



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.8.2003  
COM(2003) 516 final

2003/0202 (CNS)

Proposal for

### **COUNCIL REGULATION**

**introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion as a result of those regions' remoteness**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The outermost regions of the Community (the Portuguese autonomous regions of the Azores and Madeira, the Spanish autonomous community of the Canary Islands and the French overseas departments of Guadeloupe, Guiana, Martinique and Réunion) are lagging behind in socio-economic terms, which is why the Community provides assistance for promoting their economic and social development as well as their smooth integration in the dynamics of the internal market.

In this context, the Council, by decisions 89/686/EEC<sup>1</sup>, 91/314/EEC<sup>2</sup> and 91/315/EEC<sup>3</sup>, has instituted programmes of specific options for addressing the remoteness and insularity of these regions, creating a suitable framework for the adoption of measures in the various sectors of activity which require particular attention as regards the strengthening of the Community support necessary for alleviating the permanent constraints which characterise these regions.

These programmes are designed to take account, in implementing Community policies, of the special characteristics and handicaps of these regions in connection with their remoteness, insularity, small size and difficult topography and climate. Their economic dependence on a small number of products, their limited markets, their dual nature as both Community regions and as territories situated in an environment of developing countries thus affect the economic and social life of these regions.

Symbolising Community solidarity with the outermost regions, and essential to their integration into the internal market, these programmes were conceived as frames of reference for the implementation of Community policies in these regions.

Article 299(2) of the EC Treaty recognises the need to adopt special measures to assist them, particularly in the fisheries sector, which is mentioned explicitly<sup>4</sup>

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<sup>1</sup> OJ L 399, 30.12.1989, p. 39.

<sup>2</sup> OJ L 171, 29.6.1991, p. 5.

<sup>3</sup> OJ L 171, 29.6.1991, p. 10.

<sup>4</sup> The full text reads as follows:

"The provisions of this Treaty shall apply to the French overseas departments, the Azores, Madeira and the Canary Islands.

However, taking account of the structural social and economic situation of the French overseas departments, the Azores, Madeira and the Canary Islands, which is compounded by their remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development, the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, shall adopt specific measures aimed, in particular, at laying down the conditions of application of the present Treaty to those regions, including common policies.

The Council shall, when adopting the relevant measures referred to in the second subparagraph, take into account areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, conditions for supply of raw materials and essential consumer goods, State aids and conditions of access to structural funds and to horizontal Community programmes.

The Council shall adopt the measures referred to in the second subparagraph taking into account the special characteristics and constraints of the outermost regions without undermining the integrity and the coherence of the Community legal order, including the internal market and common policies."

Several factors, in particular the extent of the exclusive economic zones and the employment created by fisheries-related activities, justify a Community approach reflecting the importance of the fishery industry and, at the same time, the constraints stemming from the remoteness of the regions concerned.

There are several significant factors contributing to the socio-economic situation in these regions:

- a per capita GDP below the Community average;
- high unemployment rates in some regions and situations of serious under-employment;
- a primary sector still largely dependent on traditional industries and employing a large part of the population. The fishing industry is dominated by family firms.
- additional costs in relation to supplies and transport: the absence of nearby regional markets, the limitations of local markets and transport difficulties mean that there are permanent constraints on these economies as regards access to the outlets where their products are marketed.

Precisely in the light of this situation the Community decided to assist producers in the regions concerned with marketing certain fishery products. Thus it was that a scheme was introduced in 1992<sup>5</sup> which has been highly successful. The scheme was renewed in 1994, 1995, 1998 and 2002<sup>6</sup>, thus enabling support for the disposal of the species most concerned.

Article 6 of Regulation (EC) No 1587/98 lays down the Commission is to present appropriate proposals as the need arises. It should be pointed out that the conditions previously noted with regard to the marketing of the products covered by this Regulation still prevail.

As far as the Azores and Madeira are concerned the local canneries represent a volume of production equivalent to nearly half of total exports and employ a significant percentage of the working population. Production goes mainly to the Portuguese mainland and to the Italian market. Nonetheless, the specific conditions prevailing in these regions, arising from their small size and geographical situation, generate additional production and marketing costs, which weakens their competitive position compared with that of similar activities on the European mainland. Consequently, remuneration levels in the sector are substantially below the Community averages. The factors determining this situation are the operating conditions of the industry: additional transport and financial costs arising from the immobilisation of inputs (in particular salt, oil and cans); extra energy costs; insurance costs in connection with transport. The same applies to the Canary Islands as regards the tuna, sardine, mackerel, cephalopods and aquaculture products, the additional costs of which are also linked to raw materials, energy and expenditure on transport. The situation in this region has been further aggravated recently by the non-renewal of the fisheries agreement between the Community and Morocco. The situation is similar in the French departments of Guiana and Réunion where, in addition to the factors mentioned above, there are particular circumstances making operations more difficult (absence of maritime credit for financial costs; need to build up

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<sup>5</sup> OJ L 248, 28.8.1992, pp. 73 and 75.

