



EUROPEAN COMMISSION

Directorate-General
for Fisheries

Summary of the structural interventions
for fisheries in the United Kingdom
FIFG financing
and Community initiative PESCA

European Union aid for fisheries development in the United Kingdom (1994–99)

The fisheries sector in the United Kingdom is going through a period of fundamental structural change. This is required mainly because of a scarcity of resources in Community waters and increased competition for markets.

In order to support actions undertaken at national level, the European Union (EU) has made available approximately ECU 160 million (about UKL 135 million) to the industry and public authorities for the period 1994-99.¹

These finances have been allocated primarily through the FIFG (Financial Instrument for Fisheries Guidance) and cover the entire fisheries sector in the UK: from fleet modernization to fishing port equipment, from aquaculture to the fish processing and marketing industries.

FIFG priorities and fields of action have been decided in partnership by both the European Commission and the British authorities by means of three programming documents concerning the following areas: Highlands and

Islands, Northern Ireland and the rest of the country.

Another kind of intervention is represented by the Community initiative PESCA, launched by the Commission with the aim of supporting Europe's coastal regions.

This publication summarizes:

- the content and financial plans of the three FIFG programmes (pages 3-6);
- the British programme of the Community initiative PESCA (page 7);
- origin and goals of all the EU Structural Funds, particularly of the FIFG (page 8).

¹ Practical details of structural aid: see pages 3 (FIFG) and 7 (PESCA)

The common fisheries policy of the European Union

The common fisheries policy (CFP) is at the core of the European Community's fishing industry.

The CFP covers all activities involved in the fishing and farming of living aquatic resources, as well as the processing and marketing sectors.

The policy has gone through a number of transformations since the first CFP decisions were adopted in 1970, and today it is centred on four major areas:

- (i) conservation of stocks
- (ii) organization of markets
- (iii) international agreements
- (iv) structural measures (subject of this publication).

For further information about the CFP, read:

The new common fisheries policy, Luxembourg, EUR-OP, 1994 (in all EC languages; English version: ISBN 92-826-7570-X).

The common fisheries policy, Information file, Brussels, EC Commission, DG XIV, 1994 (in English or French).

These publications may be ordered from:
European Commission
DG XIV – Fisheries
Rue de la Loi, 200
B-1049 Brussels
Fax (32-2) 299 48 17

The fisheries sector in the United Kingdom: strengths and weaknesses

The fisheries sector accounts for about 1% of gross domestic product in the United Kingdom.

In 1992 the total quantity of seafish landed by the United Kingdom fishing fleet, both into UK ports and abroad, was 811 000 tonnes with a total value of ECU 641 million.

Some 709 000 tonnes were landed into the UK by both the UK fleet and foreign fishing vessels with a total value of ECU 634 million.

Since 1990 the fleet has declined slightly, from 11 189 vessels (excluding the island vessels) to 10 973 vessels in 1992 and to 10 000 vessels in 1995. To date, the total fleet consists of just under 10 000 fishing vessels. Of this total, approximately two thirds were under 10 metres in overall length. The remaining vessels accounted for over 90% of the fish caught.

These numbers will need to decline further in the light of the United Kingdom's target under the Community's Multiannual Guidance Programme. This requires a 17.5% reduction in fishing effort from the situation in 1992 until the end of 1996 and 55% of this reduction has to be achieved by a reduction in capacity.

Employment of fishermen has been roughly stable at around 22 000 from 1982 to 1991. In view of the need to restructure the industry it is expected that the number of fishermen will decline.

The UK has around 1 400 fish and shellfish farming businesses on 2 100 sites employing about 5 000 people in rural and coastal areas.

Employment in salmon production is a major factor in maintaining small coastal populations in the Highlands and Islands of Scotland. Trout is produced mainly in freshwater rivers of England, Wales and Northern Ireland.

The first sale value of farmed fish production is ECU 329.75 million and a further ECU 20 million per year is contributed by shellfish production.

Fish processing is a major sector of the UK fisheries sector. This sector directly employs around 21 000 people. A high proportion of fish processing establishments are small: nearly 50% employ fewer than 10 people. The industry is worth ECU 1 583 million a year.

