

# European Fisheries Fund (EFF)

2004/0169(CNS) - 14/07/2004 - Document attached to the procedure

## COMMISSION'S IMPACT ASSESSMENT

*For further details regarding the proposal for a European Fisheries Fund to implement measures aimed at securing sustainable fisheries and diversifying economic activities in fishing areas, please refer to the summary of the Commission's initial proposal COM(2004)0497 of 14 July 2004.*

### 1- POLICY OPTIONS AND IMPACTS

#### 1.1- Option 1: maintaining the status quo

needs to be examined from the following aspects:

**- coastal zones:** affected by the decline in fishing activities, these risk depopulation and the relocation of those working in fisheries to other sectors or even other regions. The differential in development between fishing regions and other regions may also grow. The current approach could be pursued whereby no particular is in place for the support of coastal economies with the exception of socio-economic incentive measures for reconversion or compensation for reductions in fishing activities, or some support measures for the equipping of fishing boats. This would not suffice to encourage the reductions in excess capacity envisaged in the reform of the common fisheries policy (CFP), to compensate for the economic decline of communities dependent on fishing or to promote the synergies that integrated development measures specifically designed for these areas could promote.

**- over-fishing:** from a biological point of view, the sustainability of a large number of fish stocks will be threatened if fishing intensity remains at its current level. If the level currently attained is not modified, it will not only prove impossible to reduce the excess capacity of the fleet, but the fishing effort will continue to increase when it is already too high relative to the depleted state of stocks. This situation would result in a reduction in profits for many fishing businesses, bankruptcy for a number of them, the persistence of - and probably an increase in - job losses within the catching sector.

**- aquaculture:** the competition imposed by international trade has resulted in growing instability of the market and a drop in the average value of the price per kilo of farmed fish. Community aquaculture is also confronted with the problem of competition from others who make use of coastal areas such as tourism and other recreational activities, and problems of pollution of the marine environment.

**- processing:** the problems that the processing sector have experienced in recent years have given rise to considerable restructuring in the form of concentration with the appearance of large companies, which are often part of agro-food, finance or retail groups.

**1.2- Option 2: the creation of a new European Fisheries Fund (EFF):** the Commission's proposal aims to encourage the restructuring of the fisheries sector and to improve working and living conditions in coastal areas where the fisheries sector plays an important role. The proposal will radically simplify some of the existing measures. It will come into being with a new regulation establishing a single fund, the European Fisheries Fund, for the support of interventions, via a single programme for each Member State, covering all the regions whether or not they are eligible under the new convergence objective. The Fund's resources will be concentrated on a limited number of priority axes. The financial resources to support the implementation of the reformed Common Fisheries Policy (CFP) and the sustainable development of coastal areas will have to be further developed to better respond to needs. This development will take place in the context of the financial perspectives proposed by the Commission for the 2007-2013 period. These propose an allocation of EUR 4.96 billion for the CFP for the enlarged Europe of 25.

Several types of impact can be expected from EFF interventions:

- impacts on the balance between resources and their exploitation will be positive at Community level: the EFF could make a contribution towards the objective of reducing the overall capacity of the Community fleet by around 15% over the programming period which could help reduce the pressure on resources by up to 60% for certain stocks. These impacts will not, however, be uniformly felt in all the Member States and will concern in the first place those countries affected by stock recovery plans;
- impacts on the competitiveness of businesses will be positive at micro-economic level (partially) and at macro-economic level;
- impacts on the supply and value-added to fishery products will be both negative (fall in the rate of self-sufficiency) and positive (in particular via projects carried out in the aquaculture and processing sectors);
- the EFF will enable the alleviation of the socio-economic effects of restructuring of the sector and limits on fishing via various socio-economic measures;
- the positive effects of co-funded projects in the aquaculture, processing and marketing sectors and the sustainable development of coastal areas could, to some degree, compensate for the job losses expected in the catching sector;
- the EFF will contribute to improved safety, working and hygiene conditions on board vessels and the quality of products;
- the EFF will contribute to the protection of the marine environment, and improved selectivity of fishing gear.

*CONCLUSION:* the implementation of a coastal development plan will play a crucial role in coastal regions suffering from a decline in fishing activities, facing serious recruitment problems, and/or where alternative jobs are hard to find. However, diversification outside the fisheries sector is necessary using an integrated approach involving local actors.

## **2- FOLLOW-UP**

The follow-up of the Funds will take place as follows:

- at strategic level, on a regular basis, through annual reports of the member States concerning the interventions undertaken and the Commission's report on the implementation of the strategic guidelines of the CFP;
- at operational level, via an interim evaluation and an annual report by programme;
- the establishment, for each operational programme, of a Monitoring Committee to ensure the efficiency and quality of the interventions;
- the organization of an annual verification to enable the progress of the programme and its results to be assessed, to examine how implementation aspects could be improved in order to better contribute to the realization of the strategic objectives. The system of control will be based on the system of control set up by Member States. The Commission will require the Member States for whatever is necessary for it to have reasonable certainty regarding good financial management in order for it to be acquitted of its responsibility for the implementation of the Community budget.