<sup>6</sup> OJ L 162, 30.6.1994, p. 8; OJ L 236, 5.10.1995, p. 2; OJ L 208, 24.7.1998, p. 1; OJ L 89, 5.4.2002, p. 1.

substantial stocks of spare parts for vessels, price differential - due to the lack of local supply - compared with the purchase price of vessels from continental shipyards; competition from exports from certain third countries in South and Central America which benefit from advantageous conditions under Community law).

The situation thus described cannot be resolved in the short term. It is therefore necessary to follow up on the measures already taken by adopting a legal instrument whereby a stable reference framework can be put in place for the economic operators concerned.

The purpose of this proposal is to enable the scheme already in place to continue, given its considerable success. The existing arrangements have enabled the producers concerned to overcome the constraints of the additional costs in connection with transport to the continental market.

On this aspect the proposal merely sets out to offset the additional costs arising from the disposal of the products concerned. The aim is to bring conditions into line with those prevailing on the mainland so that the sector can integrate into the single market.

The measures proposed are designed to support the market in order to compensate for a permanent geographical handicap and involve no structural aspect or impact. For this reason, these measures are to be financed by the EAGGF Guarantee Section and cannot be charged to the FIFG (Financial Instrument for Fisheries Guidance) since the latter is by definition for financing structural measures.

These measures, which cover a particularly important sector in these regions from both the economic and social point of view, with virtually no alternatives available, will help to improve the sector's competitiveness by compensating for the handicap of the isolation of the local fishery products industry within the framework of Community policy to assist the outermost regions.

**Proposal for**  
**COUNCIL REGULATION**

**introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion as a result of those regions' remoteness**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission<sup>7</sup>,

Having regard to the opinion of the European Parliament<sup>8</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>9</sup>,

Whereas:

- (1) The fisheries sector in the outermost regions of the Community faces difficulties, which are aggravated in particular by the cost of transporting fishery products to the markets as a result of their remoteness and isolation.
- (2) As part of the Community's policy to assist its outermost regions, by Decisions 89/687/EEC<sup>10</sup>, 91/314/EEC<sup>11</sup> and 91/315/EEC<sup>12</sup> the Council has set up programmes of options specific to the remote and insular nature of the French overseas departments (Poseidom), the Canary Islands (Poseican) and Madeira and the Azores (Poseima) respectively, which outline the measures to be applied taking account of the special characteristics of and constraints on those regions.
- (3) Article 299(2) of the Treaty recognises the particular handicaps affecting the economic and social situation of the outermost regions, made worse by their remoteness and insularity. The same also applies to the fishing industry.

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<sup>7</sup> OJ C [...], [...], p. [...].

<sup>8</sup> OJ C [...], [...], p. [...].

<sup>9</sup> OJ C [...], [...], p. [...].

<sup>10</sup> OJ L 399, 30.12.1989, p. 39.

<sup>11</sup> OJ L 171, 29.6.1991, p. 1.

<sup>12</sup> OJ L 171, 29.6.1991, p. 10.

- (4) The regions concerned are facing specific development problems, and in particular additional costs incurred in the marketing of certain products as a result of their remoteness.
- (5) With a view to maintaining the competitiveness of certain fishery products compared with that of similar products from other Community regions, the Community introduced measures in 1992 and 1993 to compensate for such additional costs in the fisheries sector. Those measures were then followed in 1994 and in the period 1995-97 by the adoption of Council Regulations (EC) Nos 1503/94<sup>13</sup> and 2337/95<sup>14</sup> and in the period 1998-2002 by the adoption of Council Regulations (EC) Nos 1587/98<sup>15</sup> and 579/2002<sup>16</sup>. From 2003 provision needs to be made for continuation of the scheme for offsetting the additional costs for certain fishery products [(tuna and pelagic and demersal species in the case of the Azores; tuna, black scabbard, mackerel and aquaculture products in the case of Madeira; tuna, sardine, mackerel, aquaculture products, cephalopods and demersal species in the case of the Canary Islands; shrimp, white fish and aquaculture products in the case of Guiana; tuna, swordfish, dolphinfish, marlins and sharks in the case of Réunion)] as regards processing and marketing and, accordingly measures should be adopted so that these measures may continue.
- (6) The non-industrial and inshore fishing industry is of social and economic importance in the outermost regions of the European Union.
- (7) For the sake of sound management of stocks fishing effort must be rationalised, in particular in the light of the research of a high technical standard conducted in this area by various scientific institutions in the outermost regions.
- (8) The Community rules on the conservation and management of stocks must be observed in those regions, and in particular, in the case of the French department of Guiana, the rule prohibiting fishing for shrimp at a depth of less than 30 metres, and provision should be made for the adjustment, where necessary, of the amounts set for the various species according to their characteristics and production and marketing conditions,