The main weakness of the UK fisheries sector is the overcapacity of the fishing fleet which must be reduced in line with the objectives of the United Kingdom Multiannual Guidance Programme (1992-96) for the fishing fleet.

Modernization of fishing vessels and improvement of safety and hygiene on board is also a requirement.

Facilities for fish processing and fishing port infrastructure are in need of updating.

Structural interventions 1994-99: nine fields of action

In the light of this situation, the structural interventions laid down by the three programmes for the UK identify nine fields of action:

1 Adjustment of fishing effort

The aim of this scheme is to facilitate compliance with the targets of the Multiannual Guidance Programme (MAGP) for the fishing fleet through the implementation of measures to adjust fishing effort, particularly those involving the permanent withdrawal of fishing capacity.

During the present programming period of the MAGP (1994-96) it is expected that the fleet will be reduced by about 12 000 grt (gross registered tonnage) in capacity through decommissioning: owners of eligible active fishing vessels are invited to tender for decommissioning grants to scrap their vessels and to give up their licence.

Other measures will contribute further to global capacity reduction during this period and, if required, during subsequent years.

Beneficiaries: owners of UK fishing vessels.

2 Renewal and modernization of the fishing fleet

The objective is to upgrade fishing vessels by improving the safety conditions on board about 200 vessels each year in order to comply with national standards.

A further measure is planned to improve the effectiveness of the surveillance of fishing vessels by introducing continuous position

monitoring equipment on UK fishing vessels. This measure will be preceded by a number of pilot projects.

Beneficiaries: owners of UK fishing vessels and workers on board vessels.

3 Aquaculture

It is proposed to continue to provide scientific and technical advice and an appropriate level of financing to increase the production of fish and shellfish through aquaculture in order to ensure a regular supply and high quality of these species on the market.

The objective is to arrive at a production of 80 000 tonnes a year for all species by means of:

- upgrading of existing facilities
- diversification of species
- construction of new aquaculture units
- development of added value products
- improvements in packaging and labelling
- identification of new markets
- improvements in the health condition of stock.

Beneficiaries: Fish and shellfish producers and processors.

4 Enclosed sea-water areas

The objective is to disseminate the scientific and technological knowledge gained from research and to demonstrate commercial viability through the building of artificial reefs and the adaptation of existing and planned coastal structures.

The measure should finance capital development costs and ensure environmental protection.

Beneficiaries: public bodies, producer organizations, scientific bodies.

Access to financing and programming documents

In order to take part in the actions financed by FIGG, potential beneficiaries, listed at the end of each field of action, should contact the British Ministry for Agriculture, Fisheries and Food (see last page for the address).

Single projects proposed by beneficiaries are expected to be in line with the envisaged aims.

The detailed description of the fields of action, aims and contents, is included in the three United Kingdom FIGG programming documents:

- (a) the single programming document for the Highlands and Islands, priority 4 (Support for the primary sector and related food industries), measure 4 (Fisheries and aquaculture);
- (b) the single programming document for Northern Ireland, priority 4 (The development of agriculture, fisheries and the rural economy), subprogramme 4.1 (Fisheries);
- (c) the Community programme 'Objective 5a — Fisheries' for the rest of the country (England, Wales, Scotland, except Highlands and Islands).

These documents may be ordered from the addresses listed on the last page.

For more information: *The European Community and the fishing industry. practical guide to structural aid*, Luxembourg, Office for Official Publications of the EC, 1994, ISBN 92-826-7762-L.

