

COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a
COUNCIL REGULATION (EEC)

on the improvement of the conditions under which fishery and
aquaculture products are processed and marketed

(presented by the Commission)

PROPOSAL FOR A COUNCIL REGULATION ON THE PROCESSING
AND MARKETING OF FISHERY AND AQUACULTURE PRODUCTS

EXPLANATORY MEMORANDUM

1. INTRODUCTION

The common fisheries policy defined in Article 39 of the Treaty of Rome encompasses an immense range of fishing activities beginning with the straightforward exploitation of fish stocks in a manner such as to ensure a fair standard of living for the community directly dependent on them, to stabilize markets and supplies and to ensure supplies at reasonable prices.

The resulting economic activity begins therefore at sea and on fish farms since that is where the raw material is produced. However, and this applies particularly in the case of fisheries, a long economic chain is formed (comprising landing, repairs, supplies, storage, etc.) that leads to the processing industry and the distribution network and has a considerable impact on local economies. In order to obtain the optimum benefit from the common fisheries policy all these activities need to be properly coordinated.

2. THE COMMUNITY PROCESSING INDUSTRY

The Community processing industry is still very diverse, with the differences between the Member States being linked to their individual customs and uses. It continues to be a locally-based industry, generally limited to a single market, and is not designed for the Community market as a whole. It is obvious, therefore, that in most cases the size and types of undertakings will not, in the long term, help attain the objectives of 1992.

Numerous changes have taken place in the processing and marketing of fishery and aquaculture products, notably since European consumers have set about cutting their intake of meat and following a more varied diet (consisting in particular of salads) in which fishery and aquaculture products can play a significant role. In addition, the preparation of food differs between Northern and Southern Europe. An enlargement of the market could give rise to an increase in consumption.

There is a very distinct difference, as far as the market in frozen fish is concerned, between the northern and southern Community Member States. In the north most of the frozen products are prepared from freshly-landed fish. Processing is a more complicated operation. Since consumption of fresh fish is less widespread than in the southern Community countries, the consumer wants foodstuffs that are more elaborate and ready to use.

In the southern Community Member States fish for the most part is eaten fresh, while frozen fish is used as a substitute. Processing amounts therefore to little more than gutting on board vessels. In many cases processing on land consists only of packaging. Most products are sold to the consumer in their original packing.

To sum up, the European market in fishery and aquaculture products has various shortcomings, as do the processing and marketing sectors; these sectors will have to undergo change if they are to supply the single European market and become competitive at international level. The situation in this respect is not the same as in the agriculture sector, where trade has already reached a higher level of development.

The new single European market should lead to specialization on the prepared foodstuffs market, both in terms of the products and in the quality criteria.

3. STABILITY OF MARKETS AND SUPPLIES OF RAW MATERIALS

The next question to be considered is whether the markets in and supplies of raw materials have remained stable since the entry into force of Regulation (EEC) No 355/77. Studies indicate that the processing sector has not benefited from the same stability of supply of raw materials as the agriculture sector.

On the contrary, between 1977 and 1988, there have been many changes on the markets in fishery products. The instability is due largely to the new situation created by the establishment of exclusive 200-mile economic zones, which has forced fleets and the main suppliers to make adjustments and/or to seek new fishing zones (in general, the new holders of the enlarged zones have not been able to replace the Member States as suppliers of the Community market). Both in terms of prices and of the market, supplies of species such as cod, squid and herring have undergone fundamental change.

The latest technologies (such as the installation of surimi production systems on board fishing vessels, etc.) offer new opportunities for exploiting blue whiting stocks, which are plentiful in the Community's 200-mile zone, and facilitate also the exploration of resources which in the past were regarded as being of no economic interest whatsoever.

4. REFORM OF THE STRUCTURAL FUNDS

The reform of the structural Funds provides for the speedier adjustment of fishery structures through common measures to improve the conditions under which fishery and aquaculture products are processed and marketed.

