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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union, dated and received on 17 April 2024 relates to subsidy programmes of **Slovenia**.

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1 FISHERIES

1.1 Operational programme for the implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the period 2014-2020

1. Title of the subsidy programme

Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the Period 2014-2020 (OP EMFF 2014-2020).

2. Brief description of the programme

OP EMFF 2014-2020 is an instrument for support to the Slovenian fisheries sector during the EU financial perspective 2014-2020 to help it adapt to changes required in the sector. The expenditure is co-financed from the European Maritime and Fisheries Fund (EMFF) and State budget, maximum European Maritime and Fisheries Fund contribution rate is 75% and the minimum rate is 20% of eligible public expenditure.

3. Period covered by the notification

Calendar years 2021 and 2022.

4. Policy objective and/or purpose of the subsidy

Strategy of the OP EMFF 2014-2020 for contributing to smart, sustainable and inclusive growth:

- maintaining fishery tradition while simultaneously meeting the objectives of the reformed EU Common Fisheries Policy, reduction of impact of fishing on the marine environment.
- add value to fishery products and allow fishermen to carry out processing, marketing and direct sale of their catches and assure better safety of fishing vessels.
- sustainable management and conservation of marine biological resources to contribute to protection and restoration of marine biodiversity and ecosystems.
- further development of competitive and sustainable aquaculture, enhancement of competitiveness and viability of aquaculture operators, boosting competitiveness of aquaculture farms, as well as organic production and introduction of environmentally friendly aquaculture practices.
- fostering marketing measures i.e. marketing networking of manufacturers, promotion and awareness-raising of consumers on the sector and fishery products.
- ensure compliance in the field of fisheries control and, where appropriate, upgrading of systems, and timely response to requirements arising from EU Common Fisheries Policy control system. The collection and exchange of fisheries data pursues the specific objective of improvement and supply of scientific knowledge as well as improvement of collection and management of data.
- implementation of community-led local development as an important development opportunity for fisheries sector to increase added value of local areas and ensure opportunities for development in the context of local needs and opportunities.
- encourage improvements in the market for fisheries and aquaculture products, development of market information and services, marketing actions.
- stimulate investments in processing and marketing to increase self-sufficiency, including introduction of new or improved processing processes and technologies.

- contributing to development and implementation of EU Integrated Maritime Policy.

To achieve these objectives the OP EMFF 2014-2020 targets the following priority areas (Union priorities):

1. Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries;
2. Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge-based aquaculture;
3. Fostering the implementation of the Common Fisheries Policy;
4. Increasing employment and territorial cohesion;
5. Fostering marketing and processing;
6. Fostering the implementation of the Integrated Maritime Policy.

EMFF PROGRAMMED AMOUNTS (TOTALS FOR THE PERIOD 2014-2020), BROKEN DOWN BY UNION PRIORITIES

Member State / source (EUR)		Union priority 1 ¹	Union priority 2 ²	Union priority 3 ³	Union priority 4	Union priority 5 ⁴	Union priority 6 ⁵	Technical ⁶ assistance	Total
SI	EMFF contribution	4.231.970	2.071.026	3.598.043	5.809.593	3.493.676	588.404	1.984.729	21.777.441
	SI State budget contribution	1.410.657	690.342	821.738	1.936.531	1.164.559	196.135	661.577	6.881.539
	Total	5.642.627	2.761.368	4.419.781	7.746.124	4.658.235	784.539	2.646.306	28.658.980

Legend:

SI – Slovenia

EMFF – European Maritime and Fisheries Fund contribution

Union priority 1: Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries

Union priority 2: Fostering environmentally sustainable, resource efficient, innovative, competitive and knowledge-based aquaculture

Union priority 3: Fostering the implementation of the Common Fisheries Policy

Union priority 4: Increasing employment and territorial cohesion

Union priority 5: Fostering marketing and processing

Union priority 6: Fostering the implementation of the Integrated Maritime Policy

¹ Within this Union priority, the Ministry of Agriculture, Forestry and Food is the beneficiary of marine environment protection measure in the amount of 401.992 EUR.

² Within this Union priority, the Ministry of Agriculture, Forestry and Food is the beneficiary of one measure (increasing potential of aquaculture sites) in the amount of 199.296 EUR.

³ The beneficiary for this measure as a whole is the Ministry of Agriculture, Forestry and Food, the measure covers fisheries control and data collection.

⁴ For two marketing measures within this Union priority (market analysis and promotional campaigns), the beneficiary is the Ministry of Agriculture, Forestry and Food.

⁵ The beneficiary for this measure as a whole is the Ministry of Agriculture, Forestry and Food.

⁶ This measures covers technical assistance for the implementation of OP EMFF 2014-2020, the beneficiary is the Ministry of Agriculture, Forestry and Food.

5. Background and authority for the subsidy

Treaty establishing the European Community, in particular Articles 158, 159 and 161 thereof and Treaty on the Functioning of the European Union, in particular Articles 174, 175 and 177 thereof. Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006; Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council; Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the Period 2014-2020; Decree on the implementation of measures from the Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the period 2014-2020 carried out through public tenders (Official Journal of the Republic of Slovenia, No 14/17, 16/18, 80/18, 78/19, 41/21, 140/21 and 49/22).