(see page 6)

United Kingdom: Highlands and Islands, Northern Ireland¹

Highlands and Islands

(million ECU)²

Fields of action	FIFG (1)	Other EU Structural Funds (2)	National public funding (3)	Private sector (4)	Total (1 + 2 + 3 + 4)
1. Adjustment of fishing effort	2.30	–	0.90	–	3.20
2. Renewal/modernization of the fleet	2.80	–	0.70	3.30	6.80
3. Aquaculture	5.70	–	1.30	5.70	12.70
4. Enclosed seawater areas	0.60	–	0.10	0.60	1.30
5. Fishing port facilities	2.80	–	1.00	3.30	7.10
6. Processing and marketing	4.80	–	1.40	7.50	13.70
7. Product promotion	0.80	–	0.50	0.30	1.60
8. Socioeconomic measures ³					
Total	19.80	–	5.90	20.70	46.40

Northern Ireland

(million ECU)²

Fields of action	FIFG (1)	Other EU Structural Funds (2)	National public funding (3)	Private sector (4)	Total (1 + 2 + 3 + 4)
1. Adjustment of fishing effort	3.51	–	1.90	–	5.41
2. Renewal/modernization of the fleet	4.00	–	0.40	3.60	8.00
3. Aquaculture/enclosed seawater areas	0.90	–	0.10	0.90	1.90
4. Fishing port facilities	3.71	–	2.00	0.30	6.01
5. Processing/marketing and promotion of products	3.00	–	0.60	6.40	10.00
6. Socioeconomic measures ³					
Total	15.12	–	5.00	11.20	31.32

¹ These areas are covered by Objective 1 of the EU Structural Funds (areas whose gross national product per capita is less than 75% of the EU average).

² For information, based on monthly exchange rate in December 1995, ECU 1 = UKL 0.85

³ These measures may be introduced following the modification of Council Regulation (EC) No 3699/93 in November 1995. The amount allocated to them is still to be decided, but remains within the total financing allowed.

United Kingdom: other areas ¹

(million ECU) ²

Fields of action	FIFG (1)	National public funding (2)	Private sector (3)	Total (1 + 2 + 3)
1. Adjustment of fishing effort	13.34	11.04	–	24.38
2. Renewal/modernization of the fleet	13.33	3.63	21.12	38.08
3. Other fleet measures	18.52	18.52	–	37.04
4. Aquaculture	3.82	1.28	7.67	12.77
5. Enclosed seawater areas	0.40	0.14	0.72	1.26
6. Fishing port facilities	4.28	0.78	10.83	15.89
7. Processing and marketing	22.68	5.17	58.06	85.91
8. Product promotion assistance	12.10	11.71	1.32	25.13
9. Technical	0.24	0.08	–	0.32
10. Socioeconomic measures ³				
Total	88.70	52.35	99.72	240.77

¹ Interventions carried out in the context of Objective 5a — Fisheries, of the Structural Funds. All areas of the UK are concerned except for Highlands/Islands and Northern Ireland.

² For information, based on monthly exchange rate in December 1995, ECU 1 = UKL 0.85.

³ These measures may be introduced following the modification of Council Regulation (EC) No 3699/93 in November 1995. The amount allocated to them is still to be decided, but remains within the total financing allowed.

Legal references

On the FIGG (Financial Instrument for Fisheries Guidance):

- Council Regulation (EC) No 3699/93 of 21.12.1993 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and the processing and marketing of its products (OJ L 346, 31.12.1993);

Modifications:

- Change of capacity: Council Regulation (EC) No 1624/95 of 29.6.1995, (OJ L 155, 6.7.1995);
- Socioeconomic measures (early retirement schemes, compensatory payments): Council Regulation (EC) No 2719/95 of 20.11.1995 (OJ L 283, 25.11.1995);

- Council Regulation (EC) No 2080/93 of 20.7.1993, laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the Financial Instrument for Fisheries Guidance (OJ L 193, 31.7.1993).

On the Structural Funds:

Framework Regulation:

- Council Regulation (EEC) No 2081/93 of 20 July 1993, amending Regulation (EEC) No 2052/88 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the EIB and the other existing financial instruments (OJ L 193, 31.7.1993);

Coordination Regulation:

- Council Regulation (EEC) No 2082/93 of 20 July 1993 amending Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds between themselves and with operations of the EIB and the other existing financial instruments (OJ L 193, 31.7.1993).

(from page 3)

5 Fishing port facilities

The aim of this measure is to modernize UK harbours so as to provide efficient, safe and hygienic facilities for landing and handling of fish.

It is envisaged that 50% of the 442 places and harbours at which fish is landed are in need of some work.

FIFG intervention will co-finance:

- material investments;
- construction and repair of existing harbour quays, markets, storage;
- investments in mooring, processing and servicing facilities.

