



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.7.2005
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2005/0136(CNS)

Proposal for a

COUNCIL DECISION

**amending Decision 2004/465/EC on a Community financial contribution towards
Member States fisheries control programmes**

(presented by the Commission)

EXPLANATORY MEMORANDUM

The Community has been providing financial assistance to Member States for fisheries control since 1991. This policy is based on the fact that policing involves high costs, particularly on inspection at sea by means of patrol vessels and aircraft, and for investment in technology and Information Technology (IT) networks.

With this objective in mind, four Council Decisions have been adopted providing for Community support for Member States' expenditure on fisheries inspection: Decision 89/631/EEC covering 1991 to 1995, Decision 95/527/EEC covering 1996 to 2000, Decision 2001/431/EC covering 2001 to 2003 and Decision 2004/465/EC covering 2004 and 2005. An analysis of results of this scheme clearly indicates that Community financial assistance to Member States has had a very positive impact on their inspection systems.

Decision 2004/465/EC expires on 31.12.2005 and the new financial framework for fisheries (covering the period 2007 – 2013) will not come into force until 2007. Hence the current financial scheme adopted under Decision 2004/465/EC needs to be extended for one year so that Community support on expenditure planned by Member States on fisheries control continues to be available until the new financial scheme is in force, and in order to encourage investments by Member States in this area, taking also into account the needs of the Community Fisheries Control Agency.

The proposed Decision is in substance a renewal for one year of Decision 2004/465/EC. Priorities and actions suitable for Community financial support remain unchanged, and periods given to Member States to report on progress made have been modified in consequence. Two new actions suitable for Community financial support have however been added in view of the need to further increase the level of technical assistance to the Commission's services.

Particular attention will be given to the needs of those Member States that joined the EU in 2004.

The amount scheduled for 2006 is € 35 million.

The Commission proposes to the Council to adopt the attached proposal.

Proposal for a

COUNCIL DECISION

**amending Decision 2004/465/EC on a Community financial contribution towards
Member States fisheries control programmes**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) The Common Fisheries Policy (CFP) sets out general rules on the conservation, management and responsible exploitation, and processing and marketing of living aquatic resources.
- (2) Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy³ underlined the need to enhance co-operation and co-ordination among Member States and with the Commission in order to strengthen control and discourage behaviour contrary to CFP rules.
- (3) The period covered by Council Decision 2004/465/EC⁴ on a Community financial contribution towards Member States fisheries control programmes will expire on 31. December 2005.
- (4) Due to domestic budgetary and administrative difficulties, Member States which acceded to the Community on 1 May 2004 have obtained very limited Community financial assistance under the current financial scheme foreseen under Decision 2004/465/EC.
- (5) The new financial perspective will cover the period 2007-2013. In order to avoid an interruption of Community financial support, it is therefore necessary that the financial assistance available to Member States under Decision 2004/465/EC is continued during 2006.

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

³ OJ L 358, 31.12.2002, p. 59.

⁴ OJ L 157 of 30.4.2004, p. 114, corrigendum OJ L 195 of 2.6.2004, p. 36.

- (6) It is appropriate to include in Decision 2004/465/EC studies on fisheries control as well as arrangements designed to facilitate the implementation of new technologies on control.

HAS ADOPTED THIS DECISION:

Article 1

Decision 2004/465/EC is amended as follows:

- (1) In Article 3, paragraph 2 is replaced by:

“2. All Member States shall submit their annual fisheries control programme by 1 June 2004 for 2004, and by 31 January for 2005 and for 2006”.

- (2) In Article 4, paragraph 1 the following points are added:

“(i) Administrative arrangements with the Joint Research Centre aimed at implementing new technologies on control;

(j) Studies on control related areas carried out at the initiative of the Commission”

- (3) In Article 5, paragraph 1 the first sentence is replaced by the following: “The financial reference amount for the implementation of the actions for which financial assistance is provided for the period 2004 to 2006 shall be EUR 105 million”.

- (4) In Article 6, paragraph 2 the following point is added:

“(d) for the actions referred to in Article 4(1)(i) and 4(1)(j), the rate may be 100% of the eligible expenditure”.

- (5) In Article 12, paragraph 2, the date “31 December 2008” is replaced by “31 December 2010”.

