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REGULATION (EEC) No 2722/72 OF THE COUNCIL

of 19 December 1972

on the financing by the EAGGF, Guidance Section, of conversion projects in the salt cod-fishing industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 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 Article 10 (2) of Council Regulation (EEC) No 2141/70[1] of 20 October 1970 laying down a common structural policy for the fishing industry states that common action may be decided upon in order to attain the objectives referred to in paragraph 1 of that Article, in so far as they relate to the objectives set out in Article 39 (1) (a) of the Treaty; whereas such action may, under Article 1 (3) of Regulation (EEC) No 729/70[2] on the financing of the common agricultural policy, be financed by the European Agricultural Guidance and Guarantee Fund, Guidance Section;

Whereas conversion projects are necessary in the cod-fishing industry in order to take into account the economic effects of the implementation of the common policy for the fishing industry and in particular the total lifting of the duties levied on imports of salt cod from third countries into the Community;

Whereas joint action towards conversion of the salt cod-fishing industry must firstly channel the development of production, processing and marketing activities towards fishing for species of fish required by the Community and obtaining the best return on them in accordance with Community needs; whereas it is desirable, in particular, to encourage the salt cod-fishing industry to undertake not only conversion aimed at better satisfying the demand for fish which are deep-frozen on board but also conversion to fishing for tunny, a product which is particularly scarce in the Community; whereas, secondly, such a project must aim to provide training and retraining for fishermen and shore workers affected by the structural conversion;

Whereas it is necessary that the projects which the Fund is asked to assist should satisfy general criteria guaranteeing both adequate guidance for the salt cod-fishing industry and lasting economic benefits from the structural improvements planned; whereas buyers in all the Member States should be able to obtain on the same terms, supplies of the fishery products caught with the equipment financed by the funds;

Whereas it is desirable to require, not only that investment programmes designed to reduce the salt cod-fishing fleet be coordinated, but also that supply be adequately concentrated; whereas, moreover, detailed economic analysis of the projects which the Fund is asked to assist must show that maximum productivity is achieved by the vessels or equipment in question;

Whereas certain minimum requirements must be laid down for trawlers and tunny-fishing vessels in order to ensure that they are capable of working sea areas situated far from the coasts of the Community;

Whereas aid from the Fund amounting to a maximum of 25% of the total investments would be an appropriate contribution to these investments;

Whereas this contribution from the Fund of 10·2 million units of account over a period of five years will enable the problems of converting the salt cod-fishing industry to be solved;

[1] OJ No L 236, 27.10.1970, p. 1.
[2] OJ No L 94, 28.4.1970, p. 13.

HAS ADOPTED THIS REGULATION:

TITLE I

PROJECTS FOR THE CONVERSION OF THE SALT COD-FISHING INDUSTRY

CHAPTER ONE

Measures for structural conversion of the salt cod-fishing industry

Article 1

1. In the context of joint projects for the structural improvement of non-industrial inshore fishing and of deep-sea fishing, and in order to facilitate the structural conversion of the salt cod-fishing fleet, the European Agricultural Guidance and Guarantee Fund, Guidance Section, (hereinafter referred to as 'the Fund'), shall participate in the financing of projects for the development of production, processing and marketing activities in this sector, in so far as such projects contribute to the attainment of the objectives referred to in Article 10 (1) of Regulation (EEC) No 2141/70.

2. 'Salt cod-fishing fleet' shall mean deep-sea fishing vessels whose catch is salted directly on board (the vessels having been commissioned exclusively or substantially for that purpose) and when landed comes under heading No 03.02 of the Common Customs Tariff.

3. 'Development of production, processing and marketing activities' shall mean the provision of equipment for:

(a) fishing by vessels fitted with apparatus for deep-freezing on board,

(b) increasing the market-value of the catch *on board* by filleting or any other method of preparation or processing which guarantees an outlet for the products in line with consumption trends in the Member States,

(c) increasing the market-value of fishery products by means of drying-plants affected by the decrease in the productive capacity of the cod-fishing fleet as a result of the joint action provided for in this Regulation.

