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REPORT

on the Commission communication on an integrated framework for fisheries
partnership agreements with third countries
(COM(2002) 637) – (2003/2034(INI))

Committee on Fisheries

Rapporteur: Arlindo Cunha

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PROCEDURAL PAGE

By letter of 23 December 2002 the Commission forwarded to Parliament its communication on an integrated framework for fisheries partnership agreements with third countries (COM(2002) 637), which has been referred to the Committee on Fisheries for information.

At the sitting of 13 March 2003 the President of Parliament announced that the Committee on Fisheries had been authorised to draw up an own-initiative report on the subject, under Rules 47(2) and 163 and the Committee on Development and Cooperation and the Committee on the Environment, Public Health and Consumer Policy had been asked for their opinions.

The Committee on Fisheries had appointed Arlindo Cunha rapporteur at its meeting of 23 January 2003.

The committee considered the draft report at its meetings of 20 February, 18 March, 22 April, 9 July and 9 September 2003.

At the last meeting it adopted the motion for a resolution by 12 votes to 3, with no abstentions.

The following were present for the vote: Struan Stevenson (chairman), Rosa Miguélez Ramos (vice-chairman), Brigitte Langenhagen (vice-chairman), Arlindo Cunha (rapporteur), Elspeth Attwooll, Niels Busk, Salvador Jové Peres, Heinz Kindermann, Carlos Lage, Albert Jan Maat (for Giorgio Lisi), Ioannis Marinos, Patricia McKenna, Juan Ojeda Sanz (for Hugues Martin), Manuel Pérez Álvarez, Dominique F.C. Souchet and Daniel Varela Suanzes-Carpegna.

The opinion of the Committee on Development and Cooperation is attached; the Committee on the Environment, Public Health and Consumer Policy decided on 19 March 2003 not to deliver an opinion.

The report was tabled on 11 September 2003.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Commission communication on an integrated framework for fisheries partnership agreements with third countries (COM(2002) 637 – (2003/2034(INI))

The European Parliament,

- having regard to the Communication from the Commission (COM (2002) 637),
- having regard to the Conclusions of the Fisheries Council of 30 October 1997,
- having regard to its resolution of 6 November 1997 on the common fisheries policy after the year 2002¹,
- having regard to its resolution of 15 November 2000 on the Commission Communication to the European Parliament and the Council on the community participation in Regional Fisheries Organisations (RFOs),
- having regard to its resolution of 25 October 2001 on the Commission communication on fisheries and poverty reduction²,
- having regard to its resolution of 17 January 2002 on the Commission Green Paper on the future of the common fisheries policy³,
- having regard to its resolution of 20 November 2002 on the communication from the Commission on the reform of the common fisheries policy ('Roadmap')⁴,
- having regard to its resolution of 16 January 2003 on fisheries in international waters in the context of external action under the common fisheries policy⁵,
- having regard to the commitment agreed at the Johannesburg Summit 2002 with regard to restoring depleted fish stocks by 2015,
- having regard to its resolution of 20 November 2002⁶ on the Commission communication on the Community action plan for the eradication of illegal, unreported and unregulated fishing,
- having regard to Rules 47(2) and 163 of its Rules of Procedure,
- having regard to the report of the Committee on Fisheries and the opinion of the Committee on Development and Cooperation (A5-0303/2003),

¹ OJ C 358, 24.11.1997, p. 43.

² OJ C 112E, 9.5.2002, p. 216.

³ OJ C 210, 27.7.2002, p. 1.

⁴ T5-0555/2002.

⁵ T5-0025/2003.

⁶ P5_TA(2002/0546).

