



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION

on the conclusion of the Protocol defining for the period 1 January 2004 to 31 December 2006 the tuna fishing opportunities and the financial contribution provided for in the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar

{SEC(2004)370}

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Protocol to the Fisheries Agreement between the EC and the Democratic Republic of Madagascar expires on 21 May 2004. A new Protocol defining the technical and financial conditions governing the fishing activities of EC vessels in the waters of Madagascar during the period 1 January 2004 to 31 December 2006 was initialled by both parties on 8 September 2003.

The new Protocol grants fishing opportunities for 40 tuna seiners and 40 surface longliners.

The financial contribution is fixed at €825 000 per year, covering an annual catch of 11 000 tonnes of tuna in Malagasy waters. A large portion of this amount (€505 000 per year) is earmarked for targeted measures, such as scientific and training programmes, support for an inspection and surveillance system, assistance with the development of traditional fisheries, etc.

While it is in keeping with the tuna agreements concluded by the Community with certain Indian Ocean countries, this new Protocol reinforces the concept of responsible, sustainable fisheries and makes it possible to promote a partnership focussing on compliance with the laws and regulations in force under Madagascar's fisheries policy. New provisions have been introduced to this end: (i) the exclusivity clause, which prohibits the existence of private licences or other private arrangements outside the scope of the Agreement, (ii) a detailed programme for the targeted measures, including a schedule and the objectives to be achieved, (iii) VMS requirements to reinforce checks on vessels operating in Malagasy waters, including the transmission of hourly reports giving their course and speed, (iv) the social clause applicable to local seamen signed on by Community vessels, (v) a section on the penalties imposed for infringements of the Protocol and the Annex thereto, and (vi) a section on safeguarding the marine environment and protected species.

On this basis, the Commission proposes that the Council adopt by Regulation the Protocol defining for the period 1 January 2004 to 31 December 2006 the fishing opportunities and the related technical and financial conditions agreed between the EC and Madagascar.

A proposal for a Council Decision on the provisional application of the new Protocol pending its definitive entry into force is the subject of a separate procedure.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 in conjunction with Article 300(2) and the first subparagraph of Article 300(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Whereas:

- (1) Under the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar², the two parties conducted negotiations to determine the amendments or additions to be made to the Agreement at the end of the period of application of the Protocol thereto.
- (2) As a result of those negotiations, a new Protocol defining for the period 1 January 2004 to 31 December 2006 the fishing opportunities and the financial contribution provided for in that Agreement was initialled on 8 September 2003.
- (3) It is in the Community's interest to approve that Protocol.
- (4) The method of allocating the fishing opportunities among the Member States should be defined on the basis of the traditional allocation of fishing opportunities under the Fisheries Agreement,

HAS ADOPTED THIS REGULATION:

¹ OJ C [...], [...], p. [...].

² OJ L 73, 18.3.1986, p. 26.

Article 1

The Protocol defining for the period 1 January 2004 to 31 December 2006 the tuna fishing opportunities and the financial contribution provided for in the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Regulation.

Article 2

The fishing opportunities provided for in the Protocol shall be allocated among the Member States as follows:

- (a) tuna seiners:
 - Spain: 22 vessels
 - France: 16 vessels
 - Italy: 2 vessels
- (b) surface longliners:
 - Spain: 24 vessels
 - France: 10 vessels
 - Portugal: 6 vessels

If licence applications from these Member States do not cover all the fishing opportunities laid down by the Protocol, the Commission may take into consideration licence applications from any other Member State.

Article 3

Member States whose vessels fish under this Protocol are obliged to notify the Commission of the quantities of each stock taken in the Malagasy fishing zone in accordance with the arrangements laid down in Commission Regulation (EC) No 500/2001 of 14 March 2001³.

Article 4

The President of the Council is hereby authorised to designate the persons empowered to sign the Protocol in order to bind the Community.

³ OJ L 73, 15.3.2001, p. 8.

Article 5

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council
The President*

PROTOCOL

defining for the period 1 January 2004 to 31 December 2006 the tuna fishing opportunities and the financial contribution provided for in the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar

Article 1

1. Under Article 2 of the Agreement, licences authorising fishing in the Malagasy fishing zone shall be granted to 40 freezer tuna seiners and 40 surface longliners for a period of three years beginning on 1 January 2004.

In addition, at the request of the Community, certain permits may be granted to other categories of fishing vessel under conditions to be defined within the Joint Committee referred to in Article 9 of the Agreement.

2. Vessels flying the flag of a Member State of the European Community may fish for tuna in Madagascar's fishing zone only if they are in possession of a fishing licence issued under this Protocol in accordance with the arrangements described in the Annex.

Article 2

1. The financial contribution referred to in Article 7 of the Agreement shall be fixed at €825 000 per year (comprising €320 000 in financial compensation, to be paid not later than 30 September for the first year and 30 April for the second and third years, and €505 000 for the measures referred to in Article 3 of this Protocol).

However, the financial compensation to be paid for the first year of application of the Protocol (1 January 2004 to 31 December 2004) shall be €196 385 following deduction of the amount already paid under the preceding Protocol in respect of the period 1 January 2004 to 20 May 2004.

2. The financial contribution shall cover an annual catch of 11 000 tonnes of tuna in Malagasy waters; if the tuna caught by Community vessels in the Malagasy fishing zone exceeds this weight, the amount referred to above shall be proportionately increased. However, the total amount of the financial contribution paid by the Community shall not be more than twice the amount indicated in paragraph 1.
3. The financial compensation shall be paid into an account opened with the Public Treasury, to be specified by the Malagasy authorities.

Article 3

1. In order to guarantee the development of sustainable, responsible fisheries, the two parties shall in their mutual interest encourage a partnership aimed at promoting in particular: enhanced knowledge of fisheries resources and biological resources, fisheries inspection, development of non-industrial fishing, fishing communities and training.

2. From the financial contribution provided for in Article 2(1), the measures set out below shall be funded to the tune of €505 000 per year, broken down as follows:
 - a) €90 000 for Malagasy scientific programmes to improve knowledge of fisheries resources and ensure sustainable management thereof. At the request of the Government of Madagascar, this contribution may take the form of assistance with expenses associated with international meetings to improve such knowledge, as well as management of fisheries resources.
 - b) €267 000 towards a system of fisheries monitoring, inspection and surveillance.
 - c) €60 000 for the financing of study grants and training courses and for the training of seamen.
 - d) €68 000 for assistance with the development of traditional fisheries.
 - e) €20 000 towards the management of observers.
3. The amounts referred to in points (a), (b), (d) and (e) shall be paid to the Ministry responsible for fisheries after a detailed annual programme, including a schedule and the objectives set for each of these targeted measures, has been presented to the European Commission and no later than 30 September 2004 for the first year and 30 April for the second and third years; they shall be paid into the bank accounts of the relevant Malagasy authorities. The annual programme must reach the European Commission by 31 July 2004 for the first year and by 28 February for the following years. However, for the first year, the programme must cover only the period 21 May 2004 to 31 December 2004.

The European Commission reserves the right to request the Ministry responsible for fisheries for any additional information which may be considered necessary.
4. The amounts referred to at (c) shall be disbursed to the Ministry responsible for fisheries and paid, as the funds are used, into the bank accounts indicated by it.
5. The relevant Malagasy authorities shall send the European Commission an annual report on the use of the funds allocated to the measures provided for in paragraph 2 above, and on the implementation of those measures and the results achieved, not later than 31 March of the following year. The European Commission reserves the right to request the Ministry responsible for fisheries for any additional information. In the light of the actual implementation of those measures and after consulting the relevant Malagasy authorities in the context of a meeting of the Joint Committee provided for in Article 9 of the Agreement, the European Commission may review the payments concerned.

Article 4

Should the European Community fail to make the payments provided for in Articles 2 and 3, Madagascar may suspend the application of this Protocol.

Article 5

If serious circumstances, with the exception of natural phenomena, prevent the exercise of fishing activities in Madagascar's fishing zone, payment of the financial contribution may be suspended by the European Community following prior consultations between the two parties.

