

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 170 final.

Brussels, 24 April 1978

Proposal for a
COUNCIL REGULATION (EEC)
on a common interim measure for restructuring
the inshore fishing industry

(submitted to the Council by the Commission)

COM(78) 170 final.

MEMORANDUM FOR THE COMMISSION

The draft Regulation provides for aid from the Guidance Section of the EAGGF for 1978 to investment projects for inshore fishing vessels in regions where the development of fishing can be envisaged (Ireland in particular), and for aquaculture (in Italy in particular).

This proposal results from the Commission's undertakings contained in the proposal for a Resolution on structures and markets (Doc. COM (78) 10 final of 16 January 1978).

The European Parliament has already delivered a favourable Opinion on a proposal for action to restructure the inshore fishing industry for which the present proposal is only an interim measure anticipating the implementation for 1978 of that common multi-annual programme.

It is recommended that the Commission approves the attached proposal for a Regulation and forward it to the Council for its meeting on 24 April.

TIMETABLE

The "Fisheries" meeting of the Council on 4 April 1978 emphasized the need to undertake a fresh study of all the structural proposals in connection with the draft Resolution which was before the Council on 30 and 31 January 1978.

The present proposal is the outcome of the undertaking which is point 4 of the draft Resolution cited above and goes together with the proposals which are already before the Council.

All these proposals should be discussed during the "Fisheries" meeting of the Council on 24 April 1978.

It is expected that the Council will adopt them during its meeting on 22-23 May 1978. It therefore seems necessary that the Parliament should adopt the present proposal during its plenary session to be held in May.

EXPLANATORY MEMORANDUM

On 28 November 1975 the Commission put a proposal for a Regulation on a measure for restructuring non-industrial inshore fisheries. By virtue of Article 149 (2) of the Treaty, this proposal was amended on 14 July 1976 to take account of the Opinions of the European Parliament and the Economic and Social Committee.

This measure will need to be implemented under programmes which can only be worked out after a detailed study of the real production possibilities in the various Community regions. These studies cannot be completed in the near future.

Nevertheless, in the proposal for a Resolution on the common policy on structures and markets in the fisheries sector, Doc. COM (78) 10 final of 16.1.1978, the Commission has emphasized that :

- particular attention should be paid to restructuring and development potential in fishing and in inshore fishing in particular;
- before 1 May 1978 an interim common measure should be adopted to provide, during 1978, within the general outline of the proposal cited above, support from the Guidance Section of the EAGGF for investment projects for the purchase or construction of fishing vessels and for aquaculture in regions where there is scope for developing fishing.

To this end, the present proposal seeks to promote the development of inshore fishing in regions where the fishing potential allows an increase in aquaculture production capacity in regions particularly suitable for this activity.

In order to ensure that investments which are to receive support from the fund are economically and technically worthwhile, certain conditions and criteria for the selection of projects have been fixed

in respect of fishing vessels and aquaculture installations.

The measures provided for by this Regulation constitute a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 since they contribute to the attainment of the objectives of Article 39 (1) (a) of the Treaty. However, this measure is of an interim nature, until such time as a more complex measure for restructuring fisheries in all the coastal regions of the Community can be carried out; it is restricted to investment projects in respect of which requests for aid are received before 1 September 1978.

The estimated total cost of this common measure is 5 million EUA. The rules for granting the aid are broadly comparable to those at present in force for financing projects under Regulation (EEC) No 355/77¹.

In view of the urgency, the Commission envisages reducing the time lag traditionally provided for between presentation of the requests and the decision to grant aid from the Fund to four months.

¹O.J. No L, 23.2.1977, p. 1.

Proposal for a
COUNCIL REGULATION (EEC) No
of
on a common interim measure for restructuring
the inshore fishing industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 9 (2) of Council Regulation (EEC) No 101/76 of 19 January 1976 laying down a common structural policy for the fishing industry¹ provides that common measures may be decided upon for the attainment of the objectives mentioned in paragraph 1 of that Article provided that they relate to the objectives set out in Article 39 (1)(a) of the Treaty; whereas these common measures may be financed by the Guidance Section of the European Agricultural Guidance and Guarantee Fund under Article 1(3) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy², as last amended by Regulation (EEC) No 2788/72³;

Whereas action to restructure inshore fishing is necessary in order to promote the rational use of the available resources and the best use of production factors and to ensure fair living standards for those ./.

¹O.J. No L 20, 28.1.1976, p. 19.

²O.J. No L 94, 28.4.1970, p. 13.

