



EUROPEAN COMMISSION
Directorate-General
for Fisheries

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

European Union aid for the development of the fishing industry in Finland (1995–99)

The fisheries sector in Finland is going through a period of fundamental structural change. This is required both to adapt the fishing fleet capacity to match fishing possibilities, and to improve the competitiveness of the fishing industry.

Having joined the European Union on 1 January 1995, Finland is now eligible for assistance from the EU Structural Funds, including the FIFG (Financial Instrument for Fisheries Guidance), which covers the entire fisheries sector: from fleet modernization to fishing port equipment, from aquaculture to the fish processing and marketing industries.

In order to support actions undertaken at the national level, FIFG has made available ECU 30 million (about FMK 170 million) to the industry, the organizations and public authorities for the period 1995-99.¹

FIFG priorities and fields of action have been decided in partnership by both the European Commission and the Finnish authorities and are documented in two programming

documents concerning the Northern regions (which are covered by Objective 6 of the EU Structural Funds because of their low population density) 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 areas.

This publication summarizes:

- (a) the content and financial plans of the two FIFG programmes for Finland (pages 3-6);
- (b) the Finnish programme of the Community initiative PESCA (page 7);
- (c) 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:

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

For further information about CFP, read:

The new common fisheries policy, Luxembourg, EUR-OP, 1994 (in 9 EC languages; English version is 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 Finland: strengths and weaknesses

The share of the fisheries industry in Finland's gross national product (GNP) is approximately 0.2 %. However, the GNP does not itself provide an accurate picture of the industry's importance. Fishing, aquaculture and fish processing are a traditional part of Finnish industries and Finnish identity. The industry is also of prime importance in many archipelago, coastal and freshwater areas. Finland has 189 000 lakes and 26 000 islands.

In 1993, the total value of all professional fisheries and aquaculture was approximately ECU 132 million and the turnover of the fish processing and wholesale trade approximately ECU 172 million.

The Finnish industry employs a total of approximately 5 200 (full-time equivalents) with 2 000 in professional fishing, approximately 2 000 in aquaculture and 1 200 in fish processing and the wholesale trade. Of the total approximately 1 100 (full-time equivalents) work in the Objective 6 region of Finland. Freshwater fishing is also significant.

In Finland the total professional seawater fish catch in 1993 was 83 565 tonnes with Baltic herring accounting for 77 353 tonnes, other important species are salmon and powan. Most of the seawater catch is obtained from outside Objective 6 regions since only a small strip along the bottom of the northern part of the Gulf of Bothnia is in the area covered by Objective 6. The professional fishing catch in freshwater areas was 3 391 tonnes in 1993, with vendace being the most important species.

At 1 January 1996, the Finnish fleet register has a total of 720 fishing vessels over 10 metres long which are operating in the open sea. In addition

there are 3 000 small fishing vessels or boats mainly used in the archipelago or along the coast. The capacity of the fleet is around 22 500 grt.

There are approximately 200 companies engaged in fish processing or the wholesale trade. The industry uses about 27 000 tonnes of domestic raw material and approximately 5 800 tonnes of imported material.

Finnish aquaculture consists mainly of rainbow trout. In 1994 approximately 900 units were registered of which 47 units are situated in the Åland Islands. Current total annual production is around 18 000 tonnes. Crayfish production is important.

As an industry in a new Member State within the European Union, the Finnish fishing industry must adapt and restructure in line with the common fisheries policy.

The main structural weaknesses are the following.

- (a) There is a need for structural development of the fishing fleet to modernize vessels and improve profitability, hygiene and safety.
- (b) Fishermen must cope with the frozen waters and difficult seasonal conditions.
- (c) Only 10% of the salmon caught at sea is from natural stock.
- (d) The long coastline and many islands mean that the collection, distribution, and maintenance of fish quality raise difficulties and need improvement.
- (e) The inconsistent availability of fish and the narrow range of species form a barrier to the development of the fish processing industry. There is a need to improve hygiene conditions too.
- (f) For aquaculture, investments are needed to improve competitiveness and hygiene conditions, to combat disease, and promote the production and sale of further processed products.

Structural interventions 1995-99: nine fields of action

In the light of this situation, the structural interventions laid down by the two programmes for Finland identify nine fields of action, in line with the objectives of the common fisheries policy:

1 Adjustment of fishing effort

Scrapping premiums will be granted for the permanent cessation of professional fishing on the fishing vessels.

The objectives are both to adapt the capacity of the fleet to the fishing possibilities and to improve the viability of professional fishing.