Payment of the financial contribution shall be resumed as soon as normality is restored and after consultations between the two parties confirm that the situation is likely to permit a return to fishing activities.

The validity of the licences granted to Community vessels under Article 4 of the Agreement shall be extended by a period equal to the period during which fishing activities were suspended.

Article 6

The Annex to the Agreement between the European Economic Community and the Democratic Republic of Madagascar on fishing off Madagascar is hereby repealed and replaced by the Annex to this Protocol.

Article 7

This Protocol shall enter into force on the date of its signing.

It shall apply from 1 January 2004.

ANNEX

CONDITIONS GOVERNING TUNA-FISHING ACTIVITIES BY EUROPEAN COMMUNITY VESSELS IN THE MALAGASY FISHING ZONE

1. LICENCE APPLICATION AND ISSUING FORMALITIES

The procedure for applying for and issuing licences authorising European Community vessels to fish in Malagasy waters shall be as follows:

(a) Through its representative in Madagascar, the European Commission shall present simultaneously to the Malagasy authorities:

- a licence application for each vessel, completed by owners wishing to fish under this Agreement, no later than 1 December preceding the year of validity of the licence.

By way of derogation from the above provision, vessel-owners who have not submitted a licence application prior to 1 December may do so during the calendar year under way no later than 30 days before the start of the fishing activities. In such cases, vessel owners shall pay the entire fees due for the full year in accordance with point 2(b).

- an annual application for prior authorisation to enter Malagasy territorial waters; such authorisation shall be valid for the duration of the licence.

Licence applications must be made on the form provided by Madagascar for this purpose, in accordance with the specimen given in Appendix 1; they shall be accompanied by proof of payment of the advance chargeable to the vessel-owner.

(b) Licences shall be issued for a specific vessel and shall not be transferable.

However, at the request of the European Commission and in cases of *force majeure*, a vessel's licence shall be replaced by a new licence for another vessel whose features are similar to those of the vessel to be replaced. The owner of the vessel being replaced shall return the cancelled licence to the Malagasy Ministry responsible for sea fisheries via the European Commission Delegation in Madagascar.

The new licence shall indicate:

- the date of issue,
- the fact that it invalidates and replaces the licence of the previous vessel.

No fee as laid down in Article 5 of the Agreement shall be due for the unexpired period of validity.

(c) The Malagasy authorities shall send the licence to the European Commission representative in Madagascar.

- (d) Licences shall be kept on board at all times; however, on receipt of the advance payment notification sent by the European Commission to the Malagasy authorities, vessels shall be entered on a list of vessels authorised to fish, which shall be sent to the Malagasy authorities responsible for fisheries inspection. A copy of the said licence may be obtained by fax pending arrival of the licence itself; that copy shall be kept on board.
- (e) Owners of tuna vessels shall be represented by an agent in Madagascar.
- (f) Before the Protocol enters into force, the Malagasy authorities shall send the European Commission Delegation in Madagascar full details of the bank accounts to be used for the payment of fees and advances.

2. VALIDITY OF LICENCES AND PAYMENT OF FEES

- (a) Notwithstanding Article 4(4) of the Agreement, licences shall be valid for a period of one calendar year, from 1 January to 31 December. They shall be renewable. However, for the first year of application of the Protocol (1 January 2004 to 31 December 2004), where on 1 January 2004 a vessel has a licence issued under the preceding Protocol which is due to expire on 20 May 2004, that licence shall remain valid until that date.
- (b) The fee shall be €25 per tonne caught in waters under Malagasy jurisdiction. Licences shall be issued in return for the advance payment to the Malagasy Treasury of an annual sum of €2 800 per tuna seiner, €1 750 per surface longliner of more than 150 GRT and €1 200 per surface longliner of 150 GRT or less. These advances correspond to the duties payable in respect of annual catches of 112 tonnes, 70 tonnes and 48 tonnes respectively in the Malagasy fishing zone.

However, for the first year of application of the Protocol (1 January 2004 to 31 December 2004), where on 1 January 2004 a vessel has a licence issued under the preceding Protocol which is due to expire on 20 May 2004, the advances for the unexpired period of that first year (21 May 2004 to 31 December 2004) shall be as follows:

- for tuna seiners: €1 720;
- for surface longliners of more than 150 GRT: €1 091;
- for surface longliners of 150 GRT or less: €735.

3. CATCH DECLARATION AND STATEMENT OF FEES

- (a) Vessels authorised to fish in Madagascar's fishing zone under this Agreement shall send information about their catches to Madagascar's Fisheries Surveillance Centre through the European Commission Delegation in Madagascar, in accordance with the following procedure:

Tuna seiners and surface longliners shall complete a fishing form corresponding to the specimen given in Appendix 2 for each period spent fishing in Madagascar's fishing zone. The forms shall be sent to the relevant authorities referred to above no later than 31 March of the year following the year for which the licences were valid.

Forms must be completed legibly and be signed by the skipper of the vessel. In addition, they must be completed by all vessels which have obtained a licence, even if they have not fished.

- (b) The statement of the fees due for the past calendar year shall be drawn up by the European Commission by 30 June of the year following the year for which the licences were valid, after deducting the advances and fees indicated in point 2(b) above. This statement of fees shall be drawn up using the catch statement based on the catch declarations made by each vessel-owner. The catch statement must be confirmed by the scientific institutes responsible for checking catch data in the Member States of the European Community, such as the Institut de Recherche pour le Développement (IRD), the Institut Français de Recherche et d'Exploitation de la Mer (IFREMER), the Instituto Español de Oceanografía (IEO), the Instituto Português de Investigação Marítima (IPIMAR) and the relevant Malagasy institute, the Antsiranana Tuna Statistical Unit (USTA).

The statement of fees drawn up by the European Commission shall be forwarded to Madagascar's Fisheries Surveillance Centre for confirmation. The Surveillance Centre shall have 30 days to notify any reaction.

After that time, the statement of fees shall be forwarded to the vessel-owners.

In the event of a dispute, the parties shall hold consultations within the Joint Committee provided for in Article 9 of the Agreement to establish the final statement of fees, which shall then be sent to the vessel-owners.

Vessel-owners shall make any additional payments to the Malagasy fisheries authorities within 30 days of notification of the final statement of fees.

Where the statement of fees is lower than the advance referred to in 2(b) above, the resulting balance shall not be reimbursed to the vessel-owner.

4. COMMUNICATIONS

Skippers shall notify Madagascar's Fisheries Surveillance Centre, at least three hours in advance, by radio (dual frequency 8755 Tx 8231 Rx USB), by fax (261 - 20 - 22 49014) or by e-mail (csp-mprh@dts.mg) with confirmation, of their intention to bring their vessel into or take it out of Madagascar's fishing zone.

When giving notification of their intention to enter the fishing zone, they shall also report the estimated quantities of catches on board, even when no catches have been made.

Finally, when notifying their intention to leave, they shall report on the estimated catches taken during the time they spent in the Malagasy fishing zone.

Radio transmissions shall be made during the working hours and days applicable in Madagascar.

These requirements shall also apply to Community fishing vessels intending to unload at any Malagasy port.

5. OBSERVERS

At the request of the Ministry responsible for fisheries, tuna seiners and surface longliners shall take an observer on board, who shall be treated as an officer. The time spent on board by observers shall be fixed by the Ministry responsible for fisheries, but, as a general rule, it should not exceed the time required to carry out their duties. The observers' specific activities are set out in Appendix 3.

The conditions governing their embarkation shall be defined by the Ministry responsible for fisheries, represented by Madagascar's Fisheries Surveillance Centre.

Vessel-owners or their agents shall inform Madagascar's Fisheries Surveillance Centre at least two days in advance of their vessel's arrival in a Malagasy port with a view to taking the observer on board.

Vessel-owners shall, via their agents, make a payment of €20 to the Malagasy Government (Madagascar's Fisheries Surveillance Centre) for each day spent by each observer on board a tuna seiner or surface longliner.