Beneficiaries: public harbour authorities, privately owned harbours, local authorities, fishermen's cooperatives.

6 Product processing and marketing

It is planned to provide advice and the necessary pump-priming funding to promote development and particularly to ensure upgrading of facilities in line with Community directives on health and hygiene. Material investments will aim at the improvement of the quality standards for the commercialization of fishery products and bivalve molluscs.

Beneficiaries: businesses processing and marketing fish, shellfish and aquaculture products.

7 Product promotion

The objective of this measure is to find and promote new market outlets for fishery and aquaculture products and to promote increased consumption on the home market.

The following actions will be co-financed:

- operations associated with quality certification and product labelling;
- promotion campaigns, including those highlighting quality issues;
- consumer surveys and market studies;
- projects to test consumer reactions;
- organization of and participation in trade fairs and exhibitions;
- organization of study and sales visits;
- sales advice and services provided to wholesalers and retailers.

Beneficiaries: public bodies, private contractors, producers' associations.

8 Other measures

In order to improve the decision-making basis and to ensure that FIFG funds are spent to best effect, the following actions will be undertaken: studies, pilot projects, demonstration projects, technical assistance, joint actions in the face of specific difficulties.

Beneficiaries: public and semi-public bodies, private companies, organizations of producers, cooperatives, other legal or physical entities.

9 Socioeconomic accompanying measures

In order to minimize the negative effects of the reduction of the fleet, the British authorities may decide to adopt two additional measures:

- (a) part-financing of national early-retirement schemes for fishermen, under certain conditions;
- (b) granting individual compensatory payments to fishermen leaving the profession.

Beneficiaries: fishermen

1989-93: Success story

In Scotland the spectacular growth of salmon cultivation during the past decade represents an important new contribution to the economy of the region, especially for remote communities in the Highlands and Islands, where there are few alternatives for employment. At present there are approximately 131 viable farming projects throughout the Scottish coastal regions, employing some 6 000 people and producing about 64 000 tonnes of salmon per year. Most of these projects have received financial aid from the EU Structural Funds, in order to facilitate the development of the industry. The salmon cultivation sector involves hatcheries to produce a supply of young salmon and on-growing facilities to produce fish of marketable size.

Another instrument: The Community initiative PESCA

The Community initiative PESCA is complementary to the structural aid described above. Its objectives are: to put the fishing industry into a condition where it can succeed in its own transformation; to help it to cope with the social and economic consequences by providing aid for the redeployment of the workforce and diversification of the enterprises; to contribute to the maintenance and creation of employment in the coastal areas.

The importance of PESCA lies less in the actual content of the possible schemes than in the way integrated, innovative projects can be devised and set in train by the participants in the local economy. PESCA may call on the combined possibilities of the FIG, the European Regional Development Fund and the European Social Fund.

The eligible measures under PESCA in the United Kingdom are the following:

- business support services: creation/development of local economic promotion agencies, initiatives generating enterprises and leading to the development of businesses (particularly small and medium-sized enterprises), etc.
- renovation and modernization of the sector infrastructures;
- promotion of tourism and other alternative activities;
- vocational training schemes;
- employment projects;
- support to the aquaculture sector;
- support to promotion, transformation and marketing of the fishing products;
- financial engineering;
- other measures contributing to sustain/diversify the activities of fisheries-dependent areas.

The final beneficiaries of these measures may be both:

- (a) collective, public or private bodies (regional or local authorities, chambers of commerce, fishermen's cooperatives, profit or non-profit-making organizations);
- (b) individual economic operators (craft enterprises, small and medium-sized businesses, fishermen and other workers in the fishing industry).

PESCA: Practical guide

Both potential beneficiaries and other interested people can seek additional information on this Community Initiative from:

- for *England and Wales*: Ministry of Agriculture, Fisheries and Food (see last page for the address);
- for *Scotland*: Scottish Office, Agriculture, Environment and Fisheries Department, Pentland House 47 Robb's Loan, Edinburgh EH14 1SQ, Tel. (44-131) 244 1000;
- for *Northern Ireland*: Department of Agriculture for Northern Ireland, Fisheries Division, Annexe 5, Castle Grounds, Stormont Estate, Belfast BT4 3PW, Tel. (44-1232) 520100.

