



13 June 2023

(23-4010)

Page: 1/26

Committee on Subsidies and Countervailing Measures

Original: English

## SUBSIDIES

### NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25.1 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

MONTENEGRO

#### *Supplement*

The following communication, dated and received on 26 May 2023, is being circulated at the request of the delegation of Montenegro.

## Contents

<b>I NON-FISHERIES PROGRAMMES</b>	<b>3</b>
1 SUPPORT PROGRAMME LINE FOR MODERNISATION OF THE PROCESSING INDUSTRY	3
2 PROGRAMME LINE OF INTRODUCTION OF INTERNATIONAL STANDARDS	4
3 PROGRAMME LINE FOR SUPPORT SMALL INVESTMENTS OF ENTREPRENEURS (WOMEN AND YOUTH)	5
4 PROGRAMME LINE FOR FOSTERING CIRCULAR ECONOMY	6
5 PROGRAMME LINE FOR THE SUPPORT OF DIGITALIZATION	8
6 BUSINESS ZONES	9
7 ANNUAL PLAN OF THE INVESTMENT AND DEVELOPMENT FUND OF MONTENEGRO	10
8 ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES	11
<b>II SUPPORT FOR FISHERIES PRODUCTS</b>	<b>15</b>
1 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR DEMERSAL RESOURCES	15
2 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR PELAGIC RESOURCES	16
3 MODERNIZATION OF PROFESSIONAL FISHING FLEET IN SMALL-SCALE COMMERCIAL FISHING	17
4 IMPROVING THE COMPETITIVENESS AND EFFICIENCY OF MARICULTURE SECTOR	18
5 SUSTAINABLE MANAGEMENT AND PRESERVATION OF FISHERY RESOURCES AND OTHER MARINE ORGANISMS	19
6 MANAGEMENT OF THE FISHERIES MONITORING AND CONTROL SYSTEM (FMC)	20
7 MIDAS 2 – COMPONENT 3 MODERNISATION OF THE FISHERIES SECTOR	20
8 DIRECT PAYMENTS IN MARICULTURE – BIVALVE MOLLUSCS FARMING	22

9	SUSTAINABLE MANAGEMENT OF FRESHWATER FISHERY.....	<b>23</b>
10	DEVELOPMENT OF COMMERCIAL FISHING IN LAKE SKADAR .....	<b>24</b>
11	STRENGTHENING COMPETITIVENESS AND EFFICIENCY OF THE FRESHWATER AQUACULTURE SECTOR.....	<b>25</b>
12	DIRECT PAYMENTS IN AQUACULTURE .....	<b>25</b>

## **I NON-FISHERIES PROGRAMMES**

### **1 SUPPORT PROGRAMME LINE FOR MODERNISATION OF THE PROCESSING INDUSTRY**

1. Title of the subsidy programme

Support Programme line for Modernisation of the Processing Industry for 2021.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The aim of the Programme line was to strengthen the competitiveness of business entities, to improve business, productivity and profitability through investment in equipment.

The specific objectives of the Programme line were:

- Modernization of production processes,
- Efficient use of available resources,
- Diversification of the product range and improvement of product quality,
- Creating new jobs.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Background authority for the subsidy has been the Ministry of Economic Development<sup>1</sup> of Montenegro in cooperation with the Investment and Development Fund of Montenegro and Commercial banks, based on the Industrial Policy of Montenegro 2019–2023, and Montenegro Economic Reform Programme 2019-2021.

5. Form of the subsidy

Grants. The amount of non-refundable support as a cover of part of the eligible costs of procurement of equipment through the loan, is in the amount of up to 35% of the net invoiced value of equipment (from EUR 7,000.00, up to EUR 70,000.00).

6. To whom and how the subsidy is provided

Registered micro, small and medium-sized companies and entrepreneurs who have been in the business for at least 1 year and whose registered principal activity falls within the processing industry are eligible to participate in the Programme line.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

The available funds in 2021 for the implementation of the Programme line were EUR 1.500,000.00. In 2021 the Ministry received 29 applications from the companies operating in wood and furniture manufacturing, metal processing, processing of fruits, vegetables, milk and cheese and bread production, production of paper and cardboard products, etc. After checking the documentation, the Commission of the Ministry of Economic Development approved nine applications in accordance with the Programme line's rules. With the support of EUR 369,762.04 by the Ministry of Economic Development, the equipment worth EUR 1.071,375.00 was purchased.

---

<sup>1</sup> Note: At the session of the Government of Montenegro on December 7, 2020, the name of the Ministry of Economy was changed to the Ministry of Economic Development.

8. Duration of the subsidy

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## 2 PROGRAMME LINE OF INTRODUCTION OF INTERNATIONAL STANDARDS

1. Title of the subsidy programme

Programme line of introduction of international standards.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The Programme has aimed to provide support to entrepreneurs, small and medium sized enterprises (SMEs) especially from less developed municipalities and the northern region, to increase their own size to a greater extent of competitiveness, primarily through harmonization with the requirements of international standards related to their products, management systems, staffing, testing, controlling and certification and support for obtaining accreditation for conformity assessment.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economic Development based on the Law on Regional Development of Montenegro ("Official Gazette of the Republic of Montenegro", No. 20/11), the Law on Business Companies ("Official Gazette of the Republic of Montenegro", No. 06/02), the Strategy of regional development of Montenegro 2018-2022, the Strategy for innovative activities 2016-2020, the Strategy of the development of the processing industry of Montenegro 2014-2020, Industrial policy of Montenegro until 2023. The measures contained in the Programme Line meet the criteria of Article 14 of Annex 7a - Commission Regulation (EU) No 651/2014 of 17. June 2014 declaring certain categories of assistance compatible with the internal market in application of Articles 107 and 108 of the Treaty, the Ordinance on the list of state aid rules ("Official Gazette of Montenegro" No. 35/14, 02/15 and 38/15), so they agree with Articles 6 and 7 of the Law.