The cost of approaching the Malagasy port of embarkation shall be borne by the Malagasy Government. The cost of taking observers on board and putting them ashore outside Madagascar shall be borne by the vessel-owners. Observers may be taken on board up to 30% of the Community vessels operating in Madagascar's fishing zone. The time spent by observers on board shall depend on the length of the trip in that zone. If a Community vessel fails to go to a Malagasy port to take an observer on board, embarkation shall be carried out using a patrol vessel of Madagascar's Fisheries Surveillance Centre.

The spot where the observer is to be transferred and the associated approach costs shall be agreed with Madagascar's Fisheries Surveillance Centre, the costs being borne by the vessel-owner.

Transfer of the observer on to another vessel at sea shall be agreed between the skipper of the vessel and the Madagascar Fisheries Surveillance Centre.

If the observer is not present at the time and place agreed and during the 12 hours following the time agreed, vessel-owners shall be automatically absolved of their obligation to take the observer on board. If the vessel is delayed in getting under way, the vessel-owner shall bear the observer's board and lodging costs until the time of actual embarkation.

6. SIGNING-ON OF SEAMEN

- (a) At least forty Malagasy seamen shall be employed by the fleet of tuna seiners and surface longliners for the duration of the fishing season in the Malagasy fishing zone. The wages of the seamen employed shall be agreed between the vessel-owners' agents and the seamen concerned. The wages must cover social security benefits.

The employment contracts of those seamen shall be concluded between the agents and the seamen concerned.

A detailed list of the Malagasy seamen signed on (with their names, period of employment, wages, etc.) shall reach the Ministry responsible for fisheries no later than 31 January of the year following that for which the licence was valid.

If the fleet of tuna seiners and surface longliners is unable to employ a total of forty seamen, vessel-owners who have not signed on seamen shall be obliged to pay compensation for the seamen not employed; the amount of the compensation, which shall be payable for the duration of the fishing season in the Malagasy fishing zone, shall be set by the Joint Committee provided for in Article 9 of the Agreement. That sum shall be used to train Malagasy fishermen and shall be paid into an account whose number shall be notified to the agents, with a copy being sent to the European Commission Delegation in Madagascar.

- (b) The ILO Declaration on Fundamental Principles and Rights at Work shall apply as of right to seamen signed on by EU vessels. This concerns in particular the freedom of association and the effective recognition of the right to collective bargaining, and the elimination of discrimination in respect of employment and occupation.

Local seamen's employment contracts, a copy of which shall be given to the signatories, shall be drawn up between the vessel-owners' representative(s) and the seamen and/or their trade unions or their representatives in consultation with the responsible local authorities. These contracts shall guarantee the seamen the social security cover applicable to them, including life assurance and sickness and accident insurance. The wage conditions granted to local seamen/fishermen shall not be lower than those applied to Malagasy crews and shall under no circumstances be below ILO standards.

Where the employer is a local company, the employment contract shall specify the name of the vessel-owner and the name of the flag State.

Furthermore, vessel-owners shall guarantee local seamen who are recruited living and working conditions similar to those enjoyed by the EU seamen.

7. FISHING ZONES

Community vessels shall have access to all waters under Madagascar's jurisdiction beyond twelve nautical miles from the coastline.

Should the Ministry responsible for fisheries decide to install experimental fish concentration devices, it shall inform the European Commission and the agents of the vessel-owners concerned, indicating the geographical position of the devices.

From the thirtieth day after such notification, it shall be forbidden to go within 1.5 nautical miles of those devices. The dismantling of any experimental devices must be reported to the same parties immediately.

8. INSPECTION AND SURVEILLANCE OF FISHING ACTIVITIES

Vessels holding a licence shall allow on board any officials duly authorised by the Republic of Madagascar to inspect and monitor fishing activities and shall assist them in the accomplishment of their duties.

9. SATELLITE MONITORING

Since the Republic of Madagascar has introduced a Vessel Monitoring System (VMS) for its own fleet and intends to extend this system on a non-discriminatory basis to all vessels fishing in its fisheries zone, and Community vessels have been subject to satellite monitoring wherever they operate under Community legislation since 1 January 2000, it is recommended that the national authorities of the flag States and of the Republic of Madagascar should monitor by satellite as follows vessels fishing under the Agreement:

- 1) For the purposes of satellite monitoring, the Malagasy authorities have communicated to the Community the coordinates (latitudes and longitudes) of Madagascar's fishing zone (Table I). The map relating to the table of coordinates is attached in Appendix 4.

The Malagasy authorities shall transmit this information in electronic form, expressed in decimal degrees, to the WGS-84 *datum* system.

- 2) The parties shall exchange information on X.25 addresses and the specifications for electronic communications between their Control Centres in accordance with the conditions laid down in points 4 and 6. Such information shall include the following wherever possible: names, telephone, telex and fax numbers, and e-mail addresses (Internet or X.400) which may be used for general communications between Control Centres.
- 3) The position of vessels shall be determined with a margin of error of less than 500 metres and a confidence interval of 99%.

- 4) When a vessel which is fishing under the Agreement and is the subject of satellite-based monitoring pursuant to Community legislation enters a fishing zone of the Republic of Madagascar, the subsequent position reports shall immediately be transmitted by the Control Centre of the flag State to Madagascar's Fisheries Surveillance Centre at intervals of no more than one hour (longitude, latitude, course and speed). The messages concerned shall be identified as Position Reports.
- 5) The messages specified in point 4 shall be transmitted electronically in X.25 format, without any further protocol. They shall be communicated in real time in the format set out in Table II.
- 6) Where the continuous satellite-monitoring equipment installed on board a fishing vessel develops a technical fault or breaks down, the skipper of the vessel shall transmit the information specified in point 4 to the Control Centre of the flag State in good time. In such circumstances, a global Position Report shall be sent at 6.00, 12.00 and 18.00 (Madagascar time) while the vessel is in the Malagasy fishing zone. This global position report shall include the position reports as registered by the skipper of the vessel on an hourly basis in accordance with the requirements laid down in point 4.

The Control Centre of the flag State or the fishing vessel shall send these messages immediately to the Fisheries Surveillance Centre. The defective equipment shall be repaired or replaced as soon as the vessel completes its fishing trip or within one month at the latest. After this deadline, the vessel in question may not undertake any further fishing trips until the equipment has been repaired or replaced.

- 7) The Control Centres of the flag States shall monitor the movements of their vessels in Malagasy waters at two-hourly intervals. If the vessels are not being monitored in accordance with the conditions laid down, the Fisheries Surveillance Centre shall be informed immediately and the procedure laid down in point 6 shall be applicable.
- 8) If the Fisheries Surveillance Centre establishes that the flag State is not transmitting the information specified in point 4, the other party shall be informed immediately.
- 9) The surveillance data communicated to the other party in accordance with these provisions is intended solely for the purposes of the Malagasy authorities in controlling and monitoring the Community fleet fishing under the EC/Madagascar Fisheries Agreement. Such data may not under any circumstances be communicated to other parties.
- 10) The parties agree to take all necessary steps to meet the message requirements laid down in points 4 and 6 as soon as possible, and in no case later than six months after these provisions enter into force.

- 11) The parties agree to exchange upon request information on the equipment used for satellite monitoring, in order to ensure that each piece of equipment is fully compatible with the requirements of the other party for the purposes of these provisions.
- 12) Any dispute over the interpretation or application of these provisions shall be the subject of consultation between the parties within the Joint Committee provided for in Article 9 of the Agreement.

