



EUROPEAN COMMISSION

Directorate-General  
for Fisheries

Summary of structural measures  
in favour of the fishing industry in Portugal:  
FIFG financing  
and the Community initiative PESCA

## European Union aid for the development of the fishing industry in Portugal (1994–99)

The Portuguese fishing industry is at present undergoing radical restructuring. The sector's response to the present crisis, to the scarcity of resources in Community waters and to intense competition both within Europe and globally, must address a number of issues.

To support the efforts of the Member State, the European Union (EU) has made over ECU 280 million (about ESC 55 000 million) available to Portuguese authorities and businesses for the period 1994-99.<sup>1</sup>

This financing has been allocated mainly through the FIFG (Financial Instrument for Fisheries Guidance) and covers the whole of Portugal's fisheries sector, from fleet modernization to port facilities, and from aquaculture to the processing and marketing of products.

The priorities of the FIFG and its areas of operation were established in partnership between the European Commission and the Portuguese authorities in three programming documents, which concern respectively mainland Portugal, the Azores and Madeira.

Another source of assistance is the PESCA Community initiative, launched by the Commission to provide support to European coastal areas.

This brochure summarizes:

- (a) the contents and the indicative financing plans of three FIFG programmes (pages 3-6);
- (b) the Portuguese programme under the new PESCA Community initiative (page 7);
- (c) the origin and the purpose of all the Structural Funds, with special attention to the FIFG (page 8).

<sup>1</sup> How to apply for financial assistance:  
see pages 3 (FIFG) and 7 (PESCA)

## The common fisheries policy of the European Union

The common fisheries policy (CFP) is the linchpin of 'blue Europe'. It covers all Europe's fishing and farming of live aquatic resources, as well as the processing and marketing of fisheries products.

Since the first decisions were adopted in 1970, the CFP has developed progressively into its current form, which has four major aspects:

- (a) the conservation of resources
- (b) the organization of markets
- (c) international agreements
- (d) structural measures (dealt with in this publication)

Additional information on the CFP will be found in the following publications:

*The new common fisheries policy*, Luxembourg, Office for Official Publications of the European Communities, 1994 (in all the Community languages;

ISBN: Portuguese version: 92-826-7574-2;

English version: 92-826-7570-X).

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

These two publications can be obtained from the European Commission, DG XIV-Fisheries, Rue de la Loi 200, B-1049 Brussels, fax (32-2) 299 48 17.

## The fishing industry in Portugal: strengths and weaknesses

The importance of the fisheries industry in Portugal should not be assessed solely in terms of its contribution to the economy as a whole (it represents no more than 2% of GDP), but also in terms of the cultural and social aspects, and especially of its regional and local impact in over 120 local areas where over 34 000 fishermen are concentrated (these figures apply to mainland Portugal).

The Portuguese fishing fleet comprises a total of 12 300 vessels, with total power of about 416 000 kW (June 1995).

The coastal fleet is fairly old, and made up mainly of small vessels: over 80% measure less than 9 metres.

At the other extreme is a flotilla of some 50 freezer-trawlers, two thirds of which are over 50 metres.

The Portuguese fleet represents 12.3% of the EU fleet in terms of the number of vessels, and about 13% of fishermen in employment; catches account for about 5.8% of the total EU catch.

Two thirds of catches are off the Portuguese coast, the other third comes from the North Atlantic and neighbouring Moroccan and Community waters.

Portugal's main fishing ports are Matosinhos in the north, Peniche in the centre and Olhaõ in the south.

Portugal had achieved the programmed target for reduction in fishing capacity by the end of 1994.

Per capita consumption of fishery and aquaculture products is traditionally the highest in the EU, averaging 60.4 kg in 1992.

