

→ Opinion 73 of SWW RAC on an increase in financial aid of the POSEI-PÊCHE fund.

1 - Introduction

Since the start of the 1990s, the European Community has introduced a series of measures to compensate for the additional costs involved in the marketing of certain products arising from specific constraints, (remoteness and insularity) recognised in article no. 299 2e of the Treaty, in certain areas. The POSEI programmes were therefore created so that the products of the outermost regions could gain access to continental markets on the same conditions as other areas of the Community.

POSEI-Pêche is one of these programmes and since 1992 it includes aid aimed at compensating for the additional transport costs in this sector, by means of the regular approval of Commission regulations which establish a compensation regime with a corresponding limit for each product eligible to receive the aid. These POSEI-Pêche subsidies apply to certain fishing products in the outermost regions of different European countries: France (French Guiana and Reunion), Portugal (The Azores and Madeira) and Spain (The Canary Islands), for the specific disadvantages (insularity, etc.) of these regions. This aid in the Canary Islands is designated by POSEICAN Fishing and by POSEIMA Pêche in the Azores.

The purpose of this recommendation is to analyse whether POSEI-Pêche, which was created in 1992, is appropriate to the current realities in the Azores and the Canary Islands. And if not, the objective is to put forward appropriate changes to ensure maximum efficiency of the scheme:

- From a general point of view: Such as by increasing the aid (subsidised catches and financial data sheet).
- As regards the special characteristics of the regions analysed: Changes proposed for each of the regions (make the list of species more flexible, distribution of aid by the traders and/or producers, etc.).

These proposals and this recommendation appeared as an initiative of the Organisation of Fish Producers of the Canaries, ISLATUNA, and of the Association of Fish Traders of the Azores, ACPA.

2 - History

2.1 The legal structure of the POSEI-Pêche aid:

2.1.1 Community

- Regulation (CE) no. 791/2007 dated 21 May 2007, which establishes a regime for the compensation of additional costs relating to the sale of certain fishing products from the outermost regions of the Azores, Madeira, the Canary Islands, French Guiana and Reunion. Published in the Official Journal of the European Union on 6 July 2007 (JO L 176/1).



2.1.2 Specific Normative Framework of the Canary Islands (POSEICAN-Fishing)

- Order of 19 January 2012, designating the community aid to compensate for the additional cost relating to the sale of certain fishing products from the Canary Islands in the 2011 season, under the terms of the Regulation (CE) no. 791/2007, the Council of 21 May 2007 who established a regime for the compensation of the additional costs relating to the sale of certain fishing products from the Outermost regions of the Azores, Madeira, the Canaries, French Guiana and Reunion and setting up the bases to govern them.

2.1.3 Specific Normative Framework of the Azores (POSEIMA-Pêche)

- Portaria (administrative act) 83/2008, dated 8 October 2008, designating the community aid to compensate for the additional cost relating to the sale of certain fishing products from the Azores, under the terms of the Regulation (CE) no. 2008/791, the Council of 2007 May 21 who established a regime for the compensation of the additional costs relating to the sale of certain fishing products in the Outermost regions of the Azores, Madeira, the Canaries, French Guiana and Reunion and approving the bases to regulate them.

2.2 Parliamentary Questions and replies of the Commission concerning POSEI-Pêche

- Asked by Maria do Céu Patrão Neves written (PPE) to the Commission. 14 May 2010 (P-3574/10).
- Reply given by Maria Damanaki, on behalf of the Commission. 16 June (P-3574/10).

In the first document, the Portuguese MP raised 3 questions on the European Fisheries Fund and POSEI.

The two first questions related to the rates of execution, conclusion and payment of the fund for Spain, Portugal, Greece and France, and the third question asked what measures the European Commission recommended so that Portugal could increase its rates of execution and conclusion in POSEI and European Fisheries Fund. In the second document, the Fisheries Commissioner, Mrs Maria Damanaki, answered the Portuguese MP's questions, the reply to the third question being of particular interest and having a particular application concerning this recommendation.

3 -. Debate

The main arguments and proposals of the two organisations, ISLATUNA and ACPA, concerning the POSEI-Pêche fund are listed below:

- **The aid is insufficient, given the volume of catches exported and the increase in transport costs:**

ACPA points out that 75% of its fish is bound for external markets: Continental Portugal, Madeira and other countries in the EU, but also the United States, Canada and Japan. ISLATUNA stated that the catches transported have greatly increased in the last few years. Consequently, the two associations consider that, in view of the volume transported, the aid is insufficient. In the Azores, the aid is limited to 2,344 t. for the marketing of fresh fish and in the Canary Islands, the aid is of the order of 12,598 t. (Fresh and frozen products from extractive fishing and aquaculture). The two organisations argue that the cost of

air transport has greatly increased and that the current support is out of step with current realities. As an example, ACPA stated that the cost of air freight between Ponta Delgada and Lisbon had increased from 0.92 euros/kg to 2.45 euros/kg. However, POSEI-Pêche aid is still 0.45 euros/kg.

Therefore, the current resources available from POSEI-Pêche, are insufficient given the increasing volume of fish transported and the increase in the cost transport, particularly in the 1992 to 2012 period (20 years). Consequently, the organisations propose the following:

1) To increase the aid granted to the outermost regions (the Canaries and the Azores). ACPA recommends differentiating between the regions which depend most on exports in order to distribute the funds in a more equitable manner between the regions.