Most of the capacity reduction will be withdrawn from salmon fishing, which is carried out in the Baltic main basin and in the Gulf of Bothnia.

Beneficiaries: owners of Finnish fishing vessels and boats operating in professional fishing.

2 Fleet renewal and modernization

In order to achieve a competitive and modern fishing fleet, two measures will be undertaken:

- (a) modernization of 160 fishing vessels, to meet hygiene and safety standards, to improve working conditions, catch quality and fishing techniques;
- (b) construction of fishing vessels (the introduction of modern capacity of 750 gross registered tonnage is foreseen), to reduce the fleet's average age. New entries to any fleet category will be permitted only upon withdrawal of equivalent vessel capacity from the same category.

Beneficiaries: fishing enterprises, institutions and organizations within the sector.

3 Aquaculture

In order to adapt aquaculture to meet tightened environmental, hygiene and fish health requirements, and to improve the competitiveness of the sector, considerable assistance will be granted to the sector operators.

Investments will aim at introducing the latest production technology, improving the unit's environmental and hygiene conditions, expanding capacity and farming new species through pilot trials.

It is estimated that annual production will grow by the end of the programme (1999) by approximately 4 000 tonnes, including 2 500 tonnes of rainbow trout, 500 tonnes of powan and 500 tonnes of other species.

An increase of the total turnover with 10% for the aquaculture companies is also foreseen, without increasing the harmful load on waterways.

Beneficiaries: aquaculture operators.

4 Enclosed seawater areas and stock enhancement

In order to strengthen and diversify fish stocks and to increase catches, FIGF may assist projects aiming at the protection and the development of fish stocks in coastal areas.

These projects will also increase the viability of professional fishing and provide work for fish farmers.

Beneficiaries: public administration or other organizations.

(see page 6)

Access to financing and programming documents

In order to take part in the actions financed by FIGF, potential beneficiaries, listed at the end of each field of action, should contact the competent Ministry (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 two Finnish FIGF programming documents:

(a) *for the regions covered by Objective 6 of the EU Structural Funds:* the single programming document 'Objective 6', priority 3 (Agriculture, forestry and fisheries, rural development and environment), measure 7 (development of the structure of the fisheries sector);

(b) *for the rest of the country:* the single programming document 'Objective 5a — Fisheries outside Objective 6'.

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 92-826-7762-1.

Finland — Objective 6 area ¹

(million ECU)²

Fields of action	FIFG	Other EU Structural Funds	National public contribution	Private sector	Total
	(1)	(2)	(3)	(4)	(1 + 2 + 3 + 4)
Development of the fisheries sector	3.90	—	3.90	1.80	9.60
Socioeconomic measures ³	—	—	—	—	—
Technical assistance	0.10	—	0.10	—	0.20
Total	4.00	—	4.00	1.80	9.80

The allocation for each area of assistance will be approximately as follows:

Adjustment of fishing effort	5%
Renewal/modernization of the fleet	10%
Aquaculture	40%
Enclosed seawater areas	5%
Fishing port facilities	5%
Processing and marketing	30%
Product promotion	5%

¹ This area comprises the regions (*maakunnat*) Lappi, Kainuu, Pohjois-Karjala and Etelä-Savo, and the regional sub-units (*seutukunnat*) Ii, Pyhäntä, Kuusamo and Nivala in Pohjois-Pohjanmaa, Nilsia in Pohjois-Savo, Saarijärvi and Viitasaari in Keski-Suomi and Kaustinen in Keski-Pohjanmaa. Objective 6 of the EU Structural Funds covers areas with low density of population (less than 8 persons per km²).

² For information, based on monthly exchange rate in December 1995, ECU 1 = Fmk 5.59.

³ These measures may be introduced following the modification of Council Regulation (EC) 3699/93 in November 1995. The amount allocated to them is still to be decided, but remains within the total financing allowed.

Finland — rest of the country¹

(million ECU) ²				
Field of action	FIFG	National public funding	Private sector	Total
	(1)	(2)	(3)	(1 + 2 + 3)
1. Adjustment of fishing effort	4.14	4.14	—	8.28
2. Renewal/modernization of the fleet	2.41	1.06	6.55	10.02
3. Aquaculture	6.03	2.74	16.38	25.15
4. Enclosed seawater areas	0.52	0.78	—	1.29
5. Fishing port facilities	1.03	1.06	—	2.09
6. Processing and marketing	6.50	3.81	19.40	29.67
7. Product promotion	2.16	1.86	0.34	4.36
8. Other measures	0.24	0.76	—	1.00
9. Socioeconomic measures ³	—	—	—	—
Total	23.00	16.21	42.67	81.88