In view of the special characteristics of the fishing industry, it is appropriate for such measures to be implemented under a specific regulation for the sector. This Regulation, which is in conformity with the aims and provisions of Council Regulations (EEC) Nos 2052/88 and 4253/88, applies to all regions of the Community.

The Regulation will be implemented in the context of the doubling of the resources of the structural Funds planned between now and 1993, with the regions concerned by Objective 1 qualifying for a higher rate of Community assistance.

5. CONCLUSIONS

1. The Community policy on the processing and marketing of fishery and aquaculture products must be incorporated in the common fisheries policy.
2. In the fisheries sector, processing and marketing play a major role in stabilizing the market and must be developed in the light of the current opportunities afforded by the market, and, above all, of the situation regarding resources, both now and in the future.
3. There is a close link between resources, fishing, related activities, the processing industry and distribution networks, with the latter two being of special importance for stabilizing markets and limiting the need for aid. Under the common fisheries policy, instability of resources and structures gives rise to instability of all the other activities.

The adaptation of the sectors in question to future developments calls for a certain degree of flexibility that can only be provided by a separate regulation on the processing and marketing of fishery products.

4. Facilities for the processing and marketing of fishery and aquaculture products should be developed in step with other structural measures under the common fisheries policy in order to absorb any workers in the fisheries sector who may lose their jobs, to consolidate fishing activities and to establish a core of internal growth and of import/export industries. Since fishing and aquaculture activities are usually located and concentrated in sensitive areas, such development would be entirely in keeping with the spirit of the reform of the structural Funds.
5. Such a policy could never be developed at local level. To ensure adequate coordination, the common fisheries policy can only be successfully implemented at Community level since it encompasses resources which, even internally, are exploited in areas far removed from sensitive regions. This applies even more as regards non-Community resources, which are the subject of multilateral negotiations, and as regards trade in fish, which is currently witnessing considerable growth.
6. For all these reasons, it is essential not only that the policy for the processing and marketing of fishery and aquaculture products be tied in closely with the other aspects of the structural policy for fisheries, but also that coordination be established at Community level, which will ensure the lasting and harmonious development of the sector only if a specific regulation is adopted.
7. It is proposed therefore that a specific regulation be implemented on the improvement of the conditions under which fishery and aquaculture products are processed and marketed, taking account both of the aims of the reform of the Funds, in particular of the concentration of financial resources in certain regions of the Community, and of the specific nature of the fisheries sector, and in particular of the link to be established with Regulation (EEC) No 4028/86 on Community measures for improving and adapting structures in the fisheries and aquaculture sector.

Proposal for a
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**on the improvement of the conditions under which fishery
and aquaculture products are processed and marketed**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas on 20 January 1989 the European Parliament adopted a resolution on
the fishery products processing industry;¹

Whereas, within the framework of the reform of the Structural Funds, the
Council has adopted:

- Council Regulation (EEC) No 2052/88 of 24 June 1988, on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operation of the European Investment Bank and the other existing financial instruments²;
- Council Regulation (EEC) No 4253/88 of 19 December 1988, 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 the operations of the European Investment Bank and the other existing financial instruments³;
- Council Regulation (EEC) No 4254/88 of 19 December 1988, laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund⁴;
- Council Regulation (EEC) No 4255/88 of 19 December 1988, laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Social Fund⁵;
- Council Regulation (EEC) No 4256/88 of 19 December 1988, laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section⁶;

¹ OJ No C 47, 27.2.1988, p. 176.

² OJ No L 185, 15.7.1988, p. 9.

³ OJ No L 374, 31.12.1988, p. 1.

⁴ OJ No L 374, 31.12.1988, p. 15.

⁵ OJ No L 374, 31.12.1988, p. 21.

⁶ OJ No L 374, 31.12.1988, p. 25.

