



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

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



The Spanish fishing industry, an important sector of the country's economy, is at present undergoing radical restructuring. The sector's response to the crisis situation caused by a scarcity of resources in Community waters and intense competition, both within Europe and globally, must address a number of issues.

To support the efforts of the Member State, the European Union has made almost ECU 1 200 million (about PTA 200 000 million) available to Spanish authorities and businesses for the period 1994-99.<sup>1</sup>

This financing has been allocated mainly through the FIFG (Financial Instrument for Fisheries Guidance, the most recent of the Community's Structural Funds) and covers the whole of Spain'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 Spanish authorities in two programming documents, which concern respectively the

regions of Spain covered by Objective 1 of the Structural Funds ('regions whose development is lagging behind'), and the rest of the country.

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

<sup>1</sup> How to apply for financial assistance:  
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: Spanish version: 92-826-7566-1;  
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:  
European Commission  
DG XIV – Fisheries  
Rue de la Loi 200  
B-1049 Brussels  
Fax (32-2) 299 48 17

## The fishing industry in Spain: strengths and weaknesses

In view of Spain's geographical features, with its 8 000 km of coastline, fishing is an exceptionally important economic and social sector (providing jobs for some 80 000 fishermen). The role of the industry should be assessed more in terms of its regional impact and its function as a source of income and jobs than in terms of its specific contribution to the Spanish economy (1.2% of GDP).

The Spanish fishing fleet is one of the most varied in the world, and is very active in international waters and the waters of non-Community countries. That is why the industry is so dependent on international fisheries agreements between the EU and the non-member countries concerned. The Spanish fishing fleet obtains over half its catch in the waters of non-member countries.

At present, the Spanish fishing fleet comprises about 18 000 vessels, including 500 freezer trawlers, 50 tropical tuna purse seiners, 1 650 bottom trawlers and 1 350 longliners.

Many regions are dependent on fisheries in Spain, including in particular Galicia (47% of the fleet in terms of power), Andalusia (20% of power), the Basque Country (13%) and the Canary Islands (9%).

Substantial progress has been made in recent years towards achieving objectives for the reduction in capacity set for the fleet under Multiannual Guidance Programmes; in particular, the objectives for 1993-96 had been achieved by 1995.

Spanish aquaculture holds out good prospects of profitability, related to the environmental conditions conducive to the development of most species: 7 800 km<sup>2</sup> of potentially available space, appropriate temperatures and favourable growing conditions.

Including full-time and part-time jobs, it is estimated that aquaculture provides jobs for about 30 000 people in Spain.

Marketing and processing of fisheries products play an important role in the economy of the whole country. Fish markets and auctions, wholesale trade and the processing industry dealing with fisheries products provide jobs for about 40 000 people.

The state of Community fishing resources and the difficulties in accessing the stocks of non-member countries and international waters (Morocco, North Atlantic, etc.) have led in recent years to a gradual reduction in the activity of the fishing fleet and consequently in its capacity. However, the capacity reduction has not been sufficient, and the adjustment of effort to match available resources must be continued, through permanent withdrawal (scrapping) of redundant vessels, or through the setting up of joint enterprises with third countries that have adequate stocks.

For aquaculture, after a rapid increase, problems of overproduction have emerged in recent years for certain species, which has made it necessary to stabilize overall production capacity pending the emergence of a specific market niche for the output of the aquaculture sector on the market for fishery products.

Processing and marketing must continue to modernize if the sector is to have any chance of remedying its main weakness, which is that firms are very small and technologically backward. The sector needs to cope with expanding domestic demand, which the Spanish fleet is not meeting, with the result that Spain has a trade deficit in fisheries products.

Moreover, the growing competition from low-price fishery products imported from third countries has led to a decline in profits and in the competitiveness of Spanish enterprises.

# FIFG operations 1994-99: nine areas for assistance

In this situation, the structural measures programmed for 1994-99 in Spain address problems in nine main areas, with a view to:

firstly, finding the right balance between the available resources and fishing effort by the end of the century;

secondly, maintaining employment at a level favourable to the development of the sector, while contributing to the modernization of fishing enterprises.

## 1. Adjustment of fishing effort

An attempt to find a sustainable balance between resources and effort, through reduction of the fleet, following the indications in the Multiannual Guidance Programme. The following measures are planned, with grants for:

- (a) permanent withdrawal of about 900 fishing vessels, after:
  - scrapping;
  - permanent transfer to a non-member country;
  - sinking of wooden vessels so as to create artificial reefs;
- (b) setting up 60 joint enterprises with partners from non-Community countries with a view to redirecting fishing activities towards the waters of countries outside the EU.
- (c) the development of 36 temporary associations of enterprises with shipowners from third countries for joint exploitation of resources.