4. 'Project' shall mean any public, semi-public or private investment intended wholly or partly to develop the activities referred to in paragraph 3.

5. Aid from the Fund shall cover only that part of the project relating to the acquisition of the equipment referred to in paragraph 3.

Article 2

To be eligible for aid from the Fund each project must meet all the following general criteria:

(a) It must aim at an adaptation or reorientation of the salt cod-fishing industry made necessary by the economic consequences of the implementation of the common policy for the fishing industry or designed to meet the requirements of this policy.

(b) It must offer adequate guarantees of the lasting economic effects of the structural improvement planned.

(c) It must ensure that the catch from the equipment provided is marketed in such a way that all buyers in Member States have free access to it.

Article 3

Projects shall be eligible for aid from the Fund, for the activities mentioned in Article 1 (3) (a), only if they are implemented under a joint programme of investment by more than one recipient which reduces the productive capacity of the salt cod-fishing fleet and where the recipients are, or undertake to become, in respect of products obtained by means of equipment financed by the Fund, members of an organisation of producers of fishery products. They shall join this organisation at the latest by the time the equipment is put into operation.

Article 4

Granting of the aid referred to in Article 1 shall be subject to submission by the applicant of an economic analysis of the project, giving all the information required to show that the equipment for which aid from the Fund is requested has adequate capacity to ensure that the fishery products in question are produced, preserved, packaged or processed with maximum productivity.

Article 5

In order to be eligible for aid from the Fund, the vessels referred to in Article 1 (3) (a) must satisfy the following minimum technical requirements:

(a) Trawlers must:
- have a gross tonnage of one thousand five hundred tons minimum;
- be fitted with apparatus for deep-freezing fish at a temperature of −40 °C or lower.

(b) In the case of tunny-fishing vessels must:
- have a gross tonnage of approximately 600 tons minimum;
- use the purse seine method of fishing;
- be fitted with electronic fish-detection apparatus;
- be fitted with refrigeration apparatus either for preserving fish in brine at −18 °C, or for deep-freezing at a temperature of −40 °C or lower.

Article 6

In support of each request for aid, the Member State concerned shall submit to the Commission an economic analysis demonstrating that for the project planned the amount of fishery produce envisaged is reasonable in the context of marketing possibilities at both national and Community level, and that this is not likely to change in the short or medium term.

Article 7

The Member States shall take the necessary steps to ensure compliance with the provisions of Article 2 (c) and shall inform the Commission thereof.

CHAPTER TWO

Measures for vocational training of workers affected by the structural conversion of the salt cod-fishing industry

Article 8

1. In order to enable fishermen working in the salt cod-fishing industry and persons employed in drying-plants directly affected by the decrease in the productive capacity of the cod-fishing fleet to improve their qualifications with a view to the new tasks resulting from the implementation of measures for the restructuring of this sector, the Member States shall grant allowances for attending vocational training centres.

2. The minimum conditions which the measures referred to in paragraph 1 must satisfy shall be adopted in accordance with the procedure laid down in Article 16 of this Regulation.

TITLE II

GENERAL AND FINANCIAL PROVISIONS

Article 9

The measures laid down in this Regulation shall together constitute a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70.

Article 10

1. The time-scale for attaining the objectives of the common measure shall be five years.

2. The total cost to be borne by the Fund in respect of the common measure shall be 10·2 million units of account.

CHAPTER ONE

Financial provisions relating to Title I Chapter I

Article 11

1. Aid from the Fund shall take the form of capital subsidies, granted as a lump sum or in instalments.

2. For any given project:
- the capital subsidies granted by the Fund shall not exceed 25% of the total investment;
- recipients of aid from the Fund must contribute at least 50% of the total investment;

3. The effect of aid from the fund shall not be such as to distort the conditions of competition in any way that is incompatible with the principles laid down in the relevant provisions of the Treaty.

4. The Commission shall ensure that the activities of the Fund do not conflict with those of the European Investment Bank and those of the European Social Fund.

