



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.11.2003
COM(2003)658 final

2003/0261 (CNS)

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Commission submitted to the Council and the European Parliament in September 2002 a Communication on a Strategy for the sustainable development of European aquaculture (COM(2002)511 final), in the framework of the reform of the Common Fisheries Policy (CFP).

The Strategy consists in a series of actions aiming to i) creating long term secure employment in the aquaculture sector, in particular in fisheries dependent areas, ii) assuring the availability to consumers of aquaculture products that are healthy, safe and of good quality, as well as promoting high animal health and welfare standards, and iii) ensuring an environmentally sound development of the aquaculture industry.

The Financial Instrument for Fisheries Guidance has an important role to play in order to fulfil the objectives of the Strategy. The Strategy specifies the modifications to the FIFG regulation that need to be done.

The Council and the European Parliament gave their opinion in January 2003. Both Institutions were supportive of the Strategy, and gave some additional indications on the needs of the aquaculture sector, in view of the envisaged modifications of the FIFG regulation.

The attached regulation modifies Council regulation (EC) no 2792/99 in order to allow the FIFG to better contribute to the implementation of the Strategy.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 36 and 37 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) Council Regulation (EC) No 2792/1999³ lays down provisions relating to the protection and development of aquatic resources and to the development of the Community aquaculture sector.
- (2) The Commission issued on 19 September 2002 a communication to the European Parliament and the Council on a strategy for the sustainable development of European aquaculture⁴. The implementation of the strategy involves the need to amend Regulation (EC) No 2792/1999.
- (3) The protection and development of aquatic resources do not concern exclusively measures taken at sea, but also, and in particular for anadromous and catadromous species, works in inland waters. In this respect, the rehabilitation of spawning areas is of particular importance.
- (4) Any increase in production in excess of the likely evolution in demand should not be encouraged. Better marketing strategies have to be implemented, but reliable statistics on fish consumption are often lacking, as is economic analysis on markets and marketing of aquaculture products.
- (5) Harmful algal blooms are among the most serious threats for the future of shellfish farming in Europe. Sometimes a bloom can last for exceptionally long periods and compensation for the shellfish farmers affected may be justified, except in the case of recurring phenomena.

¹ OJ C , , p. .

² Opinion delivered on

³ OJ L 337, 30.12.1999, p. 10. Regulation as last amended by Regulation (EC) No 2369/2002 (OJ L 358, 31.12.2002, p. 49).

⁴ COM (2002) 511 final.

- (6) Enlarging the knowledge base of the industry encompasses all the aspects of farming and is paramount for aquaculture. Due to the inadequacy of the funds allocated for this purpose, it is essential to further encourage applied research and technological development in aquaculture, by expanding the opportunities for its public financing and promoting private initiative in this area.
- (7) Aquaculture enterprises should be encouraged to improve their environmental performance and to develop voluntarily initiatives that go beyond the minimum legal requirements in terms of environmental protection.
- (8) In order to enable public aid for aquaculture service vessels to be maintained, it is necessary to establish a clear distinction between those vessels and fishing vessels as defined in Council Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy⁵, since some fishing vessels may be exclusively used in aquaculture but could possibly revert to fishing activity.
- (9) The intervention by public authorities in favour of aquaculture from the late 1970's has stimulated production growth, but nowadays the situation has changed and overproduction is a threat for some branches. Consequently, new priorities within the aquaculture measures in the FIFG Programmes should be set and in certain cases the rate of aid should be reduced.
- (10) Extensive fish farming may have an ecologically beneficial role, as a way to associate an economic activity with the conservation or development of wetlands. In such circumstances an increase in public support is justified.
- (11) Regulation (EC) No 2792/1999 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2792/1999 is amended as follows :

1. In Article 13(1), point (a) is replaced by the following :

"(a) fixed or movable facilities aimed at the protection and development of aquatic resources, including freshwater resources, except restocking;"
2. In Article 15(3), point (n) is replaced by the following :

"(n) improvement of knowledge and transparency in production and in the market, including statistics and economic analysis."
3. Article 16 is amended as follows :
 - (a) The following paragraph 1 *bis* is inserted :

⁵ OJ L 358, 31.12.2002, p. 59.

"1bis. The Member States may grant financial compensation to shellfish farmers where the contamination due to the growth of toxic algae makes it necessary, for the protection of human health, to suspend harvesting for more than six consecutive months. The granting of compensation may cover no more than six months of suspension of harvesting over the entire period from the entry in force of this Regulation to the end of 2006.";

(b) In paragraph 3, the first subparagraph is replaced by the following :

"The financial contribution from the FIFG to the measures referred to in paragraphs 1, 1bis and 2 per Member State for the entire period from 2000 to 2006 may not exceed the higher of the following two thresholds : EUR 1 million or 4% of the Community financial assistance allocated to the sector in the Member State concerned.";

(c) Paragraph 4 is replaced by the following :

"4. Recurrent seasonal suspension of fishing and aquaculture activity shall not be eligible for compensation under paragraph 1, 1bis, 2 and 3."