5. Form of the subsidy

The subsidy has been provided according to the principle of refund. The beneficiary of the programme financed the project, and after realization and submission of evidence of realization, the Ministry refunded the contracted amount.

Support was related to two components - for the introduction of international business standards and for obtaining accreditation for conformity assessment.

6. To whom and how the subsidy is provided

The beneficiaries were entrepreneurs, small and medium sized companies under the criteria defined in the public call for participation. In 2021 in total 34 companies fulfilled conditions and procedures, implemented contracted activities and thus were reimbursed EUR 114,785.00 (as grants).

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Amount budgeted for 2021 was EUR 250,000.00.

8. Duration of the subsidy

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

### **3 PROGRAMME LINE FOR SUPPORT SMALL INVESTMENTS OF ENTREPRENEURS (WOMEN AND YOUTH)**

1. Title of the subsidy programme

Programme line for support small investments of entrepreneurs (women and youth), for 2021.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The Programme line for support of small investments of entrepreneurs aims to encourage entrepreneurship of women and youth as well as, to improve the efficiency and institutional support of entrepreneurs' business. This Programme Line will support vulnerable target groups by providing financial assistance, through grants to finance the procurement of fixed assets of small value.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economic Development is background authority for the subsidy. Subsidies are provided in line with the Law on Business Companies ("Official Gazette of the Republic of Montenegro", No. 06/02), the Decree on Detailed Criteria, Conditions and Manner of Granting State Aid ("Official Gazette of Montenegro", No. 27/2010, 34/2011 and 16/14) and the Law on Accounting ("Official Gazette of the Republic of Montenegro", No. 52/16, as well as following the regulations in force in accordance with the Law on Waters ("Official Gazette of the Republic of Montenegro", No. 27/2007 and "Official Gazette of Montenegro", No. 32/2011, 47/2011 - amended, 48/2015, 52 / 2016, 2/2017 - other law, 80/2017 - other law, 55/2016 - other law and 84/2018), Law on Municipal Wastewater Management "Official Gazette of Montenegro", No. 002/17 from 10.01.2017) and other applicable laws that define this area.

5. Form of the subsidy

The subsidy has been provided according to the principle of refund. The beneficiary of the programme financed the project, and after realization and submission of evidence of realization, the Ministry refunded the contracted amount.

Support was intended for co-financing the costs of procurement of fixed assets - equipment and part of intangible assets - software that are directly involved in the production process/service provision:

- 1) new production equipment and/or machinery;
- 2) new computer equipment, laptops, printers, scanners and related software;

- 3) new equipment for 3D scanning, 3D printing and accompanying software;
- 4) Microsoft Office application software;
- 5) software used in CAD design (AUTOCAD, ARHICAD, CATIA, SOLIDWORKS), as well as other software used in computer-aided design;
- 6) software used in CAM/in computer-aided production;
- 7) used production equipment and/or machinery, not older than three years, which is directly in the function of creating products and/or services;
- 8) new parts, specialized machine tools.

6. To whom and how the subsidy is provided

The beneficiaries were entrepreneurs, micro, small and medium sized companies owned by women and young people under 35 years of age (criteria defined in the public call for participation). In 2021, 189 companies applied. The number of companies fulfilled conditions and procedures, implemented contracted activities was 42 and total reimbursed amount was EUR 559,153.26 (subsidy – up to 80% of eligible costs (excl. VAT)).

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Amount budgeted for 2021 was EUR 650,000.00.

Intensity of support: The principle is that the entrepreneur finances 100% of all costs until the end of the activity for which he applies, and then after submitting documentation proving the expenditure of the funds of the contracted activity, the Ministry approves a refund of part of the costs in the amount of up to 50% for micro and small enterprises, the amount of eligible costs without VAT, in the minimum amount of EUR 500.00 without VAT and in the maximum amount up to EUR 47,500.00 without VAT.

8. Duration of the subsidy

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

#### **4 PROGRAMME LINE FOR FOSTERING CIRCULAR ECONOMY**

1. Title of the subsidy programme

Programme line for Fostering Circular Economy.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The Programme has aimed to provide support to entrepreneurs, micro, small and medium sized enterprises (SMEs). The Programme aimed to introduce and use modern biological processes for wastewater treatment in Montenegrin business sector. The application of Upflow Sludge Blanket Filtration (USBF) biological wastewater treatment process was in the focus of the Programme.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economic Development is background authority for the subsidy. Subsidies are provided in line with the Law on Business Companies ("Official Gazette Of the Republic of Montenegro", No. 06/02), the Decree on Detailed Criteria, Conditions and Manner of Granting State Aid ("Official Gazette of Montenegro", No. 27/2010, 34/2011 and 16/14) and the Law on Accounting ("Official Gazette of the Republic of Montenegro" No. 52/16, as well as following the regulations in force in accordance with the Law on Waters ("Official Gazette of the Republic of Montenegro", No. 27/2007 and "Official Gazette Of Montenegro", No. 32/2011, 47/2011 - amended, 48/2015, 52 / 2016, 2/2017 - other law, 80/2017 - other law, 55/2016 - other law and 84/2018), Law on Municipal Wastewater Management "Official Gazette of Montenegro", No. 002/17 from 10.01.2017) and other applicable laws that define this area.

5. Form of the subsidy

The subsidy has been provided according to the principle of refund. The beneficiary of the programme financed the project, and after realization and submission of evidence of realization, the Ministry refunded the contracted amount.

Support was intended to co-finance the costs of the following activities:

- Component I - Wastewater treatment in agri-food industry, intended for entrepreneurs and micro-enterprises, and
- Component II - Industrial wastewater treatment, intended for small and medium-sized enterprises and hotels.

