

Member countries may grant financial assistance for measures relating to either the temporary or permanent reduction of production capacity. The objective of the decommissioning grant is to encourage a reduction in fleet capacity in those sectors where there is overcapacity. Decommissioning grants are available for scrapping of vessels of 12 metres and above, the definitive transfer of vessels to third countries, and the assignment of vessels to purposes other than fishing in Community fishing zones. The laying-up grant provides for a temporary reduction in production capacity, and is directed towards vessels of 18 metres in length put in service after 1st January, 1958, and engaged in fisheries where there is short to medium-term difficulties resulting from overfishing, the redistribution of resources amongst Member States, etc.

Fifty per cent of the approved costs incurred by Member States under those programmes will be reimbursed by the Community, whose total financial contribution is estimated to be 76 million ECU over the three year period to 1986.

ii) Restructuring, Modernization and Development

The Council Regulation on a common measure for restructuring, modernizing and developing the fishing industry and for the development of aquaculture, again with the aim of promoting structural change within the guidelines of the CFP, provides funding for projects which relate to:

- "- the purchase or construction of new fishing vessels, and the modernization or conversion of fishing vessels already in use;
- the construction, equipment or modernization of installations for rearing fish, crustaceans and molluscs;
- the construction, within an area of three miles from the base lines, of artificial structures to facilitate restocking of Mediterranean coastal areas."

With respect to purchase or construction, priority is given to vessels more than 12 years old, vessels based in areas where fishing is of traditional importance, vessels to replace those