2) The increase in the catches of certain groups (approximately 70-80%) and the financial increase (12%) of certain subsidised species (Canary Islands). ISLATUNA proposes:

SUBSIDISED SPECIES	INCREASE OF THE VOLUME OF SUBSIDISED CATCHES	INCREASE OF THE FINANCIAL SHEET
Tuna transported to markets by air (1)	Current: 1,700,000 kg. Proposal (+70%): 2,890,000 kg.	Current: €1,615,000 Proposal (+12%): €3,074,960
Tuna transported to markets by sea without packaging (1)	Current: 453,000 kg. Proposal (+70%): 770,000 kg.	Current: €226,500 Proposal (+12%): €421,200
Skipjack tuna transported to markets by sea without packaging (2)	Current: 712,000 kg. Proposal (+80%): 1,281,600 kg.	Current: €156,640 Proposal (+12%): €315,786

(1): Albacore (ALB), *Thunnus alalunga* / Yellowfin tuna (YFT), *Thunnus albacares* / Bluefin tuna (BFT), *Thunnus thynnus* / Big-eye tuna (BET), *Thunnus obesus*.
(2): Skipjack tuna (SKJ)

3) Make the list of species eligible for help more flexible (Azores).

4) The variations in the granting of aid is an obstacle for the different economic players:

- ACPA states that the aid in the Azores is mainly given to producers (80%) and not to the traders, who bear the cost of the air transport. Hence, ACPA proposes that the financial envelope be increased in the Azores to ensure the aid also benefits the traders, whilst maintaining the aid received by the producers, and hoping there are no variations. This is the only way that we can take the measures necessary to ensure the economic viability of all the economic players in accordance with article 3 of the above-mentioned Regulation (CE) No. 791/2007.

- ISLATUNA proposes the creation of a special payment for producers of a value of €0.115 per kg unloaded. In the same way as the marketing costs for the Outermost Regions are compensated for, the production costs must also be compensated for since these costs are higher than those of the producers in continental Europe, due to the insularity of these regions (the costs of fishing equipment, repairs and maintenance and the annual dry-docking costs).



* These recommendations are in accordance with the reply of the European Commissioner, Mrs Maria Damanaki concerning the 3rd question from the European MP Maria do Céu Patrão Neves (PPE). In her reply, the Commissioner encourages the Member states ensure that they make the best possible use of the available funds in their regions, by optimising the choice of species in the list of fishing products eligible for compensation, the maximum quantities and the amounts of compensation.

4 - Conclusions

On the above-mentioned points, it seems to be entirely reasonable that the POSEIMA Pêche funds should be updated, since in the period of 20 years between 1992 and 2012, there has been a globalisation of markets, a considerable increase in the volume of fish transported by air and other related transport costs.

5 - Recommendation

SWW RAC recommends that the Commission and the competent organisations in the two countries and the regions take account the proposals for changes in the aid in the POSEI-Pêche program. These proposals were put forward by ACPA and ISLATUNA for the Outermost Regions of the Azores and of the Canary Islands. This will make it possible to adapt to current realities in the fishing sector and of all the economic players who are facing additional costs relating to the marketing of fishing products.

Moreover it is important to notify the Commission that, although regulation (CE) no. 791/2007 does not specifically exclude the convergence of other public aid which can be claimed to cover additional costs, the current economic crisis obviates this possibility for the Member states. This must be taken into account if the budget increase requested from the POSEI-Pêche fund is implemented.

6 - Additional Information

The question of marketing problems in the Macaronesia regions was a subject discussed in the last two years in the meetings of the SWW RAC Insular Subdivision Working Group, as is reflected in the Work Orders of the meetings on 9 February 2011 (Porto), 26 October 2011 (Paris), 14 February 2012 (Horta, Azores) and 14 June 2011 (Madrid), and in their respective minutes.

In these discussions the problems that the Macaronesia regions are confronted with, its Specific Conditions as regards the Marketing of fishing products were dealt with. One of the conclusions of the working group was the necessity to increase the aid for transport for the Outermost Regions, when discussing the question of POSEI-Pêche grants.

This recommendation appears as an initiative of the Organisation of Tuna Producers and Fresh Fish of Tenerife, ISLATUNA and of the Association of Fish Traders of the Azores, ACPA. The recommendations of the two organisations are set out in the reports: "Proposals for POSEICAN Pêche" (ISLATUNA) "Problems of Marketing Fishing Products in the Azores" (ACPA). These reports appeared following another report entitled "Summary of marketing problems in Macaronesia", drawn up on the basis of two articles written by members of SWW RAC from the Canary Islands and ACPA from the Azores. All these documents (orders and minutes of working group meetings, and the reports of the members of the group) are available on SWW RAC's website. We have also included them in the annexes to ensure they are easily available.



Origin of the opinion: Opinion proposed by the SWW RAC "Insular Subdivision" Working Group and validated in its current form at the meeting on 18 February 2013 in Madeira.

Contributions:

- Pedro Melo: Secretary General of ACPA (Azores)
- Pedro Jimenez Jordan: Manager and Secretary of ISLATUNA
- Imaculada Afonso da Silva: Secretary of the Fédération Provinciale des Pêcheurs de Santa Cruz de Ténérife.

Written and summarised by:

Jose Manuel Ortiz Sanchez Technician assessor of the Canaries Members of SWW RAC