¹ Interventions carried out in the context of Objective 5a — Fisheries of the Structural Funds, outside of Objective 6 area (see previous page).
² For information, based on monthly exchange rate in December 1995, ECU 1 = FMK 5.59.
³ These measures may be introduced following the modification of Council Regulation (EC) 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 FIGF (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 20.7.1993, 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 EIB 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 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

Two different measures will be carried out:

- (a) improvement of the most important fishing ports, so that their facilities and services better meet the needs of professional fishing and fish hygiene requirements;
- (b) equipping of two new fishing ports, both on the sea coast and on fresh waters, to complement the existing fishing port network.

Beneficiaries: public authorities, private companies.

6. Product processing and marketing

The main objectives are to improve processing companies' premises and to update their production equipment.

The following targets will be pursued:

- (a) increase by overall turnover 10% by raising processing rate and quality;
- (b) improvement of storage and refrigeration facilities;
- (c) introduction of new technology;
- (d) product development, especially of Baltic herring and rainbow trout;
- (e) improvement of hygiene conditions;
- (f) reduction of adverse environmental effects;
- (g) improvement in competitiveness and efficiency.

Beneficiaries: fish-processing companies, aquaculture companies and professional fishermen.

7. Product promotion

Projects will be carried out in order to promote both the sale of fish and fish products in the domestic market and increase the exports.

In particular, marketing of Baltic herring and rainbow trout will be developed.

Beneficiaries: public administration, fisheries organizations, private companies.

8. Other measures

They may include:

- (a) technical assistance to monitor and assess the FIGF programmes for Finland;
- (b) temporary laying-up of fishing vessels caused by unforeseen and non-repetitive events;
- (c) information and publicity in the fisheries and aquaculture sector.

Beneficiaries: public administration, owners of fishing vessels, fisheries organizations and companies.

9. Socioeconomic accompanying measures

In order to minimize the negative effects of the reduction of the fleet, the Finnish authorities may, optionally, 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.

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 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 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 Finland are the following:

- diversification of activities: new craft or small business, tourism, etc.;

- business services: consultancy and networking for the companies, training in marketing and administration, new technologies, etc;
- job-creation or maintenance: vocational training for fishermen, assistance to entries in the job market, etc;
- specific projects in the fields of marketing, promotion, networking, studies, transnational cooperation, etc;
- productive investments in the sector, to support enterprises;
- training for those working in the fishing industry.

The final beneficiaries of these measures may be:

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

The areas eligible for PESCA in Finland include 110 coastal and inland municipalities dependent upon fisheries, as well as the Åland Islands.

PESCA: practical guide

Both potential beneficiaries and other interested people can seek additional information on this Community initiative from the competent ministry (see last page for this address).

The complete text of the PESCA programme for Finland may be ordered from the same ministry (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 of 1.7.1994.

PESCA — Finland

(million ECU)

Area	EU Structural Funds	National public funding	Private sector	Total
Diversification of activities	0.31	0.31	0.26	0.90
Business services	0.33	0.34	—	0.67
Job creation or maintenance	0.02	0.02	—	0.04
Specific projects	1.68	1.34	1.46	4.49
Productive investments	0.57	0.43	0.63	1.63
Training	0.50	0.40	0.14	1.05
Total	3.41	2.86	2.50	8.77

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 6 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 and Forestry Department of Fisheries and Game

PO Box 232

FIN-00171 Helsinki

Tel. (+358) 0 1601

Fax (+358) 0 160 42 85

European Commission Directorate-General XIV—Fisheries

Rue de la Loi 200

B-1049 Brussels

Fax (+32-2) 296 30 33



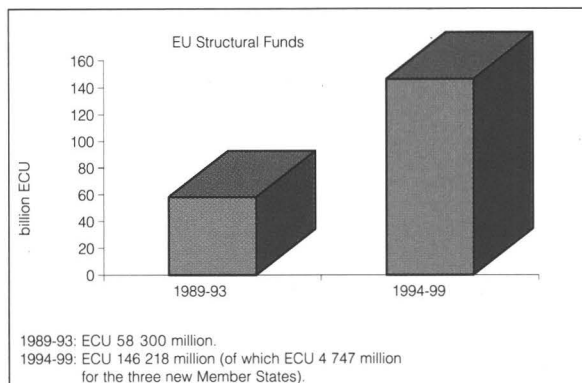
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This publication does not necessarily express the official views of the Commission.

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.