HAS ADOPTED THIS REGULATION:

*Article 1*  
*Purpose*

This Regulation introduces a scheme to compensate for the additional costs incurred in the marketing of certain fishery products listed in Annexes I to V from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion (hereafter "the compensation") as a result of those regions' remoteness.

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<sup>13</sup> OJ L 162, 30.6.1994, p. 8.

<sup>14</sup> OJ L 236, 5.10.1995, p. 2.

<sup>15</sup> OJ L 208, 24.7.1998, p. 1.

<sup>16</sup> OJ L 89, 5.4.2002, p. 1.

## *Article 2*

### *Recipients*

The recipients of the compensation shall be the producers, the owners or operators of vessels registered in the ports of the regions referred to in Article 1 and operating therein or associations of such operators, and the operators in the processing and marketing sector or associations of such operators, who incur the additional costs in marketing the products concerned as a result of the remoteness of those regions.

## *Article 3*

### *Azores*

In the case of the Azores, the compensation shall be payable for the fishery products listed in Annex I. The amounts of the compensation and the quantities for the region shall be as follows:

- a) EUR 177 per tonne of tuna for up to 10 000 tonnes a year delivered to the local canning industry;
- b) EUR 455 per tonne of species for marketing fresh for up to 2 000 tonnes a year;
- c) EUR 148 per tonne of small pelagics and demersal species delivered to local industry or local producer associations or organisations for freezing or processing for up to 1 554 tonnes a year.

## *Article 4*

### *Madeira*

In the case of Madeira, the compensation shall be payable for the fishery products listed in Annex II. The amounts of the compensation and the quantities for the region shall be as follows:

- a) EUR 230 per tonne of tuna for up to 4 000 tonnes a year delivered to the local canning industry;
- b) EUR 250 per tonne of black scabbard-fish for up to 1 600 tonnes a year;
- c) EUR 1 080 per tonne of aquaculture products for up to 50 tonnes a year.

## *Article 5*

### *Canary Islands*

In the case of the Canary Islands, the compensation shall be payable for the fishery products listed in Annex III. The amounts of the compensation and the quantities for the region shall be as follows:

- a) EUR 950 per tonne of tuna marketed by air for up to 1 619 tonnes a year;
- b) EUR 500 per tonne of tuna marketed by sea in the raw state for up to 453 tonnes a year;

- c) EUR 250 per tonne of skipjack marketed by sea for up to 453 tonnes a year;
- d) EUR 220 per tonne of skipjack marketed by sea in the raw state for up to 712 tonnes a year;
- e) EUR 240 per tonne of sardines and mackerel for freezing for up to 347 tonnes a year;
- f) EUR 268 per tonne of cephalopods and demersal species for up to 8 292 tonnes a year;
- g) EUR 1 300 per tonne of aquaculture products for up to 1 157 tonnes a year.

*Article 6*  
*Guiana*

In the case of Guiana, the compensation shall be payable for the fishery products listed in Annex IV. The amounts of the compensation and the quantities for the region shall be as follows:

- a) EUR 788 per tonne of shrimp for up to 4 200 tonnes a year;
- b) EUR 933 per tonne of fresh fish for the fresh market for up to 325 tonnes a year;
- c) EUR 282 per tonne of quick-frozen fresh fish for up to 450 tonnes a year;
- d) EUR 282 per tonne of deep-frozen fresh fish for up to 800 tonnes a year;
- e) EUR 463 per tonne of shrimp for up to 23 tonnes a year;
- f) EUR 0.027 per ornamental fish for up to one million fish a year.