Table I

**Coordinates (latitudes and longitudes) of the
Madagascar fishing zone**

(see also map in Appendix 4)

Ref	Coordinates in decimal degrees		Coordinates in degrees and minutes	
	X	Y	X	Y
A	49.40	-10.3	49°24' E	10°18' S
B	51	-11.8	51°0' E	11°48' S
C	53.3	-12.7	53°18' E	12°42' S
D	52.2	-16.3	52°12' E	16°18' S
E	52.8	-18.8	52°48' E	18°48' S
F	52	-20.4	52°0' E	20°24' S
G	51.8	-21.9	51°48' E	21°54' S
H	50.4	-26.2	50°24' E	26°12' S
I	48.3	-28.2	48°18' E	28°12' S
J	45.4	-28.7	45°24' E	28°42' S
K	41.9	-27.8	41°54' E	27°48' S
L	40.6	-26	40°36' E	26°0' S
M	41.8	-24.3	41°48' E	24°18' S
N	41.6	-20.8	41°36' E	20°48' S
O	41.4	-19.3	41°24' E	19°18' S
P	43.2	-17.8	43°12' E	17°48' S
Q	43.4	-16.9	43°24' E	16°54' S
R	42.55	-15.6	42°33' E	15°36' S
S	43.15	-14.35	43°9' E	14°21' S
T	45	-14.5	45°0' E	14°30' S
U	46.8	-13.4	46°48' E	13°24' S
V	48.4	-11.2	48°24' E	11°12' S

Table II

COMMUNICATION OF VMS MESSAGES TO MADAGASCAR

POSITION REPORT

Data element	Code	Mandatory/ Optional	Remarks
Start record	SR	M	System detail – indicates start of record
Recipient	AD	M	Message detail - recipient. Alpha 3 ISO country code
From	FR	M	Message detail - recipient. Alpha 3 ISO country code
Flag State	FS	O	
Type of message	TM	M	Message detail - Message type "POS"
Radio call sign	RC	M	Vessel detail - international radio call sign of vessel
Contracting party internal reference number	IR	O	Unique contracting party number as flag State ISO-3 code followed by number)
External registration number	XR	O	Vessel detail - number marked on side of vessel
Latitude	LA	M	Vessel position detail - position in degrees and minutes N/S DDMM (WGS-84)
Longitude	LO	M	Vessel position detail - position in degrees and minutes E/W DDDMM (WGS-84)
Course	CO	M	Vessel course 360° scale
Speed	SP	M	Vessel speed in tenths of knots
Date	DA	M	Vessel position detail - date of record of UTC position (YYYYMMDD)
Time	TI	M	Vessel position detail - time of record of UTC position (HHMM)
End record	ER	M	System detail - indicates end of record

Character set: ISO8859.1

Each data transmission is structured as follows:

- a double slash (//) and field code indicate the start of the message;
- a single slash (/) separates the field code and the data;

Optional data elements have to be inserted between the start and end of the record.

10. TRANSSHIPMENT

When fish are transshipped, freezer tuna seiners shall hand over the fish which they do not intend to keep to a company or body appointed by the Malagasy fisheries authorities.

11. SUPPLY OF SERVICES

Community vessel-owners operating in the Malagasy fishing zone shall practise positive discrimination in favour of Malagasy services (careening, handling, fuel-oil bunkering, consignment, etc.).

The Madagascar authorities shall define the terms for the use of port facilities together with the beneficiaries of the Agreement.

12. PENALTIES

Any breach of this Protocol or of Malagasy fisheries legislation shall be penalised in accordance with the Malagasy laws and regulations in force.

The European Commission shall be informed in writing within forty-eight hours at the latest of any penalty imposed on any Community vessel, and of all the relevant facts concerning the case.

13. BOARDING OF VESSELS

(a) Transmission of information

The Malagasy Ministry responsible for fisheries shall inform the European Commission Delegation and the flag State in writing, within 48 hours, of the boarding of any Community fishing vessel operating under the Agreement in Madagascar's fishing zone and shall transmit a brief report of the circumstances and reasons leading to such boarding. The European Commission Delegation and the flag State shall also be kept informed of any proceedings initiated and penalties imposed.

(b) Settlement of boarding

In accordance with the law on fisheries and the relevant regulations, infringements may be settled:

- either through a compromise procedure, in which case the amount of the fine shall be determined in accordance with Malagasy legislation laying down minimum and maximum figures;
- or by legal proceedings, if no compromise settlement was possible, in accordance with Malagasy law.

- (c) The vessel shall be released and its crew authorised to leave the port:
- either as soon as the obligations imposed by the compromise procedure have been completed on presentation of the receipt for the settlement, or
 - on presentation of proof that a bank security has been lodged, pending completion of the legal proceedings.

14. ENVIRONMENTAL PROTECTION

In the interests of the environment, the two parties undertake to introduce the following measures:

- no vessel may spill oil or derivatives thereof into the Malagasy fishing zone, or throw plastic materials or household waste into that zone;
- responsible fisheries, rational management and the preservation of tuna stocks shall be promoted within the IOTC;
- protected and prohibited species, such as whales, dolphins, turtles and sea birds, may not be caught.

The European Community shall be entrusted with the task of notifying the Ministry responsible for fisheries of any environmentally-unfriendly act committed by any vessel fishing in the Malagasy fishing zone.

Appendix 1

APPLICATION FORM FOR A FISHING LICENCE

1. New application or renewal:
2. Name of vessel and flag:
3. Period of validity: from to
4. Name of vessel-owner:
5. Address and fax no. of vessel-owner:
6. Name and address of charterer (if different from 4 and 5):
.....
7. Name and address of official representative in Madagascar:
.....
8. Name of skipper of vessel:
9. Type of vessel:
10. Registration number:
11. External identification of vessel:
12. Port and country of registration:
13. Overall length and breadth of vessel:
14. Gross and net tonnage of vessel:
15. Make and power of main engine:
16. Freezing capacity (t/d):
17. Hold capacity (m³):
18. Radio call sign and frequency:
19. Other communications equipment (telex, fax):
20. Fishing gear:
21. Crew numbers, broken down by nationality:
22. Fishing licence No (in the event of a renewal, attach licence):

I, the undersigned,....., certify that the above information is correct and undertake to comply therewith.

.....
(Stamp and signature of vessel-owner)

(Date)

Appendix 3

EMBARKATION OF OBSERVERS

Tuna seiners and surface longliners authorised to fish in the Malagasy fishing zone shall take on board an observer from the Fisheries Surveillance Centre holding a professional identity card and a seaman's licence. The time spent on board by observers shall be fixed by Madagascar's Fisheries Surveillance Centre, but, as a general rule, it should not exceed the time required to carry out their duties.

While on board, observers shall:

1. observe, record and report on the fishing activities of vessels in the Malagasy fishing zone;
2. verify the position of vessels engaged in fishing operations;
3. perform biological sampling in the context of scientific programmes;
4. note the fishing gear used;
5. collect the catch data for the fishing zone during their time on board;
6. take all appropriate steps to ensure that the conditions under which they are taken on board and their presence on board do not interrupt or hamper fishing activities;
7. respect the material and equipment on board and the confidentiality of any document belonging to the said vessel;
8. draw up a report on the trip and send it to Madagascar's Fisheries Surveillance Centre, and send a copy to the European Commission Delegation.

