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For a comprehensive EU fishery strategy in the Pacific region
(2012/2235(INI))

Committee on Fisheries

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

For a comprehensive EU fishery strategy in the Pacific region

(2012/2235(INI))

The European Parliament,

- having regard to the Treaty on the Functioning of the European Union (TFEU),
- having regard to the United Nations Convention on the Law of the Sea of 10 December 1982,
- having regard to the 1995 Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the conservation and management of straddling fish stocks and highly migratory fish stocks,
- having regard to Council Regulation (EC) No 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing (IUU fishing)¹,
- having regard to the Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘Towards a renewed EU-Pacific development partnership’²,
- having regard to the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, to which the EU has been a contracting party since 25 January 2005 by virtue of Council Decision 2005/75/EC³,
- having regard to Council Decision 2006/539/EC of 22 May 2006 on the conclusion, on behalf of the European Community, of the Convention for the Strengthening of the Inter-American Tropical Tuna Commission (IATTC) established by the 1949 Convention between the United States of America and the Republic of Costa Rica⁴,
- having regard to the Convention on the Conservation and Management of High Seas Fisheries Resources in the South Pacific Ocean⁵, approved on behalf of the European Union by virtue of Council Decision 2012/130/EU⁶, and creating the South Pacific Regional Fisheries Management Organisation (SPRFMO),
- having regard to the Council Decision 2011/144/EU of 15 February 2011 on the conclusion of the Interim Partnership Agreement between the European Community, of

¹ OJ L 286, 29.10.2008, p.1.

² JOIN (2012)6 final.

³ OJ L 32, 04.02.05, p.1.

⁴ OJ L 224, 16.8.2006, p. 22-23

⁵ OJ L 67, 6.3.2012, p. 3-28

⁶ OJ L 67, 06.03.12, p. 1-2.

the one part, and the Pacific States, of the other part¹,

- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific (ACP) Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000² (the Cotonou Agreement),
 - having regard to Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund³,
 - having regard to the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia⁴,
 - having regard to the Fisheries Partnership Agreement between the European Community, on the one hand, and the Republic of Kiribati, on the other⁵,
 - having regard to the Fisheries Partnership Agreement between the EU and Solomon Islands⁶,
 - having regard to the Commission Decision of 15 November 2012 on notifying the third countries that the Commission considers as possible of being identified as non-cooperating third countries pursuant to Council Regulation (EC) No 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing,⁷
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Fisheries and the opinion of the Committee on Development (A7-0000/2013),
- A) whereas the EU's presence in the Western and Central Pacific hinges around fisheries, development and trade policies and these should be incorporated into the forthcoming renewal of the Cotonou Agreement, or in the instruments successive to that Agreement;
- B. whereas the EU is the second leading donor in this region after Australia, channelling its assistance through the European Development Fund (EDF), and whereas despite fisheries resources being the main source of wealth of the Pacific ACP countries and the only resource common to them all, and although the countries of the Western and Central Pacific have repeatedly expressed their intention to make tuna fishing the driver for the social and economic development of the region, only 2.3 % of assistance under the 10th EDF is devoted to fisheries-related activities;

¹ OJ L 060, 05.03.2011, pp. 2-2

² (2000/483/EC) OJ L 317, 15.12.2000, p. 3-353

³ OJ L 78, 19.03.08, p. 1-34.

⁴ OJ L 151 of 6.6.2006.

⁵ OJ L 205, 07.08.07, p.3-7.

⁶ OJ L 190, 22.07.10, p.3-26.

⁷ OJ C 354, 17.11.2012, pp. 1-47.