*Article 7*  
*Réunion*

In the case of Réunion, the compensation shall be payable for the fishery products listed in Annex V. The amounts of the compensation and the quantities for the region shall be as follows:

- a) EUR 395 per tonne of swordfish for up to 1 424 tonnes a year;
- b) EUR 395 per tonne of tuna for up to 657 tonnes a year;
- c) EUR 395 per tonne of marlin for up to 44 tonnes a year;
- d) EUR 395 per tonne of shark for up to 44 tonnes a year;
- e) EUR 395 per tonne of dolphinfish for up to 17 tonnes a year.



*Article 8*  
*Adjustment of amounts and quantities*

1. The Commission may, in accordance with the procedure laid down in Article 10(2), adjust the amounts and the quantities set for the various species, in the light of their production and marketing conditions, within the overall financial provisions set out in Articles 3 to 7.
2. The adjustment referred to in paragraph 1 shall take account of all the relevant factors, in particular the biological characteristics of the species, changes in additional costs and qualitative and quantitative aspects of production and marketing.

*Article 9*  
*Detailed rules of application*

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 10(2).

*Article 10*  
*Committee*

1. The Commission shall be assisted by the Management Committee for Fishery Products (hereafter "the Committee").
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EEC shall apply.

The period referred to in Article 4(3) of Decision 1999/468/CE shall be one month.

3. The Committee shall adopt its internal rules of procedure.

*Article 11*  
*Financing*

The measures provided for in this Regulation shall constitute intervention intended to stabilise the agricultural markets within the meaning of Article 2 of Council Regulation (EC) No 1258/1999<sup>17</sup>. They shall be financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF).

*Article 12*  
*Reporting*

The Commission shall report to the European Parliament, the Council and the European Economic and Social Committee every four years, starting on 1 January 2007, on the implementation of the measures provided for in this Regulation, accompanied, if necessary,

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<sup>17</sup> OJ L 160, 26.6.1999, p. 103.

by proposals for appropriate adjustments needed to achieve the objectives laid down in Article 1.

*Article 13*  
*Transitional measures*

Requests to the Commission for adjustments under Article 2(6) of Regulation (EC) No 1587/98 on which no decision has been taken before the date of entry into force of this Regulation shall be subject to the procedure laid down in Article 10(2).

*Article 14*  
*Entry into force and applicability*

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

It shall apply from 1 January 2003.

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

Done at Brussels,

*For the Council*  
*The President*

## **ANNEX I**

### **Azores**

a) Tuna

Katsuwonus pelamis  
Thunnus alalunga  
Thunnus albacares  
Thunnus obesus  
Thunnus thynnus

b) Species for marketing fresh

Phycis phycis  
Beryx splendens  
Pomatomus saltator  
Sphyræna viridensis  
Pagellus acame  
Helicolenus dactylopterus dactylopterus  
Cetrolabrus trutta  
Labrus bergylta  
Galeorhinus galeus  
Pontinus kuhlii  
Polyprion americanus  
Coryphaena hippurus  
Pseudocaranx dentex  
Epigonus telescopus  
Xiphias gladius  
Serranus cabrilla  
Serranus atricauda  
Pagellus bogaraveo  
Beryx decadactylus  
Phycis blennoides  
Seriola spp.  
Loligo forbesi  
Mora moro  
Epinephelus guaza  
Pagrus pagrus  
Promethichthys prometeus  
Lepidopus caudatus  
Aphanopus carbo  
Zeus faber, Zenopsis conchifer  
Balistes carolinensis  
Molva macrophthalma  
Raja clavata  
Scorpaena scrofa  
Conger conger  
Mullus surmelutus  
Diplodus sargus

*Sarda sarda*  
*Sparisoma cretense*

c) Small pelagics and demersal species

*Scomber japonicus*  
*Trachurus picturatus*  
*Sardina pilchardus*  
*Chaceon affinis*  
*Aphanopus carbo*

## **ANNEX II**

### **Madeira**

- a) Tuna
  - Thunnus alalunga
  - Thunnus albacares
  - Thunnus Thynnus
  - Thunnus obesus
  - Katsuwonus pelamis
- b) Black scabbardfish
  - Aphanopus carbo
- c) Aquaculture products
  - Sparus aurata

