



EUROPEAN COMMISSION

Directorate-General
for Fisheries

Summary of the structural interventions
for fisheries in Ireland:
FIFG financing
and Community initiative PESCA

European Union aid for fisheries development in Ireland (1994–99)

The fisheries sector in Ireland is going through a period of fundamental structural change. The crisis in the sector, the scarcity of resources in Community waters and the increase in European and world competition require multiple reactions by actors in the sector.

In order to support actions undertaken at the national level, the European Union (EU) has made available around ECU 85 million (about IRL 70 million) to the industry, the organizations 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 Ireland: from fleet modernization to fishing port equipment, from aquaculture to the processing and marketing industries.

FIFG priorities and fields of action have been decided in partnership by both the European Commission and the Irish authorities by

means of an operational programme concerning the whole of the country.

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

This publication summarizes:

- (a) the content and financial plans of the FIFG programme for Ireland (pages 3-6);
- (b) the Irish programme of the Community initiative PESCA (page 7);
- (c) the origin and goals of all the EU Structural Funds, particularly of the FIFG (page 8).

¹ Practical instructions 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 around four major areas:

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

For further information on the CFP, read:

The new common fisheries policy, Luxembourg, Office for Official Publications of the European Communities, 1994 (in all the Community 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 Ireland: strengths and weaknesses

Sea fishing, aquaculture and processing industries are vitally important for the coastal regions, supporting employment for nearly 16 000 people in the country.

Sea fish landings of around 300 000 tonnes are currently worth over ECU 130 million, aquaculture production of 27 000 tonnes is valued at ECU 50 million and exports amount to some ECU 232 million.

The Irish fishing fleet consists mainly of inshore and midwater boats which rarely stay at sea for more than a few days at a time. A very large portion of the fleet (around 44%) is less than 10 metres in length and supports an established core of part-time fishermen. Many of these vessels fish close to home ports and their activity is mainly seasonal.

There are currently some 1 400 vessels on the Irish register of fishing vessels. The capacity of the fleet is around 56 000 gross registered tonnage.

Principal fisheries are those for general demersal resources (cod, haddock, etc.) including nephrops, the seasonal herring and sprat fishery, the mackerel and horse mackerel fishery and the small, more specialist fisheries for crab, lobster whelks and bivalves.

The principal ports are Killibegs in Donegal, where the pelagic species are landed, and Castletownbere in County Cork, the leading port for deep-water fish.

Aquaculture, though still a relatively young industry, has already grown to the stage where it accounts for 25% of the value of total fish production and is increasingly a key supplier of raw material for the processing sector.

The Irish industry pioneered the development of offshore fish farming

using larger and more robust high seas cages which account for the bulk of Irish salmon production. Shellfish can be cultivated by extensive methods such as bottom cultivation of mussels, oysters and scallops, or through more intensive methods such as mussel growing on suspended ropes and oyster growing using bags and trestles.

The processing sector comprises about 220 firms employing 3 400 people. Many of the plants are small but the sector is dominated by the larger firms engaged in processing mackerel and herring.

The main structural weaknesses and changes needed are set out below:

- (a) constraints on fleet development include the high age profile plus the lack of facilities and equipment available to modern vessels with consequent dangerous working conditions in many instances for crew on board and difficulty in reaching the high quality and hygiene standards demanded;
- (b) the constraints on the development of the finfish farming industry include site limitations, market difficulties, disease incidence and environmental issues. For shellfish farming, development constraints include lack of working capital; the large number of small, dispersed, independent establishments; limitations on domestically sourced spat at competitive prices; lack of purification and handling plants plus the environmental aspects;
- (c) the development of the processing sector is constrained by the lack of a continuing supply of suitable raw materials and the heavy dependence on relatively low value pelagic species. Many firms are small and there is a lack of scale and specialization. Quality and hygiene must continue to be improved.

Structural interventions

1994-99: 10 fields of action

The multifunded fisheries operational programme is geared to deliver maximum integrated development in the fleet, aquaculture, processing, marine research, fishery harbours and training through a total investment package of ECU 177 million up to 1999.

The primary objectives are:

- (a) to maintain and strengthen the contribution of the fisheries' sector to the national economy;
- (b) to support economic development and long-term employment creation in coastal communities;
- (c) to contribute to the sustainable development of the common fisheries policy of the EU.

1. Adjustment of fishing effort

The objective is to reduce the size of the fleet in accordance with national capacity regulation and in line with the multiannual guidance programmes.

The envisaged measure is the permanent withdrawal of vessels: funds will be granted for the permanent withdrawal and scrapping of registered sea fishing vessels.

During the first phase of the programme (1994-96) it is expected that some 4 000 GRT (gross registered tonnage) will be withdrawn from the fishing fleet.

Another reduction will be necessary during the subsequent period (1997-99).

Beneficiaries: owners of Irish fishing vessels.

2. Renewal and modernization of the fishing fleet

Two measures are foreseen under this heading:

Fleet renewal: a strictly limited number of incentives will be given, in special circumstances, to promote the

development of underdeveloped sectors of the fleet, such as the whitefish sector or the shellfish sector. Grant-aid will be given only where the project is in line with the targets of the MAGP: new entries to any fleet category will only be permitted upon withdrawal of equivalent vessel capacity.