Whereas Article 10 of Regulation (EEC) No 4256/88 provides that the Council is to decide by 31 December 1989 at the latest on the forms of and the conditions for the Fund contribution to measures to improve the conditions under which fishery products are processed and marketed;

Whereas, following the adoption of the Regulations on the reform of the Structural Funds, Council Regulation (EEC) No 355/77 must be replaced by a new regulation;

Whereas, in order to incorporate the improvement of the conditions under which fishery and aquaculture products are processed and marketed in the common fisheries policy, it has become necessary to adopt a separate specific regulation;

Whereas the adoption of a separate regulation is in accordance with Council Regulation (ECSC, EEC, Euratom) No 2049/88 of 24 June 1988 amending the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities⁷ and entails the application of stricter rules for improving transparency and financial management;

Whereas Title I of Regulation (EEC) No 4256/88 on the speeding up of the adjustment of agricultural structures with a view to the reform of the common agricultural policy concerns measures for improving the processing and marketing of fishery products;

Whereas these measures for improving the processing and marketing of fishery products are to be implemented as part of Objective 5(a) of Regulation (EEC) No 2052/88 in order to speed up the adjustment of fishery and aquaculture structures in all Member States;

Whereas Community measures for improving and adapting structures in the fishery and aquaculture sector were adopted at Community level by Council Regulation (EEC) No 4028/86⁸, whereas the processing and marketing of fishery and aquaculture products are activities appertaining to structural policy and form an essential component thereof;

Whereas the improvement of the processing and marketing of fishery and aquaculture products, and in particular the improvement of the salubrity, quality and presentation of such products may open up more outlets, enhance the value of the products concerned and thereby help to increase the productivity of fisheries and aquaculture, and to stabilize prices;

⁷OJ No L 185, 15.7.1988, p. 3.

⁸OJ No L 376, 31.12.1986, p. 7.

Whereas the common fisheries policy was designed to be managed and implemented at Member State level and whereas steps must therefore be taken to ensure that measures relating to the processing and marketing of fishery and aquaculture products are consistent with the common fisheries policy;

Whereas the continuing improvement of structures in the sector is essential to the harmonious development of a common fisheries policy and thus represents a means of attaining, in the sector, the objectives set out in Article 39(1)(a), (b) and (d) of the Treaty; whereas structural measures for achieving this improvement must therefore be based on a Community approach and criteria;

Whereas the basic guidelines of the new structural policy for fisheries and aquaculture must not only take account of the results obtained and experience gained in the past, but must be defined in terms of the new situation obtaining in the sector, which has become more important since the accession of Spain and Portugal to the Community;

Whereas the sectoral objectives of the common fisheries policy must contribute to the harmonious development of the Community, to the strengthening of its economic and social cohesion and, in particular, to the speedier advancement of the less favoured and less developed regions;

Whereas, furthermore, in accordance with Article 39(2) of the Treaty, the structural policy must take ample account of the economic and social environment of the sector and must allow scope for adaptation, if necessary, in the light of the diversity or seriousness of certain structural problems at regional level;

Whereas the measures laid down must be in step with the requirements of environmental protection;

Whereas, in the implementation of this Regulation, the Commission will be assisted by the Standing Committee on the Fishing Industry set up by Article 47 of Regulation (EEC) No 4028/86,

HAS ADOPTED THIS REGULATION:

Article 1
Objectives

1. Within the framework of the reform of the Structural Funds provided for in Regulation (EEC) No 2052/88 and in order to facilitate the adaptation of the conditions under which fishery and agriculture products are marketed and processed to the development of the common fisheries policy, a common measure within the meaning of Article 2 of Regulation (EEC) No 4256/88 is hereby established in order to improve the conditions under which fishery and aquaculture products are processed and marketed. Under this measure, the Community may participate in the financing of investments which:
- (a) contribute to the economic and social cohesion of the Community;
 - (b) take account of the needs of the less favoured regions;
 - (c) help to direct production and processing towards the objectives pursued by the common fisheries policy through the structural measures provided for in Regulation (EEC) No 4028/86;
 - (d) improve, in the long term, the marketing and processing structures for fishery and aquaculture products;
 - (e) improve the marketing and distribution networks for fishery and aquaculture products;
 - (f) help to improve the salubrity, quality, preservation and packaging of products, or contribute to the better use of by-products;
 - (g) promote technical innovation, and the processing and marketing of new or underexploited species;
 - (h) help to adapt processed products to consumer demand;
 - (i) contribute to market stability for fishery and aquaculture products;
 - (j) help to ensure the regular supply of raw materials to the fishery and aquaculture product processing sector, or enable such supplies to be modified by a more flexible production process.