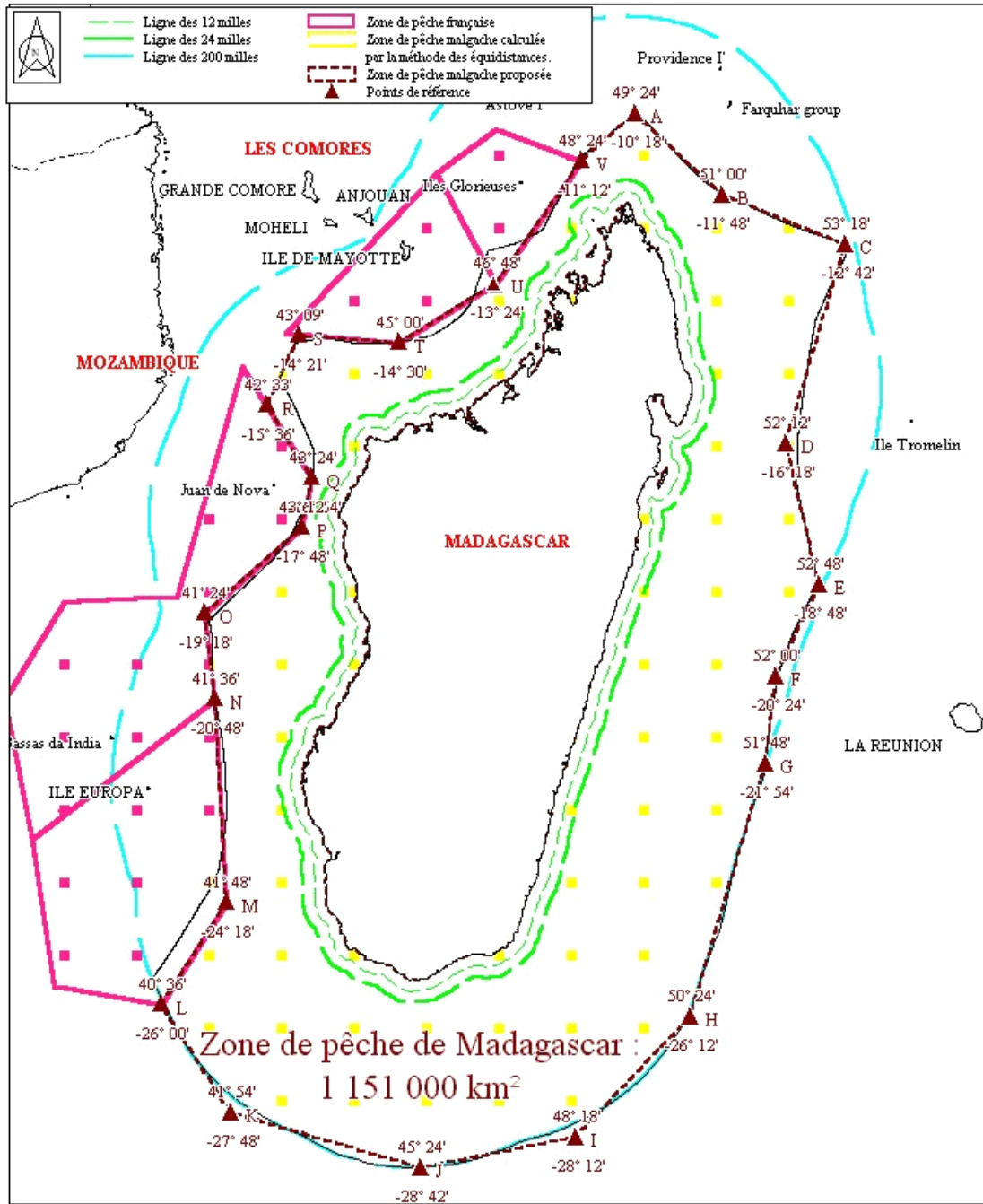
To that end, the owners and skippers of fishing vessels must:

1. allow observers to board the vessel to carry out their tasks and remain on board the vessel during the period specified in the request;
2. provide a suitable working environment, including a table with adequate lighting;
3. supply the information they possess on fishing activities in Madagascar's fishing zone;
4. give the vessel's position (longitude and latitude);
5. send or receive messages, or allow messages to be sent and received, using the means of communication on board the vessel;
6. provide access to all parts of the vessel where fishing, processing and storage take place;
7. allow samples to be taken;

8. provide suitable storage facilities for samples, without prejudice to the vessel's storage capacity;
9. provide assistance in examining and measuring the fishing gear on board the vessel;
10. allow observers to remove the samples and documents obtained during their stay on board;
11. where observers remain on board the vessel for more than four hours at a time, provide them with food and accommodation on the same terms as the vessel's officers.

APPENDICE 4 : Zone de pêche de Madagascar.

Echelle : 1 / 14 000 000 ème.



Edition : Septembre 2003

0 250 500
en kilomètre

ZONE DE PÊCHE DE MADAGASCAR :

- A l'ouest : Calage de la zone de pêche de Madagascar sur la zone de pêche française.
- Au sud et au sud-est : Calage sur la ligne des 200 milles calculée à partir du trait de cote.
- Au nord et à l'est : Calage sur la zone de pêche calculée par la méthode des équidistances.
- Simplification de la délimitation à partir de points de référence.

APPENDIX 4: Malagasy fishing zone

Scale: 1: 14 000 000

12 nautical mile line	French fishing zone
24 nautical mile line	Malagasy fishing zone calculated
200 nautical mile line	using the equidistance method
	Proposed Malagasy fishing zone
	Reference points

Edition: September 2003

kilometres

MALAGASY FISHING ZONE:

- To the west: Madagascar fishing zone demarcated by French fishing zone
- To the south and south-east: demarcated by 200 nautical mile line calculated from the coastline
- To the north and east: demarcation of the fishing zone calculated using the equidistance method
- Simplified demarcation using reference points

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): 11. Fisheries

Activity (activities): 1103 International Fisheries Agreements

TITLE OF ACTION

NEW PROTOCOL DEFINING THE FISHING OPPORTUNITIES AND THE FINANCIAL CONTRIBUTION UNDER THE EC/MADAGASCAR FISHERIES AGREEMENT

1. BUDGET LINE(S) + HEADING(S)

110301 (ex B78000): "International fisheries agreements"

11010404 (ex B78000A): "International fisheries agreements: expenditure on administrative management"

2. OVERALL FIGURES

2.1 Total allocation for action (Part B): min. €2 411 385 and max. €4 762 770 in commitment appropriations and payment appropriations

2.2 Period of application: 2004-06

2.3 Overall multiannual estimate of expenditure:

(a) Schedule of commitment appropriations/payment appropriations (financial intervention) (*see point 6.1.1*)

figures in €

	Year 2004		2005		2006		Total	
	Min	Max ¹	Min	Max ¹	Min	Max ¹	Min	Max ¹
Commitments	701 385	1 402 770	825 000	1 650 000	825 000	1 650 000	2 351 385	4 702 770
Payments	701 385	1 402 770	825 000	1 650 000	825 000	1 650 000	2 351 385	4 702 770

¹If annual catches exceed the reference tonnage, the financial contribution will be increased proportionately, at a rate of €75 per tonne caught. However, the total amount of the financial contribution may not exceed €1 650 000.

(b) Technical and administrative assistance and support expenditure (*see point 6.1.2*)

	Year 2004	2005	2006	Total
Commitments	40 000	–	20 000	60 000
Payments	40 000	–	20 000	60 000

Subtotal a+b

	Year 2004		2005		2006		Total	
	Min	Max ¹	Min	Max ¹	Min	Max ¹	Min	Max ¹
Commitments	741 385	1 442 770	825 000	1 650 000	845 000	1 670 000	2 411 385	4 762 770
Payments	741 385	1 442 770	825 000	1 650 000	845 000	1 670 000	2 411 385	4 762 770

¹If annual catches exceed the reference tonnage, the financial contribution will be increased proportionately, at a rate of €75 per tonne caught. However, the total amount of the financial contribution may not exceed €1 650 000.

(c) Overall financial impact of human resources and other administrative expenditure
(cf. points 7.2 and 7.3)

	2004	2005	2006	Total
Commitments/ Payments	35 660	35 660	35 660	106 980

TOTAL a+b+c

	Year 2004		2005		2006		Total	
	Min	Max ¹	Min	Max ¹	Min	Max ¹	Min	Max ¹
Commitments	777 045	1 478 430	860 660	1 685 660	880 660	1 705 660	2 518 365	4 869 750
Payments	777 045	1 478 430	860 660	1 685 660	880 660	1 705 660	2 518 365	4 869 750

¹If annual catches exceed the reference tonnage, the financial contribution will be increased proportionately, at a rate of €75 per tonne caught. However, the total amount of the financial contribution may not exceed €1 650 000.

2.4 Compatibility with financial programming and financial perspective

- Proposal compatible with existing financial programming
- This proposal will entail reprogramming of the relevant heading in the financial perspective,
- including, where appropriate, application of the provisions of the Interinstitutional Agreement.

2.5 Financial impact on revenue

- No financial implications (involves technical aspects regarding implementation of a measure)

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
CE	DA	NO	NO	NO	No 04

4. LEGAL BASIS

- Article 37 of the Treaty, in conjunction with Article 300(2) and the first subparagraph of Article 300(3);
- EC/Madagascar Fisheries Agreement (Council Regulation No 780/86/EC of 24 February 1986)

5. DESCRIPTION AND GROUNDS

5.1 Need for Community intervention

5.1.1 Objectives pursued

The Protocol to the Fisheries Agreement between the European Community and the Democratic Republic of Madagascar currently in force will expire on 20 May 2004.

