

4.2. The ESC therefore considers that, as part of the reform of the CMO for sheepmeat and goatmeat, the fixed premiums proposed by the Commission should be increased, with a corresponding increase in the budget, to reflect the current situation in the sector and to encourage producers to continue in this line of work. Hence they should receive a level of compensation that reflects their role in society.

4.3. In addition, a safety net which automatically compensates producers for loss of income when a crisis occurs should be set up and included in the Council regulation, since the vulnerability of this sector in a crisis situation could lead to the loss of many activities in the rural world with grave repercussions.

Brussels, 17 October 2001.

*The President*  
*of the Economic and Social Committee*  
Göke FRERICHS

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**Opinion of the Economic and Social Committee on the 'Proposal for a Council Regulation amending Regulation (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector'**

(2002/C 36/11)

On 27 June 2001 the Council decided to consult the Economic and Social Committee, under Article 37 of the Treaty establishing the European Community, on the above-mentioned proposal.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 28 September 2001. The rapporteur was Mr Muñoz Guardado.

At its 385th plenary session of 17 and 18 October 2001 (meeting of 17 October), the Economic and Social Committee adopted the following opinion with 79 votes in favour and seven abstentions.

The Committee is able to endorse the Commission proposal, subject to the comments which follow. These comments also concern the proposed amendment to Decision 97/413/EC contained in the same Commission document.

### **1. Comments on the proposed decision**

1.1. The amendment to the decision is designed to prolong the fourth generation of multiannual guidance programmes (MAGP IV). It does not establish new measures for Member States which fail to comply with the MAGP, although such measures are included in the proposed regulation (amendment to Article 9).

1.2. The amendment extends the MAGP IV by a further year but also establishes new percentages in relation to the reduction targets which were set for a four-year period [Article (1)(1)(b)].

1.3. The amendment to Article 3 of Decision 97/413 will be particularly damaging for the small-scale fleet. This article applies to vessels of less than 12 metres overall, other than trawlers. For this category, the increase in capacity does not represent an actual increase in fishing effort, as the aim is to improve such important aspects as accommodation conditions, safety, seaworthiness, on-board conditions for handling fish, and compliance with international obligations.

### **2. Comments on the proposed regulation**

2.1. The third 'whereas' clause of the proposed regulation contains an unfortunate modification which may be detrimental to the small-scale coastal fishing fleet, given that the seventh 'whereas' clause of Regulation (EC) No 2792/1999 acknowledged the important fact that:

'small-scale coastal fishing has a special status in terms of the objectives for fishing effort adjustments; it is important that

this specificity is translated into concrete measures at the level of this Regulation <sup>(1)</sup>.

2.1.1. Regulation (EC) No 2792/1999 set out these measures in more detail in Article 6(2) on fleet renewal and modernisation of fishing vessels and Article 7(4) on adjustment of fishing effort.

2.2. The fourth 'whereas' clause of the proposed regulation stipulates that public aid should not be made available for the permanent transfer of fishing vessels to certain third countries.

2.2.1. When deciding which third countries this should concern, it is important to bear in mind the point made by the ESC in its opinion <sup>(2)</sup> on Regulation (EC) No 2792/1999.

### 2.3. Article 1

2.3.1. Point (1): The proposed alteration is correct, given that the MAGP IV is to be extended by one year.

2.3.2. Point (2): Article 6(2) should not be deleted as this would be particularly damaging for the small-scale coastal fishing fleet (see point 2.1 above). It must be remembered that Article 11 of Regulation (EC) No 2792/1999 contains specific measures for this fleet, which is deemed to comprise vessels of an overall length of less than 12 metres. The Green Paper on the future of the Common Fisheries Policy <sup>(3)</sup> also calls for the adoption of special provisions in favour of small-scale fisheries.

2.3.3. Point (3) adds a new indent to Article 7(3)(b), but still does not clearly specify the relationship with third countries. The Committee would therefore once again reiterate the comments made in the abovementioned opinion and ask the Commission to periodically issue a list of these countries.

<sup>(1)</sup> OJ L 337, 30.12.1999.

<sup>(2)</sup> OJ C 209, 22.7.1999. The opinion stated that 'it should be the task of the Commission to draw up the list of third countries to which vessels can be transferred, in the interests of uniformity. Alternatively, the Commission should lay down criteria enabling the Member States to identify countries to which vessels may not be exported.' (General comments, point 3.1.2.1). The opinion went on to say that 'it should be the task of the Commission to provide, for all Member States, a list of third countries where the definitive transfer of vessels would not qualify for public aid, or a list of third countries where this exclusion would not apply'. (General comments, point 3.1.2.2.1).

