



Plenary sitting

A8-0067/2016

23.3.2016

RECOMMENDATION

on the draft Council decision on the conclusion, on behalf of the European Union, of the Protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand
(11634/2015– C8-0377/2015 – 2015/0152(NLE))

Committee on Fisheries

Rapporteur: Marco Affronte

Symbols for procedures

*	Consultation procedure
***	Consent procedure
***I	Ordinary legislative procedure (first reading)
***II	Ordinary legislative procedure (second reading)
***III	Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the draft Council decision on the conclusion, on behalf of the European Union, of the Protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand

(11634/2015 – C8-0377/2015 – 2015/0152(NLE))

(Consent)

The European Parliament,

- having regard to the draft Council decision (11634/2015),
 - having regard to the draft Protocol setting out the fishing opportunities and the financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand (11633/2015),
 - having regard to the request for consent submitted by the Council in accordance with Article 43, Article 218(6), second subparagraph, point (a), and Article 218(7) of the Treaty on the Functioning of the European Union (C8-0377/2015),
 - having regard to Rule 99(1), first and third subparagraphs, Rule 99(2) and Rule 108(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on Fisheries and the opinions of the Committee on Development and the Committee on Budgets (A8-0067/2016),
1. Gives its consent to conclusion of the Protocol;
 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of Greenland.

SHORT JUSTIFICATION

Introduction

In recent years the European Union (EU) has signed a number of Fisheries Partnership Agreements (FPAs) and Protocols with 'third countries'. Through the FPAs, the EU gives financial and technical support in exchange for fishing rights to a wide range of fish stocks in the partner country's exclusive economic zone.

There is one specific FPA with the Government of Denmark and the Home Rule Government of Greenland, hereafter referred to as the EU/Greenland FPA¹.

Greenland² originally joined the European Communities (EC) as a part of Denmark in 1973, but left the EC following a referendum in 1985. Today, Greenland is one of the overseas countries and territories (OCT) of the Union, within the meaning of Article 355(2) TFEU. Its relationship with the EU is primarily governed by Articles 198 to 204 TFEU, by Protocol No.34 on Special Arrangements with Greenland (annexed to the TFEU) and by the EU-Greenland partnership, as laid down in the Council Decision 2006/526/EG.

In 1979 Denmark granted 'Home Rule' to Greenland, and following a referendum in 2008 all functions of government rest with the Government of Greenland except for those related to defence, fisheries inspection outside the territorial waters, constitutional affairs, currency and monetary policy, which are retained by Denmark.

Fisheries in Greenland

The Ministry of Fisheries, Hunting and Agriculture (MFHA) has overall responsibility for fisheries policy and the management of fish resources in Greenland, with the Institute of Natural Resources responsible for providing the biological basis for fisheries management advice to the MFHA.

The most important Greenlandic fisheries are trawl fisheries for northern prawn, Greenland halibut, cod and redfish. In 2012 the offshore fleet landings were valued at around EUR 200 million with the inshore catch valued at EUR 110 million, with Greenland halibut and prawns each accounting for more than 40 % of total values. Mackerel is an emerging fishery with catches in 2012 of 5 000 tonnes, and a unilaterally declared quota in 2014 of 100 000 tonnes. Greenland's catching sector employed 1 238 full-time equivalent (FTE) fishermen in 2011.³

Fish account for nearly 90 % of exported goods. Virtually all of Greenland's exports of fish products are destined for the EU, with Denmark accounting for more than 90 % of EU imports. Frozen shrimp/prawns, Greenland halibut and cod are the most important exports.

¹ Hereafter, when referring to 'Greenland' in the context of the FPA/Protocol or a possible new Protocol, 'Greenland' is taken to read the Government of Denmark and the Home Rule Government of Greenland.

² Greenland is the world's largest island and has an Exclusive Economic Zone (EEZ) of nearly 2.2 million km².

³ "Ex post and ex ante evaluation of the Protocol to the Fisheries Partnership Agreement between the EU, and the Government of Denmark and the Home Rule Government of Greenland" -Ref. Ares(2014)2354482 - 15/07/2014 : The ex-post evaluation of the FPA with Greenland, was carried out on behalf of the Commission for the period 2013-15.