**Recipients:** shipowners.

## 2. Fleet renewal and modernization

- (a) replacement of about 1 400 obsolete vessels (the capacity of the new vessels will not exceed the reduction achieved by withdrawal measures);

- (b) modernization of about 1 800 existing vessels as regards safety on board, working conditions, rationalization of fishing, hygiene standards, etc;

**Recipients:** fishing enterprises, individually or grouped together; shipbuilders; shipyards.

## 3. Development of aquaculture

Development and modernization of the sector, through investment:

- (a) to increase production (construction and purchase of facilities);
- (b) to modernize existing facilities through the application of new technology;
- (c) to reinforce the sector (infrastructure, trade, associations, studies, statistics, etc.
- (d) to protect the environment through measures to control the adverse environmental impact of existing units;
- (e) to diversify species through pilot projects.

**Recipients:** private-sector, public-sector and semi-public aquaculture businesses; producer groups; public organizations; cooperatives.

## 4. Protection of marine areas

Protection and regeneration of fisheries resources in certain coastal areas through the creation of 15 marine reserves, the installation of artificial reefs, prohibition of fishing, etc., to allow restocking.

**Recipients:** public bodies and professional fisheries organizations.

## 5. Fishing port facilities

- (a) improvement of landing conditions for fishery products, by providing mechanical equipment (cranes, pumps, fork-lift trucks, etc.);
- (b) supporting activities of fishing vessels by improving available services (upkeep and repair, dry docks, careening, etc.);
- (c) improvement in quayside safety conditions (stairways, lighting, etc.).

**Recipients:** public and private bodies, professional organizations, cooperatives, etc.

## 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 Spain:

(a) the operational programme for fisheries for the autonomous communities covered by Objective 1 of the EU Structural Funds (list on page 5) also included in the Community support framework for those regions;

(b) a single programming document (SPD) for Objective 5a (fisheries) for the other autonomous Communities (list on page 6).

The texts of the various programming documents 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; (Spanish version): 92-826-7758-3.

## Spain

### Objective 1 autonomous communities <sup>1</sup>

**(Cantabria, Asturias, Galicia, Andalusia, Murcia, Valencia, Canary Islands, Ceuta, Melilla, Castile-La Mancha, Castile-Léon, Extremadura)**

(million ECU) <sup>2</sup>

Field of action	FIFG (1)	National public financing (2)	Private financing (3)	Total financing (1 + 2 + 3)
1. Adjustment of fishing effort	338.30	147.32	-	485.62
2. Renewal/modernization of the fleet	298.50	59.70	238.00	597.00
3. Aquaculture	59.70	14.72	44.97	119.39
4. Protected marine areas	14.93	14.92	0.49	30.34
5. Fishing port facilities	49.75	14.93	6.67	71.35
6. Processing/marketing	199.00	41.59	95.42	336.01
7. Promotion	14.93	13.52	1.39	29.84
8. Socioeconomic measures <sup>3</sup>				
9. Other measures	19.90	6.63	-	26.53
<b>Total</b>	<b>995.00</b>	<b>313.33</b>	<b>387.74</b>	<b>1696.08</b>

<sup>1</sup> Objective 1 of the Structural Funds covers regions whose gross domestic product per capita is less than 75% of the Community average.

<sup>2</sup> As a guide, in December 1995 ECU 1 = approximately PTA 160.05.

<sup>3</sup> 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.

# Spain

## Other autonomous communities<sup>1</sup> — Spain (Basque Country, Catalonia, Balearic Islands, Aragon, La Rioja, Madrid)

(million ECU)<sup>2</sup>

Field of action	FIGG (1)	National public financing (2)	Private financing (3)	Total financing (1 + 2 + 3)
1. Adjustment of fishing effort	40.67	40.77	—	81.44
2. Renewal/modernization of the fleet	35.88	11.96	71.76	119.60
3. Aquaculture	7.18	2.82	13.82	23.82
4. Protected marine areas	1.79	1.82	0.57	4.18
5. Fishing port facilities	5.98	5.77	0.45	12.20
6. Processing/marketing	23.92	8.61	39.53	72.06
7. Promotion	1.79	1.70	0.23	3.72
8. Socioeconomic measures <sup>3</sup>				
9. Other measures	2.39	2.38	—	4.77
<b>Total</b>	<b>119.60</b>	<b>75.83</b>	<b>126.36</b>	<b>321.79</b>

<sup>1</sup> These measures under the Structural Funds Objective 5a (fisheries) cover the Spanish regions not covered by Objective 1 (see preceding page for Objective 1 regions).

<sup>2</sup> As a guide, in December 1995 ECU 1 = approximately PTA 160.05.

<sup>3</sup> 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.

## 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.  
Socioeconomic 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)

## 6. Processing and marketing of products

Improving the quality and value added of fishery and aquaculture products and the competitiveness of processing and marketing companies, in the following subsectors:

- (a) primary marketing (construction or modernization of about 100 storage, marketing and distribution centres);
- (b) final marketing (construction of four new markets, and modernization of 13 existing markets);
- (c) processing of fishery products (construction of 100 establishments for canning and preserving, and modernization of a further 430 establishments);
- (d) marketing of aquaculture products (construction of 27 plants for cleaning, storage and marketing of aquaculture products, modernization of a further 17 plants);
- (e) implementation of health and hygiene standards for fishery and aquaculture products.

