

Summary of the structural measures
to assist the fishing industry in Germany:
FIFG financing
and Community Initiative PESCA

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

The German fishing industry is in a state of perpetual adjustment. 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 States, the European Union has made over ECU 180 million (about DM 350 million) available to German authorities and businesses for the period 1994-99.¹

This financing has been allocated mainly through the FIFG (Financial Instrument for Fisheries Guidance) and covers the whole of Germany'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 German authorities in two programming documents, which concern respectively the eastern *Länder* (eligible under Objective 1: regions whose development is lagging behind), and the rest of Germany.

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

This publication summarizes:

- (a) the contents and the financial plans of two FIFG programmes (pages 3-6);
- (b) the German programme under the Community Initiative PESCA (page 7);
- (c) the origin and purpose of all the Structural Funds, particularly of the FIFG (page 8).

¹ How to apply for financial aid:
see pages 3 (FIFG) and 7 (PESCA)

The common fisheries policy of the European Union

The common fisheries policy (CFP) is the cornerstone of the Community's fishing industry. It covers all fishing and farming of living 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:

- (i) the conservation of resources
- (ii) the organization of markets
- (iii) international agreements
- (iv) 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: German version: 92-826-7568-8; 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 Germany: strengths and weaknesses

On 1 June 1995, the German fishing fleet comprised some 2 450 vessels with a total capacity of 77 000 grt / 168 000 kW, and accounted for some 4 100 jobs.

The German fleet comprises both vessels specialized in deep-sea fishing, and vessels specialized in in-shore fishing.

Thirteen large trawlers based in the *Land* of Bremen account for about 20 % of total tonnage.

There is also a fleet of some 600 small vessels specializing in fish or crustaceans. Most of the smaller vessels are based in the *Länder* of Schleswig-Holstein and Mecklenburg-Western Pomerania.

Since the introduction of the common fisheries policy in 1983, the total capacity of the fishing fleet of western Germany has declined by about a third. However, it still considerably exceeds the target set by the EC in the latest multi-annual guidance programmes, except in one small segment, that of beam trawlers.

The long-established German processing industry produces a wide range of products, and provides about 13 000 jobs (in companies with at least 10 employees).

The major fishing ports are Bremerhaven (where about two-thirds of the total catch are landed, and the major processing and freezing companies are established), Cuxhaven (where about one third of the catch is landed, and several herring processors are established), and Hamburg.

The main species produced by aquaculture holdings are trout (18 000 t/year) and carp (15 000 t/year).

In the new *Länder* (Objective 1 regions for the purposes of the EU Structural Funds), the fishing industry has undergone radical changes since German unification.

As well as the structural changes due to unification, there are structural problems in the western *Länder*.

The structural problems can be divided into two types:

- (a) problems resulting from economic changes in the international context over the past 10 to 15 years, which particularly affect the fishing fleet;
- (b) problems due to German unification in 1990, which have led to an upheaval of the entire industry in the new *Länder*, now recognized as Objective 1 regions.

Different parts of the industry suffer from structural weakness:

- *fishing fleet*: overcapacity, new fishing techniques, etc.;
- *marketing and processing of products*: equipment which is often inadequate;
- *aquaculture*: this sector could be considerably developed;
- *port facilities*: auction facilities are often technically under-developed and too large.

FIFG operations 1994-99: Ten areas for assistance

In view of the structural weaknesses described above, operations financed by the FIFG have been grouped into 10 areas for action, identified in the two German programming documents. Just over half the assistance (about 53 %) is intended for restructuring in the fishing industry in the new *Länder*.

1 Adjustment of fishing effort

Reduction of the fleet, and an attempt to achieve sustainable equilibrium between available resources and fishing effort. In the framework of the Multi-annual Guidance Programme (MAGP) for the fishing fleet, it is intended to reduce capacity by 3 000 grt by December 1996.

Grants for:

- (a) permanent withdrawal of fishing vessels, after:
 - scrapping;
 - permanent transfer to an activity other than fishing;
 - permanent transfer to a non-member country;
- (b) encouragement for setting up joint enterprises with partners from non-Community countries.

Recipients: fishing enterprises, individually or grouped together.

2 Fleet renewal and modernization

Increased productivity and better competitiveness within the EU and internationally, through:

- (a) the construction of new vessels (without exceeding the capacity laid down in the MAGP);
- (b) modernization of existing vessels as regards safety on board, compliance with health standards, fishing techniques, product quality (for vessels in good enough general condition to have a long profitable life in front of them);
- (c) (in the western *Länder* only) better surveillance of fishing activities

(investment in inspection vessels and computer equipment).