### **ANNEX III**

#### **Canary Islands**

- a) Tuna
  - Thunnus alalunga
  - Thunnus albacares
  - Thunnus thynnus thynnus
  - Thunnus obesus
- b) Skipjack
  - Katsuwonus pelamis
- c) Pilchard
  - Sardina pilchardus
- d) Mackerel
  - Scomber spp.
- e) Cephalopods and demersal species
  - Dentex dentex
  - Dentex gibbosus
  - Dentex macrophthalmus
  - Diplodus sargus
  - Diplodus cervinus
  - Lithognathus mormyrus
  - Pagellus acarne
  - Pagellus bogaraveo
  - Pagellus erythrinus
  - Sparus aurata
  - Sparus caeruleostictus
  - Sparus auriga
  - Sparus pagrus
  - Spondylusoma cantharus
  - Merluccius merluccius
  - Phycis phycis
  - Lepidorhombus boscii
  - Lophius piscatorius
  - Dicologlossa cuneata
  - Solea vulgaris
  - Seppia Officinalis
  - Loligo vulgaris
  - Octopus vulgaris
  - Todarodes sagittatus

- f) Aquaculture products
  - Sparus aurata*
  - Dicentrarchus labrax*

## **ANNEX IV**

### **Guiana**

- a) Shrimp
  - Penaeus subtilis*
  - Penaeus brasiliensis*
  - Plesiopenaeus edwardsianus*
  - Solenocra acuminata*
  - Xipheopenaeus kroyeri*
- b) Fresh-fished fish for marketing fresh, quick-frozen or deep-frozen
  - Cynoscion acoupa*
  - Cynoscion virescens*
  - Cynoscion steindachneri*
  - Macrodon ancylodon*
  - Lobotes surinamensis*
  - Centropomus undecimalis*
  - Arius parkeri*
  - Arius proops*
  - Sphyrnidae*
  - Carcharhinidae*
  - Trachynotus cayennensis*
  - Oligoplites saliens*
  - Scomberomorus maculatus*
- c) Freshwater prawn
  - Macrobrachium rosenbergii*



## **ANNEX V**

### **Réunion**

- a)      Swordfish  
          *Xiphias gladius*
- b)      Tuna  
          *Thunnus albacares*  
          *Thunnus alalunga*  
          *Thunnus obesus*
- c)      Marlin  
          *Makaira mazara*  
          *Makaira indica*  
          *Tetrapterus audax*
- d)      Shark  
          *Carcharinus longimanus*  
          *Isurus oxyrinchus*
- e)      Dolphinfish  
          *Coryphaena hippurus*

## LEGISLATIVE FINANCIAL STATEMENT

**Policy area(s): Common fisheries policy**

**Activit(y/ies): 5. Fisheries markets**

**TITLE OF ACTION: FISHERIES PROGRAMME FOR THE OUTERMOST REGIONS**

### **1. BUDGET LINE(S) + HEADINGS**

B1-3240 Fisheries programme for the outermost regions

### **2. OVERALL FIGURES**

#### **2.1 Total allocation for action (Part B): EUR million for commitment**

EUR 59 981 648 (EUR 14 995 412 per year for a 4-year period)

The Commission is proposing the scheme without a time limit, with the annual funding indicated above. The Council generally fixes a period of application of four years.

#### **2.2 Period of application:**

2003 and following years (see comments under point 2.1)

#### **2.3 Overall multiannual estimate on expenditure :**

a) Schedule of commitment appropriations/payment appropriations (financial intervention)  
(see point 6.1.1)

(EUR million to three decimal places)

	Year n	n + 1	n + 2	n + 3	n + 4	[n+5 and subs. Year s]	Total
Commitments	14 985 412	14 995 412	14 995 412	14 995 412			59 981 648
Payments	14 995 412	14 995 412	14 995 412	14 995 412			59 981 648

(b) Technical and administrative assistance and support expenditure (see point 6.1.2)

Commitments							
Payments							

Subtotal a+b							
Commitments							
Payments							

c) Overall financial impact of human resources and other administrative expenditure (*see points 7.2 and 7.3*)

Commitments/ payments							
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TOTAL a+b+c							
Commitments							
Payments							

## 2.4 Compatibility with the financial programming and the financial perspective

- ☒ Proposal is compatible with existing financial programming
- ☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.
- ☐ Proposal may require application of the provisions of the Interinstitutional Agreement.

## 2.5 Financial impact on revenue

- ☒ Proposal has no financial implications (involves technical aspects regarding implementation of a measure).