Article 12

1. In order to qualify for aid from the Fund, the project must have been approved by the Member State on whose territory it is to be carried out.

2. The Member State on whose territory the project is to be carried out shall participate in financing the project.

Article 13

The recipients of aid from the Fund shall be the natural or legal persons, or groups of persons who are to be finally responsible for the cost of carrying out the project.

Article 14

1. Applications for aid from the Fund shall be submitted to the Commission at half-yearly intervals, by 1 July or by 1 January. The Commission shall reach a decision during the six months following the closure date for applications.

2. Applications for aid from the Fund must be made through the Member State concerned.

3. All applications for aid from the Fund must be accompanied by a written undertaking from the applicant to respect the obligation laid down in Article 2 (c) of this Regulation.

Article 15

1. The decision to grant aid from the Fund shall be taken in accordance with the procedure laid down in Article 16. The Commission shall give its decision after consulting the Fund Committee on the financial aspects.

2. The decision shall be communicated to the Member State concerned and to the recipients.

Article 16

1. Where the procedure laid down in this Article is used, the matter shall be referred to the Standing Committee for the Fishing Industry by its Chairman, either on his own initiative or at the request of a representative of a Member State.

2. The Commission representative shall submit a draft of the measures to be adopted. The Committee shall deliver its Opinion on these measures within a time limit which the Chairman may fix according to the urgency of the matters submitted for consideration. An Opinion shall be adopted by a twelve vote majority, the votes of the Member States being weighted as laid down in Article 148 (2) of the Treaty. The Chairman shall not vote.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated to the Council by the Commission. In that event the Commission may defer application of the measures for not more than one month from the date of such communication.

The Council, acting according to the voting procedure laid down in Article 43 (2) of the Treaty, may adopt a different decision within one month.

Article 17

When funds cannot be allocated to a project because the resources available are not sufficient, applications to the Commission may be deferred by the Member State concerned, with the agreement of the applicants, until the following period for applications. Applications for deferment must be submitted to the Commission within thirty days of the date on which the Member State is notified of the result of the decision referred to in Article 15 (2).

Article 18

1. Aid from the Fund shall be channelled through bodies designated for this purpose by the Member State concerned.

2. The Member States shall inform the Commission of cases of failure to respect the undertaking given under Article 14 (3).

Moreover, throughout the period for which aid is granted by the Fund, the authority or body designated for the purpose by the Member State concerned shall submit to the Commission, at the latter's request, all sup-

porting documents, or any other documents showing that the financial or other conditions imposed in the case of each project are being fulfilled.

The Commission may, when necessary, carry out inspection on the spot.

Article 19

1. Where a project which is the subject of a decision to grant aid is not carried out as planned, or where certain conditions are not met, aid from the Fund may be suspended, reduced or cancelled, following the procedure laid down in Article 15, the Commission making its decision after consulting the Fund Committee on the financial aspects.

The Commission shall recover unwarranted payments.

2. The decision of the Commission shall be notified to the Member State concerned and to the recipients of the aid.

CHAPTER TWO

Financial provisions relating to Title I Chapter II

Article 20

1. The Fund shall repay to Member States 25% of the amounts actually disbursed under Article 7. The expenditure may amount to 1500 units of account per fisherman and/or employee in the drying plants who has attended a full course of vocational training.

2. Applications for the refund of expenses incurred by Member States in each calendar year shall be presented to the Commission before 1 July of the following year.

CHAPTER THREE

General provisions

Article 21

The provisions of this Regulation shall apply to equipment referred to in Article 1 (3) (a) and whose construction was begun on or after 1 June 1971 on condition that it was not put into service before the submission of applications for aid.

Article 22

The procedure laid down in Regulation (EEC) No 729/70 shall be followed in deciding upon:

— the information which must be given in the applications referred to in Articles 13 and 19, and the form in which applications must be presented;

— the detailed rules of application of Articles 17 and 19.

Article 23

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

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

Done at Brussels, 19 December 1972.

For the Council

The President

T. WESTERTERP