In particular, the in-shore fishing fleet and the cutters in the North Sea and the Baltic require radical restructuring (about a quarter of the vessels in these fleets should be renewed).

The new *Länder* will receive 62 % of the financial assistance for renewal and modernization of the fleet.

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

3 Aquaculture

Development and modernization of the sector:

- (a) through investment to modernize existing facilities, which should be adapted to Community standards of public health and hygiene, and to improve the promotion and marketing of products;
- (b) through setting up new establishments, to breed either traditional species (eels, catfish, crayfish, etc.) or new species;
- (c) through studies on the impact of aquaculture on the environment (western *Länder* only).

Recipients: sole proprietorships, fishing cooperatives, partnerships.

4 Protection of marine areas

To help create protected areas by installing artificial reefs. These areas should lead to an increase in the population of certain species, and restrict the zones where trawling is authorized. Some projects are planned in the Baltic, off the coast of Mecklenburg-Western Pomerania, where the geographical situation of the coastal waters provides certain opportunities.

Recipients: associations, public authorities.

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 assistance should apply to the 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 two programming documents for FIFG operations in Germany:

- (a) the programme for FIFG operations in the new *Länder* (covered by Objective 1 of the Structural Funds), integrated into the Community Support Framework for all economic sectors in these regions;
- (b) the fisheries programme for the other *Länder* (Objective 5 (a) of the Structural Funds: adjustment of fisheries structures in regions not covered by Objective 1).

The texts of these programmes can be obtained from the addresses appearing on the last page.

For additional information 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; (German version): 92-826-7760-5.

(See page 6)

Germany – New Länder ¹ (Brandenburg, Mecklenburg-Western Pomerania, east Berlin, Saxony, Saxony-Anhalt, Thuringia)

(million ECU ²)

Field of action	FIFG (1)	Other EU- structural funds (2)	National public financing (3)	Private financing (4)	Total financing (1 + 2 + 3 + 4)
1. Adjustment of fishing effort	1.90	–	1.90	–	3.80
2. Fleet renewal and modernization	20.50	–	2.05	18.45	41.00
3. Aquaculture	10.80	–	2.95	13.63	27.38
4. Protection of marine areas	1.64	–	0.54	–	2.18
5. Fishing port facilities	16.50	–	5.50	–	22.00
6. Processing and marketing of products	28.91	–	13.65	51.37	93.93
7. Product promotion	2.15	–	0.73	1.82	4.70
8. Other measures	1.10	–	1.10	–	2.20
9. Vocational training ³		3.80	2.10	–	5.90
10. Socio-economic measures for fishermen ⁴					
Total	83.50	3.80	30.52	85.27	203.09

¹ Structural Fund operations in the fisheries sector in regions covered by Objective 1 (i.e. whose gross domestic product per capita is less than 75 % of the Community average).

² As a guide, in December 1995 1 ECU = approximately DM 1.88.

³ These training measures do not appear in the operational programme for fisheries in Objective 1 regions; they are financed by the European Social Fund in Mecklenburg-Western Pomerania, and appear in the chapter for that *Land* in the Community Support Framework for the Objective 1 regions of Germany.

⁴ 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.

Germany

Other Länder ¹

(million ECU ²)

Field of action	FIFG (1)	Other EU structural funds (2)	National public financing (3)	Total financing (1 + 2 + 3)
1. Adjustment of fishing effort	6.76	10.78	0.00	17.54
2. Fleet renewal and modernization	12.11	3.71	48.15	63.97
3. Aquaculture	6.97	2.14	27.73	36.84
4. Protection of marines areas	-	-	-	-
5. Fishing port facilities	5.49	1.68	21.83	29.00
6. Processing and marketing of products	38.89	11.90	154.63	205.42
7. Product promotion	2.46	0.75	9.77	12.98
8. Other measures	1.83	1.62	-	3.45
9. Vocational training ⁽³⁾				
Total	74.51	32.58	262.11	369.20

¹ These measures under the Structural Funds Objective 5(a) (fisheries) cover the regions not covered by Objective 1 (for Objective 1 regions, see above).

² As a guide, in December 1995 1 ECU = approximately DM 1.88.

³ These measures were introduced at a later stage, after the amendment of Regulation (EC) 3699/93. 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

- 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)

5 Fishing port facilities

- (a) improvement of fishing port facilities through investment to support and streamline landing and primary marketing;
- (b) conversion and enlarging of auction facilities in line with health and hygiene rules and standards;
- (c) (in Objective 1 regions on the Baltic coast) construction of new small-scale port facilities. It is planned that 75 % of FIFG assistance to finance port facilities will be used in Mecklenburg-Western Pomerania.

Recipients: public bodies, sole proprietorships, partnerships, fishing cooperatives, producer groups.

