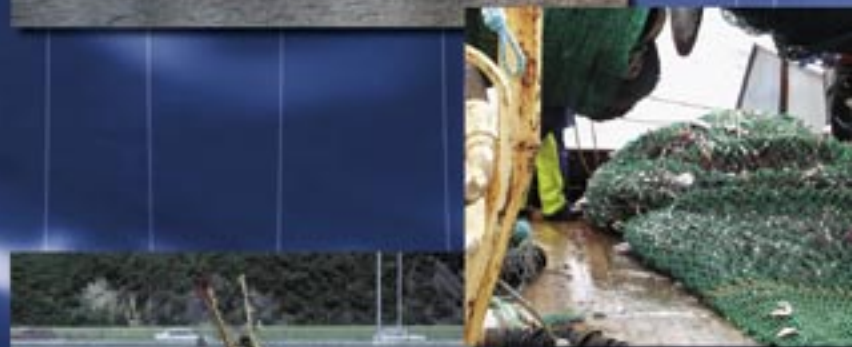


Building a Sustainable Future for Ireland's Fishing Fleet

A Scheme to permanently withdraw capacity from the demersal and shellfish sectors of the Irish fishing fleet



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Foreword from Marine Minister, Pat the Cope Gallagher, T.D.



Pat the Cope Gallagher, T.D.
Marine Minister

The launch of this, the final element of an integrated set of schemes designed to secure a sustainable future for the Irish whitefish fleet, reflects the Government's commitment to set out a long-term strategy for the sustainable development of the fishing industry as set down in the Programme for Government.

A key priority of the Government's commitment to developing an economically vibrant and sustainable fisheries sector is to deliver the necessary restructuring, renewal and modernisation in the whitefish fleet. The latest addition to the national fishing fleet was delivered in August this year: this marked the completion of two successive fleet renewal programmes that have seen the introduction of 62 new vessels, 17 modern second-hand vessels and many more existing vessels modernised and made safe over the past six years. This fleet provides Irish fishermen with the potential, for the first time ever, to compete on a truly international scale. The next steps in the process involve building on these achievements and delivering a long-term, sustainable and economically viable whitefish sector.

In July this year I secured the Government's agreement to make a total of €45 million available for the permanent withdrawal of excess capacity in our whitefish and shellfish sectors. The introduction of this scheme will remove this excess capacity and is designed to alleviate the pressures where fish quotas have been decreasing and the fishing opportunities now available to the fleet are not delivering the necessary economic returns to fishermen: a situation made more acute by recent high fuel prices. This initiative, encompasses many of the recommendations of the report "Decommissioning Requirements for Ireland's Demersal and Shellfish Fleets" produced by Padraig White in July 2005, and is designed to put the sector on a sound financial footing and deliver a sustainable future for Ireland's fishermen into the future.

Notwithstanding the high level of investment by the State, EU and the industry itself, the reality facing the whitefish sector is that there can be no expectation of increased catches in the short term. For many vessels the focus must now be on improved added value for the product rather than on increased catch volumes. We must also bring the fleet into balance with the available fishing opportunities and we must improve the structure and management arrangements for the sector. This scheme aims to bring about a viable future for the fishing sectors that will support the economies of coastal communities dependent on fishing.

A handwritten signature in black ink, which appears to read "Pat the Cope Gallagher". The signature is written in a cursive, flowing style.

Pat the Cope Gallagher, T.D.
Marine Minister

Introduction

Ireland's marine fishing industry is an important and valuable source of economic activity nationally, particularly to the coastal communities where it is based. Recognising this, the past seven years has been a period of great change for the sector. A new fishing fleet for the 21st century has been developed; 28% of the total capacity of Ireland's whitefish fleet has been replaced since 1998, and, under the whitefish Renewal & Modernisation programmes, investment of more than €100 million, supported by EU and national grant aid, has delivered a modern, safe and more efficient whitefish fleet that has the potential to compete on a truly international scale. Notwithstanding this level of investment, the reality facing the whitefish sector today is one that can have no expectation of increased catches in the short term. The scientific advice on many whitefish stocks remains of concern and for some stocks the overall objective is simply to ensure their recovery within a timeframe of five to ten years. Put plainly, for vessels in the demersal and shellfish sectors the focus can no longer be on increased production.

