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REPORT

on the proposal for a Council regulation on the conclusion of the Agreement in the form of an exchange of letters concerning the extension of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Islamic Federal Republic of the Comoros on fishing off the Comoros for the period from 28 February 2004 to 31 December 2004
(COM(2004) 0540 – C6-0115/2004 – 2004/0185(CNS))

Committee on Fisheries

Rapporteur: Philippe Morillon

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.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council regulation on the conclusion of the Agreement in the form of an exchange of letters concerning the extension of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Islamic Federal Republic of the Comoros on fishing off the Comoros for the period from 28 February 2004 to 31 December 2004 (COM(2004) 0540 – C6-0115/2004 – 2004/0185(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the proposal for a Council regulation (COM(2004) 0540)¹,
 - having regard to Article 300(2), first subparagraph, of the EC Treaty,
 - having regard to Article 300(3), first subparagraph, of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0115/2004),
 - having regard to Rules 51 and 83(7) of its Rules of Procedure,
 - having regard to the report of the Committee on Fisheries and the opinion of the Committee on Budgets (A6-0040/2004),
1. Approves the proposal for a Council regulation as amended and approves conclusion of the agreement;
 2. Instructs its President to forward its position to the Council and Commission, and the governments and parliaments of the Member States and the Islamic Federal Republic of the Comoros.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Article 3 a (new)

Article 3a

Before the extension of the Protocol expires and before any agreement on the renewal thereof is concluded, the Commission shall submit to the European Parliament and the Council a report on its application, including an analysis of the

¹ Not yet published in the OJ.

use of funds earmarked for targeted measures, in order to assess the economic, social and environmental impact of the agreement.

Justification

Specific measures are becoming increasingly important in fisheries agreements. The report laid down in the Protocol and notified to the Commission should therefore be forwarded to Parliament and the Council.

Amendment 2
Article 3 b (new)

Article 3b

1. On the basis of the abovementioned report and after consulting the European Parliament, the Council shall, if appropriate, authorise the Commission to enter into negotiations with a view to concluding a new protocol.

2. The Commission shall produce a discussion paper outlining the options that are available for improving transparency and accountability as regards the implementation of targeted measures in fisheries agreements.

Justification

Before the conclusion of any new agreement, the Commission should ask the authorities of the state with which it is to enter into negotiations to supply information that will enable the Commission to submit a general assessment report to Parliament and the Council.

EXPLANATORY STATEMENT

The fisheries agreement with the Islamic Federal Republic of the Comoros was signed in 1988 and extended in 1991, with further Protocols being concluded to cover the periods 20 July 1994 to 19 July 1997, and 28 February 1998 to 27 February 2001. A new Protocol sets out the technical and financial conditions governing the fishing activities of Community vessels operating in Comoran waters during the period 28 February 2001 to 27 February 2004.

On 3 February 2004 the Community and the government of the Comoros decided via an exchange of letters to extend the Protocol for the period 27 February to 31 December 2004. After its expiry, the Protocol could not be renewed on time because of delays in carrying out impact assessments and evaluations.

The financial contribution, *pro rata temporis*, totals EUR 291 875. EUR 40 000 is earmarked for technical and administrative assistance and support expenditure, and EUR 35 660 for human resources.

Sixty percent of the financial contribution (i.e. EUR 175 208) is earmarked for the financing of targeted measures to support the Comoran fishing industry.

These measures aim to: support and develop small-scale fishing; improve both the conservation of products and working conditions; finance technical and scientific programmes and fisheries monitoring with a view to enhancing professionalism in the sector and safety at sea; finance scholarships and traineeships, and enable representatives from the Comoros to participate in and contribute to international meetings and regional fisheries organisations.

The fishing opportunities for each Member State are the same as they were under the previous agreement, i.e. 18 Spanish tuna seiners, 18 French and 1 Italian; and 20 Spanish and 5 Portuguese surface longliners. The utilisation of the fishing opportunities has been most satisfactory, with an average of 83% for tuna seiners and 71% for longliners.