6. To whom and how the subsidy is provided

The beneficiaries were entrepreneurs, micro, small and medium sized companies under the criteria defined in the public call for participation. In 2021 only one company applied. The same company fulfilled conditions and procedures, implemented contracted activities and thus were reimbursed EUR 4,628.40 (subsidy - 70% of eligible costs (excl. VAT)).

The principle is that the company finances 100% of all costs until the end of the activity for which it applies, and then after submitting documentation proving the expenditure of the funds of the contracted activity, the Ministry of Economy approves a refund of part of the costs in the amount of up to 70% for entrepreneurs, micro and small enterprises, or up to 60% for medium-sized enterprises, the amount of eligible costs without VAT, and in the maximum amount up to EUR 10,000.00 without VAT. The funds were allocated through an open grant procedure through an open Public Call, i.e. until the expenditure of available funds for the program line.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Amount budgeted for 2021 was EUR 200,000.00.

8. Duration of the subsidy

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## 5 PROGRAMME LINE FOR THE SUPPORT OF DIGITALIZATION

### 1. Title of the subsidy programme

Programme line for the support of Digitalization.

### 2. Period covered by the notification

2021.

### 3. Policy objective and/or purpose of the subsidy

The goal of the Programme Line for the support of Digitalization was to raise the level of business automation processes and levels of knowledge of management and operational structures in MSMEs.

Specific Objectives:

- Increased number of MSMEs that have automated business processes;
- Increased exports of Montenegrin MSMEs thanks to digital business.

### 4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economic Development based on the Law on Regional Development of Montenegro ("Official Gazette of the Republic of Montenegro", No. 20/11), the Law on Business Companies ("Official Gazette of the Republic of Montenegro", No. 06/02), the Strategy of regional development of Montenegro 2014-2020, the Strategy for innovative activities 2016-2020, the Strategy of the development of the processing industry of Montenegro 2014-2020, Industrial policy of Montenegro until 2023.

### 5. Form of the subsidy

The principle was that the company finances 100% of all costs until the completion of the activity for which it applies, and then after the submitted documentation proving the expenditure of funds contracted activities, the Ministry approves the reimbursement of part of the costs in up to 80% of the amount of eligible costs without VAT, and in the maximum amount up to EUR 7,500.00 without VAT.

This maximum amount is if in the founding structure of the company was at least 50% female person and/or person up to 35 years of age. This aid was granted as low - value aid (de minimis aid) in accordance with EU Commission Regulation no. 1407/2013 of 18 Dec. 2013 years. The condition is that in the last six months until the day of publishing the Public Invitation, there were no changes in the ownership structure. The amount given for 2021 was EUR 95,844.42 and this amount was awarded to 16 applicants/companies.

### 6. To whom and how the subsidy is provided

Entrepreneurs, small and medium-sized enterprises, have the right to participate in the programme line for support of digitalization medium - sized enterprises registered in accordance with the Companies Act ("Official Gazette RCG", No. 06/02), Decree on Detailed Criteria, Conditions and Manner of Granting State Aid ("Official Gazette of Montenegro", no. 27/2010, 34/2011 and 16/14) and the Law On Accounting (Official Gazette RCG" no. 52/16), registered in the Central Register of Business Entities.

### 7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Amount budgeted for 2021 was EUR 400,000.00.

8. Duration of the subsidy

One year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## 6 BUSINESS ZONES

1. Title of the subsidy programme

Decree on Business zones.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The Decree defines as its aim the establishment of business zones, which are unique areas established by government or municipalities, foreseen to provide various fees reliefs to business entities within them, for the purpose of a more balanced regional development of Montenegro. Namely, Decree states that the beneficiaries of the business zones shall exercise the right to tax and other reliefs in accordance with the decisions adopted by the municipalities governing business zones.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Economic Development is background authority for the subsidy. Subsidies are granted based on Decree on business zones, as well as Decisions on establishing business zones by municipalities which have business zones.

5. Form of the subsidy

The subsidies are in form of income taxes and social contributions reliefs/incentives (defined by decree) and municipal taxes and land rent reliefs (defined by municipalities).

The decree stipulates tax reliefs regarding social contributions (contributions for pension and disability insurance, health insurance, unemployment insurance and labour fund) and income taxes for business zones beneficiaries. Business zones beneficiaries can use these benefits no more than 5 years since the day of employing a person in a business zone.

During 2021, there were in total 6 approved business zones in Montenegro (in Berane, Šavnik, Bijelo Polje, Mojkovac, Nikšić and in Podgorica). There were only 5 beneficiaries of business zones reliefs in 2021, but only 2 archived reliefs from national level in total amount of EUR 738,322.50.

Decree on Business zones also allows business zones establishers to include additional benefits/incentives from local level in their respective Decisions on establishing business zones. Some of them are related to: favorable prices for land lease/purchase, exemption or reduction of utility fees, as well as fees for equipping construction land, reduction of real estate tax rate to the limit prescribed by law, exemption from personal income tax, additional infrastructural equipping of locations by the local self-government unit.

These incentives are subject to bilateral agreement between certain municipal authority and the beneficiary of the business zone.

Reliefs can amount to a maximum of 70% of eligible costs (investments in tangible assets and jobs creation) of the total investment for small enterprises, 60% for medium and 50% for large ones.

6. To whom and how the subsidy is provided

The beneficiaries of business zones are private companies which are selected by municipalities under the criteria defined in the public call for participation.

7. Subsidy per unit, or in cases where this is not possible, the amount of the annual amount budgeted for that subsidy

There is no budgeted amount per year, as there are incentives from income taxes and social contributions, it depends on number of companies and number of employees operating in approved business zones.