- A. whereas international agreements are a fundamental part of the fishing activity of the Community fleet, providing direct employment to 30 000 people, and generating a formidable economic activity in areas which are highly dependent on fisheries,
- B. whereas, despite the difficulties involved in the conclusion and renewal of agreements with third countries, such agreements are of fundamental economic importance in maintaining employment in the outlying and outermost fishing regions of the European Union depending on the fisheries sector where few employment alternatives to fishing are available,
- C. whereas the European Union imports a large quantity of fishery products from third countries to supply its markets and whereas the catches made by the Community fleets are much lower than EU consumption,
- D. whereas fishing activities by all Distant Water Fleets, including that of the Community, in third country waters should take place in a rational and responsible manner, according to provisions laid down in the United Nations Convention on the Law of the Sea and the Agreement on Straddling Fish Stocks and Highly Migratory Fish Stocks and the FAO Code of Conduct for Responsible Fisheries,
- E. whereas a substantial number of the EU's international fisheries agreements are with developing countries and whereas it should be acknowledged that the external relations in the framework of the common fisheries policy should be compatible with the Union's development principles laid down in Title XX of the Treaty and should respect the interests of the fisheries sector in these developing countries,
- F. whereas it is necessary to ensure consistency, complementarity and coordination between the common fisheries policy (CFP) and the Union's development cooperation policies, and whereas both must respect the principles of sustainable development while contributing to poverty reduction in the countries concerned,
- G. whereas the EU has committed itself to two objectives: the general objective of ensuring the sustainable character of fisheries worldwide, as defined at the Johannesburg summit, and the specific objective of maintaining or restoring stock levels with a view to producing the maximum sustainable yield; whereas these goals are to be achieved as a matter of urgency for overfished population units as soon as possible and no later than 2015,
- H. whereas the EU has also committed itself to the general objective under the CFP of ensuring the sustainable management of fishery resources in economic, social and environmental terms, especially in the context of the fisheries partnership agreements (FPAs) signed with third countries; whereas, furthermore, it is a legitimate objective of the CFP to maintain the Union's presence in distant fishing grounds and protect the interests of the Union's fisheries,

- I. whereas, as a member of the FAO, the EU has accepted its Code of Conduct for Responsible Fisheries, although its principles are still not being complied with in full¹,
- J. whereas the basis for acquiring fishing rights in exchange for a financial contribution is a commercial one,
- K. whereas, the cost of fisheries agreements should be shared between the Community and the vessel owners in payment of the fishing rights, regardless of the third country with which the agreement has been concluded, bearing in mind that the EU contribution should be considered as a contribution to a commercial agreement and as development aid,
- L. whereas the item in the common fisheries policy budget earmarked for international fisheries agreements fell from EUR 278.5 million in 1996 to less than 200 million in 2003 and whereas no increase has been foreseen for 2004; whereas, the Commission pursues the policy to extend the current number of fisheries agreements while renewal of protocols is becoming increasingly expensive,
- M. whereas joint ventures and temporary partnerships between businesses play an important part in supplying the Community market and developing cooperation between the Community fishing industry and the fishing industries of third countries,
- N. whereas regional fisheries organisations have the potential to be the most effective instrument for the responsible regional fisheries management and one of the most effective means of combating undesirable phenomena such as fishing carried out by pirate ships or those flying under flags of convenience,
- O. whereas it is Parliament's democratic right to be informed and be involved adequately in the run-up to new agreements, the renewal of existing agreements as well as on the implementation of agreements, including the targeted measures for the development of the local fisheries industry,
- P. whereas an acceptable balance must be found, in regard to fisheries agreements with third countries, between respect for coastal states' sovereignty and the ability to carry out controls,
 - 1. Points to the socio-economic importance of the fisheries agreements for the Community fishing sector and insists, therefore, that external aspects of the common fisheries policy be strengthened since this is essential in order to help remedy the trade deficit and protect direct and indirect employment in fisheries and the related industries;
 - 2. Welcomes the Commission proposal and its objective to better integrate environment and development aspects in the external relations of the CFP and insists that agreements, although of a commercial nature, must respect sustainable development of the fishing industry of the developing country concerned;

¹ OJ C 112, 9.5.2002, p. 216 (report by Mr Lannoye on the Commission communication on fisheries and poverty reduction – A5-0334/2001).