EU-Greenland FPA

The initial fisheries agreement between the EU on the one hand, and on the Government of Denmark and the Home Rule Government of Greenland on the other, dates back to 1985. This agreement ran for a period of ten years and was thereafter extended for an additional six year periods until it was eventually replaced by the FPA currently into force.

This FPA between the parties was initialled in June 2006, and entered provisionally into force on 1 January 2007 for a period of six years (until 31 December 2012) with renewal periods of six years (tacitly renewed until 31st December 2018). It was adopted into EU law by Council Regulation (EC) No 753/2007 of 28 June 2007.

It is a mixed agreement that provides EU vessels access to a wide range of fish stocks in the Greenlandic Exclusive Economic Zone.

The initial Protocol to the Fisheries Partnership Agreement applied for six years, from 1 January 2007 to 31 December 2012. The current Protocol applies from 1 January 2013 to 31 December 2015 for a period of three years¹. The duration of the current Protocol was shortened in order to align the renegotiation of the Protocol with the renewal and/or revision of other relevant EU policy instruments, i.e. the Common Fisheries Policy (CFP), the Overseas Association Decision and the EU-Greenland Partnership Initiative.

The current Protocol provides for an EU financial contribution of 17.85 m€ per year, comprising:

- a) an annual amount for the access to the Greenlandic EEZ of 15.1 m€ (calculated based on reference prices for each species) including a financial reserve of EUR 1,5 m€ for additional quantities of species made available by Greenland.
- b) a specific amount of 2.74 m€ provided to support Greenlandic sectoral fisheries policy. The sectoral policy support is broken down into three main areas: administration (e.g. capacity development); control and enforcement; and scientific research and advice.

The EU pays a fixed annual financial compensation for access irrespective of the fishing opportunities agreed through the Protocol. If the agreed fishing opportunities are lower than the indicative fishing opportunities outlined in the Protocol, then the Protocol makes provision for Greenland to either provide equivalent alternate fishing opportunities to the EU for the year in question, or compensate the EU in the following year.

¹ EU Protocol of Council Decision 2012/653/EU

Evaluation of the current Protocol:

The agreement with Greenland is the third most important for the EU in terms of its economic value.

The ex-post and ex-ante evaluation¹ of the current Protocol, carried out on behalf of the European Commission in the first half of 2014 and published in July 2014, delivers some key findings on the effectiveness of the current Protocol, even though as the European Commission mentioned², it focused only on the first out of three years of implementation of the current Protocol.

The main conclusion of the report is that *"it would be in the interest of both the EU and Greenland to renew the Protocol, the Protocol provides important economic benefits to both Parties, and helps ensure coherence with EU fishing activities elsewhere in the region"*.

Generally speaking, the FPA objectives have been achieved. Important exceptions include: agreed quotas for offshore cod that are not consistent with ICES advice, though noting that data collected from the fishery will be used to refine management of the stock; limited supply of fish landings to Greenland; and the generation of limited employment in Greenland.

To date, the Protocol has generated significant benefits to the EU. EU fishing vessels secured access to important fishing opportunities in Greenland, as well as Norway and the Faroe Islands through the EU's northern agreements. Utilisation of agreed Greenlandic fishing opportunities by EU vessels has been high, with the exception of snow crab, capelin, Atlantic halibut and to a lesser extent east northern prawn.

In 2013, the Protocol generated EUR 10 million in direct value-added to the EU catching sector resulting from fishing opportunities in Greenland, with an additional EUR 12 million in indirect value-added to the EU upstream and downstream sectors. Additional value-added will have been generated from fishing opportunities secured in Norway. Indirect value-added generated in Greenland was limited, as the majority of EU fishing vessels did not use Greenlandic ports. However, the Protocol generated additional benefits to Greenland in the form of financial contributions from the EU and authorisation fees from EU fishing vessels, receiving a total payment per tonne equivalent to one-third of the EU catching sectors revenue from Greenlandic fishing opportunities. Fishery products from EU fishing vessels have not been processed in Greenland or entered the domestic market, with reasons including comparatively low landing prices. Furthermore, there is very limited use of Greenland ports for maintenance and other upstream services. In terms of employment the Protocol generated employment equivalent to 106 FTEs in the EU catching sector, 75 % and 10 % of which were EU and Greenlandic nationals respectively. Nevertheless, the Protocol has generated substantial benefits for both parties.