8. Duration of the subsidy

5 years after employing a person, business zone beneficiary can use income taxes and social contributions reliefs.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## **7 ANNUAL PLAN OF THE INVESTMENT AND DEVELOPMENT FUND OF MONTENEGRO**

1. Title of the subsidy programme

Annual Plan of the Investment and Development Fund of Montenegro JSC for 2021.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The subsidy was provided with the goal of realization of credit lines of Investment and Development Fund of Montenegro AD, intended for:

- Development of entrepreneurship, through support for special target groups (young people, beginners, women, university graduates, technological surpluses, individual agricultural producers, innovative entrepreneurship, ICT business, cluster production, etc.);
- Growth and development of micro, small, medium and medium capitalized enterprises, with special attention to:
  - ✓ investments in priority sectors of the Montenegrin economy
  - ✓ maintaining and/or improving liquidity
  - ✓ encouraging the competitiveness of Montenegrin products/services in other markets
  - ✓ diversification and digitization of the Montenegrin economy
- Support for the realization of green field and brown field investments;
- Support for infrastructure projects, projects of environmental, local and state importance and projects in the field of energy and energy efficiency;
- Balanced regional development;
- Opening of new and preservation of existing jobs;

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

Investment and Development Fund of Montenegro A.D. based on the Law on Investment Development Fund of Montenegro ("Official Gazette of Montenegro", No. 88/09,40/10 and 080/17) and the IDF Annual Work Plan for 2021.

5. Form of the subsidy

The aid is granted in the form of subsidized interest rates on the loans. The aid refers to the difference between the average market interest rate for placements in the economy in accordance with the statistics of the Central Bank and the current interest rate of the IDF of Montenegro per individual placement in accordance with the loan repayment period.

6. To whom and how the subsidy is provided

Beneficiaries, based on the Plan of the Investment and Development Fund for 2021, were entrepreneurs, micro, small and medium enterprises, as well as large enterprises as defined in the programme.

7. Subsidy per unit, or in cases where this is not possible, the amount of the annual amount budgeted for that subsidy

The total equivalent of state aid for 2021 is EUR 2,315,083. The aid refers to the difference between the average market interest rate for placements in the economy in accordance with the statistics of the Central Bank and the current interest rate of the IDF of Montenegro per individual placement in accordance with the loan repayment period. In accordance with the Decision of the Council of the Agency for Protection of Competition, act no. 01-430/21-16/6 of 25 January 2021, by which the Annual Work Plan of the IDF was assessed as in accordance with the Law on State Aid Control.

8. Duration of the subsidy

Duration of subsidy is related to terms and conditions of specific loans.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## **8 ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES**

1. Title of the subsidy programme

The subsidy programme in accordance with the Energy Law for electricity produced from renewable resources.

2. Period covered by the notification

2021.

3. Policy objective and/or purpose of the subsidy

The Energy Development Strategy of Montenegro until 2030, which was adopted in 2014, has recognized the development of renewable energy sources as a strategic goal of Montenegro. The Strategy has aimed to the development of wind farms since the study of the potential of renewable sources in the territory of Montenegro had showed significant wind potential, in addition to the hydro potentials and potentials of solar energy and biomass.

4. Background and authority for the subsidy (including identification of the legislation under which it is granted)

The Ministry of Capital Investments took over the powers in the field of energy, previously run by the Ministry of Economy. The Ministry of Capital Investments is the background authority for the subsidy based on the following documents: the Energy Law, the Decree on acquiring the status and accomplishing entitlements of the privileged producer electricity, the Decree about compensation for encouraging electricity generation from renewable sources and high-efficient cogeneration.

5. Form of the subsidy

The aid has been granted in the form of guaranteed price, guaranteed purchase and release of balance responsibility during the duration of the privileged producer status.

6. To whom and how the subsidy is provided

Pursuant to the legal possibilities provided for in the Law on Energy and after fulfilling all prescribed conditions the companies: "Hidroenergija Montenegro" d.o.o. Berane, "Kronor" d.o.o. Podgorica, "Synergy" d.o.o. Podgorica, "Hydro Bistrica" d.o.o. Podgorica, "Igamma Energy" d.o.o. Andrijevica, "Krnovo Green Energy" d.o.o. Nikšić, "Nord Energy" d.o.o. Andrijevica, "Simes inženjering" d.o.o. Podgorica, "Viridi Progressum" d.o.o. Kolašin, "Power AB" d.o.o. Kolašin, "BB Hydro" d.o.o. Podgorica, "Đekić" d.o.o. Podgorica, "MHE Vrbnica" d.o.o. Podgorica, "Small Hydro Power Plant Kutska" d.o.o. Andrijevica, "Small Hydro Power Plant Mojanska" d.o.o. Andrijevica, "Zeta energy" d.o.o. Danilovgrad, "Benegro" d.o.o. Berane, "Vodovod i kanalizacija" d.o.o. Andrijevica, "Hidroenergija Andrijevica" d.o.o. Andrijevica, "Manira Hydro" d.o.o. Mojkovac, "Možura Wind Park" d.o.o. Podgorica, "Eco solar system" d.o.o. Podgorica, "Invicta" d.o.o. Podgorica, "Alliance" d.o.o. Podgorica, "Fudbalski savez Crne Gore" d.o.o. Podgorica and "Bar-kod" d.o.o. Podgorica have gained the Status of a privileged producer for 12 years. In accordance with the Status of a privileged producer they have been entitled to use the aid.

After acquiring the status of a privileged producer, the companies have signed the Electricity Purchase Agreement with the Montenegrin Electricity Market Operator, guarantying purchase at a defined price for 12 years.

7. Subsidy per unit, or in cases where this is not possible, the total amount of the annual amount budgeted for that subsidy

Montenegro has determined the selling price of electricity produced in plants during the entire period of the purchase contract.