- (6) In Article 16(b), the date “31 December 2006” is replaced by “31 December 2007”

- (7) In Article 16(b), point (v) is replaced by the following:

“(v) the impact of the financial contribution on fisheries control programmes over the whole period from 2001 to 2006”.

- (8) In Article 17, the date “30 June 2007” is replaced by “30 June 2008”.

Article 2

This Decision shall apply from 1 January 2006.

Article 3

This Decision is addressed to the Member States.

Done at Brussels,

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Community financial contribution towards Member States fisheries control programmes

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Line 1107: Fisheries conservation, control.

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines)) including headings:

11.07.02. Financial contribution to the Member States for expenditure in the field of control

3.2. Duration of the action and of the financial impact:

2006

3.3. Budgetary characteristics (*add rows if necessary*):

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
110702	Non-comp	Diff ⁵ /	NO	NO	NO	No 3

⁵ Differentiated appropriations

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2006	2007	2008	2009	n + 4	n + 5 and later	Total
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Operational expenditure⁶

Commitment Appropriations (CA)	8.1	a	35,000						35,000
Payment Appropriations (PA)		b	3,000	7,000	14,000	11,000			35,000

Administrative expenditure within reference amount⁷

Technical & administrative assistance (NDA)	8.2.4	c							
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	35,000						35,000
Payment Appropriations		b + c	3,000	7,000	14,000	11,000			35,000

Administrative expenditure not included in reference amount⁸

Human resources and associated expenditure (NDA)	8.2.5	d	0,378	0,378	0,378	0,378			
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⁶ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

⁷ Expenditure within article xx 01 04 of Title xx.

⁸ Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0,055	0,12	0,020	0,020			
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Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d +e	35,433	0,498	0,398	0,398			36,727
TOTAL PA including cost of Human Resources		b+c +d +e	3,433	7,498	14,398	11,398			36,727

Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
TOTAL CA including co-financing	a+c +d+ e+f							

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Inter-institutional Agreement⁹ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

⁹ See points 19 and 24 of the Interinstitutional agreement.

Proposal has no financial implications on revenue

Proposal has financial impact – the effect on revenue is as follows:

NB: All details and observations relating to the method of calculating the *effect on revenue should be shown in a separate annex.*

EUR million (to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5] ₁₀
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2006	2007	2008	2009	n + 4	n + 5 and later
Total number of human resources	3 + ½	3 + 1/2	3 + 1/2	3 + ½		

¹⁰ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

5. CHARACTERISTICS AND OBJECTIVES

Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:

5.1. Needs to be met in the short or long term

The objective of the Common Fisheries policy is to provide for sustainable exploitation of living aquatic resources and of aquaculture in the context of sustainable development. In order to ensure the effective implementation of the CFP (control, inspection and enforcement of the rules of the CFP falls within the responsibility of Member States), the Community control and enforcement system for fisheries should be reinforced and co-operation and co-ordination between all relevant authorities should be strengthened.

This goal is being achieved through a number of actions performed by Member States which have been financed by the Community since 1990, and consequently in line with the objectives established under Council Regulation n° 2371/2002 on the conservation and sustainable exploitation of fisheries resources under the CFP¹¹. The financial assistance granted to Member States by the Community has been done on the basis of national programmes on expenditure for fisheries control purposes.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

Regulation n°2371/2002¹² establishes the obligations of Member States on fisheries control activities. However, without constant pressure and monitoring by the Commission, Member States will not fulfil their duties in accordance with the standards required by Community law. Furthermore, improvements towards an efficient control system throughout the Community will be difficult to achieve without incentives, in particular when new technologies shall be tested and introduced where appropriate.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

Objectives: The situation as regards control means of Member States seems to be very much the same as in the beginning of 2004. Under-capacities in fishing control are especially significant for new Member States. It is thus necessary that Community financial assistance continues to be available to Member States in 2006 in the form and conditions established under Decision 2004/465¹³.

¹¹ JO L 358, 31.12.2002.

¹² See Art.23 (2) of R.n°2371/2002.

¹³ A detailed exposé on this issue is to be found in point 5 (“Description and Grounds” of the Legislative Financial Statement of Decision 2004/465/EC.

Results: Financing rates and conditions established under Decision 2004/465/EC remain unchanged, and are made applicable under the proposed Decision for one further year until 31.12.2006.