OR

- ☐ Proposal has financial impact - the effect on revenue is as follows:

***(NB All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.)***

(EUR million to one decimal place)

		Prior to action (Year n- 1)	Situation following implementation of action					
Budget line	Returns		Year n <sup>3</sup>	n+1	n+2	n+3	n+4	n+5
	a) <i>Revenue in absolute terms</i> <sup>1</sup>							
	b) <i>Change in revenue</i> <sup>2</sup>	Δ						

***(Please specify each budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line)***

### 3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Comp/ Non-comp	Diff/ Non-diff	YES/ NO	YES/NO	YES/NO	No 1
Comp	Non-diff	YES	NO	NO	

### 4. LEGAL BASIS

Council Regulation (EC) No XXX/2003 introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion as a result of those regions' remoteness.

(New Regulation to apply from 1 January 2003).

### 5. DESCRIPTION AND GROUNDS

#### 5.1 Need for Community intervention<sup>18</sup>

##### 5.1.1. Objectives pursued

The Community's outermost regions are lagging behind in socio-economic terms, which is why the Community provides assistance for promoting their development as well as their smooth integration in the dynamics of the internal market. It is in this context that the Community decided in recent years to assist producers in the regions concerned with marketing certain fishery products.

The objective of the programme is to compensate for the additional costs incurred as a result of the specific production and marketing conditions, and of the permanent constraints due to remoteness and island location, which encumber the marketing of fishery products when significant amounts go outside the region. In the fisheries sector, in order to place the operators concerned on an equal footing with operators on the European mainland, the additional costs due to this remoteness should be compensated.

The fisheries sector is of particular social and economic importance, and there is practically no possibility of conversion. Some communities even depend completely on the fisheries sector for their very existence.

This measure will help improve the situation in the sector by compensating for the handicap of the isolation of the local fishery products industry within the framework of Community policy to assist the outermost regions.

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<sup>18</sup> For further information, see separate explanatory note.

### *5.1.2. Measures taken in connection with ex-ante evaluation*

The aim of this proposal is to roll over the scheme which has been in place for several years. The experience gained in applying this scheme shows that the goals underlying its introduction have been achieved in full. These goals are, on the one hand, establishing a permanent legal framework allowing, for a significant period in terms of the management of operations undertaken by the economic operators concerned, a stable reference framework in which to conclude these operations, while, on the other hand, compensating for a situation which cannot be resolved because it is due to the inherent characteristics of these regions (remoteness, isolation, the narrowness of local markets, dependency on a reduced number of products and, in most cases, location as an island group). Moreover, the legal basis of this proposal (Article 299(2) of the EC Treaty) explicitly recognises these characteristics.

In this context, the application of the partnership principle, which is fundamental to Community action to assist the outmost regions, has helped identify, over the years, areas of assistance which justify such action. These are linked to the sectors concerned (production, processing and marketing outside the region), the beneficiaries (operators in the fishing, processing and marketing sectors), the amounts of additional costs, the modulation mechanism (use, within the limits of the amount granted to each region, of various possibilities as regards the species and amounts of aid in order to tackle situations relating to fishery resources and market conditions). It should also be noted that, each time the scheme has been extended, it has been able to adapt to the circumstances arising as the sector evolves. Thus the legal framework has been progressively amended to incorporate the realities found when preparing to extend the scheme. The circumstances influencing this flexibility relate to the development of the sector (new species fished, change in commercial presentation) or situations which have to be taken into account by the Community legislator with a view to adapting to the realities which harm the activity of the operators concerned (variations in the behaviour of certain species, lack of access to certain third-country waters due to the failure to extend agreements between the Community and those countries, impact of the use of particular fishing gear by third countries on the migration of certain species, illegal fishing by non-Community vessels, etc.).

The Commission arranged for a study from an external consultant on the operating conditions of economic operators concerned by this scheme in the regions covered by the proposal (the Azores, Madeira, Canary Islands, French Guiana and Réunion). This study (which was carried out in 2001 and submitted in January 2002) showed that these operators incur additional costs in marketing the products concerned, to date, by the scheme, or products in a sector which has become significant in marketing terms from the economic and social perspective. The consultant made contact with the key operators in the sector, produced a detailed breakdown of the additional costs and compared the production and marketing costs incurred by operators in these regions and those on the European mainland. This model was submitted for approval by operators in the sector, who endorsed it. The results of the study coincide with the net values supplied by the national and regional administrations and transmitted officially to the Commission in the context of preparatory work on the proposal. It should, however, be noted that the Commission had to take account of the fixed budget ceiling in drawing up the proposal. It therefore kept strictly to this ceiling. The proposal respects the net values indicated and the overall amount provided for by the budgetary authority.