The complete text of the PESCA programme for the UK may be ordered from the competent authorities (see above) or from the European Commission, DG XIV (see address on the last page).

The Commission communication on the Community initiative PESCA (94/C 180/01) was published in OJ C 180, 1.7.1994.

Geographical distribution for PESCA-United Kingdom

(million ECU)

Area	EU Structural Funds	National public funding	Private sector	Total
England	18.4	16.2	7.0	41.6
Wales	0.7	0.7	0.1	1.5
Scotland (except Highlands and Islands)	12.2	13.6	1.5	27.3
Highlands and Islands	4.4	4.5	2.7	11.6
Northern Ireland	1.7	0.7	0.2	2.6
Total¹	37.4	35.7	11.5	84.6

¹ ECU 5.88 million have been added to the total in October 1995, under the heading of the Community initiatives reserve.

The FIFG

Tasks of the FIFG:

To help the fisheries sector solve the problem of overcapacity of the Community fleet.

To improve the structures of the European fishing and aquaculture industry, and enhance its international competitiveness.

Areas for action:

- adjustment of fishing effort
- modernization of the fleet
- development of aquaculture
- protection of marine coastal areas
- provision of fishing port facilities
- processing and marketing
- product promotion
- grants for fishermen leaving the sector
- other measures (technical assistance etc.).

Community financing:

Depending on the category of investment, the Community contribution may be up to 75 or 50% of eligible expenditure in the Structural Funds Objective 1 regions, and up to 50 or 30% in other regions.

How to apply:

It is up to project sponsors to apply to their national or regional authorities to integrate their projects into Community programmes, so that FIFG financing will be available.

Useful addresses:

Ministry of Agriculture, Fisheries and Food

Nobel House,
17 Smith's Square
London SW1A 2HH
Tel. (44-171) 238 57 96
Fax (44-171) 270 87 97

European Commission Directorate-General XIV – Fisheries

Rue de la Loi 200
B-1049 Brussels
Fax (32-2) 296 30 33



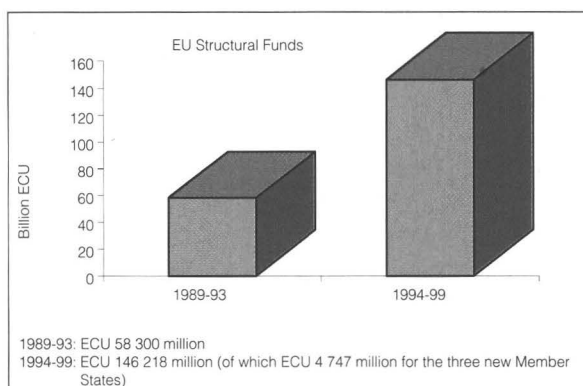
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This publication does not necessarily express the official views of the Commission. For further information, please send a fax to (32-2) 296 73 60.

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (<http://europa.eu.int>).

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The EU Structural Funds

To promote harmonious development throughout the European Union, the Single Act of 1987 and the Treaty of Maastricht of 1993 introduced the goal of economic and social cohesion, to be achieved by a concentration of financial aid on six priority objectives:

Objective 1: structural adjustment of regions whose development is lagging behind;

Objective 2: converting regions seriously affected by industrial decline;

Objective 3: combating long-term unemployment, contributing to the occupational integration of young people and of those threatened with exclusion from the labour market;

Objective 4: facilitating workers' adaptation to industrial changes;

Objective 5a: speeding up the adjustment of agricultural and fisheries structures;

Objective 5b: development of rural areas;

Objective 6: development of areas with low population density.

To achieve these objectives, assistance is available from the EU Structural Funds:

- (a) the European Regional Development Fund (ERDF);
- (b) the European Social Fund (ESF);
- (c) the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF);
- (d) the Financial Instrument for Fisheries Guidance (FIFG).

Other possible Community sources of financing include Cohesion Fund grants, and European Investment Bank loans.