2. The primary aim of the common measure shall be to contribute towards the achievement of Objective 5(a) defined in Article 1 of Regulation (EEC) No 2052/88 by speeding up the adjustment of fishery and aquaculture structures to the development of the common fisheries policy, in accordance with the conditions laid down in Regulation (EEC) No 4256/88.

3. The common measure shall apply to the entire Community.

4. The common measure shall be in keeping with the detailed rules for the application of Community measures. It shall complement national measures of a similar nature and contribute to their implementation within the framework of the partnership between the Community and the Member States defined in Article 4 of Regulation (EEC) No 2052/88.

TITLE I

SECTORAL PLANS

Article 2

In order to improve the processing and marketing of fishery and aquaculture products, each Member State shall prepare a sectoral plan covering the entire fisheries and aquaculture sector. Plans must be drawn up at national level, must group together in a coordinated way all the regional plans of the Member State concerned, in order to ensure the effective integration, planning and management of the processing and marketing of fishery and aquaculture products, and must be devised in such a way as to:

- create a viable industry which is in conformity with Community policies and in particular with the common fisheries policy, which takes account of the foreseeable trend of raw materials supplies in the medium term and which is in step with fishery activities and structures in the area in question;
- develop and adapt facilities for the processing and marketing of fishery and aquaculture products in order to obtain maximum added value and to satisfy the requirements of producers and consumer demand;
- take account of the socio-economic needs of the fishing industry and of the impact of this Regulation.

Article 3
Content of sectoral plans

1. Sectoral plans must contain a description of the history and present situation as regards the processing and marketing of fishery and aquaculture products.
2. Sectoral plans must give details of the requirements of the sector and of the means which will be deployed to satisfy those requirements and to justify Community assistance.
3. Sectoral plans must give particulars also of the policies implemented by the Member State during the period of validity of the plan and give details of the objectives and the financing plan.
4. The period envisaged for implementing the plan must not exceed five years.
5. An outline of the sectoral plan and of the minimum information which it must contain are shown in the Annex.

Article 4
Updating and new sectoral plans

If the period originally determined by a Member State for implementing a sectoral plan has expired, or if a significant modification must be made to it, a new sectoral plan or updated plan must be drawn up, containing, in addition to the information referred to in Article 3, a report showing:

- (a) the progress achieved as against the forecasts in the earlier plan, in particular regarding the availability of public funds;
- (b) the development of the situation regarding the processing and marketing of products, and the need to update the plan or to prepare a new one.

Article 5
Procedure for the introduction of sectoral plans
and the approval of Community support frameworks

1. The initial sectoral plans must be submitted to the Commission by the Member State by 31 March 1990.

The dates for the submission of subsequent plans or of adjustments to existing plans shall be fixed by the Commission in agreement with the Member State concerned.

2. Decisions concerning the Community support frameworks for fishery and aquaculture products shall be taken by the Commission, on the basis of the sectoral plans, within six months in accordance with Article 11 of Regulation (EEC) No 2052/88 and Article 8 of Regulation (EEC) No 4253/88 and in accordance with the procedure laid down in Article 29 of Regulation (EEC) No 4253/88. For this purpose the Commission shall seek the opinion of the Standing Committee on the Fishing Industry set up by Article 47 of Regulation (EEC) No 4028/86.

3. As part of the approval procedure, the Commission shall see to it that the Community support frameworks are compatible with the priorities of the Community policies and in particular with those of the common fisheries policy.

4. Measures falling within the scope of this Regulation may be taken into consideration by the Commission when establishing the Community support frameworks for areas covered by Objectives 1, 2 and 5(b), as provided for in Title III of Regulation (EEC) No 4253/88. Such measures must be in conformity with the provisions of this Regulation.