The main structural weaknesses of the sector are:

- (a) the difficulty of rational resource management, with over-production in certain fishing grounds, and uncertainty about the assessment of levels of renewal of stocks;
- (b) the inability to renew the distant fishing fleet, because of problems of access to alternative fishing grounds;
- (c) the significance of the coastal fleet, with its low level of technology, and excessive fragmentation of fishing enterprises;
- (d) excess labour and low capacity for renewal and reskilling of human resources;
- (e) the low level of integration between enterprises working in different fields (catches, marketing, processing) leading to under-utilization of existing infrastructure (e.g. chilling equipment);
- (f) a technical disequilibrium between aquaculture businesses and available resources;
- (g) problems of access to external markets for aquaculture producers, due to lack of diversification of national supply and lack of producer organizations;
- (h) excess fleet capacity, which leads to overexploitation of resources;
- (i) high corporate indebtedness.

# FIFG operations 1994-99: twelve areas for assistance

In view of the structural weaknesses described above, the main objective of the measures programmed under the FIFG is to address and solve the problems of the fisheries sector in 12 areas, identified in the various programming documents with a view:

- (a) firstly, to finding the right balance between the available resources and fishing effort by the end of the century;
- (b) secondly, to maintaining employment at a level favourable to the development of the sector, while contributing to the modernization of fishing enterprises.

## 1. Adjustment of fishing effort

An attempt to find a sustainable balance between resources and effort, through reduction of the fleet.

Grants for:

- (a) permanent withdrawal of fishing vessels, (it is planned to reduce tonnage by 29 000 GRT by 1999);
- (b) temporary withdrawal of vessels;
- (c) setting up 30 or so joint enterprises or temporary associations of enterprises.

**Recipients:** fishing enterprises, individually or grouped together.

## 2. Fleet renewal and modernization

- (a) Construction of 263 new vessels (49 under the Azores programme, 23 for Madeira and 180 for mainland Portugal), to guarantee better flexibility and lower exploration costs (the capacity of the new vessels does not exceed the reduction achieved by withdrawal measures);
- (b) modernization of existing vessels as regards safety on board, hygiene standards, catch selectivity, etc.

**Recipients:** fishing enterprises, individually or grouped together.

## 3. Aquaculture

Development and modernization of the sector, through investment:

- (a) for technological modernization of existing on-shore and off-shore installations;
- (b) to set up new units for the production, breeding and fattening of juveniles using suitable techniques.

These measures are intended to reduce costs, improve product quality (in terms of health and hygiene, food value and safety), and ensure high ecological standards.

**Recipients:** associations, fishing enterprises, individually or grouped together, regional authorities.

## 4. Protection of marine areas

Investment to:

- (a) improve structures along the coast, to protect juveniles and increase production in coastal fishing areas;
- (b) extend sheltered zones for certain local species, to ensure preservation and control of fisheries resources (artificial reefs).

**Recipients:** associations, regional and local authorities.

## 5. Fishing port facilities

- (a) improvement and modernization of existing facilities;
- (b) construction of new equipment and back-up services;
- (c) improvement of health and hygiene conditions of fishing ports.

**Recipients:** fishermen, shipowners, traders, port authorities.

## 6. Processing and marketing of products

Installing new facilities and modernizing existing units in the sector (preparation, freezing and preserving of products, etc.), in order to:

- (a) improve market penetration and commercial value of Portuguese products on international markets;
- (b) increase the volume of products processed (from 37 000 tonnes in 1993 to 41 500 tonnes in 1999);
- (c) ensure that processing units comply with hygiene and environmental standards;

(see page 6)

## Access to financing and programming documents

To take part in the measures financed by the FIFG, the potential beneficiaries defined above for each area of intervention apply to the competent Portuguese Ministry at the address given at the end of this publication.

**Beneficiaries must submit proposals consistent with the relevant objectives.**

The detailed description of the objectives and of the contents of each type of measure, summarized here, appears in the three programming documents for FIFG operations in Spain:

- (a) the operational programme for the modernization of the economic fabric, Chapter 2, 'Fisheries', for mainland Portugal;
- (b) the multi-fund operational programme, Chapter 2.5 'Fisheries and maritime activities' for the autonomous region of Madeira;
- (c) the multi-fund operational programme on 'Fisheries' under the first sub-programme for the autonomous region of the Azores (Pedraa II).