In particular, reimbursement on aircraft and vessel expenditure will continue to be applied under the proposed Decision with priority to the new Member States.

Indicators: The Commission will continue to focus on the assessment tools that can be considered the best indicators to assess the effectiveness of the policy (i.e. number of infringements detected over a period, the rate of procedures ended compared with the procedures opened, the number of inspections at sea or at ports, or the number of sightings recorded by the aerial surveillance). The information provided by IT systems able to collect data from landing points, thus controlling the level of catch uptake (in regard to available quotas and the status of stocks), are also important assessment elements.

5.4. Method of Implementation (indicative)

Show below the method(s)¹⁴ chosen for the implementation of the action.

Centralised Management

Directly by the Commission

Indirectly by delegation to:

Executive Agencies

Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

National public-sector bodies/bodies with public-service mission

Shared or decentralised management

With Member states

With Third countries

Joint management with international organisations (please specify)

Relevant comments:

¹⁴ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point

6. MONITORING AND EVALUATION

6.1. Monitoring system

The proposed Decision carries over for 2006 the principles and rules established in Decision 2004/465/EC on this issue. Expenditure must have been incurred in compliance both with the general condition specified in Decision 2004/465/EC and the specific conditions provided for by the future Commission decision fixing the amount granted.

On its side, the Commission may require Member States to carry out on-the-spot checks on projects or may decide to carry them out with its own officials.

The Commission maintains as well all existing checks and balances in regard to fraud: in particular, in the event any amount has been unduly paid, it shall be repaid to the Commission, with interest. It is worth noting that the Commission only reimburses invoices that the national administrations have paid.

Member States shall report yearly to the Commission how their programmes are implemented, any variation they had to introduce on their programmes and shall assess the impact of the expenditure on control, inspection and surveillance activities. The proposed Decision provides for a final assessment on the 2001-2006 programmes to be forwarded to the Commission in 2007.

The proposed Decision foresees that the report by the Commission on the outcome of the scheme will be sent to the European Parliament and the Council in 2008. In this report indicators mentioned above will be used to gauge the impact of this scheme.

6.2. Evaluation

6.2.1. Ex-ante evaluation

Through the financial scheme provided for by Decisions 89/631¹⁵, 95/527¹⁶, 2001/431¹⁷ and 2004/465¹⁸, Member States have with no doubt reinforced their control structures and their inspectors' skills. This has been largely assessed in several documents, such as Commission's Reports on the monitoring of the implementation of the CFP Rules by the Member States. Extensive details on the effects of such actions have also been given in the Legislative Financial Statement of Council Decision 2004/465/EC, in the Report of the Commission to the Council and European Parliament on Decision 89/631¹⁹, the Report of May 2000 on Decision 95/527²⁰ and the Commission Communication on the compliance with the rules of the CFP of June 2003, which set up a Compliance

¹⁵ JO L 364, 14.12.1989.

¹⁶ JO L 301, 14.12.1995.

¹⁷ JO L 154, 9.6.2001.

¹⁸ JO L 157, 30.4.2004, as amended by JO L 195, 2.6.2004.

¹⁹ COM(1995) 268.

²⁰ See Legislative Financial Statement to Decision 2004/465/EC, point 5.

scoreboard and was made available to the general public through the Commission's website²¹.

If an overall conclusion is to be drawn from these documents, is that without further investments in equipment and training, the control systems of Member States will not be able to correspond to the standards required by Community law.

In addition, attention must be drawn to the fact that ten new Member States joined the Community on 1st May 2004, and that during 2004 some of these Member States faced internal budgetary problems which have made them have to delay certain expenditure on fisheries control for one or two years. Hence, in order to facilitate and speed up the attainment of Community standards in the fisheries control field, financial aid will continue to be necessary in the interim period between the expiry of Decision 2004/465 (i.e. 31.12.2005) and the date when the future Fisheries Control Agency becomes fully operational.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

Though assessment is very much dependant on specific monitoring, control and surveillance strategies adopted by each Member States (which are in turn a consequence of the different features of the fleet, the size of fishing grounds, quantity and value of catches landed), it appears that there is still room for improvement on the main issues of control i.e. patrol vessels and aircraft and technology systems and their network, the fitting on board of Vessel Monitoring Systems on board vessels, and training, the enhancement of pilot projects and cost/benefit analysis of expenditure in the control activity (in the case of all Member States).