In such cases, the Commission, before adopting its decision, shall consult in respect of the Community support frameworks, the Standing Committee on the Fishing Industry set up by Article 47 of Regulation (EEC) No 4028/86.

TITLE II

OPERATIONAL PROGRAMMES, GLOBAL GRANTS, SUITABLE PROJECTS

Article 6 Forms of assistance

1. For the purposes of the application of this Regulation, Community assistance shall be provided in one of the following forms:

- part-financing of operational programmes;
- provision of global grants;
- part-financing of suitable projects;
- support for pilot and demonstration projects and for technical assistance and studies in preparation for operations,

as shown in Article 5(2) of Regulation (EEC) No 2052/88.

2. The part-financing of operational programmes and the provision of global grants shall constitute the main forms of assistance.

3. Part-financing may also be granted for suitable projects, but only where they relate to new production units. In this case the thresholds referred to in Article 16(2) of Regulation (EEC) No 4253/88 shall not apply.

In addition, limited financial aid shall be provided for in respect of studies and pilot and demonstration projects and for technical assistance.

Article 7

Pilot/demonstration projects, technical assistance, studies

Community financial support of up to 1% of the annual budgeted amount may, in accordance with Article 8 of Regulation (EEC) No 4256/88, cover:

- pilot or demonstration projects for the processing or marketing of species, especially new ones;
- technical assistance and the necessary preparatory studies;
- studies to assess the effectiveness of the measures provided for by this Regulation.

Article 8

Applications for assistance

1. Applications for assistance shall be drawn up in accordance with the conditions laid down in Articles 14(1) and 16(1) of Regulation (EEC) No 4253/88 and shall be submitted to the Commission by the Member State or by any body the latter may designate to do so.

Applications shall relate to one of the forms of assistance provided for in Article 6(1) of this Regulation and shall be compatible with the Community support framework adopted by the Commission.

Member States shall submit, with the applications for assistance, a description of the national management and control arrangements applicable to them.

2. Applications shall contain the information necessary for the Commission to:

- assess the conformity of the proposed measures with the Community policies, in particular the common fisheries policy;
- assess the contribution of the proposed measure to the improvement of the processing and marketing structures, the consistency of the constituent measures, and their conformity with the Community support framework it has approved and the selection priorities;
- check that the implementing and financing procedures will ensure the effective implementation of the measure;
- determine the precise nature of the assistance it will have to provide;
- evaluate the overall impact on the environment and the means available for offsetting or reducing any adverse effects.

TITLE III

INVESTMENTS, ELIGIBILITY, SELECTION

Article 9

Types of investments

Measures implemented under this Regulation shall be public, semi-public or private investments, in respect of fishery and aquaculture products, covering, in whole or in part, premises and/or equipment intended in particular for the development or rationalization of facilities for cutting, filleting, the removal of heads, evisceration and skinning, and for canning, smoking, cooking and packaging of products for retail sale, and for auction markets, and facilities for the storage, cold storage, deepfreezing and bulk packaging of the products. They shall also include facilities, including those for water filtration, and equipment required for processing and marketing from the time of landing from fishing vessels in ports to final consumption.

Article 10
Eligibility

1. The investments defined in Article 9 shall be eligible for Community assistance throughout the Community.
2. However, in order to be eligible for such assistance, investments, must:
 - belong to one of the classes defined in Article 9;
 - form an integral part of a Community support framework and contribute to the lasting economic effect of the structural improvement provided for therein;
 - offer adequate assurances of technical and economic viability;
 - guarantee permanently the Community origin of the bulk of the raw materials.

Investments shall not be eligible which concern:

- fishery and aquaculture products intended to be used and processed for purposes other than human consumption (except investments intended solely for the treatment, processing or marketing of fishery wastes);
- the retail sector;
- work begun before the date of receipt by the Commission of the application for assistance;
- products other than those listed in Annex II to the Treaty. The Commission may, however, allow investments concerning other products provided that the beneficiaries of the assistance have direct contractual links with the producers of basic fishery and aquaculture products.