It is also envisaged that a number of modern, young, second-hand vessels will be introduced to the fleet.

The aim is to maximize the quantity, value, quality and hygiene of landings and to increase the take-up of underexploited fishing opportunities. Vessels modernization: this measure will have a continuing important role to ensure that the fleet is kept to a reasonable state of efficiency, hygiene and safety conditions for fishermen.

The objective is to modernize some 25% of vessels over the period of the plan.

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

3. Aquaculture

The objective is to continue the sustainable expansion of aquaculture output, productivity and jobs and to meet the need for raw material in the processing sector, to be realized by the means of the following measures: construction of new units and modernisation of existing units. The objectives are to stimulate investments in new aquaculture projects, to develop production methods for new species (particularly shellfish species) and to encourage modernization and expansion of existing projects.

These measures should bring about an increase in the value of gross output of the industry, estimated at some IRL 10 million per annum over the period, as well as the creation of an estimated additional 220 jobs per annum.

Other measures: in order to underpin the development of the sector and to encourage the adoption of more cost-effective and environmentally friendly production techniques, other measures may be co-financed:

- (a) development of extensive cultivation/ranching and new species or technologies;
- (b) retention of officers for the early stages of the projects;

Access to financing and programming documents

In order to take part in the actions financed by FIG, potential beneficiaries, who are indicated at the end of each field of action, should contact the Irish Department of the Marine (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 Irish programming document: 'Structural Funds, Ireland. Operational programme for fisheries, 1994-99'.

This document 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 European Communities, 1994, ISBN 92-826-7759-1.

- (c) artificial reefs for enclosed seawater areas, etc.

Beneficiaries: owners of aquaculture installations.

4. Fishing port facilities

The objective is to support fish landings, aquaculture and ancillary industries and economic renewal in coastal regions through:

- (a) developing infrastructure and facilities at priority fishery harbour centres to cater for demand;
- (b) upgrading and preserving local harbour infrastructure;
- (c) providing equipment and other essential service facilities;
- (d) establishing an adequate and reliable ice supply network;
- (e) ensuring better and safe access at mainland and island harbours.

This field of action will be co-financed, on the EU side, by the European Regional Development Fund (ERDF).

Beneficiaries: local authorities and other public bodies responsible for commissioning fishery harbour works.

5. Product processing and marketing

The objective is the improvement of conditions under which fishery and aquaculture products are processed and marketed through greater value-added activities, improved quality and hygiene standards and more efficient structures by:

- (a) developing scale and specialization in processing;
- (b) providing new processing facilities;
- (c) modernizing and extending existing facilities;
- (d) upgrading existing structures and equipment to meet EU quality and hygiene standards;
- (e) developing new product, packaging and transportation techniques.

Beneficiaries: owners of processing establishments within the fisheries sector.

6. Product promotion at home and abroad

Measures under this heading are summarized as follows:

- (a) seminars and information briefings;
- (b) market prospecting programmes and inward buyer programmes;
- (c) promotions programmes;
- (d) consumer surveys;
- (e) sales advice and other services to wholesalers and retailers;
- (f) organization of/participation in trade fairs and exhibitions.

Beneficiaries: public bodies, organizations of the sector, other appropriate bodies or authorities.

7. Human resources

The objective is to provide equal opportunity training to ensure the efficiency, safety, quality and business skills needed for development of the sector:

- (a) initial career structured training programmes for deck crews, engineers and fish farmers;
- (b) continuing training for skippers and engineers;
- (c) product and quality hygiene instruction for fishermen, fish farmers and processing personnel;
- (d) business management/marketing training for cooperative, processing and fish farming personnel;
- (e) training in environmental standards and obligations.

These measures are co-financed, on the EU side, by the European Social Fund (ESF).

Beneficiaries: fishermen, fish farmers, fish processors and new entrants to the industry.

(see page 6)

Ireland¹

 (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 efforts	5.57	—	1.86	—	7.42
2. Renewal/modernization of the fleet	11.70	—	1.91	24.58	38.19
3. Aquaculture	13.90	—	2.27	29.22	45.40
4. Fishing port facilities and infrastructure	—	17.28	6.16	—	23.44
5. Product processing and marketing	11.99	—	1.96	25.19	39.14
6. Product promotion	2.49	—	0.83	—	3.31
7. Training	—	6.00	2.00	—	8.00
8. Marine research	—	7.72	2.57	—	10.29
9. Technical assistance	1.36	—	0.45	—	1.81
10. Socioeconomic measures ³					
Total	47.00	31.00	20.00	79.00	177.00

¹ The country is entirely covered by Objective 1 of the EU Structural Funds (regarding areas whose gross national product per capita is less than 75% of the EU average). For this reason, FIFG may cover up to 75% of the total cost of single projects.

² For information, based on monthly exchange rate, in December 1995: ECU 1 = IRL 0.82.