The EU's sectoral support funds have provided substantial support to a number of activities that are vital for Greenland's efforts to manage and control its fisheries. These activities include: supporting the collection and analysis of fishery independent survey data; participation of Greenlandic personnel at scientific and technical meetings of NAFO and ICES; and, control of inshore and offshore fisheries. However, the use of these funds has a

¹ Ex post and ex ante evaluation of the Protocol to the Fisheries Partnership Agreement between the EU, and the Government of Denmark and the Home Rule Government of Greenland –Final Report" (11 July 2014), Ref.Ares(2014)2354482 - 15/07/2014

² Greenland FPA evaluation Working Document, European Commission

strong focus on salaries in some areas. The EU's financial compensation for access has not been fully aligned with catches, due to low utilisation rates for some species. Furthermore, authorisation fees from EU vessel owners were high in comparison to profits generated from the Protocol by the catching sector. However overall, the Protocol has generated EUR 1.6 in direct and indirect value-added per EUR 1 of payments by the EU and EU vessel operators.

There was full compliance with the majority of the key covenants and obligations of the Protocol. Notable exceptions include: the failure to implement an electronic catch reporting system; and, agreed fishing opportunities that did not fully take account of scientific advice and the precautionary approach.

Analysis of the new Protocol

Empowered by the Council mandate of 25 September 2014¹, the European Commission has held three rounds of negotiations² with the Government of Greenland incl. representatives from the Government of Denmark to renew the Protocol due to the expiration of the current Protocol on 31 December 2015. On conclusion of these negotiations, a new Protocol was initialled on 20 March 2015. It covers a period of five years from the date of provisional application (i.e. from the date of its signature and from 1 January 2016 at the earliest).

On 16 July 2015 the European Commission adopted the proposals for renewing the Protocol to the Fisheries Partnership Agreement between the European Union on the one hand and the Government of Denmark and the Home Rule Government of Greenland, on the other hand.

The New Protocol provides for an EU financial contribution of 17.8 m€ per year, comprising:

- a) an annual amount for the access to the Greenlandic EEZ of 13.17 m€ (calculated based on reference prices for each species) including a financial reserve of EUR 1,7 m€ for additional quantities of species made available by Greenland;
- b) a specific amount of 2.931 m€ provided to support Greenlandic sectoral fisheries policy. The sectoral policy support is broken down into three main areas: administration (e.g. capacity development); control and enforcement; and scientific research and advice.

If fishing opportunities are lower than pointed out in Table 1, Greenland is expected to compensate for the deficit. Any by-catch by EU vessels should be limited to 10% of the targeted stock, except for Northern Prawn (by-catch levels limited to 5%).

¹ Adopted by the 3333th meeting of the Council (Competitiveness) on 25/09/2014

² October 2014 (Nuuk); November 2014 (Brussels); 17 to 20/3/2015 (Copenhagen)

Table 1: Level of fishing opportunities in the current and new Protocol (t/year):

Stock components	Current Protocol	New Protocol
	2013-2015	2016-2020
Cod (in ICES V, XII, XIV and in NAFO 1F)	2200 ¹	1800
Pelagic redfish (ICES Subareas XIV&V, NAFO Subarea 1F)	3000	2200
Demersal redfish (ICES Subareas XIV&V, NAFO Subarea 1F)	2000	2000
Greenland halibut - (NAFO Subarea 1 - South of 68° North)	2500	2500
Greenland halibut (ICES Subareas XIV&V)	4315	5200
Northern prawn (NAFO Subarea 1)	3400	2600
Northern prawn (ICES Subareas XIV&V)	7500	5100
Atlantic halibut (NAFO Subarea 1)	200	-
Atlantic halibut (ICES Subareas XIV&V)	200	-
Snowcrab (NAFO Subarea 1)	250	-
Capelin (ICES Subareas XIV&V)	60000	20000
Grenadier spp. (ICES Subareas XIV&V)	100	100
Grenadier spp. (NAFO Subarea 1)	100	100
By-catches	2300	1126

The reduction of some quota, above all the capelin from 60000 to 20000 is not due to a decrease in biomass or for problems of sustainability, but it relates to high quota payed, in the past, with only partial return in actual catches.

