

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

FINAL  
**A5-0361/2002**

24 October 2002

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## **REPORT**

on the proposal for a Council regulation on the conclusion of the Protocol setting out, for the period from 1 June 2002 to 31 May 2005, the fishing opportunities and the financial contribution provided by the Agreement between the European Economic Community and the Government of the Democratic Republic of São Tomé and Príncipe on fishing off the coast of São Tomé and Príncipe.

(COM(2002) 398 – C5-0394/2002 – 2002/0162 (CNS))

Committee on Fisheries

Rapporteur: Carlos Lage

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

### ***Amendments to a legislative text***

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

**CONTENTS**

	<b>Page</b>
PROCEDURAL PAGE .....	4
DRAFT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT .....	9
OPINION OF THE COMMITTEE ON BUDGETS .....	14

## PROCEDURAL PAGE

By letter of 30 August 2002 the Council consulted Parliament, pursuant to Article 37 in conjunction with Article 300 paragraph 2 and 3 alinea 1 of the EC Treaty on the proposal for a Council regulation on the conclusion of the Protocol setting out, for the period from 1 June 2002 to 31 May 2005, the fishing opportunities and the financial contribution provided by the Agreement between the European Economic Community and the Government of the Democratic Republic of São Tomé and Príncipe on fishing off the coast of São Tomé and Príncipe. (COM(2002) 398 – 2002 / 0162(CNS)).

At the sitting of 5 September 2002 the President of Parliament announced that he had referred this proposal to the Committee on Fisheries as the committee responsible and the Committee on Budgets and the Committee on Development and Cooperation for their opinions (C5-0394/2002).

The Committee on Fisheries had appointed Carlos Lage rapporteur at its meeting of 19 June 2002.

The committee considered the Commission proposal and the draft report at its meetings of 12, 30 September and 21 October 2002 .

At the latter meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Struan Stevenson, Rosa Miguélez Ramos and Brigitte Langenhagen, vice-chairmen; Carlos Lage, rapporteur; Niels Busk, Yves Butel (for Nigel Paul Farage), Giovanni Claudio Fava (for Heinz Kindermann), Ilda Figueiredo (for Salvador Jové Peres), Ian Stewart Hudghton, Camilo Nogueira Román (for Patricia McKenna), Juan Ojeda Sanz (for Arlindo Cunha), Seán Ó Neachtain, Manuel Pérez Álvarez, Bernard Poignant, Dominique F.C. Souchet (for Michael John Holmes), Catherine Stihler, Margie Sudre (for Giorgio Lisi), Daniel Varela Suanzes-Carpegna and Herman Vermeer (for Elspeth Attwooll).

The opinion of the Committee on Budgets is attached; the Committee on Development and Cooperation decided on 11 September 2002 not to deliver an opinion.

The report was tabled on 24 October 2002.

## DRAFT LEGISLATIVE RESOLUTION

**European Parliament legislative resolution on the proposal for a Council regulation on the conclusion of the Protocol setting out, for the period from 1 June 2002 to 31 May 2005, the fishing opportunities and the financial contribution provided by the Agreement between the European Economic Community and the Government of the Democratic Republic of São Tomé and Príncipe on fishing off the coast of São Tomé and Príncipe. (COM(2002) 398 – C5-0394/2002 – 2002/0162(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2002) 398<sup>1</sup>),
  - having been consulted by the Council pursuant to Article 37 in conjunction with Article 300 paragraph 2 and 3 alinea 1 of the EC Treaty, (C5-0394/2002),
  - having regard to Rule 67 and Rule 97(7) of its Rules of Procedure,
  - having regard to the report of the Committee on Fisheries and the opinion of the Committee on Budgets (A5-0361/2002),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  4. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1  
Recital 2a (New)

***It is important to improve the information supplied to the European Parliament and whereas the Commission should draw up a yearly report on the state of***

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<sup>1</sup> OJ C not yet published.