- C. whereas, in the current negotiations on the Economic Partnership Agreement (EPA) between the EU and the ACP aimed at adapting the generalised system of preferences arising from the Cotonou Agreement to WTO rules, fisheries products have a crucial role both in terms of access to European markets and as regards access to resources and good fisheries governance, with the aim of achieving sustainable development;
- D. whereas it is in the EU's interest to develop relations with the Pacific region and to cooperate to achieve the goal of development, taking as a basis the conservation of fishery resources, the promotion of sustainable fisheries development and the fostering of transparent fisheries management;
- E. whereas around half the tuna caught in the world are taken in the waters of the Western and Central Pacific, 80% of which are in the Exclusive Economic Zones (EEZs) of island states and only 20% in international waters;
- F. whereas surveys of target species and significant by-catch species in the Western and Central Pacific indicate over-fishing of the big-eye tuna (*Thunnus obesus*);
- G. whereas despite slightly improved fisheries supervision, vigilance and monitoring in the Pacific, the sustainability of the region's resources is being threatened by a major rise in the number of purse-seiners – mainly from Asia and the island states, the increase in the fishing effort and illegal fishing;
- H. whereas the Pacific has a tradition of regional agencies and structures for the management of tuna fisheries, such as the Pacific Islands Forum Fisheries Agency (FFA) and the Sub-regional body Parties to the Nauru Agreement (PNA);
- I. whereas the United States signed a multilateral agreement with the Pacific States in 1988, and that Agreement, which is currently being renegotiated, guarantees access to around 20% of the fishing days in the region;
- J. whereas the vessel day scheme (VDS), which is the system via which the PNA allocate fishing effort in their EEZs, is lacking in transparency, and maximisation of the financial profits obtained through that allocation takes precedence over the conservation of resources;
- K. whereas the access costs for long-distance fleets are expected to continue to increase significantly in coming years, given that these are an important source of income for countries in the area and whereas, the cost of a fishing day decided at the annual meeting of the PNA was set at a minimum USD 6 000 for 2014;
- L. whereas the fisheries partnership agreements signed by the EU, including those with the countries of the Pacific Region, have traditionally been based on the criterion of reference tonnage, and this has led to disparities owing to the introduction of the VDS by the PNA and their desire to apply the VDS to partnership agreements with the EU;
- M. whereas, in its relations with third countries, the EU sets cooperation and compliance in

the field of IUU fishing as a pre-requisite for the conclusion of fisheries partnership agreements, and whereas Article 38(9) of Regulation (EC) No 1005/2008 on the combating of IUU fishing states that the Commission shall not enter into negotiations to conclude such partnership agreements with countries that do not cooperate in this respect;

- N. whereas the Commission, in its Decision of 15 November 2012, issued notification of Fiji and Vanuatu, *inter alia*, possibly being non-cooperating countries under the IUU Regulation, owing both to their lack of action against IUU vessels flagged in those countries and to their not having implemented the recommendations made by regional fisheries organisations;
- O. whereas historically the fishing operations of Europe's purse-seiner fleet have mainly been conducted in the Central Pacific, both in international waters and in the EEZ of Kiribati, and in those of Tuvalu, Tokelau and Nauru, on the basis of private-sector agreements;
- P. whereas, however, besides the Fisheries Partnership Agreement with Kiribati, the EU has also negotiated such agreements with countries of the Western Pacific, but these have not entered into effect, as the Agreement with the Federated States of Micronesia was not ratified by that country's parliament and the negotiations to renew the Agreement with the Solomon Islands have been at a standstill since 2012;
- Q. whereas the Commission has completed prior assessments with the Cook Islands and Tuvalu with a view to launching negotiations on fisheries agreements with those countries, and whereas the corresponding memoranda of understanding have been signed as a prerequisite for requesting negotiating mandates from the Council;
- R. whereas the European External Action Service has to date lacked fisheries staff in its delegation in Fiji;

OVERALL STRATEGY

1. Urges the Commission to ensure the coordination of all the Community policies affecting the Pacific region, and specifically those on fisheries, trade and development, and to enhance potential synergies with a view to achieving a multiplier effect that maximises the benefits both for the states of the Pacific region and for the EU countries, while also raising the profile of the EU in the Western and Central Pacific;
2. Believes that within the framework of future, post-Cotonou relations with the Pacific ACP countries, the fisheries strategy should have a regional focus that bolsters the position and the role of the EU in the Western and Central Pacific region;
3. Calls on the Commission to see that the 11th EDF takes this strategy into account and also reflects the possibility of increasing the percentage of sector-specific assistance for fishery infrastructure for the ACP-Pacific region, since fishing is one of the region's main economic resources;
4. Welcomes the recent addition to the EU Delegation in Fiji of staff specifically responsible

for fisheries matters, and hopes that this will help establish a permanent specialist link in the field of fisheries with the countries of the region;

