

# EUROPEAN PARLIAMENT

1999



2004

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*Session document*

FINAL  
**A5-0065/2003**

19 March 2003

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## **REPORT**

on the proposal for a Council regulation on the conclusion of the Agreement between the European Community and the Republic of Kiribati on fishing within the Kiribati fishing zone  
(COM(2002) 692 – C5-0039/2003 – 2002/0281(CNS))

Committee on Fisheries

Rapporteur: Ioannis Marinos

### ***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

	Page
PROCEDURAL PAGE .....	4
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION .....	5
EXPLANATORY STATEMENT .....	8
OPINION OF THE COMMITTEE ON BUDGETS .....	12
OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION .....	17

## PROCEDURAL PAGE

By letter of 10 February 2003, the Council consulted Parliament, pursuant to Article 37 in conjunction with Article 300(2) and 300(3) first subparagraph of the EC Treaty, on the proposal for a Council regulation on the conclusion of the Agreement between the European Community and the Republic of Kiribati on fishing within the Kiribati fishing zone (COM(2002) 692 – 2002/0281(CNS)).

At the sitting of 13 February 2003, the President of Parliament announced that he had referred the 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 (C5-0039/2003).

The Committee on Fisheries had appointed Ioannis Marinos rapporteur at its meeting of 30 September 2002.

The committee considered the proposal for a Council regulation and the draft report at its meetings of 12 September 2002, 20 February and 18 March 2003.

At the last meeting it adopted the draft legislative resolution by 10 votes to 1, with 2 abstentions.

The following were present for the vote: Struan Stevenson, chairman; Rosa Miguélez Ramos, vice-chairman; Ioannis Marinos, rapporteur; Elspeth Attwooll, Niels Busk, Ian Stewart Hughton, Salvador Jové Peres, Heinz Kindermann, Giorgio Lisi, Albert Jan Maat (for Brigitte Langenhagen), Manuel Pérez Álvarez, Dominique F.C. Souchet and Daniel Varela Suanzes-Carpegna.

The opinions of the Committee on Budgets and the Committee on Development and Cooperation are attached.

The report was tabled on 19 March 2003.

## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation on the conclusion of the Agreement between the European Community and the Republic of Kiribati on fishing within the Kiribati fishing zone (COM(2002) 692 – C5-0039/2003 – 2002/0281(CNS))**

### **(Consultation procedure)**

*The European Parliament,*

- having regard to the proposal for a Council regulation (COM(2002) 692<sup>1</sup>),
  - having regard to Article 37 in conjunction with Article 300 (2) and 300(3) first subparagraph of the EC Treaty, pursuant to which the Council consulted Parliament, (C5-0039/2003),
  - having regard to Rule 67 and 97(7) of its Rules of Procedure,
  - having regard to the report of the Committee on Fisheries and the opinions of the Committee on Budgets and the Committee on Development and Cooperation (A5-0065/2003),
1. Approves the proposal for a Council regulation 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 if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it 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)

***(2a)It is important to improve the information supplied to the European Parliament and the Commission should draw up an annual report on the state of implementation of the Agreement.***

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

*Justification*

*The amendment aims to emphasise the importance of providing the European Parliament with adequate information so that it is in a position to carry out its work in accordance with the consultation procedure.*

Amendment 2  
Recital 2b (new)

***(2b) The Protocol to the Agreement should include the social clause adopted on 19 December 2001 at the plenary meeting of the Fisheries Sectoral Social Dialogue Committee with a view to ensuring that all fishermen on board European Union vessels enjoy freedom of association, the right to collective bargaining, the elimination of discrimination, adequate remuneration, and living and working conditions similar to those of European Union fishermen.***

*Justification*

*International fishing agreements should always take into account the social dimension.*

Amendment 3

Article 3a (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. This report also includes a cost benefit analysis which must indicate the apportionment of costs between shipowners and the Community.***