An assessment will be carried out before the Protocol expires. This assessment will have to take account of economic indicators (catches and the value of catches), impact indicators (the number of jobs created and maintained and the relationship between the cost of the Protocol and the value of catches) and indicators relating to impact on the ecosystem.

The extended Protocol is actually nothing more than a minor tuna agreement (4670 tonnes) within a network of Indian Ocean agreements, and forms part of the Community's wider strategy in the region. The extension will enable the EU to pursue its distant-water fishing policy and allow Community ship-owners to continue tuna fishing operations in the Indian Ocean. Community agreements also ensure that stocks are well managed, create jobs and training opportunities, improve port facilities and develop local fisheries. If the Community were to fail to act in the region, private agreements would be concluded that would not guarantee the sustainable exploitation of resources and would reduce the number of European vessels in the area, which in turn would have a series of adverse social and economic effects.

27.10.2004

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Agreement in the form of an exchange of letters concerning the extension of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Islamic Federal Republic of the Comoros on fishing off the Comoros for the period from 28 February 2004 to 31 December 2004 (COM(2004)0540 – C6-0115/2004 – 2004/0185(CNS))

Draftswoman: Helga Trüpel

SHORT JUSTIFICATION

The previous protocol to the fisheries agreement with the Comoros expired on 27 February 2004. This report concerns the decision of the Community and the Comoros government to extend the protocol until the end of the year, with the same terms and restrictions as have been in effect for the past three years. The two parties initialled an Agreement to this effect in the form of an Exchange of Letters on 3 February 2004. Parliament was consulted six months later, on 4 August. Financial payments and fishing opportunities remain exactly as before, adapted on a *pro rata temporis* basis. Payment must be made by 1 December 2004.

The essential terms of the extension are as follows:

Duration: 28 February 2004 through 31 December 2004

Financial compensation: €291.875
of which:

support for artisanal fishing:	€105.000
research and surveillance:	€26.333
international meetings:	€43.875

Fishing opportunities: 40 tuna purse seiners
of which:

French	21
Spanish	18
Italian	1

	25 surface longliners
of which:	
Spanish	20
Portuguese	5

As part of the reform of the Common Fisheries Policy, the Commission undertook to conduct "sustainability impact assessments" ¹ for each fisheries agreement, now renamed fisheries partnership agreements. These are to include an *ex post* evaluation of the expiring protocol and an *ex ante* evaluation and impact assessment of the proposed new protocol. It was because the Commission was unable to complete these assessments that the protocol was extended, rather than proceeding to a new protocol.

In its communication on the new approach to fisheries partnership agreements ², the Commission laid great stress on the need to ensure the sustainability of fishing opportunities. Apart from the need to conserve both marine biodiversity and fishing opportunities for the coastal state, in this case the Comoros, it is also important from a financial point of view - if the species being fished experience declines in abundance, there will be negative consequences for EU ship-owners and the Community budget. This is presumably one reason why the Commission is to conduct detailed impact analyses of the protocols before renewal. Thus, it seems rather odd that the failure to complete these analyses in time resulted in a continuation of fishing activities, rather than a halt while the assessments were completed. Given the concerns expressed by scientists in the Indian Ocean Tuna Commission in recent years for the bigeye tuna stock, a certain amount of caution would seem to have been justified. Otherwise the Community risks paying for fishing opportunities that are less attractive than they might appear to be. This extension is only for eight months; nonetheless, it is vital that the impact assessments be available to the Parliament *before* the next protocol is signed.

Another point for concern is the so-called targeted measures. Most agreements contain references to sums of money that are destined for such things as support for non-industrial fishing, or better control and monitoring of fishing activities, or improved scientific research. These are very laudable projects, but there are serious concerns about the extent to which these sums are, in fact, used to finance them. Indeed, the financial statement of the Commission's present proposal draws attention to the risk that the money allocated for the targeted actions will not be used as intended. At present, the Commission has very little possibility to ensure that these funds are properly spent - the current protocol, for instance, merely allows the Commission to ask for further information and to "reconsider the payments concerned should the measures not be implemented" ³. It is not clear if the Commission could suspend payments for a given targeted measure if it were not implemented.