The purpose of this renewal is to enable Community vessel-owners to continue fishing (particularly for tuna) in Malagasy waters in accordance with the arrangements set out in the Protocol which was initialled by the Commission, on behalf of the Community, and the Malagasy delegation at the end of the negotiation held in Antananarivo from 4 to 8 September 2003.

It should be noted that the new Protocol will enter into force on 1 January 2004 at the request of the Republic of Madagascar, which considered certain technical provisions to be out of date and requiring revision.

While it is in keeping with the tuna agreements concluded by the Community with certain Indian Ocean countries, this new Protocol reinforces the concept of responsible, sustainable fisheries and makes it possible to promote a partnership focussing on compliance with the laws and regulations in force under Madagascar's fisheries policy.

The general objective of the Fisheries Agreement between the EC and Madagascar is to promote transparent, sustainable management of fisheries resources in order to contribute effectively to the development of the national economy.

In a context in which national capacities for exploiting fisheries resources are limited, the Fisheries Agreement is of benefit to both the Member States' fisheries and the Republic of Madagascar. It also reinforces the Community support granted to this sector from other additional sources of financing (Stabex Fund). The Fisheries Agreement and the quality of the negotiations underlying it extend beyond the purely commercial aspects and contribute to partnership relations, the overall objective of which is to develop trade.

The specific objectives of Community support to the fisheries sector (through Stabex instruments and good governance support) may be summed up as follows:

- support for developing fishing plans based on the scientific evaluation of stocks of targeted species;
- updating of legal texts relating to the development of the fishing effort and the operation of the fisheries monitoring centre;
- harmonisation of fisheries protocols and transparency in the issue of licences for the different types of fisheries on the basis of the above-mentioned fisheries plans;
- Institutional reorganisation and reinforcement of capacities so that the granting of fishing opportunities and the carrying out of inspection and surveillance are independent of one another, and operations can continue as a result of income from fisheries.

5.1.2 *Measures taken in connection with ex-ante evaluation*

An evaluation of the proposal for the conclusion of a new Protocol, for the period 1 January 2004 to 31 December 2006, to the Fisheries Agreement between the EC and Madagascar has been carried out by DG FISH on the basis of, in particular, information gathered from different sources, namely that supplied by DG DEV, the Commission Delegation in Antananarivo and the Indian Ocean Tuna Commission (IOTC).

A summary of the *ex ante* evaluation is attached to this financial statement. Its conclusions may be summed up as follows:

- Although, in terms of the budget and catches, the Fisheries Agreement with Madagascar is relatively modest, it is of essential importance to private Community operators since it is part of a network of agreements on tuna fishing in the Indian Ocean which has become necessary on account of the highly migratory nature of tuna. The Community has accordingly concluded similar agreements with the Seychelles (the most important agreement, covering 45 000 tonnes of tuna), Mauritius and the Comoros. An equivalent agreement is to be concluded shortly with Tanzania and the Commission is planning to enter into negotiations with Kenya.
- This Agreement is also vital to the Malagasy economy since it constitutes an important source of currency and creates jobs for local seamen in the processing and monitoring sectors.

- Fisheries activities in Madagascar's exclusive economic zone are to some extent unregulated, which explains the growth of illegal fishing by Asian fleets in particular. As long as this situation persists, the Government of Madagascar will continue to lose out on the foreign exchange earnings from such activities and its tuna stocks will be at risk from overfishing. It is, therefore, both in the Government's interest and its duty to monitor fisheries activities more effectively. The Fisheries Agreement could help combat this situation by financing measures aimed at checking and monitoring foreign fleets.

5.1.3 Measures taken following ex-post evaluation

The ex-post evaluation of the 2001-2004 Protocol shows that use of fishing opportunities in terms of licences was highly satisfactory for both tuna seiners (approximately 83.5%) and surface longliners (approximately 75%), as illustrated by the table below. (Total fishing opportunities under the 1998-2001 Protocol covered 40 tuna seiners and 40 surface longliners).

Utilisation of the EC/Madagascar tuna Agreement (number of vessels)

Tuna seiners

Category	Fishing opportunities available	Utilisation		
		2001/02	2002/03	2003/04
Spain	18	17	18	18
France	20	15	15	14
Italy	2	1	1	1
TOTAL	40	33	34	33
Utilisation of fishing opportunities		82.5%	85%	82.5%

Surface longliners

Category	Fishing opportunities available	Utilisation		
		2001/02	2002/03	2003/04
Spain	23	22	23	15
France	10	9	2	3
Portugal	7	4	5	4
TOTAL	40	35	30	22
Utilisation of fishing opportunities		87.5%	75%	55%

In terms of catches, the rate registered by the Community fleet during the period 1998-2000 was close to that calculated on the basis of the reference rate (83.5%). This indicates a highly satisfactory rate of use of the opportunities granted to Community operators (see table below).

**Utilisation of the EC/Madagascar tuna Agreement
(annual catches declared, in tonnes - seiners and surface longliners)**

	1996	1997	1998	1999	2000	2001	2002
Spain	2 615	3 337	6 400	5 556	4 079	3 632	1 004
France	4 127	2 584	1 243	2 280	4 145	3 420	2 935
Portugal	0	0	0	0	0	151	0
Italy	0	0	0	105	0	21	0
Total	6 742	5 921	7 643	7 941	8 224	7 224	3 939
Reference tonnage	9 000	9 000	9 500	9 500	9 500	11 000	11 000
Utilisation of reference tonnage	74.9%	65.8%	80.4%	83.5%	86.6%	65.6%	35.8%

The information supplied by scientific sources indicates that the fluctuation in terms of catches is due mainly to the migratory nature of tuna stocks.

As regards the state of stocks, monitoring of migratory species in the Indian Ocean is carried out by the Indian Ocean Tuna Commission (IOTC). The IOTC Scientific Committee issues opinions on the basis of which the IOTC adopts resolutions applicable to all members. The EC and Madagascar are members of the IOTC and are accordingly bound by any resolution which it adopts.

No resolution has been drawn up to date by the IOTC on specific conservation measures for tuna or any other migratory species. The current state of stocks does not require TACs or quotas to be introduced in the region in question.

Catches of the species fished most in the Indian Ocean in 2000 amounted to 393 000 tonnes for skipjack, 304 000 tonnes for yellowfin tuna and 131 000 for bigeye tuna (828 000 in all) (source: Fifth session of the IOTC Scientific Committee held from 2 to 6 December 2002 in the Seychelles). A reference tonnage of 11 000 tonnes in the Malagasy exclusive economic zone (as provided for in the 2001-2004 Protocol) cannot, according to scientific opinion, have an adverse effect on the state of resources at either national or regional level given that the Community fleet's catch rate in Madagascar's exclusive economic zone represents an average of only about 4% of the fleet's total catches in the Indian Ocean.

Finally, it has been noted that there is a need to make provision in the Protocol for additional controls which would guarantee closer monitoring of the fisheries activities of Community and foreign vessels in the Malagasy fisheries zone.

Elements which have been amended, remained unaltered or been inserted in the new Protocol following the *ex-post* evaluation are set out below.