Or. en

#### *Justification*

*The Commission recently started to present evaluation reports to the Parliament. These reports contain valuable information but unfortunately do not include a cost-benefit analysis. Such an analysis must be added, with an indication of the apportionment of costs between shipowners and the Community, in order to ensure accountability to the European taxpayer.*

#### Amendment 4 Article 1 b (new)

***1b. The Commission shall forward to the European Parliament and the Council a copy of the report on the targeted measures which the Kiribati authorities will provide pursuant to Article 6 of the Protocol.***

#### *Justification*

*Targeted measures are becoming increasingly important from both the financial and social point of view. The report should therefore also be forwarded to Parliament and the Council, as well as being submitted to the Commission, as laid down in the Protocol.*

#### Amendment 5 Article 1 c (new)

***1c. On the basis of those reports and after consulting the European Parliament, the Council shall confer on the Commission a negotiating mandate in respect of the Protocols implementing the Agreement.***

#### *Justification*

*The European Parliament and the Council will be in a position to carry out their duties only on the basis of the report on the implementation of the targeted measures and the report assessing the implementation of the fisheries agreement.*

## **EXPLANATORY STATEMENT**

### **Introduction**

Following negotiations held in the first half of 2002 with the Republic of Kiribati, an island state in the Central West Pacific, a tuna fisheries agreement was initialled on 6 July 2002. The Agreement has been concluded for an initial period of five (5) years and, unless terminated by one of the parties giving notice six weeks before the expiry of the five-year period, it is tacitly renewed for additional periods of two years unless notice of termination is given at least three months before the expiry of any two-year period.

### **Background to fisheries in Kiribati**

The islands of Kiribati consist of 33 coral atolls in Micronesia, surrounded by the fish-rich waters of the Pacific. Despite its limited area (810 km<sup>2</sup>), Kiribati controls a huge Exclusive Economic Zone (EEZ) of 3.5 million km<sup>2</sup> with very rich fish stocks, mainly tuna. Local fishing is carried out by traditional boats and some 250 small motorised vessels for tuna fishing and other large sea fish.

From a fisheries point of view, Kiribati offers one of the best and richest fishing grounds in the region.

Tuna purse seiners in the Kiribati EEZ average an annual catch of thousands of tonnes. The region is also suited to longliners. Longliners are estimated to account for some one fifth of the purse seiner catch.

With over 1 100 types of fish and a contribution of almost USD 12 million to GDP, which is over USD 54 million (2000), fisheries are a tremendously important economic resource to the population of Kiribati. According to the UN Food and Agriculture Organisation, 88% of households in Kiribati are involved in the fishing industry (40% of them on a commercial basis) either full-time or part-time. However, the long distance from processing plants and markets is an obstacle to the development of the local fishing industry on an industrial and export scale.

Fishing fleets from Japan, the USA, Taiwan, Korea and Spain operate in the Kiribati EEZ. According to FAO statistics, at the beginning of 2001, licences had been issued to approximately 260 longliners, 95 purse seiners and 37 pole-and-line vessels. In 1999, catches in Kiribati waters totalled more than 132 000 metric tonnes. Employment on foreign vessels is also an important source of income for the people of Kiribati.

### **Content of the agreement**

The aim of the agreement is to lay down the principles and rules governing fishing activities of vessels (purse seiners and longliners) flying the flag of a Member State of the European Community in the waters over which Kiribati has sovereignty or jurisdiction in respect of fisheries. These fishing activities will be carried out by vessels holding a fishing licence issued by the Kiribati authorities at the request of the European Union. In return for the fishing opportunities provided, the European Union makes a financial contribution to the



Republic of Kiribati.

The provisions governing fishing opportunities and the financial contribution are summarised in the table below.

