primary agriculture sector, and €335,000 for companies active in fisheries or aquaculture until 31 December 2024, and up to €2.25 million in all other sectors until 30 June 2024;
- **Section 2.4: Aid to compensate for high energy prices.** The aid, which can be granted in any form until 30 June 2024, will partially compensate companies, in particular intensive energy users, for additional costs due to exceptional gas and electricity price increases;
- **Section 2.5: Measures accelerating the rollout of renewable energy**. Member States can set up schemes for investments in all renewable energy sources, including renewable hydrogen, biogas and biomethane, storage and renewable heat, including through heat pumps, with simplified tender procedures that can be quickly implemented, while including sufficient safeguards to protect the level playing field. Under such schemes, aid may be granted until 31 December 2025; after that date, the usual State aid rules will continue to apply, including in particular the corresponding provisions of the Climate, Energy and Environmental Aid Guidelines (CEEAG);
- **Section 2.6: Measures facilitating the decarbonisation of industrial processes**. To further accelerate the diversification of energy supplies, Member States can support investments to phase-out from fossil fuels, in particular through electrification, energy efficiency and the switch to the use of renewable and electricity-based hydrogen which complies with certain conditions, with expanded possibilities to support the decarbonisation of industrial processes switching to hydrogen-derived fuels. Under such schemes, aid may be granted until 31 December 2025; after that date, the usual State aid rules will continue to apply, including in particular the corresponding provisions of the CEEAG;
- **Section 2.8: Measures to further accelerate investments in key sectors for the transition towards a net-zero economy**, enabling investment support for the manufacturing of strategic equipment, namely batteries, solar panels, wind turbines, heat-pumps, electrolysers and carbon capture usage and storage as well as for production of key components and for production and recycling of related critical raw materials. Under such measures, aid may be granted until 31 December 2025. More information on the support possibilities for measures to accelerate the transition to a net-zero economy can be found here.

More information on the Temporary Crisis and Transition Framework and other actions taken by the Commission to address the economic impact of Russia's war against Ukraine and foster the transition towards a net-zero economy can be found here.

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Quotes:

"With today's adjustment of the Temporary Crisis and Transition Framework, the Commission shows again its ability to act quickly and allow Member States more time to provide necessary support to help farmers and fishers that still face specific challenges due to market disturbances caused by Russia's war in Ukraine. At the same time, temporary State aid tools must be limited to address specific crisis needs. It is therefore good news that other elements of the Framework will phase out as planned because they are no longer needed. This is a positive signal of the ongoing recovery of Europe following the crises we have been facing. In addition, in light of the inflationary pressure in recent years, the Commission is launching a revision of the Agricultural de minimis Regulation, currently set to expire in 2027. This Regulation can be used by Member States to provide small amounts of support to farmers in a quick and flexible manner."
Margrethe Vestager, Executive Vice-President in charge of competition policy - 02/05/2024

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