- Classic elements

Fishing opportunities, the reference tonnage, the financial contribution, advances and fees paid by vessel-owners, the system for managing licences and other technical measures are all part of the protocols which the Community concludes with other third countries and are the outcome of negotiations with the partner country:

- Fishing opportunities: on the basis of the information available and the satisfactory use made of the existing Protocol, the new Protocol makes provision for the same fishing opportunities as previously, namely 40 tuna seiners and 40 surface longliners.
- Reference tonnage: also remains unaltered at 11 000 tonnes a year. Leaving the reference tonnage unchanged is justified since a feature of tuna fishing which is directly related to the highly migratory nature of the species is the fact that the actual catches in a given zone can vary very significantly from one fishing season to the next.
- Financial contribution: the annual amount of the financial contribution is fixed at €825 000, comprising €320 000 in financial compensation and €505 000 for targeted measures (as in the previous Protocol).
- Advances and fees payable by vessel-owners:
 - such advances and fees amount to €25 per tonne of tuna caught in the Malagasy fishing zone, as in all the agreements concluded by the Community in the region;
 - advances have been increased in relation to the previous Protocol: €2 800 (instead of €2 500) per year per tuna seiner, €1 750 (instead of €1 500) per year per surface longliner of over 150 GRT and €1 200 (instead of €1 100) per year per surface longliner of 150 GRT or less. These advances correspond to the duties payable in respect of annual catches of 112 tonnes, 70 tonnes and 48 tonnes respectively in the Malagasy fishing zone. This represents an increase of around 10% after 3 years (2001-2004), which may be considered moderate and is the outcome of a reasonable negotiation.

- New elements

New provisions have been introduced with responsible, sustainable fisheries in mind. These provisions are aimed in particular at checking and monitoring the Community fleet more closely, and would entail more effective controls for all foreign fleets operating in the Malagasy fisheries zone:

- (i) the exclusivity clause, which prohibits the existence of private licences or other private arrangements;
- (ii) a detailed programme for the targeted measures, including a schedule and the objectives to be achieved;

- (iii) additional VMS requirements to reinforce checks on vessels operating in Malagasy waters, including the transmission of hourly reports giving their course and speed;
- (iv) the social clause applicable to local seamen signed on by Community vessels;
- (v) a section on the penalties imposed for infringements of the Protocol and the Annex thereto; and
- (vi) a section on safeguarding the marine environment and protected species.

- Cost-benefit ratio for the Community

The main costs incurred by the EC are the financial contribution paid by the Community and the licence fees paid by Community vessel-owners to the Malagasy Government and the Ministry responsible for fisheries.

The Agreement is advantageous to the Community in that the average level of catches far exceeds the cost of the Protocol. The new Protocol makes provision for the overall cost (including the cost to the EC and to vessel-owners using licences) to be maintained at the same level as in the preceding Protocol, namely a unit cost of €100 for each tonne of tuna caught (in keeping with all the agreements concluded by the Community in the Indian Ocean).

The Community's financial contribution will be calculated as a fraction of this cost (€75), multiplied by the reference tonnage (€75 x 11 000 tonnes = €825 000). Vessel-owners' fees will be based on the amount of actual catches, multiplied by a fraction of this cost (€25). Thus, if Community vessel-owners' catches in Malagasy waters for 2004 were to amount to 11 000 tonnes (assuming that 100% use were made of the reference tonnage), the Commission would pay €825 000 and vessel-owners €275 000, i.e. a total of €1 100 000.

Skipjack prices on the world market fell substantially in 1999, reaching US \$400/tonne in Bangkok. Prices picked up again at the beginning of 2000: US \$750/tonne.

The price of yellowfin was US \$1 000/tonne in 2002. The price of Indian Ocean or Atlantic yellowfin is higher than that of Pacific yellowfin. However, the price gap has diminished in recent years (source: GLOBEFISH Databank, tuna prices – exports – imports – catches – consumptions, 2002).

If, in the above example, the 11 000 tonnes of tuna had been sold, they would have fetched a price of €9 625 000 (based on an average price of €875 per tonne). Consequently, the benefit would have been €8 525 000, i.e. 7.75 times the amount paid to Madagascar by the Community and vessel-owners combined.

In addition to the direct market value of catches for the vessels concerned, the Agreement entails other advantages for the Community and Madagascar:

- creation of jobs for local and European seamen on Community vessels;
- the multiplier effect on employment at ports, in the processing of fisheries products and in industry, etc. in the Community and in Madagascar;
- contribution towards the supply of fish in the Community and for the population of Madagascar.

In addition, the guidelines defined by the Council relating to the negotiation of fisheries agreements with the ACP countries specify the need to take account of the Community's interest in maintaining or establishing fisheries relations with the countries concerned.

- Targeted measures

As regards the implementation of the targeted measures provided for in Article 3 of the 2001-2004 Protocol, an examination of the annual utilisation reports presented by the Malagasy authorities shows that the objectives of the targeted measures have been attained to a satisfactory extent.

The results achieved so far may be summed up as follows:

Scientific programmes (allocation €240 000): a trip aimed at studying the fisheries management system in Australia was financed from this programme. An initial instalment of €80 000 was released following the approval of the programme proposed late in May 2003. The funds will be partly allocated to the Antsiranana Tuna Statistical Unit (USTA) in order to reinforce capacity for analysing statistics, with a budget of €30 000; they will also be partly allocated to the National Prawn Research Programme in order to finance further research: seminar on the development of prawn resources in 2003, trip aimed at studying the prawn management system in Mozambique and trip aimed at studying fisheries management in Australia. Staff allowances and certain research measures will be paid over and above FDHA (Fishing and Fish Farming Development Fund) and AFD (Agence Française de Développement) funding: social economy, biology and population dynamics (marking of prawns, marking of juveniles and monitoring of stocks). The estimated budget for the National Prawn Research Programme is €210 000.

Surveillance (allocation of €801 000): surveillance is the largest item in terms of financial allocations and constitutes a political priority of the ministry responsible for fisheries. The Fisheries Surveillance Centre was set up in 1999 and, with the backing of permanent technical assistance, has substantially increased its capacity to intervene. A budget of €256 000 is allocated in the support programme to running the Centre, which is part-financed by Stabex and the Fishing and Fish Farming Development Fund, in accordance with a specific protocol signed in April 2002. This programme has been approved and payment of this amount is awaited. The amounts outstanding on the first two instalments and on the last instalment will be the subject of a complementary programme, which will be proposed before the expiry date of the Protocol. Patrols at sea are carried out by two vessels, which spent a total of 217 days at sea and inspected 93 fishing vessels in 2002. Other missions are carried out by speedboats (4 zodiacs) attached to the surveillance vessels and by flying squads. Aerial surveillance also enables a large number of vessels to be observed (48 observations in the course of 6 flights). Lastly, regional inspectors are responsible for checking establishments, landings and collection permits. The satellite monitoring system now covers all vessels operating in the fisheries sector (non-industrial fishing, and support and collection vessels) in the waters under Malagasy jurisdiction in accordance with Decree 1613/2002 of 31 July 2002. Since February 2002 the Centre has had an Inmarsat-M4 terminal in order to reinforce its communication capacities, particularly on the X25 network used by the European fleet. The funding provided under the Fisheries Agreement is used to invest in communication and data-processing equipment, to mobilise national or international technical or legal expertise and to train the Centre's staff and other persons working in the sector. The financial resources provided also enable the Centre to participate in regional cooperation missions. The size of the exclusive economic zone and the extent of the coastal area, however, still require appreciable funding in order to establish a minimum surveillance system which could be run at a tolerable cost, to be covered by the operation of the industry. The Centre is still in an investment phase (there are also plans to purchase a surveillance vessel) and is thus partially funded by the Fishing and Fish Farming Development Fund and Stabex, which will allocate €510 000 and €957 000 respectively for the current financial year.

Non-industrial fisheries (appropriation of €210 000): this is being implemented on the basis of two priorities: (1) purchase of equipment and technical facilities (canoes, engines, installation of a cold room, etc); (2) the creation of a partnership system between collection companies and traditional fishermen who are isolated and far from communication lines, to ensure that fisheries products reach the markets. The funds have been used to purchase a cold room and fishing boats and to operate back-up services for Ministry staff. The second funding instalment of €70 000 was released following the proposal of a programme in December 2002. The authorities now wish to use these funds to promote the use of new fishing boats (particularly fibreglass craft to replace wooden canoes).

Training (appropriation of €300 000): a training plan was proposed in October 2002. Approval of this plan resulted in the payment of two initial instalments of €200 000. Training modules were organised: conducting meetings, fisheries and aquaculture terminology, surveillance and statistics, enhancing the value of and marketing fisheries and aquaculture products, maritime and continental fishing, in which 67 people participated. Payment of the last instalment is scheduled with a view to providing training in marine and continental fishing, budgetary management, planning and inspection through the installation of instrument panels.