During 2021 year selling price was:

- SHPP "Šeremet", developed by "Nord Energy" d.o.o. Andrijevica, has determined the selling price of 10.702 c€/kWh (status of a privileged producer of 12 years began from 3 August 2018);
- SHPP "Bistrica" developed by "Hydro Bistrica" d.o.o. Podgorica has determined the selling price of 8.557 c€/kWh (status of a privileged producer of 12 years began from 12 January 2018);
- SHPP "Šekular", developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 9.667 c€/kWh (status of a privileged producer of 12 years began from 12 April 2016);
- SHPP "Rmuš" developed by „Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 10.85 c€/kWh (status of a privileged producer of 12 years began from 19 May 2015);

- SHPP "Orah" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 10.85 c€/kWh (status of a privileged producer of 12 years began from 19 May 2015);
- SHPP "Spaljevići" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 10.85 c€/kWh (status of a privileged producer of 12 years began from 19 May 2015);
- SHPP "Jara" developed by "Kroling" d.o.o. Danilovgrad, has determined the selling price of 8.062 c€/kWh (status of a privileged producer of 12 years began from 24 November 2016);
- SHPP "Babino Polje" developed by "Kroling" d.o.o. Danilovgrad, has determined the selling price of 9.324 c€/kWh (status of a privileged producer of 12 years began from 2 November 2017);
- SHPP "Jezerštica" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 10.775 c€/kWh (status of a privileged producer of 12 years began from 28 November 2013);
- SHPP "Jelovica 2" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 10.451 c€/kWh (status of a privileged producer of 12 years began from 28 November 2019);
- SHPP "Bistrica" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 8.072 c€/kWh (status of a privileged producer of 12 years began from 19 May 2015);
- SHPP "Vrelo" developed by "Synergy" d.o.o. Podgorica, has determined the selling price of 10.85 c€/kWh (status of a privileged producer of 12 years began from 10 July 2015);
- SHPP "Rijeka Bradavec" developed by "Igamma Energy" d.o.o. Andrijevica, has determined the selling price of 10.85 c€/kWh (status of a privileged producer of 12 years began from 9 November 2015);
- SHPP "Piševska rijeka" developed by "Igamma Energy" d.o.o. Andrijevica, has determined the selling price of 10.712 c€/kWh (status of a privileged producer of 12 years began from 22 June 2017);
- SHPP "Ljevak" developed by "Simes inženjering" d.o.o. Podgorica, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 20 February 2020);
- SHPP "Kutska 1" developed by "Small Hydro Power Plant Kutska" d.o.o. Andrijevica, has determined the selling price of 9.358 c€/kWh (status of a privileged producer of 12 years began from 22 April 2020);
- SHPP "Kutska 2" developed by "Small Hydro Power Plant Kutska" d.o.o. Andrijevica, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 22 April 2020);
- SHPP "Mojanska 1" developed by "Small Hydro Power Plant Mojanska" d.o.o. Andrijevica, has determined the selling price of 9.278 c€/kWh (status of a privileged producer of 12 years began from 22 April 2020);
- SHPP "Mojanska 2" developed by "Small Hydro Power Plant Mojanska" d.o.o. Andrijevica, has determined the selling price of 9.71 c€/kWh (status of a privileged producer of 12 years began from 22 April 2020);

- SHPP "Mojanska 3" developed by "Small Hydro Power Plant Mojanska" d.o.o. Andrijevica, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 22 April 2020);
- SHPP "Bistrica" developed by "BB Hidro" d.o.o. Podgorica, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 24 April 2020);
- SHPP "Bukovica" developed by "Power AB" doo, Kolašin, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 4 June 2020);
- SHPP "Paljevinska" developed by "Viridi Progressum" d.o.o. Kolašin, has determined the selling price of 10.409 c€/kWh (status of a privileged producer of 12 years began from 23 July 2020);
- SHPP "Slap Zete" developed by "Zeta Energy" d.o.o. Danilovgrad, has determined the selling price of 9.357 c€/kWh (status of a privileged producer of 12 years began from 22 September 2020);
- SHPP "Jelovica 1" developed by "Hidroenergija Montenegro" d.o.o. Berane, has determined the selling price of 8.531 c€/kWh (status of a privileged producer of 12 years began from 27 November 2020);
- SHPP "Pecka" developed by "Dekić" d.o.o. Podgorica, has determined the selling price of 10.44 c€/kWh (status of a privileged producer of 12 years began from 25 December 2020);
- SHPP "Vrbnica" developed by "MHE Vrbnica" d.o.o. Podgorica, has determined the selling price of 7.3 c€/kWh (status of a privileged producer of 12 years began from 19 January 2021);
- SHPP "Elektrana Mišnjića" developed by "Manira Hydro" d.o.o. Mojkovac, has determined the selling price of 10.44 c€/kWh (status of a privileged producer of 12 years began from 10 March 2021);
- SHPP "Miolje Polje" developed by "Benegro" d.o.o. Berane, has determined the selling price of 8.35 c€/kWh (status of a privileged producer of 12 years began from 20 May 2021);
- SHPP "Krkori" developed by "Vodovod i kanalizacije" d.o.o. Andrijevica, has determined the selling price of 8.35 c€/kWh (status of a privileged producer of 12 years began from 20 May 2021);
- SHPP "Umska" developed by "Hidroenergija Andrijevica" d.o.o. Andrijevica, has determined the selling price of 10.44 c€/kWh (status of a privileged producer of 12 years began from 20 May 2021);
- SHPP "Štitska" developed by "Hidroenergija Andrijevica" d.o.o. Andrijevica, has determined the selling price of 10.44 c€/kWh (status of a privileged producer of 12 years began from 20 May 2021);
- wind power plant "Možura" developed by "Moiura Wind Park" d.o.o. Podgorica, has determined the selling price of 9.6 c€/kWh (status of a privileged producer of 12 years began from 29 December 2019);
- wind power plant "Krnovo" developed by "Krnovo Green Energy" d.o.o. Nikšić, has determined the selling price of 9.85 c€/kWh (status of a privileged producer of 12 years began from 2 November 2017);
- solar power plant "Invicta" developed by "Invicta" d.o.o. Podgorica, has determined the selling price of 12.012 c€/kWh (status of a privileged producer of 12 years began from 29 May 2019);