3. Within the framework of the investments referred to in paragraph 1, costs may be eligible for funding if they relate to:

- (a) the construction and acquisition of immovable property, other than the purchase of land;
- (b) the acquisition of new machinery and equipment, including computers, software and computer programs;
- (c) overheads such as fees for architects, engineers and consultants, the cost of feasibility studies and contingencies up to 12% of the costs referred to in points (a) and (b) above.

Article 11
Selection priorities

The investments must ensure the rational development of the processing and marketing of fishery and aquaculture products and guarantee producers of basic products a satisfactory and lasting share of the economic benefits arising from them.

In general, priority shall be given to investments which concern:

- the modernization and rationalization of auction markets and halls for the first-hand sale of products landed by vessels flying the flag of a Member State;
- the storage, smoking and handling of fishery and aquaculture products;
- facilities for preparation for first-hand sale and filleting of fresh fish;
- the preparation of finished products from fish which has been caught and deepfrozen on board vessels flying the flag of a Member State;
- undertakings producing preserved products provided that they are production units which are technically advanced, economically viable and capable of withstanding free international competition;
- the development of new products and new technologies based in particular on the results of the research, pilot and demonstration projects;
- the improvement of the quality and hygiene of production processes;
- the enhancement of the added value of products;
- producers of basic products, producers' groups or associations thereof, and cooperatives.

Article 12
Beneficiaries

1. Community assistance shall be granted to natural or legal persons or groups of persons responsible for investments.

2. Community assistance shall be paid in accordance with the conditions laid down in Article 15:

- by the authorities designated pursuant to Article 14(1) of Regulation (EEC) No 4253/88, or
- by the intermediaries designated pursuant to Article 16(1) of Regulation (EEC) No 4253/88.

Article 13

Decisions granting assistance and budgetary commitments

1. The Commission shall decide upon granting assistance.
2. The decisions referred to in paragraph 1 shall be notified to the authority or intermediary referred to in Articles 14(1) and 16(1) of Regulation (EEC) No 4253/88 and to the Member State concerned.
3. In the case of multiannual measures, the authority or intermediary referred to in paragraph 2 shall send the Commission each year the information necessary to enable the commitment to be effected in the annual instalments provided for in Article 20(2) of Regulation (EEC) No 4253/88 and to check the conformity of the investments with the decisions referred to in paragraph 1 and in Article 5(2) and (4) of this Regulation.

TITLE IV

FINANCIAL AND GENERAL PROVISIONS

Article 14

Rates of assistance

1. Assistance may not exceed, in relation to the eligible costs of the investments:
 - (a) 50% in the regions concerned by Objective 1;
 - (b) 30% in other regions.
2. In general, aid shall be in the form of capital grants. If it is in a different form it may not exceed the equivalent of the capital grant referred to above.

3. The Member States concerned shall finance at least 5% of the eligible costs of the investments accepted by the Commission for the grant of the assistance.
4. The contribution of the beneficiaries referred to in Article 12(1), in relation to the eligible costs of the investments accepted, shall be at least:
 - (a) 25% in the areas concerned by Objective 1;
 - (b) 45% in other areas.
5. Member States may, within the limits set by the scope of this Regulation, adopt additional aid measures which are subject to conditions or rules other than those laid down herein, or which involve an amount in excess of the maximum amounts referred to in this Article, provided that they are in conformity with the provisions of Articles 92 to 94 of the EEC Treaty.

Article 15
Procedure for payment of the assistance

1. The amount of the advances or balances which must be paid in accordance with Article 21 of Regulation (EEC) No 4253/88 shall be paid to the authority designated pursuant to Article 14(1) of Regulation (EEC) No 4253/88 or, where appropriate, to the intermediary referred to in Article 16(1) of that Regulation.

Payment of the balance shall be made only after the financial contribution of the Member States, provided for in Article 14(3) of this Regulation, has been paid to the final beneficiaries.