6. Form of the subsidy

Grant: Aid for promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture; fostering the implementation of EU Common Fisheries Policy; promoting a balanced and inclusive territorial development of fisheries and aquaculture areas; fostering the development and implementation of EU Integrated Maritime Policy in a manner complementary to cohesion policy and to Common Fisheries Policy.

The pursuit of those objectives shall not result in an increase in fishing capacity.

7. To whom and how the subsidy is provided

Co-financing principle and principle of regionally diversified action;

Fishermen/owners of fishing vessels, operators, enterprises, public and private bodies, professional organizations, fisheries and other local action groups (in relation to aquaculture).

8. Total amount of the subsidy

Total budget for 2014-2020: 21.777.441 (EMFF) + 6.881.539 EUR (State budget)

Expenditure (in EUR)	2021	2022
EMFF (EU contribution)	4.937.341,13	4.130.330,46
State budget (=NATIONAL CONTRIBUTION)	1.405.208,86	1.217.843,83
TOTAL OP 2014-2020 (EU + national contribution)	6.342.549,99	5.348.174,29

9. Duration of the subsidy

2014-2020 (n+3).

10. Trade effects

The EU has a shortfall in fishery and aquaculture products and is a major importer of these products from non-EU countries. The structural aid has only a very small influence on this situation.

1.2 Fisheries – state aid (*de minimis*)

1. Title of the subsidy programme

1. Support for conservation of fisheries in Piran municipality.
2. Support for mooring costs in Piran Municipality.
3. Support for mooring costs in Izola municipality.
4. Compensation for fishermen due to inability to perform fishing in sea under the sovereignty of the Republic of Slovenia.

2. Brief description of the programme

1. Municipality aid for the quality improvement of the fisheries, i.e. the conservation of fisheries in Piran Municipality.
2. Co-financing of mooring costs by the Piran Municipality.
3. Co-financing of mooring costs by the Izola Municipality.
4. Compensation to Slovenian fishermen due to inability to perform fishing in sea under the sovereignty of the Republic Slovenia in accordance with the arbitration decision.

3. Period covered by the notification

Calendar years 2021 and 2022.

4. Policy objective and/or purpose of the subsidy

1. Municipal aid for the quality improvement of the fisheries, i.e. the conservation of fisheries in Piran Municipality.
2. Allowing for the preservation of marine fisheries tradition in the Municipality of Piran.
3. Allowing for the preservation of marine fisheries tradition in the Municipality of Izola.
4. Implementation of the decision of the Arbitral Tribunal in the arbitration on the basis of the Arbitration Agreement between the Government of the Republic of Slovenia and Government of the Republic of Croatia regarding land and maritime border.

5. Background and authority for the subsidy

1. Rules on implementation of support and measures for the conservation and development of fisheries and on acquiring food from the sea in Piran Municipality for the period 2015-2020 (Official Journal of the Republic of Slovenia, No 78/15 and 56/16).
2. Rules on implementation of support and measures for the conservation and development of fisheries and on acquiring food from the sea in Piran Municipality for the period 2015-2020 (Official Journal of the Republic of Slovenia, No 78/15 and 56/16).
3. Rules on financial interventions for conservation and development of fisheries and on acquiring food from the sea in the Municipality of Izola (Uradne objave Občine Izola No 16/15) .
4. Act Regulating Certain Issues regarding the Final Award of the Arbitral Tribunal on the Basis of the Arbitration Agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia (Official Journal of the Republic of Slovenia, No 69/17 and 59/19).

6. Form of the subsidy

Grant and exemption from taxes, all *de minimis*.

7. To whom and how the subsidy is provided

Legal and natural persons with a commercial fishing license with marine fishing as the main commercial activity

8. Total amount of the subsidy

Expenditure (in EUR)	2021	2022
1. Support for conservation of fisheries – local budget	3.293,14	1.664,33
2. Co-financing of mooring costs – local budget	42.148,70	42.834,97
3. Co-financing of mooring costs – local budget	28.896,00	24.103,00
4. Compensation to fishermen	218.243,32	201.647,19
Total <i>de minimis</i>	292.581,16	270.249,49

9. Duration of the subsidy

1. 2015-2023.
2. 2015-2023.
3. Since 2015.
4. Since 2017.

10. Trade effects

Negligible impact.

2 ENERGY CONSERVATION AND THE USE OF RENEWABLE ENERGY SOURCES

2.1 Financial incentives for legal persons and sole proprietors and for household

1. Title of the subsidy programme

Support for electricity generated from renewable energy sources (RES) and produced in high-efficiency cogeneration of heat and power (CHP).

2. Brief description of the programme

Support scheme has been established to support electricity generated from RES and CHP generating plants.

3. Period covered by the notification

1 January 2021-31 December 2022.

4. Policy objective and/or purpose of the subsidy

Increase the use of the renewable energy sources in production of electricity and the amount of electricity produced in highly efficient combined heat and power production.

5. Background and authority for the subsidy

The Ministry of the Environment, Climate and Energy, The Energy Agency.