A range of other factors has compounded the uncertainties facing the demersal and shellfish sectors. This, in the words of the White Report, leads to *'a realisation that there is no real economic future for some of the participants in these sectors unless a large proportion of the fishing capacity can be taken out so that those remaining can look forward to working in a fishing industry with good economic prospects and not dogged by one crisis after another'*. On the basis of the findings of the White Report Marine Minister, Pat the Cope Gallagher, T.D. secured the government's agreement to make a total of €45 million available for the permanent withdrawal of excess capacity in our whitefish and shellfish sectors.

- This scheme delivers on that central recommendation, that a national decommissioning programme is the best way of taking out the necessary fishing capacity.
- It sets itself the target of removing up to 25% (10,937 GTs) of the whitefish fleet (polyvalent and beam trawl segments) and reducing the scallop fleet to a level of 4,800 kW. This represents the full programme of decommissioning necessary to achieve the desired balance between the economic requirements of the demersal and shellfish fleets and available resources detailed in the White Report.
- The scheme is introduced here in its entirety, with the intention that it be substantially completed in 2006 and finalised by the end of 2007. The closing date for **all** applications under this scheme is Tuesday, 1st November 2005.
- It provides for withdrawal premiums (decommissioning grants), totalling up to €45 million, for the permanent withdrawal of fishing vessels from the demersal and shellfish sectors of the Irish fishing fleet and their removal from the EU register of sea fishing vessels.
- The scheme is open to vessels owners in respect of fishing vessels 15 years or more in age and 18 metres or more in overall length currently registered in the polyvalent and beam trawl segments of the fleet **and** to vessel owners in respect of scallop boats 15 years or more in age and 15 metres or more in overall length currently registered in the specific segment of the fleet.
- The scheme is restricted to vessels registered on the Irish Register of Fishing boats and in possession of a sea fishing boat license on the 30th June 2005. In addition the scheme is restricted to vessels that carried out a fishing activity for at least 75 days at sea in each of the two periods of 12-months preceding the 1st October 2005.
- The scheme provides for decommissioning payments at the maximum levels permitted by EU Regulations for vessels in the polyvalent and beam trawl segments of the fleet and for decommissioning payments at the maximum levels permitted by EU Regulations minus 15% for scallop boats in the specific segment.
- The priorities for decommissioning to the end of 2006 will include vessels catching monkfish, hake, megrim and scallops. The decommissioning envisaged for 2007 will include boats meeting the fishing activity criteria at that point and which target other whitefish species which are under less immediate fishing pressure.

Terms & Conditions

This Scheme is a part of an integrated network of measures, administered by BIM, to support the restructuring of Ireland's whitefish fleet. Financial assistance is provided through the Operational Programme (Productive Sector) of the National Development Plan (NDP) and the Financial Instrument for Fisheries Guidance (FIFG) and the detailed rules and conditions of these instruments apply to the scheme¹.

The implementing authority for this scheme is Bord Iascaigh Mhara (BIM).

An independent appeals procedure will apply in respect of this scheme.

Applicants should please note that in addition to the relevant EU rules, national terms and conditions apply in every case.

The application

1. The operative date for commencement of this scheme is 30th June 2005.
2. Only 1 application may be made per vessel. If more than 1 application is submitted, all application forms will be returned to the applicant and excluded from further consideration.
3. Applications must be made on the official application form, included with this brochure, and returned to:
Fleet Development Section,
Fisheries Development Division,
BIM,
Crofton Road,
Dun Laoghaire,
County Dublin.
4. Applications forwarded to, or delivered at, addresses other than this will be returned to the applicant and excluded from further consideration.
5. The closing date for **all** applications under this scheme is **5pm on Tuesday 1st November 2005**.
6. Applications should be forwarded by registered post or delivered by hand. In every case proof of posting rests with the applicant.
7. Applications must be completed in their entirety.
8. Applications must be accompanied by the following:
In every case:
 - A copy of the Fishing Licence
 - A copy of the Certificate of Registry.**And, where appropriate:**
 - Copies of transcripts from the local registrar of shipping showing all charges registered against the vessel and
 - Written confirmation from any lenders and or mortgagees that they have been informed of the proposed decommissioning of the vessel.
9. Incomplete applications, and applications without the necessary accompanying documents, will be returned to the applicant and excluded from further consideration.
10. Applications must include copies of all charges registered (mortgages) against the vessel.

¹ The requirements of this scheme are those contained in COUNCIL REGULATION (EC) No 2792/1999, COUNCIL REGULATION (EC) No 2369/2002, COUNCIL REGULATION (EC) No 2370/2002 and COUNCIL REGULATION (EC) No 1421/2004 and any other relevant regulations not herein mentioned. E&OE. Additional national requirements for this scheme are as laid down herein.