FISHERIES STRATEGY

A. Short term:

5. Highlights the importance of establishing a fisheries strategy for the Western and Central Pacific given the relevance of this region from a fisheries standpoint and its value to the Community's fleet and its fish processing industry and of providing legal certainty for the vessels operating there;
6. Notes that the EU strategy for accessing resources in the EEZs of the countries in the region by way of fisheries cooperation agreements has not worked properly except in the case of Kiribati, and considers that a new framework for relations is needed in order to revitalise those agreements;
7. Considers that part of the problem is that the EU has held unsuccessful negotiations on agreements with the countries of the Western Pacific, which is where the EEZs of the Solomon Islands and the Federated States of Micronesia are located, rather than directing its efforts towards the Central Pacific, where the Community's purse-seiner fleet has traditionally centred its operations;
8. Welcomes warmly the fact that the Commission has completed prior assessments with the Cook Islands and Tuvalu with a view to launching negotiations on fisheries partnership agreements and that the corresponding memoranda of understanding have been signed as a prerequisite for requesting negotiating mandates from the Council;
9. Considers this new negotiating approach to be more in line with the regional focus repeatedly called for by the EP, especially with reference to highly migratory species fisheries;
10. Expresses its concern at the existence of IUU fishing in the area, and while acknowledging that there have been some improvements in fisheries governance considers that insufficient progress has been made, especially as regards the introduction of basic tools to combat IUU fishing;
11. Calls on the Commission not to grant any further derogation on rules of origin in the EPA negotiations with the Pacific ACP countries, without the granting of reciprocal benefits to the EU fishing industry, such as access to fisheries resources in those countries' EEZs;

B. Medium-to-long term:

12. Calls on the Commission to provide for the establishing of a longer-term strategy on access for the EU fleet to the EEZs of the countries of the region, perhaps based on a regional framework agreement between the EU and the countries of the Western and Central Pacific, negotiated with the Forum Fisheries Agency (FFA) and centring on the following aspects:

- a) The agreement should outline the arrangements for access for the EU fleet, which would then be given concrete form in bilateral fisheries cooperation agreements with the countries concerned;
 - b) The agreement should establish a system of transparent governance which would in particular ensure the combating of IUU fishing and specify the tools that should be used;
 - c) The agreement should be based on the VDS, as an alternative to the current system, provided that measures are adopted to ensure the transparency of the VDS, its implementation by all the parties concerned and its compliance with the best available scientific advice;
 - d) The negotiation of the agreement should explore ways of channelling EDF development assistance for the region through the FFA, since the Pacific ACP countries do not have the human and technical resources to adequately utilise that funding;
13. Stresses that the final stage in this process should be exclusively regional in its focus, which is to say be a multilateral fisheries cooperation agreement with the EPA signatory countries that grants the Community fleet access to the EEZs of those countries;
14. Recommends that the Commission bear in mind this fisheries strategy for the Pacific region and the specific characteristics of the island states when it comes to the revision of the Cotonou Agreement;
15. Instructs its President to forward this report to the Council, the Commission and the European External Action Service.

EXPLANATORY STATEMENT

This report recommends that a long term-fisheries strategy be established for the Western and Central Pacific area which takes into account the need for EU policies to be coordinated in order to enhance potential synergies, achieve a multiplier effect that maximises the benefits both for the Pacific states and for the EU countries, and raise the EU's profile in that region.

The Pacific is extremely rich in fish, and is the largest fishing ground for highly migratory species, and in particular tuna, with 80% of the world's catch. This is especially the case for the Western and Central Pacific, where 49% of such fish were taken in 2010 and 52% in 2011.

There are seven regional groups of ACP countries, five of which are in Africa, one in the Caribbean and the other in the Pacific. The Pacific region consists of 15 island states: the Cook Islands, East Timor, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.

This report concentrates on the Western and Central Pacific since it is not only very rich in fisheries resources but is also a hub of IUU fishing, consists of island states most of which are ACP countries, forms part of the EU's new trade strategy based on EPAs and receives a significant share of the region's development funding through the EDF.