***implementation of the Agreement;***

*Justification*

To underline the importance of providing adequate information to the European parliament to enable it to carry out its duties in conformity with the consultation procedure

Amendment 2  
Recital 2b (New)

***The Protocol to the agreement should incorporate the social clause adopted by the sea fishing industry Social Dialogue Committee meeting in plenary session, on 19 December 2001, in order to ensure that all seamen sailing on EU vessels may enjoy freedom of association and the right of collective bargaining, suffer no discrimination, earn a decent wage and benefit from living and working conditions similar to those of EU seamen.***

*Justification*

*.Social conditions should be taken into consideration within the framework of international fisheries agreements.*

Amendment 3  
Article 2a (New)

***During the final year of the Protocol's validity and before any agreement on the renewal thereof is concluded, the Commission shall submit to Parliament and the Council a report on the application of the Agreement and the conditions under which it was implemented.***

*Justification*

*Before the conclusion of any new agreement the Commission should require the authorities of the State with which it is entering into negotiations to information on the basis of which the Commission will submit a general assessment report to the Parliament and the Council.*

Amendment 4  
Article 2b (New)

***The Commission shall forward to the Council and the Parliament a copy of the report on the targeted measures which the authorities of São Tomé e Príncipe will provide on the basis of article 4 of the protocol.***

*Justification*

*Targeted measures are becoming increasingly important from both the financial and social point of view. Therefore the report as laid down in the Protocol and supplied to the Commission should be forwarded to the Parliament and the Council.*

Amendment 5  
Article 2c (New)

***On the basis of these reports and following consultation of the European parliament the Council shall grant the Commission a negotiating mandate in respect of the protocols for implementing the Agreement***

### *Justification*

*Only on the basis of both the report concerning the implementation of the targeted measures and the evaluation report on the implementation of the fisheries agreement the European Parliament and the Council are able to carry out their respective duties.*

### Amendment 6 Article 3b (1) (new)

***In the course of the Protocol's application, and before the start of negotiations on its possible renewal, the Commission shall submit to the Council and European Parliament a new general assessment report including a cost benefit analysis.***

### *Justification*

*Before the expiry of the previous protocol, the European Commission presented to Parliament an evaluation report on the previous protocol after initialling the new protocol. The Commission did not provide the European Parliament with information allowing a serious assessment and the presentation of an opinion by the Parliament before the start of negotiations.*



## EXPLANATORY STATEMENT

### INTRODUCTION

Fisheries relations between the European Economic Community and the Democratic Republic of São Tomé e Príncipe date from the signing of the fisheries agreement in 1984. The protocols setting out the fishing opportunities and the financial contribution provided for in the agreement have since been renewed on a regular basis every three years. Like the previous ones, the 2002 -2005 protocol provides access to EEZ waters of São Tomé e Príncipe which allow the EU fleet fishing possibilities and passage-through to adjacent fishing grounds. In return the EU offers the government of São Tomé financial compensation of 2 250 000 € over the three year period. A share of about 40 % of this amount is destined for the development of the local fishing industry. Together with tourism, fisheries is becoming increasingly important in Sao Tomé after the collapse of country's cacao industry.

The new protocol was initialled on 14 February 2002 in São Tomé. The first payment to the bank account of the government of São Tomé should take place before 31 December 2002.

### MAIN DIFFERENCES

The differences between the new protocol initialled on 31 May 1999 and its two predecessors can be seen in the following table:

Comparative Table			
<b>Fishing Possibilities</b>			
<b>Duration</b>	1.6.96 – 31.5.99	1.6.99-31.5.2002	1.6.2002 - 31.5.2005
<b>Vessels</b>	37 tuna seiners, 25 surface longliners, 7 pole-and-line tuna vessels	36 tuna seiners, 33 surface longliners, 7 pole-and-line tuna vessels	36 seiners 25 surface longliners 2 pole-and-line tuna vessels 3 vessels < 250 GRT for deep sea fisheries (12 months as pilot project)
<b>Authorised catches</b>	9 000 tonnes	8 500 tonnes	8 500 tonnes
<b>Financial Envelope</b>			
<b>Financial compensation</b>	ECU 1 800 000	EUR 956 250	EUR 1 320 000

