



КОНСУЛТАТИВЕН СЪВЕТ ЗА ЧЕРНО
МОРЕ /КСЧМ/

CONSILIUL CONSULTATIV PENTRU MAREA
NEAGRA

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Working Group 14.04.2020

COVID -19 Pandemic

MINUTES OF MEETING

On 14th April /Tuesday/, from 11:00 to 13:20 hrs., a meeting organized by BISAC through a video conference, was held in accordance with the following Agenda:

Agenda

1. The effect of the restrictions imposed by the state in connection with the Covid-19 pandemic on the current situation in the member-states from the Black Sea region. Discussion;
2. Options for assistance and support. Discussion:

-De minimis;

- Proposal for amending Regulation (EC) № 508/2014 on the European Maritime and Fisheries Fund, aimed at giving member-states the opportunity to provide adequate response to the crisis, which affects differently each member-state.

-Proposal for amending the national legislation.

In addition to the members of BISAC, the meeting was attended by representatives of EAFA – Assoc. Prof. Galin Nikolov and Mr. Dimitar Valkov, representatives of ANPA Constanta – Mr. Gabriel Popescu, Mrs. Pascal Colson and Mrs. Penelope Belec from DG MARE, as well as Mr. Stoyan Kotov from the Directorate of Maritime and Fisheries at the Ministry of Agriculture, Food and Forestry, Mr. Konstantin Petrov – coordinator of the Regional office of GFCM for the Black Sea, and Mrs. Zlatomira Karageorgieva-Mostrova, Executive Manager of NGO 'MIRG Nessebar-Mesemvria', as an active observer.

The aim of the meeting of the working group is to discuss ways in which fisheries can be supported and assisted in the conditions of the COVID-19 pandemic.

Discussions under Item 1 of the Agenda followed:

Mr. Yordan Gorpodinov presented an overview of the current situation in Bulgaria, in particular the situation of the fisheries sector in the country, and the consequences for the sector of the measures taken by the government. The closing of restaurants and hotels affects the whole branch and restrict fishing activities, because the market has shrunk substantially, and

some fishermen do not have the necessary equipment and facilities to freeze their products. As for fish bred as aquaculture, this subsector is still stable as the process is over the full year. However, Mediterranean mussel (*Mytilus galloprovincialis*) farms virtually have no market. As regards the movement of people, 'green light' has been given to people from the sector who travel on business, as well as to the movement of goods in the country and for export. Fish and fish products are included in the list of basic foods for Bulgaria.

Mr. Florin Luchian presented an overview of the situation in Romania, which is similar to that in Bulgaria, with the difference that the number of cases and fatalities of Covid-19 in Romania is higher. The Romanian government has imposed stricter and more restrictive measures, and has extended the period of the said measures until 13th May. Since the outbreak of the pandemic and the beginning of the emergency situation, the number of the unemployed in the country has reached 1.5 million people. In a conversation with the Minister of Agriculture, he was told that currently no measures for supporting the fisheries sector are being considered or implemented.

Mrs. Pascale Colson: DG MARE have sent two letters to BISAC. The EC has made two amendments to the initial measures which member-states can use to support the sector, and to the applicable expenses. The first amendment concerns the funds, Art.57, in particular, pursuant to which the current emergency situation should be included in the eligible and admissible costs. The second proposal is for temporary suspension of fishing and aquaculture activities, in view of the Covid-19 pandemic, and also for providing financial assistance for the purpose of preserving the production. Both these changes are important, so it is necessary to check if the member-states are doing their best.

Mr. Stoyan Kotov: The two packages that EC has developed in the past several weeks, actually constitute and update of Art.35 and Art.57 regarding mutual support funds. The second package of the measures is aimed at a change of the so called 3+, and it provides more targeted support; currently this package is to be adopted at a meeting of the Coreper commission (the commission of permanent representatives of each member-state). Through discussions with representatives of the sector and experts of the Ministry of Agriculture Food and Forestry (MAFF), it has been identified what is important and applicable to the sector in Bulgaria – unfortunately, the first package turns out to be inapplicable to the country, but the second one can be applied and new measures can be developed under the programme (CFP) in order to help the sector. In the second package, regarding the measure for temporary suspension of fishing activities, Art.33 of Regulation 508, the situation with COVID 19 is projected in the time frame as determined by the EC from 1st February to 31st December 2020. Thus the temporary suspension of fishing activities can be met, and the main requirement regarding this measure for Bulgaria is difficult to fulfill – the requirement for an activity of 120 fishing days in the last two calendar years. According to the first estimations of MAFF, this measure will apply to about one hundred most active fishermen /fisheries/ in the Bulgarian register, which is a very small percentage. This is due to the seasonality of the fishing activities in Bulgaria. Regardless of the small number of fishing boats, the government is ready, after the second package of measures is approved, to modify the programme so as to include Art.33, which is not currently included. Another important modification for Bulgaria refers to Art.55 of Regulation 508, where the currently valid article on health-related measures is amended so as to provide for compensation granted to aquaculture producers for the reduced production. The said compensation for reduced production would be inadequate to meet the current needs, because the actual problem is mostly connected with the decrease in sales and capital flow. The immediate problems such producers face are connected with the payment of salaries, purchase

of consumables, rather than the reduction of the volume of aquaculture production. The Ministry is trying to find a way to compensate producers promptly, and not at a later stage, because this would lead to many companies going bankrupt. Also concerning the second package of measures, proposals have been made for compensating the working capital of small and medium-sized companies in the processing sector. Another parameter of the new package are measures concerning the organizations of producers. Unfortunately, the market in Bulgaria is not that organized, and there is only one functioning organization of producers, but its members are too few, and in fact it cannot make use of the projected aids for storage.