2. The authority or intermediary referred to in paragraph 1 shall check the documents supporting the final expenditure of the beneficiaries and shall see to it that there are no irregularities before the Community assistance is paid. It shall also carry out on-the-spot checks in order to verify that the information contained in the aid application corresponds to the true situation. Payment to the beneficiary must be made within four weeks of submission of the application provided that the latter is accompanied by all the documents necessary for establishing the effective nature of the expenditure.

3. At the end of each quarter the authority or intermediary referred to in paragraph 1 shall transmit to the Commission a list of the payments made to beneficiaries with particulars of the supporting documents in its possession.

4. A progress report shall be transmitted by the authority or intermediary referred to in paragraph 1 to the Commission every six months.

Article 15
Verification and penalties

1. The authority designated pursuant to Article 14(1) of Regulation (EEC) No 4253/88, or, where appropriate the intermediary referred to in Article 16(1) of that Regulation, shall transmit to the Commission, at its request, all supporting documents and evidence for establishing that the financial or other conditions have been met. The Commission may carry out on-the-spot checks.

2. The Commission may decide to suspend, reduce or discontinue its assistance if:

- the investments have not been carried out as envisaged;
- certain conditions laid down in the Commission decision referred to in Article 13(1) have not been fulfilled;
- the implementation periods have not been observed.

Such a decision shall be notified to the Member State concerned and to the authority designated pursuant to Article 14(1) of Regulation (EEC) No 4253/88 or, where appropriate, the intermediary referred to in Article 16(1) of that Regulation.

Article 17
Monitoring and assessment

The monitoring and assessment of the financial measures provided for herein shall be carried out in accordance with Articles 25 and 26 of Regulation (EEC) No 4253/88.

Article 18

All references in other acts to Regulation (EEC) No 355/77 and relating to fisheries shall be replaced by references to this Regulation.

Article 19

Transitional provisions

1. Until 31 December 1990, projects may be submitted in accordance with Regulation (EEC) No 355/77.
2. Projects presented in 1990 under Regulation (EEC) No 355/77 which do not form part of a sectoral plan shall be considered, until 30 June 1991, for the purposes of the grant of assistance under that Regulation.
3. Specific programmes have been approved for Member States under Regulation (EEC) No 355/77. On their expiry and at the time of their review, they will be replaced by Community support frameworks which will enter into force on 1 January 1991 at the latest.

Article 20

This Regulation shall enter into force on 1 January 1990.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at,

For the Council

OUTLINE SECTORAL PLAN

A. FISHERIES

1. General description of the area

- geographical configuration;
- demographic structure;
- main economic indicators;
- level of employment;
- gross regional product (composition and trends);
- importance of fisheries to the general economy of the region.

2. Detailed description of fisheries in the region

2.1 Fishing fleet

- (a) types of vessel, characteristics, types of fishing gear used;
- (b) employment directly linked with the fishing fleet;
- (c) area of activity of the fishing fleet in the short, medium and long term; development trends of resources in terms of yield; information sources used for evaluating these trends;
- (d) development of the fishing fleet in the region following the implementation of the multiannual guidance programme defined in Regulation (EEC) No 4028/86, and impact on capacity and future landings.

2.2 Ports and landing sites

- (a) description of fishing ports (location, size);
- (b) complete breakdown of main species landed;
- (c) description of facilities, current needs and problems in each port.

2.3 Auctions

Number, capacity, location and extent of use of auctions; species sold; current shortcomings due to lack of concentration of sales; shortcomings attributable to the inadequacy of facilities and equipment or other factors.

2.4 Coldstore capacity of the area

Location and capacity of coldstore facilities in the area; turnover (annual volume of entries and exits of goods); types of product stored. Inadequacy of capacity for storing the production of local or other fleets. Storage of products from other regions (differentiating between Community and non-Community products): types and quantities of products stored for processing; description of problems and of shortcomings.

2.5 Related sectors

Description of related sectors in the region (shipyards, repair workshops, supply stores) and impact of the local fleet on their economy.

