

## **The proposed European Fisheries Fund: questions and answers**

### **Why has the European Commission proposed a new Fund for Fisheries?**

The European fishing industry currently receives aid from the European Union (EU) under the Financial Instrument for Fisheries Guidance (FIFG). In common with the other so-called "structural funds", the current financial programme covers the period 2000 to 2006. The new European Fisheries Fund will succeed FIFG and provide aid to fisheries from 2007 to 2013.

### **Why propose a new Fund instead of simply re-conducting FIFG?**

To be effective, EU funding to fisheries has to be adapted to the evolving needs of the fishing and aquaculture industry in an enlarging Union. The Common Fisheries Policy (CFP) is undergoing a major reform, agreed by the Council of Fisheries Ministers in December 2002. The new Fund will help implement the major changes under this reform aimed at delivering sustainability in fisheries and aquaculture.

In addition, to optimise the impact of public aid, there must be coherence between the Fisheries Fund and the other EU Structural Funds. EFF reflects the new approach, agreed last February, for EU Funds towards simplification, strategic planning and greater responsibility for the Member States in the choice and implementation of funding. EFF combines innovations and continuity in order to better meet the challenges facing the fishing and aquaculture industry and the areas concerned.

### **What is the new approach guiding EU funding?**

The new approach, adopted last February, makes a distinction between the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund on the one hand and financial support to fisheries, agriculture and the environment under funding for "preservation and management of natural resources", on the other. This approach also provides for simplification of the programming and delivery of assistance mechanisms and processes and concentration of aid on a limited number of priorities. Another important aspect is the move towards strategic planning in the identification and implementation of the funding priorities.

The principles guiding EU funds remain: multi-annual programming, partnership, co-financing, subsidiarity, proportionality, shared management and concentration of funding on the regions lagging behind in their development.

## **What are the main priorities of the new European Fisheries Fund?**

EFF will target four priority areas. These reflect EFF's task of facilitating the implementation of measures adopted under the reform of the Common Fisheries Policy to secure economic, environmental and social sustainability in fisheries. The four EFF priorities have been identified as follows:

- Reduction of fishing pressure and better protection for the marine environment;
- Aquaculture, and processing and marketing of fisheries and aquaculture products;
- Measures of collective benefit;
- Sustainable development of coastal fishing areas.

### **1. Reduction of fishing pressure and better protection for the marine environment**

FEP will provide aid to fishermen and vessel owners affected by measures taken under multi-annual plans, designed to help threatened stocks recover, within the framework of national plans for the adjustment of the fleets concerned. Those affected could also benefit from aid in case of temporary cessation of activities due to emergency measures, the non-renewal of a fisheries agreement or following natural disasters. Training and early retirement schemes will be financed for those leaving the catching sector.

The use of more environmentally-friendly fishing gear and techniques will be eligible for aid, for example, in the case of vessels required to change fishing techniques under a recovery plan or reconverting to other fisheries. There will be incentives for training targeted at young fishermen preparing to acquire their first vessel.

As agreed under the CFP reform, aid for the renewal of the fleet – which contributed to creating overcapacity - will end in December 2004. Funding will continue to be available for the permanent removal of fishing vessels. In the case of scrapping of vessels, priority and higher rates of support will be given to national fleet adjustment programmes set up within two years of the establishment of a recovery plan. Aid will also continue for upgrading safety and hygiene conditions on board fishing vessels. The small-scale fishing fleet will benefit from a higher rate of support for a range of measures.

### **2. Aquaculture, processing and marketing**

EFF will continue to support the sustainable development of European aquaculture. Shellfish farmers, temporarily unable to harvest their production due to unforeseen circumstances, will be eligible for aid. The development and application of methods and practices that lessen the impact of aquaculture on the environment, the implementation of measures to promote hygiene and protect public health as well as initiatives to enhance marketing conditions of aquaculture products will be eligible for EFF aid. Priority will be given in these areas to projects that boost employment without encouraging over-investment. The focus will be on support for small enterprises. These objectives will also guide funding to the processing and marketing of fisheries and aquaculture products.

### **3. Promoting collective interest**

Aid will be available for projects undertaken by representatives of, or organisations from, the fisheries or aquaculture sector and which contribute to the sustainable management or conservation of fisheries resources, strengthen transparency in the markets in fisheries and aquaculture products or promote partnership between scientists and players in the fisheries sector

Examples of such projects include: the protection and development of aquatic resources, modernisation of fishing ports, promotion and development of new markets for fisheries and aquaculture products and pilot projects in increasing and disseminating knowledge in the protection of fisheries resources.

### **4. Sustainable development of coastal fishing areas**

Depletion of fish stocks lead to reduced catches, falling income and job losses which have an impact on the fishing areas concerned which, in many cases, have few alternative sources of employment. This is why the Commission proposes that future funding play a greater role in helping the areas concerned lessen their economic dependence on the catching sector.

Informed by the LEADER and PESCA Initiatives and driven by a bottom-up approach, EFF funding will promote the development of measures designed to address the specific development needs of the fishing areas concerned. Aid will be available to people employed either in the fisheries sector or in fisheries related businesses. Projects promoting the role of women in fishing communities will be encouraged.

### **Why not let fishermen fish rather than help finance the scrapping of fishing vessels or the temporary cessation of fishing activities?**

In the 1990s, an average of 8,000 jobs a year were being lost in the EU catching sector. These were due to a combination of overfishing leading to reduced catches and stock depletion, on the one hand, and technological advances which make fishing vessels ever better at locating and catching fish, on the other. If measures had been more stringent and their implementation stricter in the past, the need for recovery plans requiring a reduction in fishing pressure on fish stocks may not have been so severe today.

The bottom line is that over-investment, overcapacity and overfishing are at the root of the economic pain that some fleets are currently experiencing. The measures to help depleted stocks recover are indispensable if the European Union is to have a sustainable fishing industry and to secure jobs in the longer-term. Measures must be taken to avoid stock collapse as that witnessed with cod, off the east coast of Canada which, more than ten years on, has still to recover.

### **How much aid will be available under EFF?**

The proposed overall budget for EFF for the seven year-programming period 2007 to 2013 amounts to € 4.963 billion. Three-quarters of this budget will be allocated to the regions lagging behind, most of which are located in the new Member States.

Table 1 shows the proposed annual amounts, in 2004 prices, for all Member States:

Table 1

€ million

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
655	678	701	713	726	738	752

Table 2 provides the annual amounts for the regions lagging behind in the 15 'old' Member States, in 2004 prices. Total: € 2,015 million.

Table 2

€ million

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
293	293	291	288	286	283	281

Table 3 shows the annual aid for the new Member States, in 2004 prices.

Total: €1,702 million

Table 3

€ million

<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
184	207	232	247	262	277	293