¹ Cod in ICES Subarea XIV and in NAFO Subarea 1

Position of the Rapporteur

The rapporteur considers the new Protocol to be in line with the objectives of the Fisheries Partnership Agreement : it strengthens the cooperation between the Union and Greenland. It promotes a partnership framework in which to develop a sustainable fisheries policy and responsible exploitation of fishery resources in the Greenlandic fishing zone. This is in the interest of both Parties, in line with relevant conservation and management measures and within the limits of the available surplus.

For all these reasons, the rapporteur recommends the consent by the EP.

However, it is also important to note that whilst the overall objectives may be coherent, EU fisheries in the FPA have targeted stocks that are overexploited and/or contributed to catches that exceed precautionary advice. As such, there are cases where the actual impacts of the FPA have not fully met the objectives of the CFP, the scientific advice of NAFO and ICES, as well as the objectives of the FPA.

The rapporteur draws attention to some aspects that need to be improved on the basis of the analysis of the previous Protocol, including:

- The renewal of the Protocol should serve to increase benefits in terms of sustainable exploitation of fish stocks and resolve some ongoing operational difficulties;
- It is suggested to better follow scientific advice and the principle of available surplus taking also into account the utilisation by Member States and the EU interests in fisheries arrangements with Northern partners;
- There should be more control and adjustment to the EU's financial compensation, according to the ex-post assessment of the protocol.

Following the recent Court of auditor's analysis on the FPAs¹, although the Court examined only four of the twelve agreements in force, not including the EU/Greenland FPA, your rapporteur would like to highlight the observations from the Court and to stress the importance of reliable information on fish stock and catch data in order to respect the principles and objectives covering the CFP and the FPAs and in order to draw robust conclusions regarding the evaluation of the FPAs.

In general the Rapporteur regrets that the European Parliament has a limited role in the adoption of the Fisheries Partnership agreements through only a consent procedure; believes that the European Parliament should have a more active role and should be immediately and fully informed at all stages of the procedures concerning the FPAs or its renewals in order to increase transparency and democratic accountability of the protocols.

¹ Special Report EU Court of Auditors : "Are the Fisheries Partnership Agreements well managed by the Commission?" , Luxembourg Publication Office (Oct 2015)

18.2.2016

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Fisheries

on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand

(11634/2015 – C8-0377/2015 – 2015/0152(NLE))

Rapporteur: Stelios Kouloglou

SHORT JUSTIFICATION

Greenland is one of the 26 Overseas Countries and Territories covered by Part IV of the Treaty on the Functioning of the European Union. Its economy is highly dependent on the fisheries sector, which is the second largest in Greenland.

The implications of societal development for climate, environment and nature, since Arctic areas are highly vulnerable and unique as regards flora and fauna, have to be taken into account. Therefore, the fishing opportunities have to be in line with relevant conservation and management measures.

In addition, this Protocol must be compliant with the Arctic Fisheries Declaration signed in Oslo on 16 July 2015, which restricts commercial fishing in the Central Arctic Ocean in order to guarantee the preservation of the fragile ecosystem of the Arctic.

This new Protocol, covering a period of five years from the date of its signature, provides for a financial contribution of EUR 17.799.978 per year. The Protocol should strengthen the cooperation between the European Union and Greenland and promote the development of a sustainable fisheries policy and a responsible exploitation of fisheries resources in Greenland's fishing zone. It is a multi-species agreement that foresees fishing opportunities for cod, pelagic redfish, demersal redfish, halibut, northern prawn, capelin and grenadier.

Your rapporteur is of the view that sustainable fishing practices have to be promoted to safeguard long-term productivity for Greenland's local fisheries and support Greenland's fisheries policy. In this respect, fishing licences must be made more strictly conditional on the use of local labour and local firms. This would maximise value for the Greenlandic society.

The financial contribution linked to Fisheries Partnership Agreement has to support sustainability of Greenland's fisheries sector and support Greenland by developing and increasing local employment opportunities in the local fisheries sector.