The texts of the three programming documents can be obtained from the addresses appearing on the last page.

For additional information to see the booklet entitled 'The European Community and the fishing industry. Practical guide to structural aid', Luxembourg, Office for Official Publications of the European Communities, 1994, ISBN (English version): 92-826-7762-1; (Portuguese version): 92-826-7766-4.

Portugal — Mainland

(million ECU)<sup>1</sup>

Field of action	FIFG <sup>2</sup> (1)	Other EU Structural Funds (2)	National public financing (3)	Private financing (4)	Total financing (1 + 2 + 3 + 4)
1. The adjustment of fishing effort	77.000	—	25.667	—	102.667
2. Renewal and modernization of the fleet	32.085	—	6.417	25.668	64.17
3. Aquaculture	17.555	—	3.511	14.044	35.110
4. Protection of marine areas	1.700	—	0.567	—	2.267
5. Fishing port facilities	18.816	—	7.840	4.704	31.360
6. Processing and marketing of products	21.951	—	10.975	10.975	43.901
7. Product promotion	11.498	—	3.833	—	15.331
8. Technical assistance	1.395	—	0.465	—	1.860
9. Fishing port infrastructure <sup>3</sup>	—	17.127	5.709	—	22.836
10. Prospecting and research <sup>2</sup>	—	6.873	2.290	—	9.163
11. Vocational training <sup>3</sup>	—	14.000	4.667	—	18.667
12. Socio-economic measures <sup>4</sup>					
Total	182.00	38.000	71.941	55.391	347.332

<sup>1</sup> As a guide, in December 1995 ECU 1 = approximately ESC 196.17.  
<sup>2</sup> Financed by the ERDF (European Regional Development Fund).  
<sup>3</sup> Financed by the ESF (European Social Fund).  
<sup>4</sup> These measures became possible with the amendment of Regulation (EC) 3699/93 in November 1995. The amount of these measures is still to be determined, within the overall total appropriation.

## Portugal — Azores

(million ECU)<sup>2</sup>

Field of action	FIFG (1)	Other EU Structural Funds (2)	National public financing (3)	Private financing (4)	Total financing (1 + 2 + 3 + 4)
1. The adjustment of fishing effort	2.925	—	0.975	—	3.900
2. Renewal and modernization of the fleet	3.000	—	0.600	2.400	6.000
3. Aquaculture	0.050	—	0.010	0.040	0.100
4. Protection of marine areas	0.075	—	0.025	—	0.100
5. Fishing port facilities	6.900	—	2.300	—	9.200
6. Processing and marketing of products	5.200	—	2.600	2.600	10.400
7. Product promotion	2.700	—	0.900	—	3.600
8. Technical assistance	0.150	—	0.050	—	0.200
9. Socio-economic measures <sup>2</sup>					
<b>Total</b>	<b>21.000</b>	<b>—</b>	<b>7.460</b>	<b>5.040</b>	<b>33.500</b>

## Portugal — Madeira

(million ECU)<sup>2</sup>

Field of action	FIFG (1)	Other EU Structural Funds (2)	National public financing (3)	Private financing (4)	Total financing (1 + 2 + 3 + 4)
1. The adjustment of fishing effort	2.127	—	1.376	—	3.503
2. Renewal and modernization of the fleet	1.143	—	1.053	1.615	3.811
3. Aquaculture	1.066	—	1.156	0.825	3.047
4. Protection of marine areas	0.354	—	0.354	—	0.708
5. Fishing port facilities	1.143	—	1.137	—	2.280
6. Processing and marketing of products	4.046	—	2.427	1.621	8.094
7. Product promotion	0.274	—	0.274	—	0.548
8. Technical assistance	0.047	—	0.008	—	0.055
9. Socio-economic measures <sup>2</sup>					
<b>Total</b>	<b>10.200</b>	<b>—</b>	<b>7.785</b>	<b>4.061</b>	<b>22.046</b>

<sup>1</sup> As a guide, in December 1995 ECU 1 = approximately ESC 196.17.<sup>2</sup> These measures became possible with the amendment of Regulation (EC) 3699/93 in November 1995. The amount of these measures is still to be determined, within the overall total appropriation.