<b>Scientific programme</b>	ECU 187 500	EUR 286 875	EUR 130 000
<b>Monitoring</b>	-	EUR 286 875	EUR 130 000
<b>Local fishing</b>	--	EUR 76 500	EUR 285 000
<b>Training and grants/ international meetings on fisheries</b>	ECU 187 500	EUR 191 250	EUR 205 000
<b>Administrative support</b>	-	EUR 114 750	EUR 130 000
<b>Evaluation of deep sea fishery</b>			EUR 50 000
<b>Total over 3 years</b>	ECU 2 175 000	EUR 1 912 500	EUR 2 250 000
<b>Licences</b>			
<b>Shipowners' fees</b>	ECU 20 per tonne of tuna caught in the EEZ.	EUR 25 per tonne of tuna caught in the EEZ.	EUR 25 per tonne of tuna caught in the EEZ.
<b>Licences</b>	ECU 3 000 /year/seiner ECU 500/year/longliner	EUR 3 750 / year/seiner EUR 1 375 /year/longliner > 150 GRT EUR 1 000 /year/longliner < 150 GRT EUR 625 per pole-and-line vessel	EUR 3 750 / year/seiner EUR 1 375 /year/longliner EUR 625 per pole-and-line vessel EUR 42 per GRT deep sea crab vessels/quarterly licence
<b>Other conditions</b>			
<b>Observers</b>	Observer	Observer	Observer on request. Systematically observer on deep sea crab vessels
<b>Local seamen</b>	3 maximum	6 maximum	6 maximum
<b>Fishing zone</b>	-	Beyond 12 miles	Beyond 12 miles

The most eye catching difference between the current and the previous protocol regards the adjustment of the number of tuna vessels and the inclusion of deep sea crab fisheries into the new protocol. On an experimental basis, starting from 1 June 2002, for a period of 12 months, fisheries for deep sea crab can take place within the EEZ of São Tomé e Príncipe. The advances to be paid amount to 42 € per one Gross Registered Tonnage per 3 months of the crab fishing vessel. After this period an evaluation study will be carried out in order to assess if exploitation is sustainable in respect of the resources involved and profitable for the fishing companies.

It is no surprise that the amount pole-and-line vessels is drastically reduced in this protocol. In the previous protocol none of the available licences were used. The low utilisation rate is also the reason for the reduction of the number of surface longliners from 33 to 26.

The EU's total financial contribution for the three year fisheries protocol has gone up from 1 912 000 € to 2 250 000 € (incl. 50 000 for evaluation of deep sea fisheries, after the first year). The funds for targeted measures, which form part of the overall sum to be paid by the Community, remained at a level which is comparable to the one in the previous protocol (880 000 in current period against 955 750 € in the previous protocol). The financial compensation, however, increases considerably mainly as a result of the introduction in the first year of the protocol of the new category of experimental deep-water fishing targeting crab.

## **REFORM OF THE CFP**

The Roadmap on the Reform of the CFP states that "... community public aid under fisheries Agreements should be increasingly focussed on helping partner countries to implement fisheries management and to develop their own fisheries sector, while the owners of the Community vessels benefiting from such Agreements should progressively assume greater responsibility for the financial compensation paid to partner countries in exchange for fishing rights." Your rapporteur agrees with the Commission's position that developing countries should have a fair chance to develop their own fishing industry. This attitude does not seem to differ much from the Commission's previous approach which aimed at increasing the level of targeted measures with the purpose of developing local industries. The total financial contribution to third countries reflects the value of the fishing possibilities and is shared between the Community and the vessel owners on a basis which allows a profitable exploitation of the Union's distant water fleet. If the sensitive equilibrium of cost sharing between the Community and the vessel owners were to be disturbed this could jeopardise the very existence of many enterprises active in this type of fishery. The rapporteur therefore calls on the European Commission to be reluctant to introduce radical changes in its reform plan concerning distant water fisheries.

## **EVALUATION**

As usual, the European Commission has drafted an assessment report on the 1999 - 2002 fisheries protocol. The latest FAO figures (1994) record a production by the local fisheries industry of 3000 tonnes while about 600 tonnes of fishery products were imported. The fishing fleet counts 2 400 small vessels (pirogues), 6 tuna seiners, 5 surface longliners and 21 pole and line vessels, offering direct work to some 2 900 fishermen.