Fishing opportunities	
Vessels	6 purse seiners the first year 4 purse seiners for the following years (with the possibility of 7 additional licences from the second year) 12 longliners
Reference quantities in tonnes	8 400 tonnes of tuna the first year 6 400 tonnes the following years
Financial framework	
Financial contribution	EUR 446 000 the first year EUR 316 000 for the following years (minimum) EUR 65 000 for each additional purse seiner*
Targeted measures	EUR 100 000 per year**

\* The conditions defined in the agreement allow additional fishing licences to be granted. For each additional licence, the European Union increases the financial contribution by EUR 65 000 per year, which is the equivalent of a catch of 1000 tonnes of tuna per year.

\*\* This amount breaks down as follows:

- EUR 50 000 for the participation of Kiribati officials in regional and international meetings relating to fisheries,
- EUR 35 000 for institutional support for the administrative department responsible for fisheries,
- EUR 15 000 for Kiribati contributions to regional and international fisheries organisations.

In addition, the following provisions have also been agreed:

- Fishing is permitted beyond 12 nautical miles from Kiribati. As regards purse seiners in particular, fishing is prohibited within 60 nautical miles from the islands of Tarawa, Kanton and Kiritimati and within 3 nautical miles of any anchored fish-aggregating device, the location of which is defined by geographical coordinates;
- one observer to be taken on board at least 20% of fishing trips;
- each Community vessel fishing under the agreement undertakes to employ 2 Kiribati nationals as crew members;
- Community vessels fishing under the agreement are subject to a vessel monitoring system (VMS);
- transshipment at sea is prohibited. Transshipment must be carried out at least three times a year in Kiribati ports.

### **Rapporteur's comments**

#### Allocation of fishing activities

The Commission proposes the following allocation of fishing activities among the Member States:

- purse seine vessels: France (30% of available licences) and Spain (70% of available licences);
- longliners: Spain (6 vessels) and Portugal (6 vessels).

Provision is also made, should licence applications from the above Member States not cover all the fishing opportunities fixed by the Protocol, for the Commission to consider licence applications from any other Member State.

Evidently, the structure of the Member States' fishing fleets and the interest that they have shown have been taken into account in making the above allocation. It would be useful, nevertheless, if the Commission clarified how it made its choice of vessels by nationality as this is not apparent from the proposal for a Council regulation and it is not clear that there is no interest from fishing vessels of other EU Member States apart from those to which the licences were granted.

#### Division of costs

In existing fishery agreements, the cost of fishing opportunities is divided between the Community and shipowners at a ratio of 3:1. The Community pays EUR 75 per tonne of tuna while shipowners pay EUR 25. In the Protocol with Kiribati, the corresponding contributions are EUR 65 and EUR 35. It is not clear why shipowners operating under this agreement should pay a higher contribution compared with other agreements.

However, given that - according to the Commission - the market value of tuna fluctuates between 500 and 1500 euro per tonne, this division of cost seems rational even though account should also be taken of the negative impact on commercial exploitation of the distance from processing plants and commercial markets.

#### Conservation of resources

Kiribati is a party to the PALAU Arrangement, one of the objectives of which is to secure the most advantageous sustainable exploitation of tuna stocks possible in the Central and Western Pacific. Kiribati is also a member of the South Pacific Regional Fisheries Organisation. As the FAO evaluation report noted, the bulk of tuna stocks are not considered to be exploited adequately. The FAO, however, warns that the fluctuation of stocks from year to year could make it difficult for domestic fishery companies to operate on a sustainable basis. Although the current level of fishing within the Kiribati EEZ does not appear to threaten stocks, there is a concern that they may fall. This concern was expressed by the President of the Republic of Kiribati, Mr Tito, at the meeting of the World Food Organisation held in Rome in 2002, at which he asked for the subject of net size to be considered at a future conference of the FAO or other international or regional organisations. In this context, your rapporteur notes that the parties undertake to coordinate their efforts, either directly or via international bodies, to ensure the management and conservation of living resources in the Central and Western Pacific, and to facilitate the relevant scientific research. He also welcomes the restrictions on fishing contained in the Agreement. Furthermore, he considers that the sum available for targeted measures will enable Kiribati to extend its participation in regional fishery bodies.

