



NAT/795

Support under EAFRD in response to the COVID-19 outbreak

OPINION

European Economic and Social Committee

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1305/2013 as regards specific measures to provide exceptional temporary support under EAFRD in response to the COVID-19 outbreak
[COM(2020) 186 final – 2020/0075 (COD)]

Rapporteur working without a study group: **Arnold PUECH D'ALISSAC**

Consultation	Council of the European Union, 12/05/2020 European Parliament, 13/05/2020
Legal basis	Articles 42 and 43(2) of the Treaty on the Functioning of the European Union
Section responsible	Agriculture, Rural Development and the Environment
Adopted in section	27/05/2020
Adopted at plenary	10/06/2020
Plenary session No	552
Outcome of vote (for/against/abstentions)	208/1/4

1. **Conclusions and recommendations**

- 1.1 The COVID-19 (coronavirus) pandemic is having a significant negative impact on the EU's agricultural and agri-food sectors. The EESC therefore welcomes the new measure proposed by the European Commission, a measure which it considers very necessary, and asks the European institutions to adopt it without delay.
- 1.2 The crisis is demonstrating the geostrategic nature of the agri-food sector and the need to maintain food self-sufficiency in the European Union. For this reason, measures to support the cashflow of farms and agri-food SMEs are vital to ensure their economic survival during this crisis, particularly in areas with handicaps or isolated areas such as islands and mountains.
- 1.3 However, as some EU countries have already used up or committed their funds under the EAFRD, the EESC thinks that the European Commission should set up a special fund outside of the common agricultural policy (CAP) budget using resources from the Recovery Plan, to implement the measure without having to reduce funds under the EAFRD. Failing this, the Committee believes that the legislative proposal in question should introduce some flexibility into the EAFRD. It therefore calls on the Commission, the Council and the European Parliament to take into account the general comments made in this opinion.

2. **Summary of the Commission proposal**

- 2.1 The European Commission proposes amending the EAFRD regulation to enable managing authorities to allocate up to 1% of the 2014-2020 budget to a new measure, under a new article, Article 39b *Exceptional temporary relief to farmers and SMEs active in processing, marketing and/or development of agricultural products particularly affected by the COVID-19 crisis*.
- 2.2 The proposed measure consists of lump-sum aid capped at EUR 5 000 per farm and EUR 50 000 per SME that must be granted based on objective and non-discriminatory criteria and paid by 31 December 2020.

3. **General comments**

- 3.1 The EESC welcomes the European Commission's proposal for a regulation and appreciates the speed of its response to ease the cashflow problems of businesses in financial difficulty due to the COVID-19 pandemic.
- 3.2 The Committee agrees with the proposed measure and urges the European institutions to adopt it as soon as possible.
- 3.3 However, the EESC thinks that some aspects could be improved:
 - 3.3.1 A special fund should be proposed to finance this measure, funded from the forthcoming Recovery Plan to avoid any cuts to EAFRD resources.

3.3.2 In this, the final, year of the 2014-2020 multiannual financial framework, the funds available under the EAFRD vary greatly from one Member State to another. The proposed cap of 1% of the budget is necessary and ensures harmonisation across the EU, which the Committee always favours.

3.3.3 However, this cap should be exempt from the budgetary constraints of Regulation No 1305/2013 to enable Member States to comply with it. Thus, Member States need to be able to use the available funds and to that end obtain an exemption from Article 59(5) of Regulation No 1305/2013, regardless of the origin of the funds, while applying targeted criteria in order to avoid any overcompensation.

Brussels, 11 June 2020

Luca JAHIER

President of the European Economic and Social Committee