According to the Commission's evaluation paper São Tomé has in the past signed several fisheries agreements (Russia, Gabon and Angola) but they either never entered into force or are no longer in force. The utilisation, in terms of licences drawn, was good for tuna seiners (80%) but not satisfactory for the surface longliners (35%) and even *nihil* for the pole and line vessels. As far as the reported catches are concerned, these are very low. Against a reference level of 8 500 tonnes, in the year 1999 only 2274 tonnes of tuna catches were declared. In 2000 the situation further deteriorated with 1839 tonnes. Following the Commission's reasoning, this agreement is not only about catches but forms an integral part of a network of tuna agreements in the Atlantic, which allows for the Community to follow the straddling stocks. The Commission further explains that catches may not be known in advance which is the reason for fixing the reference tonnage for tuna again at the level of 8500 tonnes.

## COMMENTS

In spite of the low utilisation level of the previous protocol, not only concerning the withdrawal of licences but concerning declared catches as well, your rapporteur believes that this fisheries protocol offers advantages for both the contracting parties. Firstly, it will ensure the smooth passage of European vessels in sea areas adjacent to those belonging to countries with which the European Union has already signed fisheries agreements. For São Tomé e Príncipe the protocol offers funding for the development of the local fisheries industry of a country which finds itself in serious economic difficulties. Therefore, it is very worrying to read from the evaluation report that, apparently, São Tomé -which is so dependent on external aid- is not capable of absorbing all the available money for the targeted measures. Your rapporteur calls on the European Commission to do its utmost to ensure that the money available for the development of the local industry will be used in a proper way. Again, the Parliament insists that it receives a copy of the report concerning the implementation of the targeted measures.

The ban on the exploitation of fish stocks within 12 miles from the coasts will protect those stocks and safeguard the catches and income of local fishermen.

## CONCLUSION

From the Commission's evaluation report the conclusion can be drawn that the average utilisation of the offered fishing opportunities stood at a poor level, both in terms of the number of licences drawn and the amount of declared fish, the latter not very predictable because of the migratory character of many of the targeted species. In spite of the low utilisation rates, your rapporteur wants this agreement to continue because it also forms part of a network of agreements which allows the EU vessels to move flexibly while chasing highly migratory stocks. Secondly, the inclusion of experimental crab fisheries could offer attractive opportunities for EU- fishing vessels. Finally, the adjustment of fishing possibilities for longliners and pole-and-line vessels to a more realistic level probably will probably bring a better balance in supply and demand of licences.

Your rapporteur recommends that the Parliament endorses the new protocol.

8 October 2002

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Protocol setting out, for the period from 1 June 2002 to 31 May 2005, the fishing opportunities and the financial contribution provided for by the Agreement between the European Economic Community and the Government of the Democratic Republic of São Tomé and Príncipe on fishing off the coast of São Tomé and Príncipe  
(COM(2002) 398 – C5-0394/2002 – 2002/0162 (CNS))

Draftsman: Bárbara Dührkop Dührkop

### **PROCEDURE**

The Committee on Budgets appointed Bárbara Dührkop Dührkop draftsperson at its meeting of 12 September 2002.

It considered the draft opinion at its meeting of 8 October 2002.

At the meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn, chairman; Reimer Böge, Anne Elisabet Jensen and Franz Turchi, vice-chairmen; Bárbara Dührkop Dührkop, draftsman; Kathalijne Maria Buitenweg, Joan Colom i Naval, María Esther Herranz García, Ian Stewart Hudghton, Wilfried Kuckelkorn, Juan Andrés Naranjo Escobar, Joaquim Piscarreta, Bartho Pronk (for Ioannis Averoff), Kyösti Tapio Virrankoski and Ralf Walter.

## SHORT JUSTIFICATION

1. The previous Protocol to the Fisheries Agreement between the European Economic Community and the Democratic Republic of São Tomé and Príncipe expired on 31 May 2002. On 14 February 2002, the two parties initialled a new protocol for a period of three years (1 June 2002 to 31 May 2005). A draft Council Decision concerning the provisional application of the new Protocol pending its final entry into force is subject to a separate procedure (without consultation of the Parliament).
2. On 12 June 2002, the Commission informed the Parliament's Committee on Fisheries about the new Protocol as initialled and transmitted the text of the Protocol, but no draft financial statement. On 15 July 2002, the Commission adopted the Proposal for a Council Regulation on the Conclusion of the Protocol.
3. An evaluation of the first Protocol (1999-2002) shows that average utilisation in terms of issue of licences was good for tuna seiners (80%) but less than satisfactory for surface longliners (35%) and zero for pole-and-line tuna vessels. Utilisation in terms of catches was poor: 2 274 tonnes in 1999 and 1 839 tonnes in 2000.
4. The new Protocol foresees the following financial contributions through the EU budget:  
in €