11. Applications must include written confirmation from any lenders and or mortgagees that they have been informed of the proposed decommissioning.
12. Information submitted as part of every application (length of vessel, age of vessel, days at sea, official owner etc.) will be verified using official records held by the Department of Communications, Marine & Natural Resources. The latter will, in every case, be considered definitive.
13. Any information provided that is inconsistent with the licensing conditions appropriate to the vessel in question and/or the management arrangements for any stock, will be discounted in their entirety for the purposes of this scheme.
14. Given the need to dispose of vessels withdrawn under this scheme in an appropriate, timely and orderly manner, applicants must rank the 3 decommissioning periods designated under this scheme in order of preference, by placing the numbers 1 to 3 (where 1 is the most desired period to decommission and 3 the least preferred) in the table provided as part of the application form. **All 3 preferences must be used.** Applications that fail to include this information will be deemed incomplete, returned to the applicant and excluded from further consideration.
15. Applications who have submitted an application, that has been completed in full and includes all accompanying documentation, will be acknowledged, in writing, by BIM within 4 weeks of the closing date.

Who should apply – Eligibility

16. The applicant must be the registered owner of the vessel to be withdrawn, that is, a sole trader, a joint owner or company etc.
17. In the event of approval the applicant must be in a position to comply with the relevant tax clearance procedures at the time of grant payment.
18. The vessel to be withdrawn must be registered on the Irish Register of Fishing boats, in the applicant's name, at the time of application.
19. Only vessels 15 years or more in age are eligible for this scheme.
20. For the purpose of this scheme, *the age of a vessel is a whole number defined as the difference between the year of the managing authority's decision to grant a premium or aid and the year of entry into service, defined in Regulation (EEC) 2930/86 as, the date of first issue of an official safety certificate, or, if an official safety certificate is not issued, the date of first entry in an official register of fishing vessels. In the case of fishing vessels which entered service before the date on which Regulation (EEC) No 2930/86 come into force, the date of entry into service shall be the date of first entry in an official register of fishing vessels.*
21. Only vessels registered in the polyvalent segment, beam trawl segment, and vessels, with a recent track record targeting scallop, registered in the specific segment of the fleet are eligible for this scheme.
22. *A recent track record targeting scallop* is defined as a vessel wherein scallop makes up at least 75% of landings (by weight on a trip-by-trip basis) for at least 75% of the trips undertaken during the 2-year reference period specified as part of this scheme (30th June 2003-30th June 2005).
23. For vessels registered in the polyvalent or beam trawl segments of the fleet, only vessels 18 metres or more in overall length are eligible for this scheme.
24. For vessels registered in the specific segment of the fleet, only vessels 15 metres or more in overall length are eligible for this scheme.
25. Only vessels which have carried out a fishing activity for at least 75 days at sea in each of the two periods of 12 months from 1st October 2003 to the 1st October 2005.

26. Only vessels that are operational at the time the decision is taken to grant the withdrawal premium are eligible for this scheme.
27. *A vessel is deemed operational* for the purpose of this scheme, if, on the 30th June 2005, the vessel was registered on the Irish Register of Fishing boats and was in possession of a sea fishing boat licence, in force on that date, in the name of the owner.
28. Vessels approved for permanent withdrawal must remain registered on the Irish Register of Fishing boats, in the name of the owner, up until the time of permanent withdrawal.

The selection process

29. In the event of over-subscription to the scheme and given the availability of funds applicants scoring the highest number of points following a selection process will be given priority in order of highest to lowest score.
30. The selection process will award points based on the age and gross tonnage of vessels nominated for this scheme, and the average number of days fished during the two 12 month periods from 30th June 2003 to the 30th June 2005 and the total landings of pressure stocks (by weight) as a percentage of total catch averaged over the two 12 month periods from 30th June 2003 to the 30th June 2005.
31. The selection process will be undertaken by a committee that shall consist of representative(s) of BIM, the Dept. of Communications, Marine & Natural Resources, the Regional Assemblies, and at least one representative from another Government Department or semi-state body.
32. Following the selection process, applicants will be informed of their final score within 4 weeks.
33. An independent appeals procedure will apply in respect of decisions of the selection committee.