## Legal references

*FIFG (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).

### Amendments:

Change of tonnage measurement: Regulation (EC) No 1624/95 of 29.6.1995 (OJ L 155, 6.7.1995).

Socio-economic measures (early retirement, compensation on leaving the sector): Regulation (EC) No 2719/95 of 20.11.1995 (OJ L 283, 25.11.1995).

Adjustment of compensation schemes: Council Regulation (EC) No 965/96 of 28.5.1996 (OJ L 131, 1.6.1996).

- Council Regulation (EEC) 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).

### Structural Funds:

#### Framework Regulation

- Council Regulation (EEC) No 2081/93 of 20.7.1993 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 European Investment Bank and the other existing financial instruments (OJ L 193, 31.7.1993).

#### Coordination Regulation:

- Council Regulation (EEC) No 2082/93 of 20.7.1993 amending Regulation (EEC) No 4253/88 (OJ L 193, 31.7.1993).

(from page 3)

- (d) energize production and marketing of new processed products, and improve the quality of finished products.

**Recipients:** enterprises, individually or grouped together, public bodies.

### 7. Product promotion

The FIFG may contribute to financing the following measures:

- (a) promotion campaigns and other measures (trade fairs, exhibitions, missions) on internal and external markets for fisheries and aquaculture products;
- (b) development of marketing channels, especially in the most remote regions of Portugal;
- (c) initiation and promotion of measures to increase consumption of most abundant species.

**Recipients:** enterprises, producers' organizations, regional and local authorities.

### 8. Technical assistance

Creation of conditions to improve implementation, management, monitoring and assessment of various measures identified in the programmes (surveys, feasibility studies, technical assistance and services, dissemination of results, etc.).

**Recipients:** public and private bodies, *ad hoc* management and coordination units, fisheries experts, etc.

### 9. Infrastructure

Construction and consolidation of infrastructure to complement existing maritime infrastructure, various improvements, notably in small fishing ports (e.g. construction of new primary marketing auction facilities, modernization of existing auction facilities, improvement of facilities for vessels, setting-up of small and medium-sized cool stores, etc.).

**Recipients:** associations, private and public bodies.

### 10. Research and forward studies

Studies, research projects, other measures to improve knowledge of

fisheries resources, oceanography and technical aspects of fishing, processing, breeding, etc.

**Recipients:** Ipimar.

### 11. Vocational training and human resource enhancement

Training courses financed by the European Social Fund, intended exclusively for fishermen from the Portuguese mainland.

The intention of the courses is either to update fishermen's knowledge in line with the development of fishing techniques, or to facilitate transfer to other occupations.

**Recipients:** Escola das Marinha de Comércio e Pescas; other training institutes; fishermen.

### 12. Socio-economic measures for fishermen

Two optional measures for the Portuguese authorities, to help fishermen leaving the sector:

- (a) aid for the national early retirement scheme for fishermen;
- (b) flat-rate individual premiums for younger fishermen leaving the sector.

**Recipients:** fishermen.

## An example of past achievements

The achievements of structural measures in favour of fishing in Portugal in the previous programming period (1989-93) included, for example, the financing of 68 projects under four operational programmes in accordance with Regulation (EEC) No 4042/89. Noteworthy among these projects was the construction and fitting of a tuna preservation plant at Rabo de Peixe (Ribeira Grande, Azores). This involved the creation of 250 permanent local jobs in the poorest part of the island of S. Miguel Açores.



# In addition to structural aid: the PESCA Community initiative

The PESCA Community initiative complements the structural aid described. Its especial purpose is to provide the fishing industry with the conditions for successful change; to help the sector cope with the attendant social and economic consequences through aid to retrain workers and diversify the activities of enterprises; and to contribute to safeguarding and creating jobs in coastal regions.