Considering that the Community is currently revising its approach to third country agreements, in the light of the Commission's discussion paper and the Council's conclusions,

¹ COM (2002) 637 final

² COM (2002) 637 final

³ Council Regulation (EC) No 1439/2001. Protocol for fisheries opportunities with Comoros. Article 3 of the Protocol.

now would appear to be an opportune time to consider the best way of ensuring that whatever projects are described in the protocol as targeted measures are properly implemented. Normal standards of transparency and financial accountability must be met in the Community's ongoing battle against fraud. An appropriate first step would be for the Commission to consider what possible changes could be made to the negotiation and implementation of these measures to allow effective oversight of the expenditure. An amendment to this effect is thus proposed.

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 Commission¹

Amendments by Parliament

Amendment 1
Article 3 a (new)

Article 3a

In the course of the application of the extension of the Protocol until December 2004 the Commission shall submit to the European Parliament and the Council an ex post evaluation of the expiring protocol since 28 February 2001, including a cost benefit analysis.

Justification

Since the Commission was unable to complete its ex post evaluation prior to the extension of the protocol, it is essential that this be done before any new protocol is signed, in order to allow the Parliament to conduct a serious assessment of the agreement before the start of negotiations.

Amendment 2
Article 3 b (new)

Article 3b

The Commission shall produce a discussion paper outlining the options that are available for improving transparency

¹ Not yet published in OJ.

and accountability as regards the implementation of targeted measures in fisheries agreements.

Justification

Considering the difficulties in ensuring that the sums intended for specific projects in the context of fisheries partnership agreements are correctly spent, the Commission should consider alternatives to simply transferring these sums to the third country in exchange for a written report. Further assurances are needed on what was done with the money.

PROCEDURE

Title	Proposal for a Council regulation on the conclusion of the Agreement in the form of an exchange of letters concerning the extension of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Islamic Federal Republic of the Comoros on fishing off the Comoros for the period from 28 February 2004 to 31 December 2004		
References	COM(2004) 0540 - C6-0115/2004 - 2004/0185(CNS)		
Legal basis	Article 300(2) and (3), first subparagraph, EC		
Basis in Rules of Procedure	Rules 51 and 83(7)		
Date of consulting Parliament	14.9.2004		
Committee responsible Date announced in plenary	PECH 13.10.2004		
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 13.10.2004	DEVE 13.10.2004	
Not delivering opinion(s) Date of decision	DEVE 5.10.2004		
Enhanced cooperation Date announced in plenary	– –		
Rapporteur(s) Date appointed	Philippe Morillon 1.9.2004		
Previous rapporteur(s)	–		
Simplified procedure Date of decision	– –		
Legal basis disputed Date of JURI opinion	– –		
Financial endowment amended Date of BUDG opinion	– –		
European Economic and Social Committee consulted Date of decision in plenary	–		
Committee of the Regions consulted Date of decision in plenary	–		
Discussed in committee	21.9.2004	4.10.2004	24.11.2004
Date adopted	24.11.2004		
Result of final vote	for: 25 against: 1 abstentions: 1		
Members present for the final vote	Stavros Arnautakis, Elspeth Attwooll, Luis Manuel Capoulas Santos, Giorgio Carollo, David Casa, Paulo Casaca, Zdzisław Kazimierz Chmielewski, Antonio De Poli, Carmen Fraga Estévez, Ioannis Gklavakis, Ian Stewart Hudghton, Heinz Kindermann, Rosa Miguélez Ramos, Philippe Morillon, Seán Ó Neachtain, Neil Parish, Sérgio Ribeiro, Struan Stevenson, Catherine Stihler, Margie Sudre, Daniel Varela Suanzes-Carpegna		

Substitutes present for the final vote	Simon Coveney, Duarte Freitas, Henrik Dam Kristensen
Substitutes under Rule 178(2) present for the final vote	Ilda Figueiredo, Satu Hassi, Manuel Medina Ortega
Date tabled - A6	25.11.2004 A6-0040/2004