Selection Criteria

1. Age of vessel	
Age of vessel	Score
Over 30	10
26-30 years	6
21-25 years	2
15-20 years	0

2. Gross Tonnage of vessel (GT)	
Size of vessel	Score
300 GTs and greater	10
200-299 GTs	6
100-199 GTs	2
Less than 100 GTs	0

3. Average number of days fished during the two 12 month periods from 30th June 2003 to the 30th June 2005	
Days Fished	Score
150 or more days	20
100-149 days	12
75-99 days	4

4. Total landings of pressure stocks* (by weight) as a % of total catch averaged over the two 12 month periods from 30th June 2003 to the 30th June 2005	
% of catch	Score
Over 50%	60
31%-50%	40
11%-30%	12
5%-10%	0

* For the purpose of this scheme pressure stocks include (but may not be limited to) the following species: Monk (Anglerfish), Hake, Cod, Whiting, Scallop and Nephrops caught in ICES area VI or VII. Individual weighting may be applied to each of the species listed above to reflect its current biological status, Ireland's quota entitlement and the degree of uptake currently experienced.

Offers of grant aid – Part I: permanent cessation of fishing activities

34. Given the need to dispose of vessels withdrawn under this scheme in an appropriate, timely and orderly manner, offers will be made to successful applicants in three rounds as follows:

	Successful applicants advised by:	Closure date
Round A	16th November 2005	9th December 2005
Round B	Early 2006	3 months following announcement of round
Round C	Second-half 2006	3 months following announcement of round

35. The implementing authority (BIM) will, but only where practicable and contingent on the availability of finance to the Board and the need to progress the scheme in an appropriate, timely and orderly manner, endeavour to provide successful applicants with letters of offers taking account of the timing preferences expressed by applicants.
36. Applicants may receive a letter of offer in any round irrespective of the timing preferences expressed by applicants.
37. **Only one letter of offer will be issued in respect of each application.**
38. A letter of offer under this scheme, issued by BIM, does not constitute any form of entitlement to any form of grant aid whatsoever until the applicant 1) accepts the offer in writing, including the terms and conditions attaching to it, **and** 2) removes the vessel from the fishing vessel register (closure certificate required) **and** 3) surrenders any sea fishing boat licence, in force on that date, in the name of the owner and in respect of the vessel to be withdrawn by the closure date of that round. An offer shall only be deemed 'accepted' when all three conditions detailed in this section have been completed to the satisfaction of BIM.
39. **Offers not accepted in full by the closure date of the round in which they are made shall be automatically deemed 'rejected' on the day following the closure date of the round.**
40. Offers accepted in full by the closure date shall be deemed to have permanently ceased fishing activities and shall be eligible to payment of 50% of the total grant aid in respect of that application, but subject to the following:
- The scales and rates of assistance (grant rates) are those provided for in Annex IV, Table 1 of Council Regulation (EC) No 2792/1999 except in the case of vessels in the scallop fleet where the rates are those shown reduced by 15% in every case.
 - In cases where grant aid was paid on the vessel under the Fishing Fleet Development Measure (including modernisation, safety, or onboard quality schemes) the **residual** grant has to be repaid, in full, to BIM before the withdrawal premium (decommissioning grant) can be released either in part or in full.
 - The applicant has demonstrated that no mortgages or any other charges, including outstanding harbour dues, payments for ice etc., remain outstanding against the vessel before the withdrawal premium (decommissioning grant) can be released either in part or in full.
 - The applicant has furnished a transcript of registry showing that no mortgages or other charges have been registered against the vessel, subsequent to the application being made, or, where such charge has been registered, evidence has been supplied that the mortgage providers have approved in writing the proposed decommissioning of the vessel.
 - If a vessel is lost between the date of the decision to grant a withdrawal premium and the actual date of permanent cessation of fishing activities, the implementing authority shall make a financial correction for the amount of the compensation paid by the insurance.

Offers of grant aid – Part II: permanent scrapping of fishing vessel

41. Successful applicants, who have accepted an offer of grant aid and received payment of 50% of the total grant aid, must within 12 calendar months of the closure date, permanently dispose of/scrap the vessel in a manner agreed with the implementing authority. In every case:
- The applicant must receive written approval of their proposed method of scrapping and the disposal of the residue of such scrapping.
 - The applicant must notify BIM, in writing, of the intended date and place of scrapping at least 21 calendar days prior to the scrapping of the vessel.
 - The vessel must be disposed of/scrapped and the residue disposed of in conformity with the method proposed by the applicant and approved by BIM.
 - The applicant must furnish a declaration, signed by an officer authorised by BIM, that the vessel has been scrapped in accordance with the terms and conditions set out in the letter of offer issued in respect of this scheme.
42. Any person(s) authorised by BIM shall have the right at any reasonable time to inspect the vessel and the carrying out of its scrapping for the purposes of establishing that the provisions of the scheme have been adhered to.
43. All costs associated with the scrapping of vessels and the disposal of the residue of such scrapping shall be borne by the applicant or their agents.
44. Applicants who have permanently disposed of/scrapped the vessel in a manner agreed with the implementing authority shall be eligible to a further and final payment of 50% of the total grant aid in respect of that application.

