EUROPEAN FISHERIES FUND – NEW DEVELOPMENT OPPORTUNITIES FOR ROMANIA

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ABSTRACT: This article analyses the financial support given by the European Union to the member states on the purpose of enduring development of their fishing area, as well as the new development opportunities for Romania. The main financing instrument of the common fisheries policy is the European Fisheries Fund, which is managed alike the structural funds. This fund supports the European fisheries and aquaculture area in its effort to adapt a new fleet, whose competitiveness must be consolidated, and encourages the application of some measures meant to protect and improve the environment. In the case of Romania, the increase of the European Fisheries Fund’s absorption has become a priority for the Managing Authorities of this Fund, in order to stimulate the development of the Romanian market for fishing products, a market having a great potential.

KEY WORDS: fishing; aquaculture; enduring development; European fisheries fund; financial allowances

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1. THE COMMON FISHERIES POLICY AND ITS RELATION WITH THE COMMON AGRICULTURAL POLICY

According to the Treaty of Rome, fish has been defined as an “agricultural product” and the area of fisheries has been initially subordinated to the common agricultural policy. However, due especially to the initiation of negotiations regarding the adhesion to the European Community of some states, for whose economical activities fishing was a very important area and who disposed of significant territorial water (United Kingdom, Ireland, Danemark and Norway), in 1983 there has also been adopted at community level a separate policy of the fisheries area.

The common policy in the fisheries area relies on the common organization of the markets, agreeing that all European Union’s fishermen shall have equally access to all water of the member states. This policy pursues to reach a correct balance between

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supply and demand of European fishermen and consumers interest. In order to preserve the Community’s fishing resources, the European Union may provisionally interdict fisheries in different regions or for certain species. In order to preserve its continually decreasing resources, the European Union established a maximum number of fish that can be caught from each species and set up a system of quotas similar to that used by the Common Agricultural Policy (Ghica, 2007). The amplification of the issues in the field of fisheries was also linked to the enlargement of the European Union, first of all to North, including Denmark and Ireland and then to South, including Greece, Spain, Portugal, leading at the end of the ’80s to a doubling of the number of fishermen.

At the beginning of the ’90, the common fisheries policy has been partially reformed, by means of some measures targeting the reduction of the fishing capacity of the European Union, as the analysis showed the persistence of the excessive fisheries and the continual exhaustion of fishing stock in the European water. In 1993, when there has been created the Financial Instrument for Fisheries Guidance, included in the category of structural funds, the Common Fisheries Policy becomes part of the regional development policy. Since 1999, fishing has been included in the reform strategy of the Common Agricultural Policy, functioning according to the objects and priorities established for this policy.

In 2002, when this policy was again reformed, there were introduced measures of protection and conservation of the aquatic resources, as well as measures of reduction of the impact of fishing activities on the marine ecosystem. The reform in 2002 identified a series of problems specific to the fishing area, such as the exaggerated increase of the European fleet in comparison with the decreasing fishing resources and the lack of confidence between the interested and regulator parts. This reform assumed as priority the efficiency of fishing activities, offering a modest standard of living for those practicing these activities and taking into account the consumers’ interests. However, the fishing industry remains generally less profitable as it should be, because of the excessive and illegal fishing causing still great losses for many fishing resources and the still too great dimension of some fleets in comparison with the available resources (European Commission, 2008b).

In order to consolidate the controls in this area, in 2007 there has been created a community control agency in the fisheries area. In the current financial framework, the common fisheries policy, known also as "Blue Europe" is again a separated policy, being excluded from the common agricultural policy. The objects of the Common Fisheries Policy are the following: protection of the fish resources against the excessive fishing, guarantee of a certain income for fishermen, periodical supply for consumers and processing industry at reasonable prices and the lasting exploitation of the aquatic resources from biologic, ecologic and economic point of view. The main action areas of the Common Fisheries Policy are: establishing standards guaranteeing that the European Fisheries area endures and doesn’t harm the marine environment; putting at the national authorities disposal of the instruments needed for these standards to come into force and sanctioning the contraveners; monitoring the European fishing fleet’s dimensions and preventing its enlargement; granting financial and technical support for initiatives being able to contribute to the lastingness of this area by means of the European Fisheries Fund; taking part to negotiations in the name of the European
countries within the international organizations and the relations with the third
countries from all over the world; supporting the producers, the processing factories
and the distributors in order they might get a fair price and guaranteeing the quality and
safety of the marine products; supporting the development of a dynamic area of the
aquaculture (farming of fish, seafood and seaweeds); financing scientific research and
data collection to guarantee a solid basis for the elaboration of policies and decisions.