## Role of Parliament

Your rapporteur regrets the fact that Parliament was excluded before and during negotiations on the Agreement. In all its reports on international fishery agreements, Parliament has submitted amendments asking to be consulted when the Council gives the Commission a negotiating mandate. Usually, the subject at hand is the renewal of protocols which do not require official Council mandates. However, in the case of Kiribati, this is an entirely new Agreement and consequently Parliament should have been informed.

## **Conclusion**

In view of the above and taking account of the fact that the Western Pacific is a fishing ground very rich in tuna (accounting for 50% of total tuna catches worldwide), your rapporteur agrees that access of Community tuna fishing vessels to the Kiribati region would be a significant opportunity to boost Community tuna fisheries towards world scale. The Agreement also lays down the conditions to establish a broader basis for sustainable development and, more generally, a platform for European economic, social and environmental values. It also restricts uncontrolled fishing which depletes fish stocks, and applies EU social standards to the local workers to be employed on fishing vessels. Taking this perspective, and considering that the Agreement with Kiribati is also of benefit to the European Union, your rapporteur recommends that the Commission's proposal for a regulation be approved.

19 February 2003

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

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Agreement between the European Community and the Republic of Kiribati on fishing within Kiribati fishing zone (COM(2002) 692 – C5-0039/2003 – 2002/0281(CNS))

Draftsman: Bárbara Dührkop Dührkop

## **PROCEDURE**

The Committee on Budgets appointed Bárbara Dührkop Dührkop, draftsman at its meeting of 21 January 2003.

It considered the draft opinion at its meeting of 19 February 2003.

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, Den Dover, Göran Färm, Markus Ferber, Salvador Garriga Polledo, Anne-Karin Glase (for Ioannis Averoff), Jutta D. Haug, María Esther Herranz García, Constanze Angela Krehl, Armin Laschet (for James E.M. Elles), Jan Mulder, Juan Andrés Naranjo Escobar, Joaquim Píscarreta, Giovanni Pittella, Esko Olavi Seppänen (for Chantal Cauquil), Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

## SHORT JUSTIFICATION

1. In June 2001 the Council of Ministers mandated the Commission to negotiate bilateral tuna fishery agreements with ACP states of Central West Pacific.
2. Negotiations with the Republic of Kiribati took place during the first half of 2002 and the text of a new tuna Agreement was initialled on 6 July 2002. The Agreement will enter into force when the Parties exchange the notification concerning the accomplishment of the respective appropriate adoption procedures.
3. The Protocol to the Agreement, which establishes the fishing possibilities and the financial contribution, has been concluded for an initial period of three years. The global financial contribution was fixed at € 546 000 for the first year and to a minimum of 416 000 for the second and third year of application of the Protocol. Starting from the second year, the financial contribution may be increased by EUR 65 000/year for each additional purse seine vessel licence obtained according to the possibilities offered by Kiribati. In the hypothesis of the acquisition of all additional purse seine licences, the total EC financial contribution could reach € 871 000 per year or an overall amount of € 2 288 000 for the three-years period. The minimum costs for the agreement in the first three years will total € 1 378 000.
4. To show the possible costs for the EU budget (heading 4) the maximum financial contribution is reflected in the following table:

	2003	2004	2005	Total
Commitment appropriations				
Financial compensation	446 000	771 000	771 000	1 988 000
Costs of participation in regional and international fishery-related meetings	50 000	50 000	50 000	150 000
Institutional support	35 000	35 000	35 000	105 000
Contributions to regional and international fisheries organisations	15 000	15 000	15 000	45 000
<b>Total Commitments</b>	<b>546 000</b>	<b>871 000</b>	<b>871 000</b>	<b>2 288 000</b>
<b>Payment appropriations</b>	<b>546 000</b>	<b>871 000</b>	<b>871 000</b>	<b>2 288 000</b>