5.2 Action envisaged and budget intervention arrangements

In view of the specific features of tuna fisheries, the Community pays a fixed amount in direct proportion to an expected catch weight (reference tonnage), calculated on the basis of the average catches recorded during previous years and adjusted where necessary according to the number of vessels authorised to fish. If the expected catch weight is exceeded, an additional amount is paid by the Community. If the expected catch is not achieved, the non-member country keeps the amount initially paid.

Under the new Protocol the EC will pay an annual financial contribution of €825 000 (as under the previous Protocol). Of this amount, 60% (€505 000) will be earmarked for financing targeted measures aimed at supporting the Madagascar fisheries sector (financing of scientific programmes; support for a fisheries monitoring, inspection and surveillance system; financing of study grants and training courses; assistance for traditional fisheries; support for the management of observers). These amounts are to be paid to the Malagasy authorities following the presentation, examination and acceptance by the Commission of a detailed annual programme, including a schedule and the objectives set for each of these targeted measures. When this programme is examined, account will be taken in particular of the compatibility of the various measures with activities carried out at regional level, such as the tuna tagging programme (financed by the EC in the context of the 9th EDF Regional Indicative Programme: approximately €14 million), under the responsibility of the Indian Ocean Tuna Commission.

The above-mentioned amounts for targeted measures and the amount of the financial contribution (€320 000 per year) are to be paid before 30 April each year to the Ministry responsible for fisheries via an account opened with the Public Treasury, to be specified by the Malagasy authorities.

5.3 Methods of implementation

Implementation of the Protocol concerned is the sole responsibility of the Commission and will be undertaken by its officials both in Brussels and in its Delegation in Madagascar.

6. FINANCIAL IMPACT

6.1 Total financial impact on Part B (over the entire programming period)

6.1.1 Financial intervention

Commitments in €

Breakdown	Year 2004		2005		2006		Total	
	Min	Max ¹	Min	Max ¹	Min	Max ¹	Min	Max ¹
Financial compensation	196 385	897 770	320 000	1 145 000	320 000	1 145 000	836 385	3 187 770
Targeted measures	505 000	505 000	505 000	505 000	505 000	505 000	1 515 000	1 515 000
TOTAL	701 385	1 402 770	825 000	1 650 000	825 000	1 650 000	2 351 385	4 702 770

¹If annual catches exceed the reference tonnage, the financial contribution will be increased proportionately, at a rate of €75 per tonne caught. However, the total amount of the financial contribution may not exceed €1 650 000.

6.1.2. Technical and administrative assistance, support expenditure and IT expenditure

	Year 2004	2005	2006	Total
(1) Technical and administrative assistance:				
a) Technical assistance offices				
b) Other technical and administrative assistance: - intra-muros: - extra-muros: <i>of which for construction and maintenance of computerised management systems:</i>				
Subtotal 1				
(2) Support expenditure				
(a) Studies	40 000		20 000	60 000
(b) Meeting of experts				
(c) Information and publications				
Subtotal 2				
TOTAL	40 000		20 000	60 000

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)

Commitments in €

Breakdown	Type of outputs (projects, files, etc.)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
<u>Action 1</u>	Fishing opportunities in exchange for financial compensation	Reference tonnage: 11 000 tonnes/year for 40 tuna seiners and 40 surface longliners	Min: €320 000/year (€ 196 385 in 2004) Max: €1 145 000/year (€897 770 in 2004)	Min: €836 385 Max: €3 187 770
<u>Action 2</u> - Measure 1 - Measure 2 - Measure 3 - Measure 4 - Measure 5	Scientific programmes Inspection and surveillance Training Traditional fisheries Observers		€90 000/year € 267 000 € 60 000 € 68 000 € 20 000	€ 1 515 000
TOTAL COST				Min: €2 351 385 Max: €4 702 770 (1)

(1) Total minimum and maximum cost since the duration of the Protocol is three years

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total posts/month	Description of tasks deriving from the action
		Number of temporary posts	Number of temporary posts		
Officials or temporary staff	A	0		0	
	B	1		0.5	
	C	1		0.5	
Other human resources			1 SNE + 1 AUX C	5	
Total		2	2	6	

7.2 Overall financial impact of human resources

Type of human resources	Amounts in €	Method of calculation*
Officials Temporary staff	4 460	(60 000/12*0.5)+ (47 000/12*0.5)
Other human resources (indicate budget line)	19 000	(SNE) €44 000/12*4 + €52 000/12*1 (AUX C)
Total	23 460	

The amounts are total expenditure for twelve months.

7.3 Other operating expenditure deriving from the action

Budget line (number and heading)	Amounts in €	Method of calculation
Overall allocation (Title A7)		
A0701 – Missions	10 700	
A07030 – Meetings	1 500	
A07031 - Compulsory committees ⁽¹⁾	0	
A07032 - Non-compulsory committees ⁽¹⁾	0	
A07040 – Conferences	0	
A0705 - Studies and consultations		
...Other expenditure (state which)		
Information systems (A-5001/A-4300)		
Other expenditure - Part A (state which)		
Total	12 200	

The amounts are total expenditure in respect of the action for twelve months.

⁽¹⁾ Specify the type of Committee and the group to which it belongs.

I	Annual total (7.2 + 7.3)	€35 660
II.	Duration of action	3 years
III.	Total cost of action (I x II)	€106 980

8. FOLLOW-UP AND EVALUATION

8.1 Follow-up system

Regular monitoring already existed under the previous Protocols between the EC and Madagascar and is also provided for under the new Protocol. Utilisation of licences is closely monitored and information on catches is gathered regularly.

The financial compensation (€320 000 per annum) is to be paid before 30 April each year into an account opened with the Public Treasury, to be specified by the Malagasy authorities. The State of Madagascar is solely responsible for the use to which this compensation is put.

The amounts allocated to financing targeted measures (€505 000) are to be paid to the Ministry responsible for fisheries in annual instalments on the basis of the breakdown given in Article 3(1) of the Protocol. These amounts are to be paid to the Malagasy authorities following the presentation, examination and acceptance by the Commission of a detailed annual programme, including a schedule and the objectives set for each of these targeted measures.

The amounts earmarked for financing study grants and training courses are to be paid as the funds are used.

A report on the use of the funds allocated to the targeted measures is to be presented to the Commission within three months of each anniversary date of the Protocol. The Commission is entitled to request additional information and to review the payments concerned in the light of the actual implementation of the projected measures.

The new requirement that the Malagasy authorities are to submit an annual programme prior to implementing the targeted measures will enable the Commission to monitor those measures more effectively by comparing that programme with the annual reports on the utilisation of the funds allocated.

8.2 Arrangements and schedule for evaluations

Before the new Protocol expires, it will be the subject of an evaluation which will take account of the direct economic indicators (catches and catch values), indicators of the effects (number of jobs created and maintained, and relationship between the cost of the Protocol and the value of catches) and indicators of the impact on the ecosystem.

9. ANTI-FRAUD MEASURES

Since the financial contributions are paid by the Community in direct exchange for the fishing opportunities offered, the third country uses them for whatever end it chooses. However, it is required to report to the Commission, as provided for in the Protocol, on the use of certain funds. All the measures referred to in Article 3 of the Protocol are the subject of an annual report on their implementation and the results obtained. The Commission reserves the right to request additional information on the results achieved and to review payments in the light of the actual implementation of the measures.

In addition, the Member States whose vessels operate under this Agreement must certify to the Commission the accuracy of the data indicated in the tonnage certificates of the vessels so that the licence fees may be calculated on a guaranteed basis.

The Protocol also requires Community vessels to fill out catch declarations (which must be transmitted to the Commission and the Malagasy authorities), which then serve as the basis for drawing up the final annual statement of catches under the Protocol and of fees.

The technical arrangements under the new Protocol provide for greater rigour in the transmission of information on the satellite positioning and catches of vessels and the checking of that information by a satisfactory number of observers on board the vessels in the Community fleet.