For the community fishing industry may survive and flourish in the 21st century,
a balance must be restored between the economic interests of this area and the long
term interests of the society, regarding the existence of healthy water and prosperous
fishing resources. This is the reason why the European Commission initiated in 2009 a
reform of the common fisheries policy, disposing of a public consult on different
subjects, actually an analysis of the achievements and the deficits of the current
fisheries policy, in order to identify potential ways of future actions and to increase the
efficiency regarding the guarantee of economic viability of the European fleet,
conservation of fish stocks, harmonization with maritime policy and supplies on the
market of the quality food. The European Commission has the obligation to review the
conservation elements of the Common Fisheries Policy and those concerning the fleet
until 2012.

2. THE EUROPEAN FISHERIES FUND – FINANCIAL INSTRUMENT OF
THE COMMON FISHERIES POLICY

In order to reach the common fisheries policy’s objects, the European Union
offers financial support for the restructuring of the fishing area. The governments of
the member states have also the possibility to offer subsidies for the fishing area,
provided that it shall not distort the competition within member states.

Financial Instrument for Fisheries Guidance (FIFG) created in 1993, at the
same time with the adherence of Finland and Sweden, was meant to contribute to the
establishment of a balance between the fishing resources and their exploitation, to the
reinforcement of the competition of the productive structures and of the viability of
producer societies, to the revival of the regions implied in these activities. The
Financial Instrument for Fisheries Guidance contributed both to the creation of the
regional development policy and the common fisheries policy. This fund covered the
community programs 1994-1999 and 2000-2006, the quantum of financial assistance
being forecast at 4.02 billion euro for the lately ended period.

During the program period 2000-2006, the assistance areas financed by the
Financial Instrument for Fisheries Guidance were the following: transformation and
commercialization of fish products (662 million euro); modernization of the fleet (227
million euro); construction of new ships (482 million euro); support in the effort to
adapt the fishing area, protection of marine regions, promotion of the fishing products
(2.246 million euro); aquaculture development (351 million euro); granting facilities
for fishing ports (54 million euro). The financial allowances for the Financial
Instrument for Fisheries Guidance were related to the size of beneficiary population,
the size of the territory and its objects. During the period 2000-2006, the greatest
beneficiary of this fund was Spain (44,4% of FIFG), followed at a great distance by
Italy (10.2% of the total FIFG) and France (6.9% of FIFG). Though in some areas, FIFG had an undeniable success, in other areas the results were ambivalent. Some financing priorities such as aquaculture or economic diversification in the case of coastal zone communities registered a quite lower rate of absorption, while others were in conflict (reduction of the fishing efforts and capacities versus the support of modernization and the renewal of older parts of the community fleet). Thus, one decided that, instead of the FIFG enlargement, one shall introduce an entirely new financing instrument of the common fisheries policy. As a result, the European Fisheries Fund (EFF) has been created, coming into force on the 1st of January 2007, its general rules being established by the Commission Regulation (EC) no. 498/2007. This regulation offers financial support in area such as the fleet’s reorganization, lower scale fishing, harbour installations, enduring aquaculture, as well as the transformation and commercialization of fishing and aquaculture products.

EFF is managed as the structural funds. This fund supports the European area of fishing and aquaculture in its effort to adapt a fleet, whose competition must be consolidated and encourages the application of certain measures meant to protect and improve the environment. EFF will come initially into force during the period 2007-2013, having a total budget of about 4.3 billion euro. The financing possibility is open for each branches of this area, both for fishing on the sea and on internal water, for aquaculture companies, organizations of the producers or the transformation or commercialization of products, as well as for the fishing regions. The allocation decision of these funds, according to different defined priorities is the obligation of the member states, on the basis of a national strategic plan, realized in collaboration with the European Commission. The national strategic plans are then transposed in operational programs approved by the European Commission before coming into force.