5. The Protocol foresees EUR 100 000 per year for targeted measures, i.e. participation in international meetings, contributions to international fisheries organisations and institutional support to the administrative department of the Kiribati government responsible for fisheries.
6. The protocol foresees the same total fee of € 100 per ton of tuna caught to be paid as in other fisheries agreements. In this case, the financial contribution from the EU budget is € 65, and the remaining amount of € 35 is paid by the ship-owner.
7. The Protocol provides for the agreement to come into force after the notification of the

accomplishment of the adoption procedures in the EU and in Kiribati. The financial compensation for the first year will only be paid after the coming into force of the agreement. So the first instalment can only be paid after the consultation of Parliament had taken place. Therefore, the procedural problems of possible payments before consultation of Parliament is excluded, which is welcomed by the Committee on Budgets.

8. The targeted measures can be considered as kind of subsidies, which are certainly useful for the Kiribati government. No targeted measures in the area of monitoring, control and surveillance of the fishing activities, stock evaluations, the improvement of the safety at sea (in particular, of small-scale fishing vessels), support for the introduction of sustainable and responsible fishing, research or support of small-scale fishing are included in the agreement. Even if not all these elements are useful for Kiribati, it is deplorable that non of them is included. The Commission should have used better the occasion to promote the management and sustainable development of fisheries resources. The '*management and conservation of living resources in the Central and Western Pacific*' and the facilitation of *relevant scientific research* is mentioned in Article 5 of the agreement, but not supported by targeted measures.
9. The Commission proposal contains an article to take account of Commission Regulation (EC) No 500/2001 of 14 March 2001<sup>1</sup> stating that the Member States are obliged to notify the Commission of the quantities of the catches taken in the Kiribati fishing zone. This provision is now entered in a lot of Commission proposals and welcomed by the committee. It can help to achieve a more realistic picture of the actual catches of the EU shipping fleet while being useful in both directions: to identify more exactly the under-utilisation of fishing opportunities, and to discover if catches are not declared properly.
10. The Committee on Budgets welcomes the inclusion of a suspension clauses, which gives the possibility to suspend the fishing agreement either in the case that the Community fails to pay the financial contribution foreseen (Article 7 of the protocol) or in the case that the fishing activities in the Kiribati fishing zone are prevented, but only '*as a result of circumstances solely attributable to the fault or negligence of Kiribati*' (Article 8 of the agreement). It is a positive development that the Commission has undertaken to include such clauses in more and more fisheries agreements and 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.
11. The ratio between contributions from the EU budget and the fee to pay by the shipowners is 65:35, while in many other fisheries protocols with ACP countries the ration is 75:25. This can be welcomed by the Committee on Budgets. On the other hand, the reference tonnage, i.e. expected catches, is relatively high: 1000 tonnes/year for each purse seiner and 200 tonnes/year for each long-liner. Given the rich fishing grounds of the Kiribati fishing zone, this may still be an over-estimation, which could result in not justified costs for the EU budget.
12. The new fisheries agreement constitutes a new expenditure under heading 4. Given the financial constraints and the variety of new needs which were included under this heading

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<sup>1</sup> OJ L 73, 15.3.2001, p. 8.

during the last years, every new expenditure needs to be examined critically. On the other hand, the discontinuation of the fisheries agreement with Morocco had freed an considerable amount for heading 4, which was only partly used for the renewal of fisheries agreements being more expensive than the their successors (Senegal, Angola). Given the modest amount of the agreement with a maximum of € 871 000 in 2004 and 2005, your rapporteur considers that the new agreement and protocol is compatible with the financial perspective.

## 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>

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Amendments by Parliament

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

***1. In the course of the application of the agreement, and before the start of negotiations on the renewal of the protocol attached to the agreement, the Commission shall submit to the Council and European Parliament a new general assessment report including a cost benefit analysis.***

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

*Justification*

*The Commission shall provide the European Parliament with information allowing a serious assessment and the presentation of an opinion before the start of negotiations on a new protocol.*

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.*



21 January 2003

## **OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION**

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Agreement between the European Community and the Republic of Kiribati on fishing within Kiribati fishing zone (COM(2002) 692 –C5-0039/2003 – 2002/0281 (CNS))

Draftsman: Joaquim Miranda

### **PROCEDURE**

The Committee on Development and Cooperation appointed Joaquim Miranda draftsman at its meeting of 30 September 2002.