The Committee on Development calls on the Committee on Fisheries, as the committee responsible, to recommend that Parliament give its consent to the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	17.2.2016
Result of final vote	+ : 26 - : 1 0 : 0
Members present for the final vote	Louis Aliot, Beatriz Becerra Basterrechea, Ignazio Corrao, Nirj Deva, Doru-Claudian Frunzulică, Nathan Gill, Charles Goerens, Enrique Guerrero Salom, Heidi Hautala, Maria Heubuch, Teresa Jiménez-Becerril Barrio, Stelios Kouloglou, Arne Lietz, Linda McAvan, Maurice Ponga, Cristian Dan Preda, Lola Sánchez Caldentey, Elly Schlein, Pedro Silva Pereira, Davor Ivo Stier, Paavo Väyrynen, Bogdan Brunon Wenta, Rainer Wieland, Anna Záborská
Substitutes present for the final vote	Juan Fernando López Aguilar, Jan Zahradil, Joachim Zeller

16.2.2016

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Fisheries

on the draft Council decision on the conclusion, on behalf of the European Union, of the Protocol setting out the fishing opportunities and the financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand (11634/2015 – C8-0377/2015 – 2015/0152(NLE))

Rapporteur: Tomáš Zdechovský

SHORT JUSTIFICATION

On the basis of a mandate granted to it by the Council, the European Commission on behalf of the Union negotiated with the Government of Denmark and Government of Greenland in view of renewing the Protocol to the Fisheries Partnership Agreement between the European Union and these two territorial entities. The current Protocol setting out the fishing opportunities and financial contribution provided for by the Partnership Agreement expires on 31 December 2015. Following these negotiations, a new Protocol was initialled on 20 March 2015.

The new Protocol is in line with the objectives of the Fisheries Partnership Agreement, strengthens the cooperation between the Union and Greenland and promotes a partnership framework in which to develop a sustainable fisheries policy and responsible exploitation of fishery resources in the Greenlandic fishing zone in the interest of both Parties.

The Fishing Protocol would cover a period of five years from the date of provisional application – i.e. from the date of its signature and from 1 January 2016 at the earliest. The Protocol grants fishing opportunities to Union vessels in the fishing zone of Greenland, in line with relevant conservation and management measures and within the limits of the available surplus. To this effect, the protocol sets an indicative annual level of fishing opportunities granted by Greenland (in tonnes) to Union vessels.

The Protocol provides for a total annual financial contribution of EUR **17.799.978** per year for its duration. This amount corresponds to:

- EUR 13.168.978 per year for the access to the Greenlandic fishing zone;
- EUR 2.931.000 per year, corresponding to the additional envelope paid by the EU in support

of Greenland's fisheries policy and

- EUR 1.700.000 as an annual reserve for additional and new fishing opportunities that may be accepted by the EU subject to scientific advice and surplus resources.

The two Parties have agreed to cooperate to implement Greenlandic sectorial fisheries policy and to that end shall continue the policy dialogue on the relevant programming. The specific provisions are made for the setting of principles for responsible fisheries management. Provision is also made for an experimental fisheries programme for species not included in the protocol, as well as scientific cooperation on sustainable fishery exploitation.

The Committee on Budgets calls on the Committee on Fisheries, as the committee responsible, to recommend that Parliament give its consent to the draft Council decision on the conclusion of the Protocol setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	15.2.2016
Result of final vote	+ : 21 - : 1 0 : 2
Members present for the final vote	Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, Eider Gardiazabal Rubial, Jens Geier, Monika Hohlmeier, Bernd Kölmel, Vladimír Maňka, Clare Moody, Siegfried Mureşan, Liadh Ní Riada, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Marco Zanni
Substitutes present for the final vote	Stanisław Ożóg, Andrej Plenković, Pavel Poc, Marco Valli, Tomáš Zdechovský
Substitutes under Rule 200(2) present for the final vote	Jarosław Wałęsa

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	22.3.2016						
Result of final vote	<table><tr><td>+: </td><td>18</td></tr><tr><td>–: </td><td>1</td></tr><tr><td>0: </td><td>0</td></tr></table>	+:	18	–:	1	0:	0
+:	18						
–:	1						
0:	0						
Members present for the final vote	Marco Affronte, Clara Eugenia Aguilera García, Renata Briano, Alain Cadec, Diane Dodds, João Ferreira, Ian Hudghton, Carlos Iturgaiz, Werner Kuhn, António Marinho e Pinto, Gabriel Mato, Norica Nicolai, Ulrike Rodust, Remo Sernagiotto, Ricardo Serrão Santos, Isabelle Thomas, Ruža Tomašić, Peter van Dalen, Jarosław Wałęsa						