- solar power plant "DG" developed by "Eco solar system" d.o.o. Podgorica, has determined the selling price of 12 c€/kWh (status of a privileged producer of 12 years began from 4 August 2019);
- solar power plant "Bar-kod" developed by "Bar-kod" d.o.o. Podgorica, has determined the selling price of 12.012 c€/kWh (status of a privileged producer of 12 years began from 17 November 2019);
- solar power plant developed by "Fudbalski savez Crne Gore" d.o.o. Podgorica, has determined the selling price of 10.8 c€/kWh (status of a privileged producer of 12 years began from 7 August 2020);
- solar power plant developed by "Alliance" d.o.o. Podgorica, has determined the selling price of 10.8 c€/kWh (status of a privileged producer of 12 years began from 23 July 2020).

The amount of the incentive represents the difference between the average incentive price and the price determined by the contract concluded between the Market Operator and the Supplier in the amount of 5,457 c€/kWh for 2021 year.

8. Duration of the subsidy

The period, during which all the measures are to be implemented is 12 years, beginning on the date when the Decision on acquiring the status of a privileged producer is issued.

9. Statistical data permitting an assessment of the trade effects of the subsidy

N/A.

## **II SUPPORT FOR FISHERIES PRODUCTS**

### **1 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR DEMERSAL RESOURCES**

1. Title of the subsidy programme

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet for demersal resources.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

Montenegro structural measures for improvement of the fishing fleet through achieving the next objectives:

- Modernisation of professional fishing feet for demersal resources;
- Improving the standards of safety at sea, work conditions and maintenance of hygiene and health standards.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support for modernization of professional fishing fleet for demersal resources concerns co-financing for professional fishers (holders of the permits for commercial fishing) the costs of reconstruction of

fishing vessels, replacement of the main engine, overhaul of the main engine, improvement of hygiene and health standards on board, supply of fishing tools and gear, as well as electronic devices for increasing the efficiency of fishing. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, maximum up to EUR 10,000. The criteria for support will be defined by a public call.

6. To whom and how the subsidy is provided

Professional fishermen (holders of the permit for large-scale commercial fishing) using fishing gear - trawl net and other fishing gear for fishing demersal species.

7. Total budget

120,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## **2 MODERNIZATION OF PROFESSIONAL FISHING FLEET FOR PELAGIC RESOURCES**

1. Title of the subsidy programme

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet for pelagic resources.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

Montenegro structural measures for improvement of the fishing fleet sector through achieving the next objectives:

- Modernisation of professional fishing feet for pelagic species fishing,
- Increase fishing efficiency.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support to modernisation of professional fishing fleet for pelagic resources concerns co-financing for professional fishers (holders of the permits for commercial fishing), the costs of reconstruction of fishing vessels, replacement of the main engine, the overhaul of the main engine, improvement of hygiene and health standards on board, supply of fishing tools and gear, as well as electronic devices for increasing the efficiency of fishing. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, maximum up to EUR 10,000.00. Specific criteria for support shall be defined by the Public Call.

6. To whom and how the subsidy is provided

Professional fishermen (holders of the permit for large-scale commercial fishing).

7. Total budget

40,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade-effects of the subsidy

No effects on trade.

### **3 MODERNIZATION OF PROFESSIONAL FISHING FLEET IN SMALL-SCALE COMMERCIAL FISHING**

1. Title of the subsidy programme

Support to improvement of marine fisheries and mariculture - Modernization of professional fishing fleet in small-scale commercial fishing (vessels of up to 10m LOA).

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

The objectives of this measure are following:

- improving the efficiency of catch and technical equipment in small-scale commercial fishing,
- modernization of existing vessels in small-scale commercial fishing.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support to modernisation of existing fishing vessels of 3 to 10m LOA in small-scale commercial fishing concerns co-financing in costs of engine replacement, main engine overhaul, supply of a new vessel, reconstruction and adaptation of vessels, replacement of fishing tools to increase the efficiency of catch, i.e., change for more selective tools. The maximum contribution of budgetary funds is up to 50% of the value of the invoice submitted, a maximum of up to EUR 6,500.00. Specific criteria for support shall be defined by the Public Call.

6. To whom and how to subsidy is provided

Professional fishermen (holders of the permit for small-scale commercial fishing).

7. Total budget

150,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

**4 IMPROVING THE COMPETITIVENESS AND EFFICIENCY OF MARICULTURE SECTOR**

1. Title of the subsidy programme

Support to improvement of marine fishery and mariculture - Improving the competitiveness and efficiency of mariculture sector.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- Improvement of the competitiveness and efficiency of mariculture sector,
- introduction of new technologies for the protection of farming sites against predators.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support to competitiveness and efficiency of the mariculture sector concerns: co-financing of costs borne by fish and mollusc farmers for the reconstruction of farming sites; construction or reconstruction of facilities for storage of feed and equipment; supply of equipment for automation of the farming process; supply of equipment for improvement of hygiene in terms of food safety and marketing of farmed products; reconstruction or supply of rafts for operations on the farming site; supply of protective nets in order to protect the farming sites against predators.

The maximum share of budgetary funds is up to 50% of the approved investment, up to EUR 7,000. More detailed eligibility criteria and conditions will be laid down by the public call.

6. To whom and how the subsidy is provided

Business organizations and entrepreneurs holders of the mariculture permit.