The importance of PESCA is not so much in the content of possible measures, but in its bottom-up approach, where integrated, innovative projects are initiated, designed and implemented by those directly concerned. PESCA can call upon the combined forces of the FIG, the European Regional Development Fund and the European Social Fund.

The measures eligible for financing through PESCA in Portugal are as follows:

- setting up business service centres (for assistance, consultancy, help with technology transfer, etc.);
- productive investment for conversion of firms in the sector, e.g. towards maritime tourism;
- general projects (maritime cartography, regional fisheries observatories, product promotion and enhancement, pilot projects, etc.);
- diversification of economic activities in coastal areas (start-up assistance for small businesses, adaptation of fishing ports);
- new job creation (teacher training, extending vocational qualifications, aid for geographical mobility, etc.);
- financial engineering (setting up a guarantee fund for businesses).

The final beneficiaries of these measures can be: either public or private groups (regional authorities, municipal authorities, Chambers of Commerce, fishing cooperatives, groups of enterprises, etc); or individual operators (very small firms, small and medium-sized businesses, fishermen and other workers in the sector).

## PESCA: how to apply

Potential beneficiaries, and anyone else interested can apply to the appropriate authority for further information.

The PESCA programme in Portugal is managed by the Direcção Geral das Pescas for measures in mainland Portugal, and by the Direcções Regionais das Pescas for the Azores and Madeira.

The complete text of the Portuguese PESCA programme is obtainable from those authorities, and from the European Commission, DG XIV (for addresses, see next page).

It was adopted on 27 December 1994 by Commission Decision C(94) 3938/7.

The Commission notice on PESCA (94/C 180/01), was published in OJ C 180 of 1 July 1994.

## Geographical distribution of PESCA financing in Portugal

(million ECU)

Region	Structural Funds	National public financing	National private financing	Total financing
Norte	2.304	1.076	0.922	4.302
Centro	1.152	0.537	0.460	2.149
Lisboa/Vale do Tejo	9.216	4.300	3.684	17.200
Alentejo	1.152	0.537	0.460	2.149
Algarve	9.216	4.300	3.684	17.200
Azores	1.280	0.450	0.070	1.800
Madeira	1.280	0.593	0.500	2.373
Total <sup>1</sup>	25.600 <sup>1</sup>	11.793	9.780	47.173 <sup>1</sup>

<sup>1</sup> The total figures in the last line of the table were increased in October 1995 by ECU 2.85 million from the reserve for Community initiatives.

# 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 certain marine areas  
provision of fishing port facilities  
processing and marketing  
product promotion  
grants for leaving the sector, and aid for early retirement  
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 (which is the case for Portugal), 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:

#### Ministério do Mar

#### Direcção Geral das Pescas

Avenida Brasília – Pedrouços

P-1400 Lisbon

Tel. (351-1) 391 99 02

Fax (351-1) 397 97 90

397 97 91

#### European Commission

#### Directorate-General XIV–Fisheries

Rue de la Loi 200

B-1049 Brussels

Fax (32-2) 296 30 33



European Commission  
Directorate-General for Fisheries

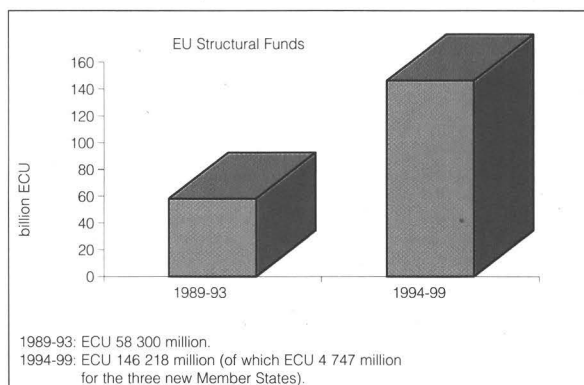
Editor: EC, DG XIV

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>).

Printed on recycled paper.



# 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:

the European Regional Development Fund (ERDF);

the European Social Fund (ESF);

the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF);

the Financial Instrument for Fisheries Guidance (FIFG).

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