6 Processing and marketing of products

Investment in modernizing or building of plant for conservation, processing and marketing of products (storage, refrigeration, freezing, etc.), including computerization of distribution networks. In Germany, processing has always been a major sector. The main aims for 1994-99 will be:

- (a) to continue the development of high-quality products;
- (b) to adjust to Community public health and hygiene requirements.

Recipients: private firms, public bodies.

7 Product promotion

- (a) organization of sales promotion campaigns (e.g. sales of herrings, shrimps, freshwater fish);
- (b) participation in trade fairs and exhibitions;
- (c) creation of information centres for consumers;
- (d) other measures for the promotion and enhancement of fisheries and aquaculture products.

Recipients: public bodies, private firms, partnerships, fishing cooperatives, producer groups.

8 Other measures

- (a) Surveys, feasibility studies, pilot projects, technical assistance for

preparing, monitoring and assessing the application of structural measures;

- (b) partial compensation for loss of income due to temporary cessation of fishing activities in unforeseen circumstances.

Recipients: private firms, partnerships, fishing cooperatives, producer groups, public bodies.

9 Vocational training

Training courses financed by the European Social Fund to help with occupational retraining of fishermen from the *Land* of Mecklenburg-Western Pomerania.

Recipients: fishermen.

10 Socio-economic measures for fishermen

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

- (a) support 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 fishing port of Bremerhaven has recently undergone many radical changes.

In order to solve all the wide variety of problems arising, a global development strategy was introduced to contribute, firstly, to restructuring of processing and marketing activities, and, secondly, to the promotion of other sectors such as tourism. The project, known as the *Schaufenster Fischereihafen* ('fishing-port showcase' project) began in 1991, with Structural Fund financing.

In addition to structural aid: the Community Initiative PESCA

The Community Initiative PESCA

complements the structural aid described. Its special 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 Germany are as follows:

- creation of business service centres for firms in the sector (assistance, business consultancy, technology transfer, etc.);
- productive investment and conversion of businesses towards maritime tourism;
- general projects (marine cartography, regional fisheries observatories, product promotion and enhancement, pilot projects, etc.);
- diversification of economic activities in coastal areas (start-up assistance for new craft firms, adaptation of fishing ports);
- new job creation (training for teachers, new vocational qualifications, assistance with geographical mobility, etc.);
- financial engineering (creation of 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 in this Community Initiative, can apply to ministries concerned in the appropriate *Länder* for further information (this applies solely to the *Länder* covered by the table on this page).

The complete text of the German PESCA programme is obtainable from those authorities, and from the Bundesministerium für Ernährung, Landwirtschaft und Forsten and the European Commission, DG XIV (for addresses, see next page).

The Commission notice on PESCA (94/C 180/01) was published in the *Official Journal of the European Communities* OJ C 180, 1.7.1994.

Geographical distribution of PESCA financing in Germany

(million ECU)

<i>Land</i>	Structural funds (1)	National Public financing (2)	National private financing (3)	Total financing (1 + 2 + 3)
Mecklenburg-Western Pomerania	13.10	1.95	17.55	32.60
Schleswig-Holstein	3.75	0.75	8.00	12.50
Lower Saxony	3.45	0.58	7.47	11.50
Bremen	2.70	2.70	-	5.40
Total	23.00	5.98	33.02	62.00

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 leaving the sector, and aid for early retirement
other measures (technical assistance, studies, 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:

Bundesministerium für Ernährung, Landwirtschaft und Forsten

Postfach 14 02 70
D-53107 Bonn
Tel. +49 228 529 0
Fax +49 228 529 42 62

European Commission Directorate-General XIV – Fisheries

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



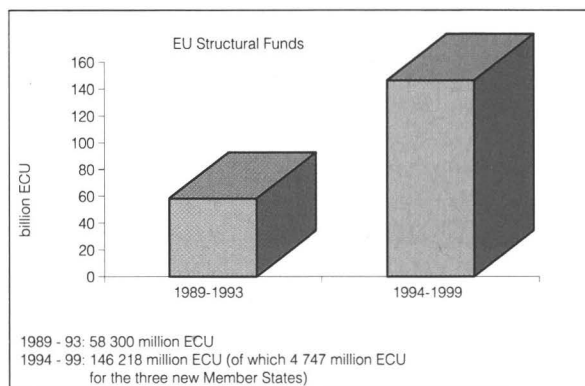
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This publication does not necessarily express the official views of the Commission. For further information, please send a fax to (32-2) 296 73 60.

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 5 (a): speeding up the adjustment of agricultural and fisheries structures;
- Objective 5 (b): 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 (FIGG).

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