Unsuccessful applications

45. Applications that fail to meet the mandatory criteria (16 to 28) will be excluded from further consideration.
46. Applicants that meet the mandatory criteria but who are unsuccessful in their preferred round of decommissioning, and who have not received a letter of offer in any earlier round, will be further considered in each subsequent round.

Rates of payment

47. Withdrawal premiums (decommissioning grants) will be paid in respect of applications approved and accepted at the following rates: **Basic rate less age adjustment less segment adjustment**

Basic Rate

Gross Tonnage (GT)	Premium per vessel
25<100	€4,200 per GT + €82,000
100<300	€2,700 per GT + €232,000
300<500	€2,200 per GT + €382,000
500 and over	€1,200 per GT + €882,000

Age adjustment

Vessels 15 years:	as per basic rate
Vessels 16-29 years:	as per basic rate less 1.5% for every year over 15
Vessels 30 years or more:	as per basic rate less 22.5%

Segment adjustment

Vessels in the Beam trawl segment:	as per basic rate adjusted for the age of the vessel
Vessels in the Polyvalent segment:	as per basic rate adjusted for the age of the vessel
Vessels in the Specific segment:	as per basic rate adjusted for the age of the vessel less 15% in every case

The following examples are not exhaustive and are included here to indicate the general nature of the scheme. The exact premium will depend on the size (GT), age (years) and segment of each vessel.

Polyvalent & Beam trawl segments				Specific Segment	
GT	Age	Max. Grant	Grant/GT	Max. Grant	Grant/GT
50	15	€ 292,000	€ 5,840	€ 248,200	€ 4,964
50	20	€ 270,100	€ 5,402	€ 229,585	€ 4,592
50	30	€ 226,300	€ 4,526	€ 192,355	€ 3,847
50	31	€ 226,300	€ 4,526	€ 192,355	€ 3,847
100	15	€ 502,000	€ 5,020	€ 426,700	€ 4,267
100	20	€ 464,350	€ 4,644	€ 394,698	€ 3,947
100	30	€ 389,050	€ 3,891	€ 330,693	€ 3,307
100	31	€ 389,050	€ 3,891	€ 330,693	€ 3,307
150	15	€ 637,000	€ 4,247	€ 541,450	€ 3,610
150	20	€ 589,225	€ 3,928	€ 500,841	€ 3,339
150	30	€ 493,675	€ 3,291	€ 419,624	€ 2,797
150	31	€ 493,675	€ 3,291	€ 419,624	€ 2,797
200	15	€ 772,000	€ 3,860	€ 656,200	€ 3,281
200	20	€ 714,100	€ 3,571	€ 606,985	€ 3,035
200	30	€ 598,300	€ 2,992	€ 508,555	€ 2,543
200	31	€ 598,300	€ 2,992	€ 508,555	€ 2,543
300	15	€ 1,042,000	€ 3,473	€ 885,700	€ 2,952
300	20	€ 963,850	€ 3,213	€ 819,273	€ 2,731
300	30	€ 807,550	€ 2,692	€ 686,418	€ 2,288
300	31	€ 807,550	€ 2,692	€ 686,418	€ 2,288

General

48. The implementing authority, BIM, reserves the right, with the approval of the Minister, to alter or amend the conditions of this scheme and/or the selection criteria or to suspend the scheme or to substitute the scheme for a different scheme.
49. Acknowledgement of any application does not constitute any form of entitlement to any form of grant aid whatsoever nor should the applicant construe any assistance given by officers of BIM as a form of indication that grant aid will become available.
50. Payment of grant aid is contingent on the availability of finance to BIM.
51. Payment of grant aid may be delayed pending receipt of funds by BIM from the EU or from the Exchequer.





This measure is part-financed
by the European Community
under the Financial Instrument
for Fisheries Guidance



Bord Iascaigh Mhara
Irish Sea Fisheries Board



Department of Communications,
Marine and Natural Resources

*An Roinn Cumarsáide,
Mara agus Acmhainní Nádartha*