	2002	2003	2004	Total
Commitment appropriations				
Financial compensation	555 000	382 500	382 500	1 320 000
scientific and technical programmes	50 000	40 000	40 000	130 000
surveillance and inspection	50 000	40 000	40 000	130 000
institutional support	50 000	40 000	40 000	130 000
study grants and training	40 000	30 000	30 000	100 000
contributions to international fisheries organisations	35 000	35 000	35 000	105 000
aid for small-scale fishing	145 000	70 000	70 000	285 000
evaluation study on deep-water crab	50 000			50 000
<b>Total Commitments</b>	<b>975 000</b>	<b>637 500</b>	<b>637 500</b>	<b>2 250 000</b>
<b>Payment appropriations</b>	<b>975 000</b>	<b>637 500</b>	<b>637 500</b>	<b>2 250 000</b>

The Protocol provides for fishing opportunities for 36 tuna seiners, 25 surface longliners and 2 pole-and-line tuna vessels, a reference weight of 8 500 tonnes and the introduction of a new category of experimental deep-water fishing targeting crab (3 vessels under 250 GRT over 12 months). Given the new section on possibilities for experimental fishing, the new Protocol represents an increase in fishing opportunities over the previous Protocol.

5. The Community will pay a total financial contribution of EUR 2 250 000 over three years, as against EUR 1 912 500 for three years under the earlier Protocol. Of that amount, 40%, i.e. EUR 880 000, will go towards financing targeted measures aiming at developing the São Tomé fisheries sector (financing technical and scientific programmes, fisheries

inspection and monitoring, financing grants and training courses, programmes to develop quality control of fishery products, etc).

## CONCLUSIONS

1. The Committee on Budgets welcomes the fact that the Protocol provides for the financial compensation for the first year to be paid not later than 31 December 2002. This will leave the necessary time for the consultation of Parliament before the first payment to the Democratic Republic of São Tomé and Príncipe has to be effected.
2. The Committee on Budgets welcomes the inclusion of a suspension clause in the Protocol, which gives the possibility to suspend the fishing agreement either in the case that the Community fails to make the payments provide for in the Protocol (Article 5) or in the case that the circumstances prevent fishing activities in the São Tomé and Príncipe fishing zone (Article 7). It is a positive development that the Commission has undertaken to include such clauses in more and more fisheries protocols with third countries to avoid the difficulties which occurred in the context of other fisheries agreements when the fishing could not be carried through as provided for in the respective protocols and agreements.
3. The Committee on Budget also welcomes the inclusion of Article 3 in the proposal for a Council Regulation, concerning the notification of the quantities of each stock caught, which will help to evaluate the implementation of the agreement and to manage the fisheries resources in this area.

## AMENDMENTS

The Committee on Budgets calls on the Committee on Fisheries, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

Amendment 1  
Article 3b (1) (new)

***1. In the course of the Protocol's application, and before the start of negotiations on its possible renewal, the Commission shall submit to the Council and European Parliament a new general***

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<sup>1</sup> OJ C ...



**assessment report including a cost benefit analysis.**

*Justification*

*Before the expiry of the previous protocol, the European Commission presented to Parliament an evaluation report on the previous protocol after initialling the new protocol. The Commission did not provide the European Parliament with information allowing a serious assessment and the presentation of an opinion by the Parliament before the start of negotiations.*

Amendment 2  
Article 3b (2) (new)

***2. The Council shall, on the basis of this report and taking account of the European Parliament's opinion thereon, authorise the Commission, where appropriate, to start negotiations with a view to the adoption of a new Protocol.***

*Justification*

*The Committee on Budgets reiterates the demand for the general assessment report to be presented by the Commission before the beginning of negotiations on the renewed Protocol. The Council shall only give the authorisation to the Commission to start negotiations on the basis of the assessment report and the opinion of the European Parliament. This position is in line with the conclusion N° D of the Working Document on European Community Fisheries Agreements (PE 289.538) approved by the Committee on Budgets on 23 May 2000. It is also in line with the position taken by the Parliament on other fisheries agreements.*