A future fisheries strategy should also be tied in with the future of the Cotonou Agreement. Most of the countries of the Western and Central Pacific are island states belonging to the ACP group of countries. Given the inevitable potential changes to that Agreement, this fisheries strategy should form an integral part of the EU's new approach to relations with those countries. The majority of possible models for those relations currently under discussion are regional in their focus. The EU's main objectives are to promote the social and economic development of the region via adaptation to climate change and external trade and, in turn, to promote sustainable exploitation of fisheries resources by means of transparent fisheries management.

Fisheries:

The purse-seiner fleet in the Western and Central Pacific has seen a marked increase, from 191 vessels in 2003 to 268 and 280 in 2010 and 2012 respectively, bringing with it an increase in fishing effort and in catches. These vessels are mainly from Asia and the island states. Since 1999, the EU's purse-seiner fleet in the region has only numbered four vessels, which represents around 2% of the total purse-seiner fleet operating in these waters, with their catch accounting for 7% of the total purse-seiner catch in the area.

It is important to note that there are three regional fisheries management organisations for the Pacific area:

- a) The Inter-American Tropical Tuna Commission (IATTC), which covers the Eastern Pacific from the USA to Chile. This organisation is responsible for the conservation and management of tuna fisheries, and also has responsibilities in respect of implementing the

International Dolphin Conservation Programme (IDCP). The EU has been a full member since 7 June 2006. There are 30 Community vessels operating in IATTC waters (5 purse-seiners and 25 long-liners).

- b) The Western and Central Pacific Fisheries Commission (WCPFC), whose work also concerns the conservation and management of tuna and other highly migratory species. The respective convention entered into force in 2004. The Community fleet operating under this convention consists of four purse-seiners and 14 longliners.
- c) The South Pacific Regional Fisheries Management Organisation (SPRFMO), which manages pelagic species, and primarily horse mackerel and squid, as well as certain demersal species such as black swordfish, southern hake, black butterfly and boarfish. This is the newest of the organisations, since the respective convention entered into force on 24 August 2012, with the EU being a founder member. There are eight pelagic trawlers operating in this area from the Netherlands, Germany and Lithuania, fishing for horse mackerel.

As regards the fisheries partnership agreements, the EU has signed agreements with Kiribati, the Solomon Islands and the Federated States of Micronesia. The latter has never been implemented, despite the EU having already paid the first instalment of financial compensation and the ship owners their licensing fees. The negotiations with the Solomon Islands are at a standstill, which means that the only partnership agreement in force is the one with Kiribati, and this is currently being renegotiated. As for the outlook for new agreements, DG MARE signed a memorandum of understanding with the Cook Islands in May 2012 and another with Tuvalu in June 2012. Ex-ante assessment reports have recently been published for both countries, which means that the Commission is in a position to request a mandate from the Council to negotiate future partnership agreements.

Only 20% of the waters covered by the WCPFC are international waters, making access for the Community fleet to EEZs very important. As regards catch volumes, only 5% of all catches are taken in international waters, since the majority of these have been closed to fishery.

Besides the agreement signed with Kiribati, the EU fleet has expressed its interest in concluding agreements with Tokelau, Nauru, Tuvalu and the Cook Islands, since their EEZs are adjacent to the international waters in which it fishes and these islands are closer to the processing factories in South America.