7. Total budget

35,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## **5 SUSTAINABLE MANAGEMENT AND PRESERVATION OF FISHERY RESOURCES AND OTHER MARINE ORGANISMS**

1. Title of the subsidy programme

Support to improvement of marine fishery and mariculture - Sustainable management and preservation of fishery resources and other marine organisms.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- assessment of available resources of fish and other marine organisms;
- monitoring of the situation and assessment of sustainable exploitation of fish and other marine organisms;
- collection and processing of data on catch, fleet and fishing effort, biological, environmental and socio-economic data in the marine fishery;
- monitoring the population dynamics of fish, research of potential mariculture locations in the open sea, conducting research and/or introducing innovative solutions to improve the quality of the environment, introducing more selective fishing tools and gear to preserve and protect fish and other marine organisms and reduce costs of catching.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

The support is provided to the Marine Biology Institute for implementation of the annual programme of data collection in marine fisheries (DCF-DCRF), research regarding possible mariculture locations in the open sea and implementation of research and/or introduction of innovative solutions for improving the quality status of the environment.

The support is provided for the project for the design of more selective fishing gear - trawl, as well as training for fishermen for weaving such nets.

6. To whom and how the subsidy is provided

The Institute of Marine Biology from Kotor and the Project.

7. Total budget

150,500.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## 6 MANAGEMENT OF THE FISHERIES MONITORING AND CONTROL SYSTEM (FMC)

### 1. Title of the subsidy programme

Support to improvement of marine fishery and mariculture - Management of the fisheries monitoring and control system (FMC).

### 2. Period covered by the notification

2021 year.

### 3. Policy objective and/or purpose of the subsidy

- functionality of the satellite monitoring system for fishing vessels (VMS);
- automatic locating of fishing vessels (ALC);
- improving electronic records on fishing activities;
- improve electronic records on sales, marketing, transport and traceability of fish and fish products;
- data analysis and statistical processing of fishery data;
- improving control of fishing activities in freshwater and marine fisheries;
- long-term maintenance and management of FMC.

### 4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

### 5. Form of the subsidy

The support is provided to satellite and mobile operators, business organisations, entrepreneurs and other legal and natural persons that the Directorate for Fisheries hires in accordance with the Law, in order to achieve the said objectives.

### 6. To whom and how the subsidy is provided

Service providers for satellite and mobile communication systems, companies, entrepreneurs and other legal and natural persons hired in accordance with the Law.

### 7. Total budget

105,500.00 EUR.

### 8. Duration of the subsidy

2021 year.

### 9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## 7 MIDAS 2 – COMPONENT 3 MODERNISATION OF THE FISHERIES SECTOR

### 1. Title of the subsidy programme

Support to improvement of the marine fishery and mariculture – Midas 2 – component 3 modernisation of the fisheries sector.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- strengthening the competitiveness of fishery sector through the supply of new fishing vessels, fishing tools and gear and electronic devices for navigation, monitoring and record-keeping of fishing activities;
- development of the coastal infrastructure for berths of fishing vessels and fish landing;
- collection and processing of data on catch, fleet and fishing effort in the marine fishery;
- setting up of a traceability system in the fishery sector;
- setting up a system of electronic records in the marine fishery;
- strengthening the inspection and supervision of fishing activities;
- strengthening the competitiveness of the fishery sector through the establishment of new knowledge and new technologies;
- establishing and strengthening links between fishery, agriculture and tourism;
- improvement of cooperation between professional fishermen from Montenegro and fishermen from other coastal countries;
- strengthening the promotion and marketing of fishery products.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Rural Development.

5. Form of the subsidy

The definition of the beneficiary and a detailed description of the procedure for the use of the support funds under the MIDAS 2 project will be defined by the Operational Manual, published on the official website of the Ministry of Agriculture and the MIDAS 2 Project. The Operational Manual provides the basis for the definition of all the procurement procedures and grants implementation in accordance with the World Bank rules. Measures and criteria for support to the purchase of new fishing vessels, fishing tools and gear and electronic navigation devices, monitoring and record-keeping of fishing activities will be defined by a public call by the Ministry of Agriculture, Forestry and Water Management.

Measures and criteria for the construction of fishing ports, equipping first landing sites, improving inspection and supervision of fishery activities, as well as the organisation of training and study tours for professional fishermen will be defined in accordance with the World Bank rules.

6. To whom and how the subsidy is provided

Beneficiaries will be defined in line with the criteria of the Ministry of Agriculture, Forestry and Water Management.

7. Total budget

2,400.000 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## **8 DIRECT PAYMENTS IN MARICULTURE – BIVALVE MOLLUSCS FARMING**

1. Title of the subsidy programme

Support to improvement of the marine fishery and mariculture - Direct payments in mariculture - bivalve molluscs farming.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- increase the competitiveness of bivalve molluscs farming and creation of competitive farmers;
- full use of all available production capacities;
- improvement of business operations;
- increase in total mariculture production.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Eligible for support for direct payments in mariculture are business organisations and entrepreneurs holding a mariculture permit. Support is provided only for the production of bivalve molluscs (mussels and oysters). Support is received exclusively for the production of bivalve molluscs from own farming site. The amount of support is set based on the area of the farming site stated in the authorisation for mariculture and based on average production for the past two years as follows:

- EUR 0.3/m<sup>2</sup> of reported usable area of the farming site if the average of all bivalve molluscs produced was above 2 kg/m<sup>2</sup>.
- EUR 0.2/m<sup>2</sup> of reported usable area of the farming site if the average of all bivalve molluscs produced was between 1 and 2 kg/m<sup>2</sup>.
- EUR 0.1/m<sup>2</sup> of reported usable area of the farming site if the average of all bivalve molluscs produced was below 1 kg/m<sup>2</sup>.

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs holders of the mariculture permit.

