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*Committee on Development*

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**2012/0130(NLE)**

10.10.2012

## **OPINION**

of the Committee on Development

for the Committee on Fisheries

on 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  
(11119/2012 – C7-0299/2012– 2012/0130(NLE))

Rapporteur: Gesine Meissner

PA\_Leg\_Consent

## SHORT JUSTIFICATION

Greenland is one of the 26 Overseas Countries and Territories (OCTs) covered by Part IV of the TFEU. It has a population of around 57000 and its Gross National Income was EUR 29,286/capita in 2006 but has not risen in real terms in recent years. The country relies heavily on the annual block grant provided by Denmark, accounting for an estimated 32% of GDP.

The domestic fishery sector is the economy's most significant earner accounting for 13% of direct Gross Value Added and 17% of employment (including processing and other linked activities). The fishery sector accounts for 88% of tangible exports, almost all of which are to the EU. Greenland enjoys full access to the EU market for fishery products as a result of its status as an OCT.

The EU has a complex and multi-dimensional relationship with Greenland. This is governed by the Fisheries Partnership Agreement (FPA) under the Common Fisheries Policy (CFP), the EU Greenland Partnership Agreement 2007-2013 (which has delivered significant financial support to the Greenland education system), and the Overseas Association Decision, which has established terms of trade between the EU and the OCTs. Until now, there has been a substantial level of coherence between these EU policies. However, all of these policies are subject to review pending renewal in the near future, and there will be a need to ensure that the new Protocol under the EU Greenland FPA remains coherent with the new approaches.

The current EU-Greenland FPA applies from 1st January 2007 (Council Regulation (EC) No 753/2007). The first Protocol entered into force on the same date for a period of six years (1st January 2007 – 31st December 2012). The protocol foresees fishing opportunities for cod, redfish, Greenland halibut, Atlantic halibut, shrimp, capelin and snow-crab.

The current Protocol to the FPA will expire on 31 December 2012. The new protocol will cover a period of three years starting from the adoption of the Council decision on the Protocol's signing and provisional application. The new protocol basically consists in a continuation of the previous terms of the protocol, with some changes in fishing opportunities and the addition of a suspension clause in case that fundamental human rights or democratic principles are violated.

The financial contribution of the EU provided for in the new Protocol is disclosed as follows:

- (a) an annual amount for the access to the Greenlandic exclusive economic zone (EEZ) of 15.104.203 EUR.
- (b) a specific amount of 2.743.041 EUR per year for the support and implementation of Greenlandic sectoral fisheries policy with a view to securing continued responsible fishing, to be managed in the light of objectives identified by mutual agreement within the frame of the joint committee.

The amount for the access to the Greenlandic EEZ will increase as compared to the amount provided for in the expiring protocol, allegedly due to increased market prices for the species

covered by the agreement. However, the contribution to the sectoral fisheries policy of Greenland will decrease by 16% in nominal terms.

The FPA has been, and remains, a highly relevant instrument for both parties. It has been effective in providing fishing opportunities of interest and utility for certain segments of the EU fishing fleet. However, this effectiveness has sometimes been limited by the non availability on several occasions of sufficient fishery resources.

According to the ex-post evaluation of the expiring protocol, the FPA has delivered net value added benefits to the EU with a cost benefit ratio of 1.3 (i.e. returning EUR 1.30 for every EUR 1.00 invested). It has accounted for approximately 330 full time jobs at sea, suggesting that a total of around 500 EU jobs are dependent on fishing in Greenland under the FPA.

For Greenland, the FPA has been an effective measure to generate income from several fishery resources which it may not otherwise have been able to exploit. The FPA generated on average EUR 15.8 million per year in financial contributions. This income accounted for 70% of the budgetary income generated by the Greenlandic fishing sector and 1.3% of the State budget in 2010.

According to the ex-post evaluation, about half of the FPA-linked financial contribution has been spent on fisheries research to improve the sustainability of the Greenland fisheries sector. However, it has failed with regard to structural adjustment of coastal fisheries, and it is not always clear that the budgetary support has been used for investment, rather than current, expenditure. The ex-post evaluation also claims that the FPA has not been effective in delivering any significant additional economic benefits to Greenland (such as joint ventures, employment on board, or landings into processing).

Finally, the ex-post evaluation shows concern on the sustainability of three of the ten fishing opportunities specified in the Protocol to the FPA due to expire.

The ex-post evaluation considers that in general the FPA is coherent with EU development, trade and policies, which together deliver a range of benefits to the Government of Greenland. Except for the lack of sustainability of three key stocks, it is broadly coherent with the CFP.

Overall, the ex-post evaluation concludes that the FPA has been of immense mutual benefit to the parties, and therefore recommends the renewal of the protocol. This is also de view of your rapporteur, who therefore recommends to consent to the renewed protocol in the interest of both parties. The renewal of the protocol for a period of just three years will allow it to be subsequently adjusted to ensure full coherence with any renewal of the OCTs Association Decision and the Greenland Partnership Agreement, both due in 2013. This will also allow for new measures within the reformed CFP to be reflected in the design of a new FPA and Protocol with Greenland.

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The Committee on Development calls on the Committee on Fisheries, as the committee responsible, to propose that Parliament give its consent.

The Committee on Development considers that the Commission should duly take into account

the following points during the implementation of the Agreement:

- (a) sustainable fishing practices, in particular for cod, Greenland halibut in Eastern Greenland, and redfish, should be promoted;
- (b) annual reports on the implementation of the Agreement - and in particular of the multiannual sectoral programme provided for in Article 3(2) of the Protocol - should be drawn up and sent to the Parliament and the Council and made publicly available, in order to promote transparency and to make certain that the budget supporting the sectoral fisheries policy is used in the most effective way and to ensure policy coherence for development;
- (c) practical steps should be taken to increase the number of calls by EU vessels at Greenlandic ports, thus increasing local employment and business opportunities.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	9.10.2012
<b>Result of final vote</b>	+: 21 -: 0 0: 3
<b>Members present for the final vote</b>	Thijs Berman, Ricardo Cortés Lastra, Corina Crețu, Leonidas Donskis, Catherine Grèze, Eva Joly, Filip Kaczmarek, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Jean Roatta, Michèle Striffler, Alf Svensson, Keith Taylor, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi
<b>Substitute(s) present for the final vote</b>	Edvard Kožušník, Cristian Dan Preda, Patrizia Toia