A question was asked to Mr. Kotov: When can the sector in Bulgaria expect to receive aid, and how can this aid be accessed?

Mr. Stoyan Kotov: If a more flexible package is achieved, a greater percentage of the affected fisheries will be assisted, but this will happen after the package is approved. As soon as this happens, the current programme will be updated and the new members will also be included – for temporary suspension of the fishing activities, for the health-related measures concerning aquacultures, and revision of the whole budget.

Mr. Gabriel Popescu: He clarified a few points connected with the actions taken by ANPA Romania: pursuant to a special Decree of the Council of Ministers, the free movement of all operators involved in commercial fishing, and all workers in aquaculture production, has been allowed. All shops selling fish and fish products are open in this period, but sales have dropped in spite of the expected increase in consumption around Palm Sunday. This is due to the restricted movement of people. A special analysis of fish stocks has been made on a national level, and it has been established that for the time being Romania has sufficient availabilities of fish and fish products. ANPA has organized discussions and has received proposals from all commercial fisheries in the Black Sea, which, in a summarized form, have been forwarded to the Ministry of Agriculture of Romania. The catches and landing of turbot are still being monitored, as the main at this time of year, and a ban on turbot fishing as of 15th April will enter into effect.

Mr. Kiril Zhiglev: The position of Association MENA is that in this situation the survival of fishermen is more important than that of fish. All administrative officials and the EC are asked to be more expedient as time goes by and in the end there may be no one to provide assistance to. It is true that fishermen are allowed to continue their fishing activities, but in fact there is nobody they can sell their catch and produce to, and that is way the measures should be aimed at protecting and retaining workers in the sector, and at preserving and storing the production. In this respect, he welcomes the initiative of the Bulgarian government for giving Bulgarian manufacturers the opportunity to sell their products in big food chain stores, but his appeal is for the mechanisms for granting financial aid to the sector to be as simplified and transparent as possible, and in order to avoid malpractices – the financial aid should be granted to producers and organizations with a proved background.

Mr. Yordan Gospodinov: Regarding the items on the agenda of the working group, it is useless to discuss Item 2 – support under the de minimis regulation and proposals for changes in the national laws, because the invited representatives of the competent ministries are not present at the meeting. He proposes that BISAC should send a formal query to the respective Ministries regarding possible ways in which the sector can receive aid under the de minimis programme, and possible changes to the respective laws for the purpose of mitigating the impact of the crisis on the activity in the sector.

Mr. Galin Nikolov: EAFA is making efforts to support businesses so as to avoid bankruptcies. On 15th April, there will be a meeting of the advisory council at the Ministry of agriculture in Bulgaria, and the first item on the agenda for the meeting is: Ways and actions for supporting the sector in the conditions of pandemic. EAFA has always worked to the interest of the sector. The main activity at the moment is the inspection of turbot catches and the introduction of the ban on turbot fishing.

Mr. Dimitar Kanariev: More concrete actions and faster reactions are needed on the part of the institutions. He poses a question regarding the Information bulletin sent by the EC, Art.68, in particular, which states that EMFF can support marketing measures for fisheries and aquaculture, which may include the promotion of the quality and added value, as well as direct marketing of fish products of small-scale fisheries or individual fishermen without fishing vessels. Mr. Kanariev expressed his opinion that in this situation providing help to fisheries in the form of subsidies, similar to the subsidies to farmers, should be considered. As for applying for projects, for many of them 50% of self-financing is required. For programmes in agriculture, there is an agricultural fund which serves as a guarantee to banks when loans are granted, and thus the requirement for self-financing is fulfilled. The National Association 'Bulgarian Black Sea Coast' considers it necessary that such an option should be considered under EMFF.

Mr. Stoyan Kotov: The Information bulletin sent by the EC provides general information on the measures that could be used. Concerning the measures for marketing the products of small-scale fisheries – this measure has been launched several times under the programme, and is not especially connected with COVID-19, but the EC proposes that member-states should take advantage of some of the specific elements of the measure. As to funding under programmes, and 50% self-financing, the ministry is currently developing a financial instrument which stipulates that bank guarantees should be provided through the Fund of the funds. As regards subsidies: under EMFF no direct subsidies have been stipulated.

Mr. Marian Payu: Today's discussion has given answers to many questions he initially wanted to ask, but he would like to ask Mrs. Pascale Colson if and to what extent it is true that the support for the fisheries depends largely to the suspension of fishing activities (he will send the question in writing). Another question to ANPA Romania: Is it possible for them to provide further information from the statistics they have on the catches and fishing efforts to date, as compared to previous years, because, as it turns out, the supply on the Romanian market is much higher than the demand at the moment. It is evident that this situation is caused by the ban on visiting markets and on the movement of people. 'Mare Nostrum' NGO supports the measures for storing the catches and for designating special areas for selling fish and fish products.

Afterwards the meeting was closed.

Minutes were taken by: Mrs. Elena Peneva

Chairman of BISAC: Dr. Yordan Gospodinov