It considered the draft opinion at its meeting of 2 October 2002.

At its meeting of 11 November 2002 it adopted the following conclusions unanimously.

The following were present for the vote: Joaquim Miranda, chairman and draftsman; Margrietus J. van den Berg, vice-chairman, Marieke Sanders-ten Holte, vice-person and Anders Wijkman, vice-chairman, Niall Andrews (for Isabelle Caullery), Richard A. Balfe (for Nirj Deva), Jean-Pierre Bebear, Yasmine Boudjenah, John Bowis, Marie-Arlette Carlotti, Maria Carrilho, Vitaliano Gemelli, Richard Howitt, Glenys Kinnock, Karsten Knolle, Paul A.A.J.G. Lannoye, Nelly Maes (for Didier Rod), Miguel Angel Martínez Martínez, Hans Modrow, Luisa Morgantini, Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Maj Britt Theorin and Elena Valenciano Martínez-Orozco (for Karin Junker).

## SHORT JUSTIFICATION

The Committee on Development and Cooperation refers to its previous reports and opinions on other fisheries agreements concluded with various ACP countries, to Parliament and Joint Assembly resolutions on fisheries agreements and ACP-EU cooperation in this area<sup>1</sup>, and to the Development Council resolutions on the consistency of Community development cooperation policy with other policies (Luxembourg, 5 June 1997) and on fisheries and poverty reduction (Brussels, 8 November 2001).

For the approach towards fisheries to be consistent with that towards development, the common fisheries policy must not jeopardise the aims of European development policy, especially in relation to sustainable development and combating poverty. The issue of management of fish stocks must be approached with caution if the sustainable exploitation of fishery resources in the ACP countries and worldwide is to be achieved.

### **EU Fisheries Agreement with Kiribati**

The EU and the Republic of Kiribati have initialled a new bilateral Fisheries Agreement for an initial period of three years. This Agreement, which is the first concluded by the EU in the Pacific region, will provide fishing possibilities exclusively for tuna EU vessels (mainly from Spain, France and Portugal) fishing in the waters of Kiribati. In return the EU will contribute € 1 378,000, a portion of which (€ 300,000 approx. 20 %) will be allocated to targeted measures to strengthen Kiribati's participation in regional and international fisheries organisations and to support the country's institutional capability in the fisheries area. The agreement will enter into force once the two Parties will have completed their respective adoption procedures. This Agreement meets the provisions in the Palau arrangement, which aims to co-ordinate management measures in this area.

For the first year of application, 6 purse seine vessels and 12 long-liners will be authorised to fish tuna under the Agreement. As from the second year, fishing possibilities will be levelled at a minimum of 4 purse seiners and 12 long-liners; however, the number of purse seine vessels may be increased to up to 11 vessels according to the management decisions to be taken under the Palau Arrangement for the Management of the Western Pacific Purse Seine Fishery.

The share of the cost to be met by ship-owners is higher than in any other tuna Agreements between the EU and third countries. It has been agreed at € 35 per tonne of tuna caught.

All EU vessels operating under this Agreement will fish beyond the 12-mile coastal band in order to avoid competition with the local artisanal fleet. EU vessels will have to employ two local seamen per vessel and will be required to tranship at least three times per year in a Kiribati port.

EU vessels operating under the Agreement will have to take an observer on board on at least

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<sup>1</sup> See in particular: Crampton report (A4-0149/97, OJ C358, 24.11.1997), Lannoye report (A5-0334/01, OJ C112E, 25.10.2001); Joint Assembly resolution on fisheries in the context of ACP-EEC cooperation (OJ C14, 17.1.1994); Joint Assembly resolution on ACP-EU cooperation in the fisheries sector beyond the year 2000 (ACP-EU 2187/97, OJ C96, 30.3.1998)

20 % of their fishing trips and will be subject to satellite monitoring by VMS (Vessel Monitoring System) and to catch reporting.