3. Supports the Commission's proposal for the phased conversion of access-based bilateral agreements into partnership agreements which can contribute to responsible fishing in the interests of both sides;
4. Stresses that it is the exclusive competence of the receiving country to spend at its discretion the contribution which it receives in exchange for granting fishing rights to the EU, although Parliament endorses the Commission's approach to earmark part of the financial contribution for the development of the local fisheries industry, and calls in this regard for a clear separation to be made between compensation paid for access, the contribution previously mentioned and any more general development aid forming part of the agreement (targeted measures);
5. Points out that the level of fishing possibilities must, preferably, be based on reliable scientific data or, in their absence, on the precautionary approach and stresses that no agreement should be sought in relation to access to stocks that are already fully exploited or in danger of overexploitation;
6. Calls on the Commission to continue with its impact assessment studies concerning the sustainable character of the FPAs and to allocate the necessary resources for this purpose;
7. Calls on the EU to continue to develop an active policy geared to signing international fisheries agreements of a commercial nature with developing countries based on mutual interest and benefit and with the aim of contributing to the supply of fish and to employment in the EU as well as the social and economic development of the fishery sector and ancillary industries in third countries;
8. Reiterates that development cooperation policy in this field entails promoting developing countries' capacity to exploit their fishery resources, enhance local added value and obtain a fair price for access rights for foreign fleets to their EEZs, while accepting the need to protect the interests of the EU's fisheries;
9. Insists that all such agreements should contain measures to protect small scale indigenous fisheries, to promote the landing of fish locally and require access to be dependent on the use of selective fishing methods;
10. Urges the Commission to request the third countries involved to apply the same set of rules which it applies to the Community fleet to all other nations' distant-water fleets that operate in the waters of the country concerned, respecting the obligations committed to in multilateral agreements;
11. Calls on the Commission to draw up a sound financial chapter concerning the financing of the fisheries agreements which should take into consideration the possible budgetary consequences of the increase of the number of agreements in the near future and the sharing of cost between the Community and the vessel owners in payment for the fishing rights, regardless of the third country with which the agreement has been concluded, bearing in mind that the EU contribution should be considered as a contribution to a commercial agreement and as development aid;

12. Calls on the Commission to boost the creation of joint ventures and temporary partnerships between businesses and establish an appropriate regulatory framework so that they can properly fulfil their objectives of supplying the Community market and fostering cooperation between the Community fishing industry and the fishing industries of third countries;
13. Calls for measures to be taken to prevent coastal communities' traditional fisheries being edged out by other, alien practices;
14. Calls for action to encourage the participation of local community organisations based on traditional forms of association, and for due attention to be paid to the role played by women in the processing and marketing of fishery products;
15. Proposes the encouragement at local level, in the ACP countries, of transfers of technology, scientific know-how, etc, in an investment-friendly form;
16. Calls for the necessary resources to be made available to ensure that the conditions of the agreements can be fulfilled in such a way as to permit their renewal;
17. Calls on the Commission to include in the protocols to agreements the social clause adopted on 19 December 2001 at the plenary meeting of the 'Sea Fishing' Sectoral Social Dialogue Committee, with a view to ensuring that all seafarers 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 seafarers;
18. Considers that the regional fisheries organisations play a very important role in fisheries management and urges the Commission to actively involve these organisations with the third countries with which fisheries agreements have been signed and to allocate adequate human and material resources to the interests of the Community fishing sector;
19. Requests the Commission, when entering negotiations about new agreements or renewal of existing ones, to take into account the legitimate rights of Member States that have shown interest in taking part in the agreement concerned; and apply the same principles and rules to all types of fishing agreements, namely the financial rules and the ad hoc and temporary transfer of fishing rights non-used by some Member States;
20. Urges the Commission to inform Parliament on the negotiating mandate which the Council grants the Commission;
21. Urges the Commission to keep its committee responsible updated about the preparation for negotiations or ongoing negotiations and to supply Parliament with annual reports on the degree of implementation of the agreements, the use of funds for targeted measures and standardised evaluation reports that should meet the requirements as laid down by the Fisheries Council of October 1997 so as to respect the Commission's accountability to Parliament;

22. Calls on the Commission to make aid for implementation by third countries of the FAO's international action plan for combating illegal, unreported and unregulated fishing one of the main priorities when concluding future agreements with third countries;
23. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

Introduction

The 21 international fisheries agreements between the Community and third countries, which were in force at the end of 2002, are of formidable economic importance for the EU. The catches of this fleet amount to 20 % of the total Community catches and represents a value of some EUR 1 billion. The cost the fisheries agreements amount annually to EUR 220 million, which includes the contribution of the vessel owners. Distant water fisheries generate around tens of thousands of jobs, not only on the vessels but also in the processing and ancillary industries, both in the EU and in the third countries concerned.