7. Total budget

60,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Minimum effects on trade.

---

## 9 SUSTAINABLE MANAGEMENT OF FRESHWATER FISHERY

### 1. Title of the subsidy programme

Support to development of freshwater fishery and aquaculture sector - Sustainable management of freshwater fishery.

### 2. Period covered by the notification

2021 year.

### 3. Policy objective and/or purpose of the subsidy

- development of sports fishing tourism;
- strengthening control of sports fishing activities in order to protect and develop fishery waters and fish stocks;
- reliable estimate of available fish stocks in freshwater fishery waters fishery master plan;
- improving the management of freshwater resources based on available scientific data;
- participation in the costs of restocking fishery waters, in accordance with Art. 23 and 24 of the Law on Freshwater Fisheries and Aquaculture.

### 4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

### 5. Form of the subsidy

Support to users of fish and other aquatic organisms and to the Association for the organisation of sport fishing events both at the national and the international level in order to promote sport fishing tourism.

Support to the development of protection and preservation of fishery waters.

Support to a scientific institution that the Ministry authorises for the development of a fishery master plan.

Support to a scientific institution - Faculty of Mathematics and Science - Biology Department for monitoring the status of fish and other aquatic organisms and cooperation with sport fishing clubs in the processes concerning the restocking, selective or fishing for population control purposes.

Support to the restocking costs for users of fish and other aquatic organisms and/or managers of natural resources in accordance with Art. 23 and 24 of the Law on Freshwater Fisheries and Aquaculture.

### 6. To whom and how the subsidy is provided

Association of sports fishing organisations of Montenegro, the Association of sports fishing at sea and users of fish and other aquatic organisms.

Scientific institution authorised by the Ministry.

Faculty of Mathematics and Science - Biology Department.

User of fish and other aquatic organisms and managers of natural resources.

### 7. Total budget

100,000.00 EUR.

### 8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

**10 DEVELOPMENT OF COMMERCIAL FISHING IN LAKE SKADAR**

1. Title of the subsidy programme

Support to development of freshwater fishery and aquaculture sector - Development of commercial fishing in Lake Skadar.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- improve the catch efficiency in commercial fishing in Skadar Lake;
- improving the standards of safety of navigation;
- improvement of hygiene and health standards.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support to strengthening of commercial fishing in Skadar Lake concerns co-financing of commercial fishermen (holders of a valid permit for commercial fishing issued by the NP Skadar Lake) in the cost of engine replacement, replacement of fishing gear and tools to increase catch efficiency and the supply of ice-makers. The maximum contribution of budgetary funds is up to 50% of the value of the invoices submitted, maximum up to EUR 1,500. Specific criteria for support shall be defined by the Public Call.

6. To whom and how the subsidy is provided

Holders of a valid commercial fishing permit for Skadar Lake.

7. Total budget

50.000 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## **11 STRENGTHENING COMPETITIVENESS AND EFFICIENCY OF THE FRESHWATER AQUACULTURE SECTOR**

1. Title of the subsidy programme

Support to development of freshwater fishery and aquaculture - Strengthening competitiveness and efficiency of freshwater fishery sector.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- strengthening competitiveness and efficiency of freshwater aquaculture sector;
- introduction of new technologies for protection of farming sites against predators.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Support to strengthening the competitiveness and efficiency of the freshwater aquaculture sector concerns co-financing of costs borne by fish farmers for the reconstruction of the farming sites; construction or reconstruction of facilities for storage of feed and equipment; supply of equipment for automation of the farming process; supply of equipment for improvement of hygiene in terms of food safety and marketing of farmed products; supply of protective nets or other technical solutions in order to protect the farming sites against predators. The maximum share of budgetary funds is up to 50% of the approved investment, up to EUR 7,000.00. More detailed eligibility criteria and conditions will be laid down by the public call.

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs issued with the aquaculture permit.

7. Total budget

64,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

No effects on trade.

## **12 DIRECT PAYMENTS IN AQUACULTURE**

1. Title of the subsidy programme

Support to development of freshwater fishery and aquaculture - Direct payments in aquaculture.

2. Period covered by the notification

2021 year.

3. Policy objective and/or purpose of the subsidy

- increase the competitiveness of freshwater aquaculture production and creation of competitive farmers;
- full use of all available production capacities;
- improvement of business operations;
- increase of total aquaculture production.

4. Background and authority for the subsidy

Ministry of Agriculture, Forestry and Water Management.

5. Form of the subsidy

Eligible for support for direct payments in aquaculture are business organisations and entrepreneurs holding an aquaculture permit. Support is received exclusively for production from the own farming site. The amount of support is set based on the area of the farming site stated in the authorisation for aquaculture and based on average production for the past two years as follows:

- EUR 3.0/m<sup>2</sup> of reported usable area of the farming site if the average of all fish size structures produced was above 22 kg/m<sup>2</sup>.
- EUR 2.5/m<sup>2</sup> of reported usable area of the farming site if the average of all fish size structures produced was above 22 and 17 kg/m<sup>2</sup>.
- EUR 2.0/m<sup>2</sup> of reported usable area of the farming site if the average of all fish size structures produced was between 17 and 12 kg/m<sup>2</sup>.
- EUR 1.5/m<sup>2</sup> of reported usable area of the farming site if the average of all fish size structures produced was between 12 and 7 kg/m<sup>2</sup>.
- EUR 1.0/m<sup>2</sup> of reported usable area of the farming site if the average of all fish size structures produced was below 7 kg/m<sup>2</sup>.

6. To whom and how the subsidy is provided

Business organisations and entrepreneurs issued with the aquaculture permit.

7. Total budget

75,000.00 EUR.

8. Duration of the subsidy

2021 year.

9. Statistical data permitting an assessment of the trade effects of the subsidy

Minimum effects on trade.

---