4. In Article 17(2), the following third subparagraph is added :

"Small-scale, applied-research initiatives, not exceeding EUR 150 000 in total cost and three years in duration, carried out by an economic operator, a scientific or technical body or other competent body, shall be eligible as pilot projects, provided that they contribute to the objectives of sustainable development of the aquaculture industry in the Community."

5. Annex III is amended as follows :

(a) The first sentence of point 2.1. is replaced by the following :

"Expenditure eligible for assistance from the FIFG may concern only the installation of fixed or movable facilities to protect and develop aquatic resources, the rehabilitation of spawning areas, and the scientific monitoring of projects."

(b) Point 2.2. is replaced by the following :

"2.2. *Aquaculture*

(a) For the purposes of this Regulation,

- (i) "aquaculture" means the rearing or culture of aquatic organisms using techniques designed to increase the production of the organisms in question beyond the natural capacity of the environment; the organisms remain the property of a natural or legal person throughout the rearing or culture stage, up to and including harvesting;
- (ii) "extensive fish farming" means finfish culture operations that are characterised by a low degree of control by the farmer on environment, nutrition, predators, disease agents, and by low production efficiency as well as high dependence on local climate and water quality;

- (iii) "intensive fish farming" means finfish culture operations (in hatchery, nursery, on-growing stages) in a largely controlled environment and involving a high input of energy to optimise growth and survival;
- (b) the promoters of intensive fish farming projects shall forward the information provided for in Annex IV to Directive 85/337/EEC⁶ to the management authority together with their application for public aid. The management authority shall decide whether the project must be submitted for assessment under Articles 5-10 of that Directive. Where the public aid is granted the cost of collecting information on environmental impact and any assessment costs shall be eligible for assistance from the FIFG;
- (c) the initial costs incurred by aquaculture enterprises to join in the Community eco-management and audit schemes set up by Regulation (EC) No 761/2001⁷, as well as investments in works concerning the installation or improvement of water circulation in aquaculture enterprises and on service vessels shall be eligible;
- (d) fishing vessels as defined in Article 3, point (c) of Regulation (EC) No 2371/2002, will not be considered as service vessels even when they are exclusively used in aquaculture;
- (e) within the measures related to aquaculture in the FIFG Programmes, priority shall be given to :
 - (i) the development of techniques that substantially reduce environmental impacts,
 - (ii) the improvement of traditional aquaculture activities such as mollusc farming, that are important in maintaining the social and environmental tissue of specific areas,
 - (iii) the modernisation of existing enterprises,
 - (iv) measures intended to benefit aquaculture falling under the scope of Articles 14 and 15 of this Regulation,
 - (v) farmed species diversification;
- (f) By way of derogation from the column for Group 3 in Table 3 in point 2 of Annex IV, the following rates of contribution shall apply;
 - (i) for investments concerning the use of techniques that substantially reduce environmental impact, or structural costs for extensive fish farming practices that are beneficial to the environment in inland and coastal ponds/lagoons, the contribution of private beneficiaries (C) shall be at least 30% of eligible expenditure in Objective 1 regions and at least 50% in other areas;

⁶ OJ L 175, 5.7.1985, p. 40. Directive as last amended by Directive 2003/35/EC (OJ L 156, 25.06.03, p.17).

⁷ OJ L 114, 24.4.2001, p. 1.

- (ii) for investments concerning the construction of new intensive fish farms not included in the priorities listed in point (e), the contribution of private beneficiaries (C) shall be at least 60% of eligible expenditure in Objective 1 regions and at least 80% in other areas."

Article 2

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels,

For the Council
The President

ANNEX

FINANCIAL STATEMENT					
				DATE:	
1. BUDGET HEADING: B2 - 1010 B2 - 1300 B2 - 1610				APPROPRIATIONS:	
2. TITLE: Draft Council Regulation amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector.					
3. LEGAL BASIS: Art 36 and 37					
4. AIMS: To extend the field of application of the FIFG to some additional measures within the existing FIFG budget.					
5. FINANCIAL IMPLICATIONS NONE		12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)	
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER					
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL					
		[n+2]	[n+3]	[n+4]	[n+5]
5.0.1 ESTIMATED EXPENDITURE					
5.1.1 ESTIMATED REVENUE					
5.2 METHOD OF CALCULATION:					
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES NO	
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				YES NO	
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				YES NO	
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				YES NO	
OBSERVATIONS:					