Currently, some 40% of the total financial contribution are destined for the so-called targeted measures, which aim at developing the fisheries sector of the country.

Content of the Commission's proposal

On 23 December 2002, the Commission adopted the Communication concerning the future of the third country fisheries agreements. In its proposal, the Commission envisages a development from purely commercial agreements into the direction of partnerships, which would better take into consideration the interests of the local industry, the conservation of resources and aspects such as control and inspection. On the other hand, the Commission would no longer tolerate discriminatory treatment of the Community fleet in comparison to other distant water fleets.

Fishing activities would have to take place on the basis of the precautionary principle if appropriate scientific data is absent. As for the development aspects of new agreements, these would include elements like transfer of capital, scientific knowledge, technology and management of enterprises.

The new approach would also include better evaluation of fisheries agreements, both relating to the effects on resources and to the budgetary and commercial impact.

One of the major axes of the proposal is to ensure coherence with the rest of the CFP reform proposals, with development policy and the commitments to ensure sustainable development. This coherence is not in contradiction with the commercial fisheries objectives. In the current proposals, the Commission takes account of the mutual economic interests, both of the EU and the third country.

Responsible fisheries, to be achieved through adaptation of the fishing effort, is another essential theme in the Commission's document.

Finally, the Commission aims at strengthening control and inspection in the framework of the Regional Fisheries Organisations. Multilateral Inspection, would cover fisheries on the high seas and fisheries targeting straddling and highly migratory stocks.

Council Conclusions 30 October 1997

In October 1997, the Council of fisheries ministers reaffirmed its commitment to fisheries agreements, recognising their mainly commercial nature and socio-economic benefits to the Community, in particular in the regions dependent on fisheries. Since then, the Council's position has been the guiding principle with regard to the Community's approach of the external relations of the CFP. The Council affirmed that this type of agreements would continue to be an essential and integral component of the CFP and that the agreements should be concluded in accordance with a cost-benefit oriented approach and that these agreements would be coherent with the other European Union policies.

The Council further stressed that scientific research and Regional Fisheries Organisations be strengthened. According to the Council, agreements and protocols should be concluded and renewed on the basis of thorough assessments which should include elements such as the state of stocks, the appraisal of the requests for fishing opportunities put forward by Member States, budgetary aspects, the contribution of the agreement/protocol to the supply of the Community market in fishery products and the interests of the third country.

The Council also noted that the Commission should also examine to what extent it is possible to develop networks of tuna agreements. It was proposed that agreements would be applied with a maximum of flexibility in order to allow adjustments of the target levels in accordance the state of stocks and the allocation of fishing rights to Member States not included in the agreement in the case of underutilisation. The fisheries agreements should take into account the third countries' development needs in the field of the fisheries industry and be coherent with other Community policy fields.

Evaluations of protocols/agreements should comprise *inter alia* elements like the state of stocks, the take-up of fishing opportunities, the budgetary aspects, the distribution of the cost of the new protocol/agreement between the Community and shipowners, the coherence with the European Union's development objectives and other relevant Community policies, the expectations of the third country; an evaluation of the impact of the agreement/protocol on employment, in particular in those regions dependent on fisheries in the Community, without losing sight of the interests of the third country. Regarding new agreements, similar procedures with respect to their prior assessment should be implemented without prejudice to the submission of a draft negotiation mandate.

Essentially, your rapporteur agrees to the principles with regard to third country fisheries agreements as laid down by the Council in 1997. Therefore, they will serve as a basis for the appraisal of the Commission's proposal.