### *5.1.3. Measures taken following ex-post evaluation*

In accordance with the relevant provision of the proposal, the Commission is to report to the European Parliament, the Council and the European Economic and Social Committee and the

Committee of the Regions every four years, starting on 1 January 2007, on the implementation of the scheme accompanied, if necessary, by proposals for the measures needed to achieve the objective of compensating the additional costs found in marketing particular species.

This report is to contain assessment criteria allowing evaluation of the implementation of the scheme and whether there is a need to adapt it in view of the situation found during the application of measures under the scheme. In particular, any applications for modulation submitted to the Commission (see Article 8 of the proposal) will allow changes experienced during the first period of application of the scheme to be taken into account, with a view to making the necessary adjustments when proposing to extend it.

## **5.2 Actions envisaged and arrangements for budget intervention**

The scheme to compensate for the additional costs incurred as a result of remoteness consists of a fixed amount per tonne with annual quantity ceilings.

The recipients under the scheme are producers and operators in the processing and marketing sector who incur additional costs in marketing.

The products, the additional costs per tonne and the annual quantities are as follows:

- a) Tuna, EUR 177 , 10 000 tonnes (Azores),
- b) Fresh species, EUR 455, 2 000 tonnes (Azores),
- c) Small pelagics and demersal species, EUR 148, 1 554 tonnes (Azores),
- d) Tuna, EUR 230 , 4 000 tonnes (Madeira),
- e) Black scabbardfish, EUR 250, 1 600 tonnes (Madeira),
- f) Aquaculture products, EUR 1 080, 50 tonnes (Madeira),
- g) Tuna marketed by air, EUR 950, 1 619 tonnes (Canary Islands),
- h) Tuna marketed by sea in the raw state, EUR 500, 453 tonnes (Canary Islands),
- i) Skipjack marketed by sea, processed, EUR 250, 453 tonnes (Canary Islands),
- j) Skipjack marketed by sea in the raw state, EUR 220, 712 tonnes (Canary Islands),
- k) Sardines and mackerel, EUR 240, 347 tonnes (Canary Islands),
- l) Cephalopods and demersal species, EUR 268, 8 292 tonnes (Canary Islands),
- m) Aquaculture products, EUR 1 300, 1 157 tonnes (Canary Islands),
- n) Prawns, EUR 788, 4 200 tonnes (French Guiana),
- o) Fresh fish for the fresh market, EUR 933 euros, 325 tonnes (French Guiana)
- p) Quick-frozen fresh fish, EUR 282 euros, 450 tonnes (French Guiana),

- q) Deep-frozen fresh fish, EUR 282 euros, 800 tonnes (French Guiana),
- r) Shrimp, EUR 463, 23 tonnes (French Guiana),
- s) Ornamental fish, EUR 0.027 per fish, 1 million fish (French Guiana),
- t) Swordfish, EUR 395, 1 424 tonnes (Réunion),
- u) Tuna, EUR 395, 657 tonnes (Réunion),
- u) Marlin, EUR 395, 44 tonnes (Réunion),
- w) Shark, EUR 395, 44 tonnes (Réunion),
- x) Dolphinfish, EUR 395, 17 tonnes (Réunion).

### 5.3 Methods of implementation

The scheme will be implemented by the national and regional authorities, in accordance with the provisions of the Council Regulation establishing the scheme and the respective detailed rules of application adopted within the context of a Commission Regulation.

The national authorities also adopt internal measures providing for the mechanisms and criteria for allocating among recipients the amounts provided for under Community rules.

Since this is a scheme financed by the EAGGF Guarantee Section, the Member States make the payments and are subsequently reimbursed.

## 6. FINANCIAL IMPACT

### 6.1 Total financial impact on Part B - (over the entire programming period)

#### 6.1.1. Financial intervention. Commitments (in EUR million to three decimal places)

Breakdown	Year n	n + 1	n + 2	n + 3	n+ 4	n + 5 and subs. Years	Total
Action 1	14 995 412	14 995 412	14 995 412	14 995 412			59 981 648
Action 2							
etc.							
<b>TOTAL</b>							

*6.1.2 Technical and administrative assistance, support expenditure and IT expenditure  
(commitment appropriations)*

	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and subs. Years	Total
1) Technical and administrative assistance							
a) Technical assistance offices							
b) Other technical and administrative assistance: - intra-muros: - extra muros: <i>of which for construction and maintenance of computerised management systems</i>							
Subtotal 1							
2) Support expenditure							
a) Studies							
b) Meetings of experts							
c) Information and publications							
Subtotal 2							
<b>TOTAL</b>							



**6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)<sup>19</sup>**

Commitments (in EUR million to three decimal places)