³O.J. No L295, 30.12.1972, p. 1.

who live by fishing; whereas, for this purpose, the Commission proposed to the Council a common measure ¹ which provided that the restructuring of this sector should be implemented under programmes whose implementation requires a detailed analysis, of the production potential of the different Community regions; whereas this analysis is not yet complete; whereas this proposal has received a favourable Opinion from the European Parliament²;

Whereas, until such time as better knowledge of this potential is available, the Guidance Section of the Fund should, during 1978, undertake the financing of investment projects for the development of inshore fishing in regions where the fishing potential makes this development possible and for the development of aquaculture in regions which are particularly suited to this activity;

Whereas a contribution from the Fund in the form of a capital subsidy not exceeding 25 % of the total investment is an appropriate contribution to this measure;

Whereas some regions of the Community find themselves at a disadvantage from the point of view of agricultural revenues and under-employment both in the agriculture sector and elsewhere; whereas the action for structural development of these regions should be re-inforced in those areas where this would be most likely to improve the situation in a rapid and lasting way;

Whereas, in order to ensure that beneficiaries observe the conditions laid down when support is granted by the Fund, an effective control procedure should be provided for together with the authority to suspend, reduce or withdraw Fund support,

HAS ADOPTED THIS REGULATION :

¹ O.J. No C 6, 10.1.1976, p. 2.

² O.J. No C 125, 8.6.1976, p.37.

Title I. Provisions concerning the projects

Article 1

1. The Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter called the "Fund", shall participate in the financing of investment projects for :

- the development of inshore fishing in regions where fishing potential makes this possible,
- the development of aquaculture in regions which are particularly suited to this activity.

2. The measures provided for by this Regulation shall constitute common measures within the meaning of Article 6(1) of Regulation (EEC) No 729/70.

Article 2

For the purposes of this Regulation, "project" means any investment project for :

- (a) the construction or purchase of fishing vessels;
- (b) the construction, equipping or modernisation of aquaculture establishments for rearing fish, crustaceans and molluscs.

Article 3

1. In order to qualify for aid from the Fund, the equipment covered by the projects shall meet the following technical conditions :
 - a) in respect of fishing vessels
 - it shall have a length between 12 and 24 metres, measured between perpendiculars, or a tonnage between 25 and 130 gross registered tonnes;
 - it shall be equipped to carry out more than one type of fishing;
 - b) in respect, of breeding
 - it shall concern the breeding or rearing of fish, crustaceans and molluscs for commercial purposes.
2. The lower limits referred to in paragraph 1(a) may be reduced to 6 metres in length or 10 gross registered tonnes for vessels fishing otherwise than by trawl or puse seine.

Article 4

1. The projects shall provide an adequate guarantee of profitability and contribute to a lasting economic improvement in the structures of the industry in question.
2. Priority for support from the Fund shall be given to projects which bring benefit to regions which have particular difficulties in developing satisfactory production structures and which also fulfil one or more of the following criteria:
 - they are consistent with a rational production policy and serve to improve the market supply situation;
 - they improve employment prospects in the inshore fishing industry or in aquaculture;
 - they improve the working conditions and in particular the safety of the workers concerned.

Article 5

The Member State concerned shall submit to the Commission a summary document showing for each project or group of projects :

(a) for fishing vessels

- that the expected production increase is compatible with the real potential catch;
- that the person operating vessel in question has sufficient training for making the best use of the vessel's gear;

(b) For aquaculture

- that investments are related to modern breeding techniques and permit the development of new production structures in the regions concerned;
- that the species to which the projects relate have already been bred commercially.

Article 6

1. Aid from the Fund shall consist of a capital subsidy paid in one or more instalments.
2. For each project, in relation to the investment made,
 - (a) the beneficiary shall finance at least 50 % of the total investment;
 - (b) the Member State shall finance at least 5 % of the total investment;
 - (c) the subsidy granted by the Fund shall not exceed 25 % of the total investment.
3. By way of derogation from paragraph 2, in Greenland, Ireland, Northern Ireland and the Mezzogiorno
 - (a) the beneficiary shall finance at least 25 % of the total investment;
 - (b) the Member State shall finance at least 5 % of the total investment;
 - (c) the subsidy granted by the Fund shall not exceed 50 % of the total investment.

Article 7

1. This common measure shall not extend beyond 31 December 1978.
2. The estimated total cost to the Fund of the common measure shall be 5 million European units of account.

Title II. Financial and general provisions

Article 8

1. Applications for aid from the Fund shall be submitted to the Commission before 1 September 1978. The Commission shall take a decision by 31 December 1978.
2. The application for aid from the Fund shall be introduced through the Member State concerned and shall have been approved by the said Member State.

Article 9

1. A decision shall be taken on aid from the Fund in accordance with the procedure laid down in Article 12, after the Fund Committee has been consulted on the financial aspects.
2. The decision on aid shall be notified to the Member State concerned and to the beneficiaries.

Article 10

1. Aid from the Fund shall be granted to natural or legal persons or groups thereof bearing the ultimate financial responsibility for the project.

Payments in respect of aid from the Fund shall be made by agencies designated for this purpose by the Member State concerned.