Comments

Your rapporteur welcomes the Commission's approach to better take into account the coherence with other EU policies as well as the interests of the third countries involved. The international fisheries agreements are important because they generate substantial economic activity and employment in the EU. Furthermore, the agreements provide an important source for the supply of fish products to the EU.

Although the approach to focus more on the improvement of the local fisheries industry in developing countries, the Union should avoid being labelled as 'neo-colonial'. It should be understood that the nature of these agreements is a commercial one and that the level of EU's financial contribution should equal the value of the fishing rights. Therefore, the spending of the financial contribution is with the third country's discretion. If the financial contribution were to be increased for development purposes, funding should not come from the Fisheries budget.

However, the agreements offer a serious opportunity to launch a development incentive for the local fisheries sector. Your rapporteur agrees to continue strengthening the development aspects in these agreements, but only with the consent of the third country involved.

Although the 'ownership' of the funding for targeted measures lies with the third countries, the Commission demands information on how the money is spent. In spite of recurring requests, Parliament has never been allowed to receive any information on this subject.

Environmental impact

The Commission underlines the importance of promoting the implementation of international agreements like the Code of conduct for Responsible Fisheries (FAO-1995). Your rapporteur underlines the relevance of sustainable fisheries in third country waters. This approach, however, should not be limited to EU vessels but should also apply to vessels from other distant water fleets. It is intolerable that Community vessels would be treated differently from other distant water fleets operating in the same EEZs.

Financial Paragraph

The Fisheries Agreements as a whole, with an annual budgetary impact of nearly EUR 200 million, need a sound economic chapter which should include a cost-benefit paragraph, as underlined by the conclusions drawn by the Fisheries Council in 1997. It goes without saying that all fisheries agreements should respect the provisions as laid down in the Financial Regulation and should be set up in a way so as to live up to the criteria set in the Special Report (3/2001) by the Court of Auditors with regard to the management of the international fisheries agreements by the Commission.

Your rapporteur is convinced of the profitable effects of fisheries agreements to the Community fishing fleet but no ground should be given to those who question the existence of fisheries agreements with third countries altogether. A study carried out by the French institute IFREMER in 1999 clearly shows a positive economic balance for the money invested by the EU in these agreements. According to this study, each invested Euro generates economic activity of a value of about 3 Euro. Finally, a financial paragraph should set out general budgetary principles as laid down in the Financial Regulation and also to avoid the financing of 'paper fish' and the situation in which some vessel owners pay a licence fees while other, under different agreements, do not pay anything. The cost sharing of fisheries agreements between vessel owners and the Community should make no distinction between the countries with which it is concluded.

Parliament's role

Although the information supply to Parliament has greatly improved over the last years, the standard amendments in the reports on fisheries agreements leave no doubt about Parliament's lack of satisfaction in this respect. The Commission should understand that

under the current consultation procedure, valid and timely information is crucial for Parliament to judge the final results of negotiations. This is the reason why Parliament wishes to be informed about the negotiating instructions for new agreements and for the renewal of existing ones. Secondly, Parliament would like to be better informed during the implementation of the agreement e.g. in the form of annual reports that contains the elements as laid down by the Fisheries Council in 1997. Moreover, Parliament has not stopped requesting reports on the implementation of the development measures, the so-called targeted measures, in the agreements. Parliament has never seen any of these reports, which, according to the protocols, should be produced annually by the third country. Finally, in spite of the recent improvement of the evaluation reports that Parliament receives after expiry of the protocols, it would be appreciated if these assessments would be more up-to-date (including all years of the agreements) and comprehensive, with the inclusion of a financial paragraph and a uniform lay-out.

Finally, in the proposal there is no mentioning about the issue of extending the current number of fisheries agreements. Your rapporteur takes the view that here the Community should act on the basis of the requirements of the industry to create networks of fisheries agreements. Therefore, the initiatives from the Commission to start or extend negotiations in the Pacific Ocean and East Africa should be supported.

Conclusion

Your rapporteur takes the position that the decisions taken by the Fisheries Council in October 1997 are still valid and should guide the Union's approach with regard to its Fisheries Policy.