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

FIFG (Financial Instrument for Fisheries Guidance):

• Council Regulation (EC) No 3699/93 of 21 December 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 June 1995, (OJ L 155, 6.7.1995);

Socioeconomic measures (early-retirement schemes, compensatory payments):
Council Regulation (EC) No 2719/95 of 20 November 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 July 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 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 4)

8. Marine research

The objective is to enhance the performance of the Irish marine sector through research and technology transfer and to provide the capacity to support sustainable development of all marine resources through:

- (a) providing an enhanced research vessel capability;
- (a) providing marine laboratory infrastructure at key national centres of expertise;
- (a) increasing value added in marine food products through project-based R&D;
- (a) developing marine engineering and technology products and services through project-based R&D;
- (a) undertaking a national survey of marine resources;
- (a) improved management and development of marine, inland fisheries and aquaculture through project-based R&D.

Beneficiaries: sea fisheries and marine sector.

9. Technical assistance

A technical assistance programme will underpin all of the above measures, by means of economic, technical and market feasibility studies, support and consultancy services, etc.

Beneficiaries: public and private bodies, organizations within the sector, etc.

10. Socioeconomic accompanying measures

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

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

Beneficiaries: fishermen.

A success story

Padraig Mulloy Shellfish (Kilmeena, Westport, Co. Mayo) is a company established in 1955, exporting periwinkles to the French market. One of the projects achieved by this firm with the support of EU aid is the setting-up of a new development plan (a 2 800 m² plant plus 2 400 m² adjacent facilities). The new plant has been fitted with the most modern systems and equipment for the production of top quality market-ready live shellfish, including storage and purification tanks, grading and packaging lines and refrigerated storage space.

It is expected that at full production, the equivalent of 20 full-time jobs will be provided directly at the plant, and indirectly employment will be provided to some 400 suppliers of shellfish from Cork to Donegal.

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 cope with the social and economic consequences by providing aid for the redeployment of the workforce and the diversification of the enterprises; to contribute to maintenance and creation of employment in the coastal areas.

The importance of PESCA lies less in the actual content of the possible schemes than on 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 FIFG, the European Regional Development Fund and the European Social Fund.

The eligible measures under PESCA in Ireland are the following:

- diversification of activities: development of port and landing facilities to accommodate new

activities (marine tourism, sea angling, etc.; studies of local economic potential, etc.);

- business services: development of companies providing advice on the management and restructuring of firms in the sector; assistance for transfer of technology, etc.;
- job maintenance or creation: retraining or extending the vocational qualifications of fishermen; training of instructors, etc.;
- productive investments in the sector: aid for the improvement of productivity and rationalization of work, etc.;
- training: to develop skills in fisheries related activities (fish farming, fish handling, etc.) or in other economic activities (sea and inland water tourism, marine and harbour operations, etc.);
- specific projects of a general/transnational nature: pilot projects, studies, common management of shared fisheries, promotion and upgrading of fisheries products.

The final beneficiaries of these measures may be both: collective, public or private bodies (regional or local authorities, chambers of commerce, fishermen's cooperatives, profit or non-profit-making organizations); individual economic operators (craft enterprises, small and medium-sized businesses, fishermen and other workers in the fishing industry).

PESCA: practical guide

Potential beneficiaries and other interested people may enquire at competent authorities (either the counties or the Department of the Marine) for additional information on this Community initiative.

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

The Commission communication on the Community initiative PESCA (94/C 180/01) was published in the OJ C 180, 31.7.1994.

PESCA — Ireland

(million ECU)

Area	EU Structural Funds	National public funding	Private sector	Total
Dublin and East coast	1.67	0.27	1.09	3.03
South West	2.07	0.35	1.36	3.78
West	1.67	0.27	1.09	3.03
North West and Donegal	1.29	0.21	0.84	2.34
Total¹	6.70¹	1.10	4.38	12.18¹

¹ ECU 1 million will be added to the total at the end of 1996, under the heading of the Community initiatives reserve.

The FIGG

Tasks of the FIGG

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 FIGG financing will be available.

Useful addresses:

Department of the Marine

Leeson Lane

Dublin 2

Tel. (+353-1) 678 54 44

Fax (+358-1) 661 82 14

European Commission

Directorate-General XIV—Fisheries

Rue de la Loi 200

B-1049 Brussels

Fax (+32-2) 296 30 33



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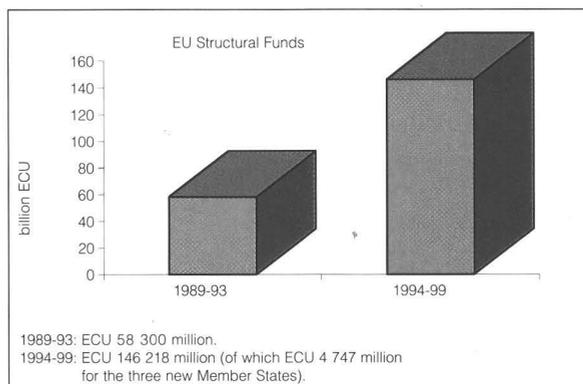
Editor: EC, DG XIV

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>).

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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 (FIGG).

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