B. AQUACULTURE

1. Detailed description of aquaculture in the region

(a) Outline of the aquaculture sector, present situation and outlook (requirements, plans);

(b) Description of the type of facilities, their capacity and methods of production;

(c) Description of the types and quantities of products for which aquaculture production could supply the raw material;

(d) Description of the quality of the waters concerned, means used for obtaining an appropriate quality of water for fishfarming in accordance with Directive 79/923.

C. PROCESSING AND MARKETING

1. Processing

Detailed figures for the sector (number of undertakings, types of products processed); present sources of raw materials; problems involving the ability of the industry to compete with other industries inside and outside the Community; current problems relating to equipment and sources of raw materials; full description of the present situation and outlook for the various types of fishery and aquaculture products.

2. Marketing

Detailed figures for the sector (number of undertakings, type of marketing); description of future sales and marketing strategies for the various types of fishery and aquaculture product.

D. AIMS OF THE PROGRAMME AND RESULTS EXPECTED FOR THE PERIOD IN QUESTION

A detailed description should be given of the aims to be achieved for remedying the abovementioned shortcomings, and particulars should be given of the way in which the various sectors will be affected.

A list should also be given of the legal, financial or other measures planned by the Member State for developing the processing and marketing sector, as well as the number and type of projects to be presented under the programme.

The desired level of Community funding should also be specified, together with the consequences of a total or partial refusal. A financing plan must be prepared for this purpose.

Lastly, details should be given of why the objectives have been set, the way in which they will benefit the region and the quantitative effect of their implementation on the regional economy.

E. INFORMATION

(a) Definition of the geographical areas in which fisheries and aquaculture are significant; history of the processing and marketing sector and the reasons for its present geographical location;

(b) a survey of the present situation and a description of past and future trends justifying the action, particularly as regards:

- the economic and social situation of the area in general, in so far as it is of importance to the sectoral plan, and in particular the fisheries and aquaculture sector;
- the importance of fishing and/or aquaculture to the economy;
- the situation as regards the processing and marketing of fishery and/or aquaculture products, in particular the present capacity of the undertakings in question and their geographical distribution;

(c) the needs which the plan must answer and its objectives, in particular the number, nature and size of the processing units, storage facilities and auctions, but also the number of jobs likely to be created, and the species and quantities of raw materials for processing;

(d) the means deployed to improve salubrious conditions at each stage of the processing and marketing of fishery and aquaculture products;

(e) the marketing and sales strategies proposed for the processed products;

(f) the means envisaged for attaining the objectives of the plan, in particular the total amount of the investments and the financial contribution of the Member State;

(g) the relationships, coordination and links of the sectoral plan with other national and Community programmes in the area, and in particular, with the measures provided for in Regulation (EEC) No 4028/86 on Community measures to improve and adapt structures in the fisheries and aquaculture sector;

(h) a description of the nature of and detailed provisions relating to national aid, and relevant national and regional legislation;

(i) an illustrative list of the investments and other measures liable to be funded as part of the plan (the Commission will decide later on the information to be provided in respect of each investment);

(j) national criteria for selecting investments not referred to above since it cannot be expected that a sectoral plan will describe in detail all the investments proposed for funding during its period of validity;

(k) an indication of the way in which investments liable to be funded will obtain their supplies of raw materials, taking into consideration Community resources, the resources of non-member countries, the trend of fishery agreements, agreements relating to international waters and other non-Community sources of supply;

(l) a description of the types of product likely to be marketed and of their situation in relation to the present state of the Community market;

(m) the overall impact on the environment of the measures provided for in the plan, where such impact is significant, and the means for dealing with it;

(n) the period envisaged for implementing the plan, which must not exceed five years;

(o) the administrative, legal or financial measures adopted or to be taken for implementing the plan, in particular the nature of the measures envisaged and the authorities or intermediaries designated pursuant to Articles 14(1) and 16(1) of Regulation (EEC) No 4253/88.

Commission of the European Communities

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