It should also be recognised that international fisheries are vital for the economy and employment of the European fisheries sector and for the supply of fish products for consumption in the EU.

With the changes mentioned above, in particular with regard to the information supply to the Parliament, your rapporteur would welcome the Commission proposal.

19 May 2003

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

for the Committee on Fisheries

on the Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries
(COM(2002) 637 – C5-0070/2003 – 2003/2034(INI))

Draftsman: Elena Valenciano Martínez-Orozco

PROCEDURE

The Committee on Development and Cooperation appointed Elena Valenciano Martínez-Orozco draftsman at its meeting of 21 January 2003.

It considered the draft opinion at its meetings of 23 April and 20 May 2003.

At the latter meeting it adopted the following amendments unanimously.

The following were present for the vote: Joaquim Miranda (chairman), Margrietus J. van den Berg (vice-chairman), Anders Wijkman (vice-chairman), Elena Valenciano Martínez-Orozco (draftsperson), Jean-Pierre Bebear, Yasmine Boudjenah, Marie-Arlette Carlotti, John Alexander Corrie, Nirj Deva, Fernando Fernández Martín, Concepció Ferrer (for John Bowis), Richard Howitt, Karin Junker, Glenys Kinnock, Paul A.A.J.G. Lannoye, Miguel Angel Martínez Martínez, Didier Rod, Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Agnes Schierhuber (for Luigi Cesaro), Maj Britt Theorin and Jürgen Zimmerling.

CONCLUSIONS

The Committee on Development and Cooperation calls on the Committee on Fisheries, as the committee responsible, to include the following conclusions in its draft report:

- A. whereas it is necessary to ensure consistency, complementarity and coordination between the common fisheries policy (CFP) and the Union's development cooperation policies, and whereas both must respect the principles of sustainable development while contributing to poverty reduction in the countries concerned,
- B. whereas the EU has committed itself to two objectives: the general objective of ensuring the sustainable character of fisheries worldwide, as defined at the Johannesburg summit, and the specific objective of maintaining or restoring stock levels with a view to producing the maximum sustainable yield; whereas these goals are to be achieved as a matter of urgency for overfished population units as soon as possible and no later than 2015,
- C. whereas the EU has also committed itself to the general objective under the CFP of ensuring the sustainable management of fishery resources in economic, social and environmental terms, especially in the context of the fisheries partnership agreements (FPAs) signed with third countries; whereas, furthermore, it is a legitimate objective of the CFP to maintain the Union's presence in distant fishing grounds and protect the interests of the Union's fisheries,
- D. whereas, as a member of the FAO, the EU has accepted its Code of Conduct for Responsible Fisheries, although its principles are still not being complied with in full¹,
 - 1. Reiterates that development cooperation policy in this field entails promoting developing countries' capacity to exploit their fishery resources, enhance local added value and obtain a fair price for access rights for foreign fleets to their EEZs, while accepting the need to protect the interests of the EU's fisheries;
 - 2. Supports the Commission's proposal for the phased conversion of access-based bilateral agreements into partnership agreements which can contribute to responsible fishing in the interests of both sides;
 - 3. Calls on the Commission to continue with its impact assessment studies concerning the sustainable character of the FPAs and to allocate the necessary resources for this purpose;
 - 4. Calls for measures to be taken to prevent coastal communities' traditional fisheries being edged out by other, alien practices;
 - 5. Calls for action to encourage the participation of local community organisations based on traditional forms of association, and for due attention to be paid to the role played by women in the processing and marketing of fishery products;

¹ OJ C 112, 9.5.2002, p. 216 (report by Mr Lannoye on the Commission communication on fisheries and poverty reduction – A5-0334/2001).

6. Proposes the encouragement at local level, in the ACP countries, of transfers of technology, scientific know-how, etc, in an investment-friendly form;
7. Considers that provision must be introduced for prior warning concerning suspension of an agreement where a signatory country to an FPA has failed to respect the agreed conditions;
8. Calls for the necessary resources to be made available to ensure that the conditions of the agreements can be fulfilled in such a way as to permit their renewal.
9. Urges the Commission to promote the creation of joint enterprises with preferential access to the Community market.