The priority axes of EFF intervention are the following:

- Reaching the main objects of common fisheries policy, mainly the assurance of a lasting exploitation of fishing resources and the setting of a stable balance between these resources and the capacity of community fishing fleet. Thus, provided a member state decides to cancel the fishing opportunities, the ships ceasing their activities benefit from a permanent or temporary support;
- Aquaculture, processing and commercialization, fishing in internal water; there are given supports for the diversification of new aquaculture species and species offering good commercial perspectives, ecologic aquaculture, processing and commercialization of fishing and aquaculture products;
- Common interest measures. These represent activities that are not generally supported by private area and may comprise the protection and development of the fauna and aquatic flora, harbours, shelters and docks for ships, development of new commercial and promotion campaigns;
- Enduring development of fishing areas. The financing of these activities bases on local development strategies and pursues the support of local communities in the reduction of their economic dependence on fishing catches;
- Technical assistance. This factor implies studies, reports, information and other activities regarding the application of operational programs.
Many of the European Fisheries Fund activities continue the FIFG practices, but some of them are new. The new Fund introduces a series of innovating mechanisms, as an answer to the evolution of the industry’s necessities, such as the support measures of the application of recovery and encouragement plans of some new more selective fishing methods and the financing methods of local strategies for an enduring development in the fishing areas. Moreover, the member states benefit now from simpler implement regulations and a greater flexibility concerning the application of eligibility rules and all financial community supports are directed by means of a single national EFF program, yet not several different past programs (European Commission, Common Fisheries Policies. User Guidance, 2008).

Another news is that financing is directed at a 75.55% degree to “convergence” regions, whose economic situation is under the European Union’s average level. In the current programming period the greatest beneficiary of the European Fisheries Fund is still Spain (26% of EFF), followed by Poland (17% of EFF) and Italy (10%). Romania will receive 5.35% of the EFF budget, directed entirely to “convergence” regions. In figure 1 is presented the evolution of annual payments made of the main financing instrument of the common fisheries policy, EFF, representing on average 80% of the total payments made by the European Union within the common fisheries policy.

Figure 1. The evolution of annual payments made of EFF during the period 1993-2009

During the period 1993-2009, the annual payments within the common fisheries policy increased on average to 598.3 million euro and the EFF payments (FIFG until 31.12.2006) to the member states were on average 458.2 million euro. At the same time, the annual payments within the common fisheries policy represented, in the same period, 0.66% of the total payments made by the European Union to the member states, an insignificant percentage reflecting the low importance of this policy within the European Union’s common policies. In July 2008, the Council adopted certain derogations for a period of 2 years from the regulations of the European Fisheries Fund, in order to facilitate the reorganization process of the fleet, as an answer to the
global economic crisis, a serious matter because of its consequences. These derogations included the creation of adaptation programs of the fleet offering additional support to encourage significant reduction of fuel consumption in the most intensive areas of the fleet.

3. NEW DEVELOPMENT OPPORTUNITIES FOR ROMANIAN FISHERIES AREA

In Romania, fishing and aquaculture occupied and still occupies an important role in the fields having national interest. Though the fisheries area contributed and still contributes in a low measure to the GDP, the importance of this area is due especially to its social role for the population in the coastal region (the resulted financial resources support a significant part of the population), by means of its food resources potential. The strategic outlook presented in the National Strategic Plan for Fishing is expressed as follows: "A competitive, modern and dynamic fisheries area, based on enduring fishing activities and aquaculture taking into accounts the aspects regarding the protection of environment, social development and economic welfare". The implementation of this strategic outlook can be measured according to the Fisheries Operational Program, by means of the following impact indicators: the increase of the competition area (increase of the added value, increase of the productivity); the created work places or those maintained in the three sub-areas (the fleet of the Black Sea, aquaculture and fishing in the internal water), as well as in the fish processing industry; the adaptation of fishing capacity.

The Fisheries Operational Program 2007-2013 is the main financing source, but it doesn’t represent the only instrument disposing the Romanian authorities of for this area of the economy. In order to contribute to the implementation of the strategic outlook, the Operational Program set four general objects: competition development and lastingness of the primary fisheries area; market development for fishing products; support of enduring development of the fishing area and the improvement of living standards in these regions; support of a proper implement of the OP within CFP.

According to the swot analysis made by the program responsible Romanian authorities, Romania must adapt its fishing fleet so that an enduring balance exists between the fishing capacity and the available resources. Romania wants to keep a minimum number of ships, estimated at 12-13 modern and permanent ships. The fishing fleet must be renewed and modernized in order to meet the market’s necessities, to improve safety on the sea and the conservation conditions on board of the fishing products. There are also required facilities for the development of products quality before their selling, better distribution channel, as well as the promotion of the products resulting from the fishing in internal water. One considers that the Romanian fishing products market is developing, the increase of fishing products consumption representing a necessity that must be satisfied by means of the reduction of import dependence and the increase of fishing products volume on the internal market.