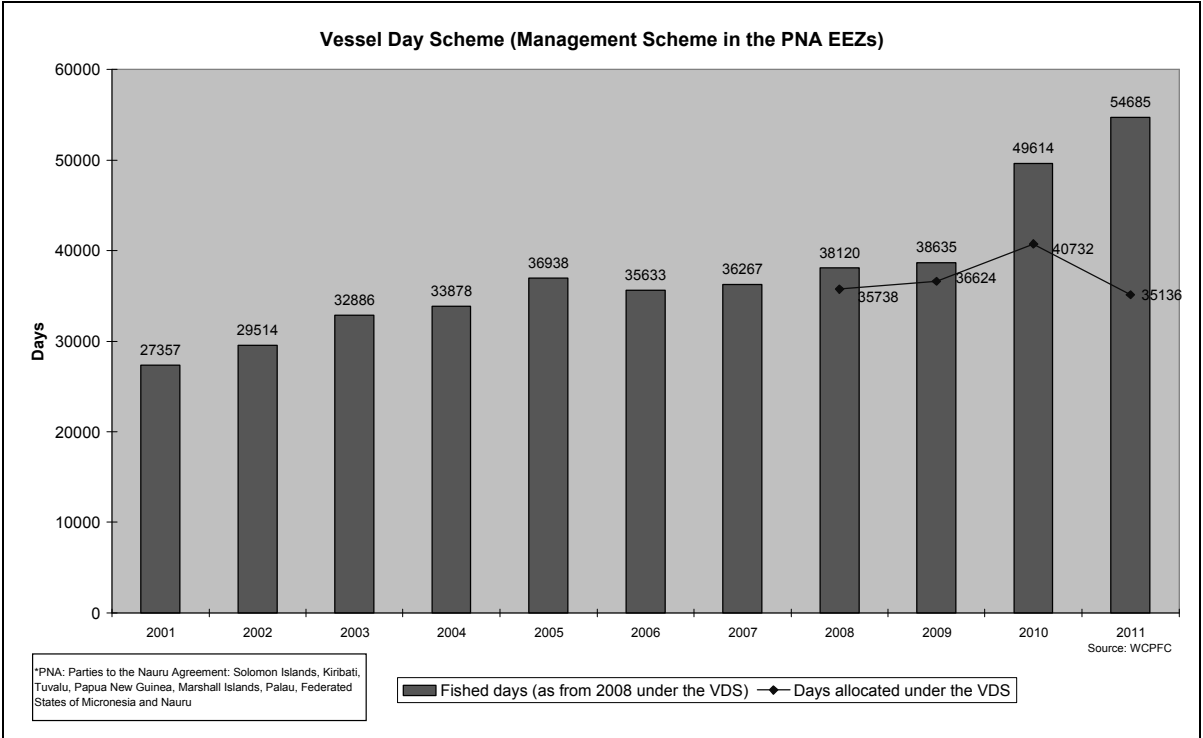
This area has a strong tradition of regional partnerships, including in the fisheries sector. The two main sub-regional organisations are the Pacific Islands Forum, and its dependent body the Forum Fisheries Agency (FFA), and the Parties to the Nauru Agreement (PNA).

The aim of the FFA is to promote sustainable tuna fishing in the Western and Central Pacific. The PNA is a sub-regional agreement between the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Palau, Papua New Guinea, the Solomon Islands and Tuvalu. Its main objective is the management of tuna resources in the EEZs of those islands.

A precedent for a regional agreement exists in the form of the multilateral agreement between the countries of the area and the USA, which was been operative since 1988. That agreement was signed with the FFA and renewed in 2003 for the period 2003-2013. It permits 55 purse-seiners to fish in the area for financial compensation of USD 14 million each year, to which one has to add the further 4 million paid by ship owners. The agreement is currently being renegotiated and should allow for 40 to 45 purse-seiners to operate for 8 000 fishing days at a cost of around USD 60 million.

The VDS is the instrument which the PNA countries use to manage the fishing effort. It consists of a system of allocation of fishing days in the EEZs of those countries at a minimum price of USD 6 000 per vessel per fishing day. This system entered into force in December 2007. The aim of the agreement is to maximise the financial return on fisheries for these island states. It is also intended to restrict and reduce tuna catch volumes and ensure compliance with the WCPFC recommendations on reducing the fishing effort for the purse-seiner fleet. Since the scheme’s objectives – such as a 30% reduction in the fishing effort – have not been achieved, the WCPFC has had to reformulate its conservation and management measures.

The system suffers from a lack of transparency and poor results in terms of meeting objectives, with reductions always being significantly overshoot. According to WCPFC statistics, in 35 738 fishing days were to have been allocated in 2008, but this became 38 120 days, while in 2010 the target was 40 732 fishing days and 49 614 (22% more) were allocated. For 2011, 54 685 fishing days were allocated rather than the target of 35 136 days, meaning that this target was overshoot by 56 %.



Trade:

World tuna catch volumes are stable at around 4.2 million tonnes, with no significant increase expected in this figure. 80% of all tuna is consumed as tinned tuna. Only 8% of world tinned tuna production takes place in the EU. In other words, 92% of tinned tuna is produced in third countries, most of which are developing countries. Bearing in mind that the market for tuna is highly sensitive to price variations on the World market, any concessions to third countries is liable to have a major impact on other countries which already enjoy tariff concessions.