**Recipients:** public and private bodies, professional organizations, cooperatives, wholesalers, craftsmen, etc.

## 7. Product promotion

Quality policy measures for the promotion and enhancement of products; promotion campaigns, surveys of consumers and markets, marketing measures, trade fairs, exhibitions, etc.

**Recipients:** public and private bodies, professional organizations, cooperatives, etc.

## 8. Socioeconomic measures for fishermen

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

- (i) support for the national early retirement scheme for fishermen;
- (ii) flat-rate individual premiums for younger fishermen leaving the sector

**Recipients:** fishermen

## 9. Other measures

- (a) technical assistance for the other measures;
- (b) allowances to compensate fishermen and shipowners for temporary withdrawal of vessels following unforeseeable events (e.g. suspension of the agreement with Morocco);
- (c) measures for professional fishermen;
- (d) other measures.

**Recipients:** public and private bodies, professional organizations, cooperatives, fishermen, etc.

## An example of past achievements

A promotion campaign was carried out in 1993 with a view to encouraging Spanish consumers to switch permanently to species of deep-sea fish such as sardines, mackerel, scad, etc.

The campaign was based on two approaches: an information campaign on the excellent value for money these species represent, and measures to improve their rather poor image.

The campaign was run by the Spanish FROM, with financing from the Community; it made a significant difference to the purchasing habits of Spanish consumers.

# In addition to structural aid: the PESCA Community initiative

## The PESCA Community initiative

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.

**The measures eligible** for financing through PESCA in Spain are as follows:

- measures to develop areas dependent on fisheries: productive

investment, creating and safeguarding jobs, studies of economic development possibilities in coastal areas, etc.

- measures to restructure the fisheries sector: financial support, aid towards processing and marketing of products, start-up aid for businesses, reinforcement of the structure of associations, other measures to improve professional skills in the sector and the management of fisheries resources;
- measures to diversify and convert economic activities in coastal areas, especially into tourism, aquaculture, etc.
- general or transnational projects; on-board medical assistance, product promotion, labour market studies in coastal areas, etc.

**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 the appropriate regional authority for further information.

As a rule, sub-programmes under the Community Initiative PESCA in Spain are managed by the Consejerías de Agricultura y Pesca of the autonomous communities (this applies solely to the regions covered by the table on this page).

The complete text of the Spanish PESCA programme is obtainable from that authority, and from the Spanish Ministry for Agriculture, Fisheries and Food, and the European Commission, DG XIV (for addresses, see next page).

## Geographical distribution of PESCA financing in Spain

(million ECU)

Region	Structural Funds	National public financing	National private financing	Total financing
Cantabria	1.24	0.41	-	1.65
Asturias	1.13	0.67	0.46	2.26
Galicia	11.99	4.85	0.78	17.62
Canary Islands	2.57	1.37	0.98	4.92
Andalusia	5.06	5.31	1.44	11.81
Ceuta and Melilla	0.45	0.12	0.03	0.83
Murcia	0.52	0.17	-	0.69
Valencia	0.26	0.13	0.13	0.39
Basque Country	8.77	8.77	20.55	38.01
Balearic Islands	0.19	0.24	0.05	0.48
Catalonia	2.19	2.19	1.97	6.35
General projects	7.13	3.54	-	10.67
<b>Total<sup>1</sup></b>	<b>41.50<sup>1</sup></b>	<b>27.77</b>	<b>25.39</b>	<b>95.66<sup>1</sup></b>

<sup>1</sup> The total figures in the last line of the table were increased at the end of 1995 by ECU 3.56 million from the reserve for Community initiatives.

# 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, 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:

**Ministerio de Agricultura, Pesca y Alimentación, Secretaría General de Pesca Marítima, Dirección General de Estructuras Pesqueras**

c/Ortega y Gasset, 57

E-28006 Madrid

Tel. (34-1) 402 50 00

Fax (34-1) 402 12 12

### European Commission

**Directorate-General XIV – Fisheries**

Rue de la Loi 200

B-1049 Brussels

Fax (32-2) 296 30 33



European Commission  
Directorate-General for Fisheries

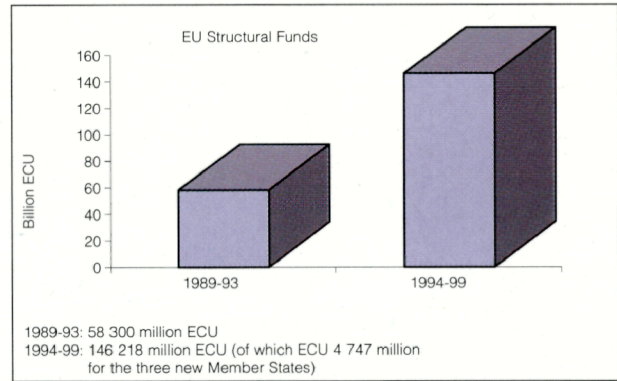
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For further information, please send a fax to (32-2) 296 73 60.

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:

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.