### **Economic role of fisheries in Kiribati**

The West Pacific is the richest ocean in tuna resources, traditionally providing 50 % of the world annual catches of albacore, bigeye, skipjack and yellow-fin tuna. In 1998, catches for these four species in the West Pacific reached 1.8 million metric tonnes against 0.5 million in East Pacific, 0.7 million in the Indian Ocean and 0.4 million in the Atlantic Ocean.

With an Exclusive Economic Zone (EEZ) extending to approximately 3.5 million Km<sup>2</sup> around its 33 islands Kiribati boasts one of the largest fishing areas in the region.

For the people of Kiribati, fishing is a key source of food, nutrition and potential income. The level of per capita seafood consumption is one of the highest in the world, with estimates ranging from 72 to over 200 kg over the past decade. .

In the less-populated centres, supplies from subsistence and small artisanal fishing activities are normally sufficient to meet demand. In the urban areas, particularly Tarawa, shortfall in supply may occur. Canned fish imports are about 380 mt annually equivalent in food value to about 760 mt of whole fish.

Small-scale commercial fishing is concentrated around Tarawa where a sizeable population, some ice and cold store facilities, and cash-oriented economy create better market conditions.

The problems experienced by the national fishing company, TML, and of some other schemes to develop commercial fisheries indicate that significant problems continue to stand in the way of fisheries development in Kiribati. These include: the poor competitiveness of pole-and-line fishing under current conditions; nearshore resource limitations; poorly developed cold storage, handling and shipping infrastructure; seasonal fluctuations in fish availability; indirect airline services; high overhead cost relative to low levels of production; insufficient water supplies; and the cost and difficulty of enforcing fishing regulations and licensing compliance.

### **CONCLUSIONS**

The Committee on Development and Cooperation calls on the Committee on Fisheries, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Recalls the EP resolution on "Fisheries and Poverty Reduction" (A5-0334/2001) as well as the Council Resolution of 8 November 2001 on the same subject;
2. Recalls the agreement reached at the WSSD in Johannesburg which commits countries to limiting fishing to sustainable levels and take steps to restore stocks by 2015; also the request to regional fisheries management organisations to consider the needs of developing countries when allocating fish quotas;

3. Underlines that there are few options other than marine resources use to further national economic self-sufficiency in Kiribati and therefore stresses the need for the government to pursue policies aimed at improving efficiency in institutions responsible for marine resource management and development; and promoting diversification in the fishing industry likely to increase the flow of domestic benefits;
4. Considers it important that arrangements and budgetary provisions in respect of EU development cooperation be made consistent with the provisions in the new Fisheries agreement; use should be made of cross-financing between the fisheries agreement budget and the EDF to build the necessary capacity;
5. Calls for measures to protect artisanal fishermen within an agreed limit; in this sense welcomes the establishment of a 12-mile exclusive zone, thereby protecting small-scale coastal fishing;
6. Welcomes the agreement on the use of a VMS (Vessel Monitoring System) to allow monitoring of EU vessels and hence improve compliance with national and international regulations.
7. Believes that the higher share of the costs to be met by ship-owners (€35 /tonne) will help to spread the overall cost of the agreement more evenly;
8. Draws attention to the requirements concerning the employment of Kiribati nationals as crew-members and, in particular, the working and salary conditions corresponding to the political desire for local training and development;
9. Calls on the Commission to ensure that each contractual clause of the agreement is observed by vessels flying a Community flag;
10. Recognises the damage done to dolphins by seine nets, and to seabirds, in particular albatrosses, by long-line; calls consequently, on the Commission and national and international fishing organisations to undertake research and apply already existing technology whereby marine mammals and birds can be protected from such fishing practices;
11. Recommends that the Committee on Fisheries approve the proposal.