DG TRADE has negotiated an Interim Partnership Agreement (IPA) with Papua New Guinea and Fiji which takes a new approach to trade relations between the ACP countries and the EU, with the aim of adjusting the scheme of tariff preferences under the Cotonou Agreement to WTO guidelines. The IPA came into provisional effect in December 2009. The EP ratified the agreement in January 2011, and the Council in February 2011. The Papua New Guinea Parliament ratified the IPA in May 2011, while Fiji has yet to implement it.

The EU is using tariff preferences as a means of promoting the economic development of third countries. In general, in order to enjoy this type of preferential tariff treatment, the products concerned must originate in the beneficiary country, under the rules of origin.

Article 1 of the IPA sets as its objectives enhanced market access, the promotion of sustainable development and the establishing of a free trade area. Under the Agreement, the EU grants a derogation from the rules of origin for tinned tuna and tuna steaks. That derogation has been granted without taking into account its potential impact not only on the European processing industry but also, more importantly, on that in third countries, including the ACP countries. This has already been emphasised by the Committee on Fisheries in its opinion on the Proposal for a Council Decision concerning the Conclusion of an Interim Partnership Agreement between the European Community and the Pacific States¹.

DG TRADE is currently negotiating an Economic Partnership Agreement with the Pacific ACP countries that will replace the Interim Agreement. The aim is for the EPA to cover all the ACP countries in the region, and for it also to extend to trade in services. The fisheries chapter has been one of the most hotly-debated chapters. The ACP countries are demanding a derogation from the rules of origin for all fisheries products, including fresh and frozen fish. The EU, for its part, has called for good fisheries governance to be included in the agreement to ensure the sustainable fisheries development and access to resources for the Community fleet.

It seems paradoxical for such disproportionate importance to be awarded to fisheries since, in the short term, only Papua New Guinea could benefit from derogations from the rules of origin on account of the difficulty of exporting to the EU owing to distance, the absence of any economies of scale and high production costs arising, inter alia, from high electricity costs. All this limits its competitiveness in comparison to other major players in the tinned products sector such as Thailand. If the EU were to enter into a free trade agreement with that country that included tinned tuna in a zero-rate tariff scheme, this would put paid to the possibility of any expansion in the tinned products sectors of the Pacific island states.

¹ A7-0365/2010.

One of the possible explanations for this paradoxical interest in including fisheries in the EPA is that this could provide a means of bypassing Council Regulation (EC) No 1005/2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, especially since the Commission has issued notification of certain countries such as Vanuatu and Fiji possibly being identified as non-cooperating countries under that Regulation. This procedure is still in progress. Were these countries indeed to be identified as non-cooperating countries, they would be prohibited from exporting to the EU. Other countries in the area are also under investigation, which gives some idea of the problems created by the lack of transparent and sustainable fisheries management in the region.

In order to avert the risks inherent in the extension of the derogation on rules of origin, guarantees need to be obtained that IUU fisheries products would not be able to benefit from that derogation, that measures to combat IUU fishing would be stepped up and that the VDS arrangements would be improved, so that sustainable fishing took precedence over financial profits. Access to the resources of the EEZs of those countries must also be secured, as a counterparty to the granting of a derogation, as a form of compensating the EU fishing industry.

Development policy

During the period 2006-2011, the EU was the second largest donor of development assistance in the Western and Central Pacific region, behind Australia.

The countries of the Pacific have received approximately EUR 745 million under the 10th EDF (2008-2013), including EUR 74 million for overseas countries and territories. Of that amount, only EUR 17.2 million (a little under 2% of overall funding) was for support for fisheries.

That EUR 17.2 million have been used for regional fisheries projects – EUR 8.2 million for DEVFISH II (Development of sustainable tuna fisheries) and EUR 9 million for SCICOFish, for scientific support for the management of coastal and ocean fisheries.

The percentage of development assistance earmarked for fisheries is very low in comparison to the overall assistance granted to the region. Almost all the assistance is granted regionally and coordinated by the Secretariat for the Pacific Community (SPC), which is the scientific services provider for the WCPFC, and the FFA, and is targeted at the assessment of tuna stocks, the training of observers, and improved fishing vigilance. However, no assistance has been provided nationally or locally for modernising or creating new fishing infrastructure, of which there is a chronic shortage in the area.