Moreover, it is proposed to finance two new actions: the first will be aimed at setting up administrative arrangements with the Community Joint Research Centre (JRC), so that this body may provide technical assistance in the development of control techniques. The second will allow the Commission's services to carry out studies on matters related to control issues.

6.2.3. Terms and frequency of future evaluation

The proposed Council Decision only affects the reports foreseen in Decision 2004/465/EC (articles 16 and 17) in their timing. All other elements of reporting already foreseen remain unchanged.

The final report to be drawn up by the Member States before 31.12.2007 will allow a thorough ex post evaluation of the scheme which will be presented the following year by the Commission to the European Parliament and the Council.

²¹ COM(2003) 344.

In the matter of control, it is not easy to quantify the results, especially in the short term. The overall goal of this initiative is to enhance a control culture among the stakeholders in the fisheries sector which will allow an unreserved compliance with the CFP rules. Without effective control, conservation rules are useless; without adherence to rules, control activities will never be successful.

7. ANTI-FRAUD MEASURES

The Member States shall verify and certify that expenditure for which a reimbursement is claimed has been incurred in compliance with the rules laid down by the Decision. If the Commission considers that the claim does not comply with the conditions laid down, it shall refuse to reimburse all or part of the expenditure at issue.

The Members States shall provide the Commission with any information it may request and they must keep supporting documents available to the Commission for at least 5 years from the date of reimbursement.

Commission officials may carry out or take part on ex-post control.

In the event of irregularity, any amount unduly paid shall be repaid to the Commission, together with interest.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 ²²																
Action 1: computer technology and IT networks.				6,000												
Action 2: remote control technology.				2,500												
Action 3: pilot projects on new technologies remote control technology.				1,000												
Action 4: training and exchange programmes of control department officials				2,500												
Action 5: inspection and observer pilot schemes				2,000												
Action 6: assessment of public expenditure in the control area				2,000												
Action 7: seminars and media				1,000												

²² As described under Section 5.3

Action 8: acquisition and modernisation of control, inspection and surveillance equipment.				15,000													
Action 9: Administrative arrangements with the Joint Research Centre aimed at implementing new technologies on control				2,000													
Action 10: Studies on control related areas carried out at the initiative of the Commission				1,000													
TOTAL COST				35,000													

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		2006	2007	2008	2009	Year n+4	Year n+5
Officials or temporary staff ²³ (XX 01 01)	A*/AD	1 A/AD	1 A/AD	1 A/AD	1 A/AD		
	B*, C*/AST	2 B/AST ½ C/AST	2 B/AST ½ C/AST	2 B/AST ½ C/AST	2 B/AST ½ C/AST		
Staff financed ²⁴ by art. XX 01 02							
Other staff ²⁵ financed by art. XX 01 04/05							
TOTAL							

8.2.2. Description of tasks deriving from the action

- - In view of the principle of sound financial management, assure the respect of the Financial Regulation rules when implementing the concerned Community legislation.
- - Assure a good execution of available credits, in conformity with applicable rules and procedures.

8.2.3. Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure

²³ Cost of which is NOT covered by the reference amount

²⁴ Cost of which is NOT covered by the reference amount

²⁵ Cost of which is included within the reference amount

- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Executive agencies ²⁶							
Other technical and administrative assistance							
- intra muros							
- extra muros							
Total Technical and administrative assistance							

8.2.5. Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	2006	2007	2008	2009	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)	0,378	0,378	0,378	0,378		
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)	0,378	0,378	0,378	0,378		

²⁶ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– **Officials and Temporary agents**

Reference should be made to Point 8.2.1, if applicable

$3 \times \text{€}108\,000 = \text{€}324\,000$

$\frac{1}{2} \times \text{€}108\,000 = \text{€}54\,000$

Calculation– **Staff financed under art. XX 01 02**

Reference should be made to Point 8.2.1, if applicable

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	2006	2007	2008	2009	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions	0,020	0,020	0,020	0,020			0,080
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees ²⁷	0,035						0,035
XX 01 02 11 04 – Studies & consultations		0,10					0,10
XX 01 02 11 05 – Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0,055	0,12	0,020	0,020			0,215

Calculation - **Other administrative expenditure not included in reference amount**

²⁷ Specify the type of committee and the group to which it belongs.