By means of the SAPARD program, there has been financed the construction of new fishing products processing unities, but their production capacity is unable to cover the market’s demand, resulting a necessity of new investments. The diversity of
the processed fishing products is still quite limited. The main development opportunity represents the creation of some “modern” high quality fishing products and demand by the consumers, such as the fishing products which can be easily prepared and consumed. At a lower scale, the coastal fishing, the fishing in the internal water and the aquaculture, the increase of the added value by means of the processing, the direct commercialization and certain supply activities represent an opportunity for the primary producers. For the moment, the Management Authority for the Operational Fisheries Program is the Fisheries General Direction within the Ministry of Agriculture and Rural Development. These responsibilities have been transferred from the National Fisheries and Aquaculture Agency to the Ministry of Agriculture and Rural Development in August 2009, in order to make efficient the fisheries funds absorption. On the 16th March 2009 there was not even 1 euro absorbed from the amount of 230 million euro granted to Romania, because both of the legislative gaps and the difficult processes to contract the community funds. In the following table it is presented the financial allowance on the prior axes for the Operational Fisheries Program:

Table 1. EFF allowance on the prior axes for the OFP 2007-2013 (million euro)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Total public contribution</th>
<th>EFF Contribution</th>
<th>National contribution</th>
<th>EFF co-financing rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Axis 1: Measures of adaptation of the community fishing fleet</strong></td>
<td>13,3</td>
<td>9,97</td>
<td>3,32</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Axis 2: Aquaculture, fishing in internal water, processing and marketing of fishing and aquaculture products</strong></td>
<td>140</td>
<td>105</td>
<td>35</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Axis 3: Measures of common interest</strong></td>
<td>40</td>
<td>30</td>
<td>10</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Axis 4: Enduring development of fishing areas</strong></td>
<td>100</td>
<td>75</td>
<td>25</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Axis 5: Technical assistance</strong></td>
<td>14,32</td>
<td>10,74</td>
<td>3,58</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>307,62</td>
<td>230,71</td>
<td>76,9</td>
<td>75%</td>
</tr>
</tbody>
</table>

Source: Operational Fisheries Program 2007-2013, Romania, p. 54

We can remark that the major part is granted for axis 2, especially to stimulate the investments in aquaculture and for axis 5, the selection measure of local fishing groups. The degree of financial support by EFF is maximum 40% of the value of the projects regarding the capacities increase and the creation of production unities. For the projects regarding the investments for group interest, instructions and promotion actions, as well as for pilot project, the support degree is between 80-100%.

Table 2. Annual financial planning for Romanian Operational Fisheries Program (euro)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFF</td>
<td>15127527</td>
<td>22157050</td>
<td>30156234</td>
<td>36391468</td>
<td>39257052</td>
<td>42262575</td>
<td>45362301</td>
</tr>
<tr>
<td>Total</td>
<td><strong>230714207</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Operational Fisheries Program 2007-2013, Romania, p. 54
The challenges of the fisheries area in our country are represented by the continuation of the adaptation process of the Romanian area of fish processing and commercialization at European Union standards and the products development being not only competitive with the import products on the national market, but also finding customers abroad, as long as Romanian workforce is cheap and make this industry very competitive.

4. CONCLUSIONS

During the last years, the common fisheries policy registered much progress. Financing has been redirected for the support of industry during the transition period and for the support of coastal communities during the period of their economic structure diversification. However, there exist still many areas to be significantly improved. The fleet’s capacity still exceeds a potential enduring harvest, thus encouraging the excessive fishing, the under-reporting and the illegal or law limit activities. At the moment, a challenge for this policy represents its possible entire integration in a wider perspective of a cross maritime policy. At European Union level there exists also a concern for a better ecological and environmental condition of the seas and oceans, as well as for a better support of the coastal communities affected by this new approach regarding fishing management.

Common Fisheries Policy is not a set of strict regulations, but a dynamic framework in which member states and interested parts may identify and act to reach the desired fishing industry. In the case of Romania, a priority for the managing authorities of this fund has become the increase of the absorption level of the European Fisheries Fund, in order to stimulate the development of the Romanian market for the fishing products and aquaculture having a great potential.

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