2. Throughout the period in which aid is being provided by the Fund, the department or agency designated for this purpose by the Member State shall send to the Commission on request all supporting documents and all documents showing that the financial or other conditions imposed for each project are fulfilled. The Commission may, if necessary, make an inspection visit.

After consulting the Fund Committee on the financial aspects, the Commission may decide to suspend, reduce or discontinue aid from the Fund, in accordance with the procedure laid down in Article 12.

- if the project is not carried out as planned or
- if some of the conditions imposed are not complied with or
- if the beneficiary, contrary to the particulars given in his application and repeated in the decision granting aid, has not, within two years from the date of notification of that decision, begun the work and if he has not, before the end of this period, supplied adequate assurances that the project will be carried out.

The decision shall be notified to the Member State concerned and to the beneficiary.

The Commission shall take steps to recover any sums unduly paid.

Article 11

The particulars which applications for aid from the Fund referred to in Article 8 shall contain and the form in which projects shall be presented shall be decided in accordance with the procedure laid down in Article 12, after the Fund Committee has been consulted on the financial aspects.

Article 12

1. Where the procedure laid down in this Article is to be followed, the matter shall be referred to the Standing Committee for the Fishing Industry, either on the initiative of the Chairman thereof or at the request of the representative of a Member State.

2. The representative of the Commission shall submit the draft of the measures to be taken. The Committee shall deliver its opinion within a time limit to be set by the Chairman according to the urgency of the matter. Opinions shall be adopted by a majority of forty-one votes, the votes of Member States being weighted in accordance with Article 148(2) of the Treaty. The Chairman shall not vote.

3. The Commission shall adopt the measures, which shall apply immediately. However, if they are not in accordance with the Opinion of the Standing Committee for the Fishing Industry, the Commission shall forthwith communicate them to the Council; in that event the Commission may defer their application, for not more than one month from the date of such communication. The Council, acting by a qualified majority, may adopt different measures within one month.

Article 13

This Regulation shall enter into force on

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,
The President.

FINANCIAL STATEMENT

DATE :

1. RELEVANT BUDGET CODE / 8302
~~XXXXXXXXXXXXXXXXXXXX~~

2. ~~ACTORX~~ TITLE OF BUDGET HEADING :

Proposed Council Regulation (EEC) on a common interim measure for restructuring the inshore fishing industry.

3. LEGAL BASIS : Article 43 of the Treaty and Article 6(1) of Council Regulation (EEC) No 729/70 of 28.4.1970 on the financing of the common agricultural policy.

4. ~~XXXXXXXXXX~~ PURPOSE OF THE PROJECT: To enable investment projects to be carried out during 1978 in order to develop inshore fishing fleets and to develop aquiculture within the general guidelines given in the proposed Regulation on a programme for restructuring the non-industrial inshore fishing industry (COM (75) 574 of 14.1.1975)

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR ()	FOLLOWING FINANCIAL YEAR ()
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	5 M EUA		
-CHARGED TO NATIONAL ADMINISTR.			
-CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
-NATIONAL			

YEAR YEAR YEAR

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE

5.1.1 PLURIANNUAL PATTERN OF RECEIPTS

5.2 METHOD OF CALCULATION - 40 vessels x 90 g.r.t. = 3 600 grt x 4,500 EUAx25% = 4,050 M EUA
 - 4 aquiculture installations x 1.0 M EUA x 25 % = 1,000 M EUA
 Rounded total to be charged to the EAGGF budget = 5,000 M EUA
 =====

Working hypothesis

- 90 grt = average tonnage of the vessels covered by the project
- 4 500 EUA = average cost of construction per gross registered tonne
- 1.0 M EUA = average cost of constructing and equipping aquiculture installations

6.0 FINANCING POSSIBLE WITH ~~RESOURCES~~ ~~RESOURCES~~ IN RELEVANT CHAPTER OF CURRENT BUDGET ? APPROPRIATIONS ENTERED YES/~~NO~~X

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 ~~EXPENDITURE~~ ~~EXPENDITURE~~ ~~EXPENDITURE~~ IN ~~THE~~ FUTURE BUDGETS ? APPROPRIATIONS TO BE ENTERED ~~YES~~/NO

COMMENTS 1) The financial estimate takes account of the fact that, during 1978, development of inshore fishing fleets and of aquiculture can only be carried out in a limited number of regions where there is real fishing potential or which are particularly suited for breeding fish, crustaceans and molluscs. This estimate has been made in the light of experience gained during management of Regulation 17/64/EEC.
 2) To make it possible to finance this interim measure, the appropriations for Item 8302 of the 1978 Budget, originally intended to finance the common multi-annual programme for restructuring inshore fishing which has not yet been adopted by the Council, will be used. Since these appropriations are at present entered in Chapter 100, the Commission will shortly advise the Budgetary Authority of its proposal to transfer this to Heading 8302.