Breakdown	Type of outputs	Number of outputs - Ceiling in t/fish	Average unit cost - EUR/t	Total cost
	1	2	3	4=(2X3)
Tuna Azores		10 000	177	1 770 000
Fresh species, Azores		2 000	455	910 000
Small pelagics and demersal species, Azores		1 554	148	229 992
Tuna, Madeira		-	-	-
Black scabbardfish, Madeira		4 000	230	920 000
Aquaculture products, Madeira		1 600	250	400 000
Tuna marketed by air, Canary Islands		50	1 080	54 000
Tuna marketed by sea, Canary Islands		1 619	950	1 538 050
Skipjack marketed by sea, processed, Canary Islands		-	-	-
Skipjack marketed by sea in the raw state, Canary Islands		453	500	226 500
Sardines and mackerel, Canary Islands		-	-	-
Cephalopods and demersal species, Canary Islands		453	250	113 250
Aquaculture products, Canary Islands		-	-	-
Prawns, French Guiana		712	220	156 640
Fresh fish for the fresh market, French Guiana		-	-	-
Quick-frozen fresh fish, French Guiana		347	240	83 280
Deep-frozen fresh fish, French Guiana		-	-	-
Shrimp, French Guiana		8 292	268	2 222 256
Ornamental fish, French Guiana		-	-	-
Swordfish, Réunion		1 157	1 300	1 504 100
Tuna, Réunion		-	-	-
Marlin, Réunion		4 200	788	3 309 600
Shark, Réunion		325	933	303 225
Dolphinfish, Réunion		-	-	-
		450	282	126 900
		-	-	-
		800	282	225 600
		-	-	-
		23	463	10 649
		1 million fish	0,027	27 900
		1 424	395	562 480
		657	395	259 515
		44	395	17 380
		44	395	17 380
		17	395	6 715
		-	-	-
<b>TOTAL COST</b>				<b>14 995 412</b>

*If necessary explain the method of calculation.*

<sup>19</sup> For further information, see separate explanatory note.

## 7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

### 7.1. Impact on human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of employees: Permanent staff:	Number of employees: Temporary staff:		
Officials or Temporary staff	A B C	1		1	Negotiation of the proposal for a Regulation in the Council (outermost regions group), submission of proposal to the European Parliament and the European Economic and Social Committee and preparation of documents needed for negotiations in Coreper and in the Council. Preparation of a Commission Regulation laying down detailed implementing rules and its submission to the Management Committee for Fishery Products. Preparation of all documents relating to these actions (legislative text, briefing notes, speaking notes). Monitoring the application of the scheme in partnership with the national and regional authorities, particularly as regards any modulation of the amounts and quantities.
Other human resources					
Total					

### 7.2 Overall financial impact of human resources

Type of human resources	Amount (EUR)	Method of calculation *
Officials Temporary staff		
Other human resources (specify budget line)		
Total		

The amounts are total expenditure for twelve months.

### 7.3 Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount (EUR)	Method of calculation
<b>Overall allocation (Title A7)</b> A0701 – Missions A07030 – Meetings A07031 – Compulsory committees <sup>(1)</sup> A07032 – Non-compulsory committees <sup>(1)</sup> A07040 – Conferences A0705 – Studies and consultations Other expenditure (specify)		
<b>Information systems (A-5001/A-4300)</b>		
<b>Other expenditure - Part A</b> (specify)		
Total		

The amounts are total expenditure for twelve months.

<sup>(1)</sup> Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	EUR
II.	Duration of action	Years
III.	Total cost of action (I x II)	EUR

## **8. FOLLOW-UP AND EVALUATION**

### **8.1 Follow-up arrangements**

In accordance with the detailed rules for the application of the scheme to be laid down in a Commission Regulation, and as has always been the case to date, the Member States will adopt appropriate provisions to ensure compliance with the requirements for implementing the scheme, particularly as regards the correctness of operations. They undertake to prevent and pursue any irregularities and recover amounts wrongly paid out, to make available to the Commission all information required for the purposes of applying the scheme and to facilitate all checks. A report on the quantities produced and marketed, and the value thereof, for which aid has actually been received must be sent to the Commission.

### **8.2 Arrangements and schedule for evaluation**

The Commission will report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions every four years on the implementation of the scheme accompanied, if necessary, by proposals for the measures needed to achieve the objective of compensating the additional costs found in marketing certain fishery products.

## **9. ANTI-FRAUD MEASURES**

On-the-spot checks and EAGGF Guarantee Section control system.