<sup>(3)</sup> COM(2001) 135 final.

2.3.4. Point (4) amends Article 9(1) and introduces the requirement that the annual objectives must be respected in all segments of the MAGP, without prejudice to the fleet conversion measures contained in the recent fisheries agreement with Morocco. The Commission should reconsider the need for such a drastic measure and take more time to assess the matter. A well-organised fleet segment which respects the objectives might find itself penalised if other segments do not do likewise, as the vessels of the compliant segment will also be denied the opportunity to receive aid.

2.3.4.1. The proposed new Article 9(1)(a) makes the basic criterion a reduction in capacity, and not a reduction in activity. However, in the vast majority of cases, an increase in capacity should not be viewed as an increase in fishing effort but rather as a modernisation measure which directly benefits vessel safety and accommodation conditions (improvement in on-board conditions for handling the fish, compliance with international standards, etc.).

2.3.4.2. The new Article 9(1)(b) and (c) should retain the exception laid down in Articles 6(2) and 7(4) of Regulation (EC) No 2792/1999, as it is important to consider:

— the comments made in the ESC opinion <sup>(4)</sup> on Regulation (EC) No 2792/1999, which stated that:

'An analysis of fleet renewal trends in recent years shows that a vessel now needs more GT [gross tonnage] than those withdrawn in order to fish as competitively, have the space needed to meet international standards, and improve conditions for handling the fish on board.

When an old fishing vessel (with an old GT) is replaced by a newly built one (with a new GT), the fairest solution would be to apply an accommodation co-efficient to the old GT to arrive at the new GT.'

— the fact that in focusing solely on a reduction in capacity rather than in activity, the new provisions may penalise those segments which have reorganised their fisheries by introducing controls on fishing hours or establishing closed seasons or quotas, rather than by reducing the number of vessels.

2.3.5. Point (5): The proposed amendment to Article 10(1)(d) is correct, although it still does not specify any new measures for those Member States which fail to comply with their MAGP, other than the requirement to comply with

<sup>(4)</sup> OJ C 209, 22.7.1999 (points 2.4.1 and 2.4.2).

annual objectives 'in all the segments'. Although this might be an important step, it could adversely affect compliant fleets.

2.3.6. Point (6), which amends Article 16(2), should explain more clearly why a Council Decision is to be replaced by 'Community legislation'.

Brussels, 17 October 2001.

*The President*  
*of the Economic and Social Committee*  
Göke FRERICHS

**Opinion of the Economic and Social Committee on the 'Communication from the Commission to the Council, the European Parliament and the Economic and Social Committee on the elimination of tax obstacles to the cross-border provision of occupational'**

(2002/C 36/12)

On 19 April 2001 the Commission decided to consult the Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the above-mentioned communication.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 24 September 2001. The rapporteur was Mr Byrne.

At its 385th plenary session of 17 and 18 October 2001 (meeting of 17 October 2001), the Economic and Social Committee adopted the following opinion by 88 votes to one with two abstentions.

## 1. Introduction

1.1. The Commission published its proposals for a draft directive on the activities of institutions for occupational retirement provision in October 2000<sup>(1)</sup>. The Committee adopted its opinion on the proposed directive in March 2001<sup>(2)</sup>.

1.2. This communication deals with the tax aspects of cross-border occupational pension provision which are not covered in the draft directive.

## 2. Background

2.1. Pensions are of universal concern but particularly to individual EU citizens who want adequate provision for their retirement. Pensions in the Community are provided under three pillars:

- Pillar 1: Social security schemes set up on a statutory basis whether managed by the State, the contributors or otherwise (generally pay as you go).
- Pillar 2: Occupational (funded) schemes (generally tied to the employer).
- Pillar 3: Individual schemes (generally with life-assurance companies).

2.2. The proposed pensions directive and this communication are both focused on the matters which need to be dealt with in relation to the cross-border provision of Pillar 2 schemes although the proposals particularly in relation to tax would also be generally relevant to Pillar 3 arrangements as well.

2.3. The reason the directive did not deal with the taxation aspects is that taxation must be decided by unanimity. Including tax in the directive is likely to have delayed or aborted its adoption.

<sup>(1)</sup> COM(2000) 507 final.

<sup>(2)</sup> OJ C 155, 29.5.2001, p. 26.