6. Legislation under which it is granted

- Energy Act (Official Journal of the RS (OJ) No. 60/19, 65/20, 158/20 – ZURE, 121/21 – ZSROVE, 172/21 – ZOEE, 204/21 – ZOP in 44/22 – ZOTDS);
- Decree on support for electricity generated from renewable energy sources and from high-efficiency cogeneration of heat and power (OJ No.74/16, 74/20, 26/22);
- Decree on issuing declarations for generation units and guarantees of electricity origin (OJ No. 182/20);
- Rules on the financial incentives for energy efficiency, district heating and use of renewable energy sources (OJ No. 52/16, 59/16, 158/20 – ZURE);
- Decree on the method of determining and calculating the contribution for ensuring support for the production of electricity from high-efficiency cogeneration and renewable energy sources (OJ No. 184/21, 84/22, 86/22, 112/22, 66/23 in 73/23));
- Decree on the rules for drafting forecasts of the position of units generating electricity from renewable energy sources and high-efficiency cogeneration on the electricity market (OJ No. 194/21));
- Decree on determining the quantity of electricity generated from high-efficiency cogeneration of heat and electricity and on determining the efficiency of the energy conversion of biomass (OJ No. 37/09, 17/14 – EZ-1, 158/20 – ZURE);
- Regulation on measurements to be performed in production units which are receiving guarantees of origin and support for electricity produced (OJ No. 21/09, 33/10, 45/12 in 17/14 – EZ-1 and 121/21 – ZSROVE);
- Rules on the operation of Centre for RES/CHP (OJ No. 88/16, 127/21 - ZOEE).

7. Form of the subsidy

Feed-in tariffs and feed-in premiums.

8. To whom and how the subsidy is provided

Commercial companies and sole proprietors and households.

9. Total amount of the subsidy⁷

2021	2022
128,1 mio EUR	94,8 mio EUR

10. Duration of the subsidy

Until 31 December 2025.

11. Procedure for gaining the subsidy

The owner or with the consent of the owner the operator of the RES or CHP generating plant has to submit an application for a decision allocating support to electricity produced in RES generating plant to the Energy Agency. The Energy Agency decides on the allocation of support by decision in an administrative procedure.

2.2 Financial incentives for households, legal persons and sole proprietors

1. Title of the subsidy programme

Support for energy efficiency and the use of renewable energy sources in residential and non-residential buildings, industry/business and transport.

2. Brief description of the programme

Programme embodies support for energy efficiency and the use of renewable energy in households, industry/business and transport.

3. Period covered by the notification

January 2020 - 31 December 2022.

4. Policy objective and/or purpose of the subsidy

Increase the use of renewable energy sources and energy efficiency.

5. Background and authority for the subsidy

Eco Fund, Slovenian environmental public fund on behalf of the Ministry for Environment and Spatial Planning.

6. Legislation under which it is granted

- Energy Act (Official Journal of the RS (OJ) No. 60/19, 65/20, 158/20 – ZURE, 121/21 – ZSROVE, 172/21 – ZOEE, 204/21 – ZOP in 44/22 – ZOTDS).
- Act on Energy Efficiency (OG RS, No. 158/20).
- National action plan for energy efficiency 2014-2020 (NANEU).
- Integrated National Energy and Climate Plan (NEPN).

⁷ Source of data: https://www.agencija.si/documents/10926/38704/AZE_Poro%C4%8Dilo_o_stanju_energetike_v_Sloveniji_2022-final3/a85b584b-ca2b-481f-bb84-a396bc4e2dba

- Long - term strategy for energy renovation of buildings until 2050 (DSEPS 2050).
- Market development strategy to establish adequate infrastructure in relation to alternative fuels in the transport sector in the Republic of Slovenia.
- Climate Change Fund spending program.

7. Form of the subsidy

Allocation of grants to individuals (households), legal persons and sole proprietors for investments in:

- solar heating systems;
- heat pumps;
- wood biomass boilers;
- gas condensing boilers;
- photovoltaics for domestic hot water heating and electricity self-supply;
- energy efficient ventilation;
- connection to district heating;
- overall reconstruction of existing residential houses by implementation of replacement of old windows with energy efficient windows, thermal envelope (roof, façade, floor/basement) insulation and replacement of old heating system with energy efficient one;
- construction of new nearly zero energy buildings;
- energy efficiency in industry/business (energy audits, energy efficient lighting, utilization of excess heat from processes and/or devices, installation of energy efficient electric motors and/or installation of frequency converters, energy management system, energy efficiency in technological process, investments in plants for cogeneration of electricity and heat);
- sustainable mobility including purchase of new electric vehicles.

8. To whom and how the subsidy is provided

Physical persons (citizens), legal persons and sole proprietors.

9. Total amount of the subsidy

2021 = 73,2 mio EUR (including 18,7 mio EUR from Climate Change Fund).

2022 = 73,5 mio EUR (including 30,1 mio EUR from Climate Change Fund).

10. Duration of the subsidy

Ongoing from 1 January 2010.

11. Procedure for gaining the subsidy

Public call. Approval of applications based on expected performance criteria and conditions set out in the tender.
