

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0035/2006

23..2006

REPORT

on the proposal for a Council regulation concerning the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia (COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS))

Committee on Fisheries

Rapporteur: Rosa Miguélez Ramos

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
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	8
OPINION OF THE COMMITTEE ON BUDGETS	10
OPINION OF THE COMMITTEE ON DEVELOPMENT	14
PROCEDURE.....	18

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation concerning the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia
(COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS))**

(Consultation procedure)

The European Parliament,

- having regard to the proposal for a Council regulation (COM(2005)0502)¹,
 - having regard to Articles 37 and 300(2) of the EC Treaty,
 - having regard to Article 300(3), first subparagraph, of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0353/2005),
 - 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 opinions of the Committee on Budgets and the Committee on Development (A6-0035/2006),
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 Federated States of Micronesia.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Recital 2 a (new)

(2a) It is important to improve the information provided to the European Parliament; to this end, the Commission should draw up an annual report on the implementation of the agreement.

Justification

Parliament needs to be supplied with proper information so that it can evaluate the agreement and assess the operation of the new partnership agreements.

¹ Not yet published in OJ.

Amendment 2
Article 2 a (new)

Article 2a

During the final year of the Protocol's validity and before another agreement is concluded on its renewal, the Commission shall submit to the European Parliament and the Council a report on the application of the agreement.

Justification

Before any new agreement is concluded, the Commission should ask the authorities of the country with which it is opening negotiations to provide it with information on the basis of which it will submit a general assessment report to Parliament and the Council.

Amendment 3
Article 2 b (new)

Article 2b

On the basis of the report referred to in Article 2a and after consulting the European Parliament, the Council shall, where appropriate, grant the Commission a negotiating mandate with a view to the adoption of a new protocol.

Justification

Parliament and the Council will be able to discharge their respective duties only on the basis of the evaluation report on the application of the fisheries agreement.

Amendment 4
Article 2 c (new)

Article 2c

The Commission shall report to the European Parliament and the Council on the application of the multiannual sectoral programme and its implementing rules referred to in Article 5(2) of the

Protocol.

Justification

Targeted measures are becoming increasingly important in both financial and social terms. Consequently, the sectoral programme should be forwarded to Parliament and the Council.

EXPLANATORY STATEMENT

I. DESCRIPTION OF THE PROPOSAL

The Western Pacific is one of the richest tuna fisheries in the world and scientific studies show that the general state of stocks is satisfactory. In recent years this region has been among the main areas of operation for the European Union tuna fleet. In the South Pacific a boost has been given to regional agreements aimed at improved fisheries management, including the Palau Arrangement for the management of the purse-seine fishery.

At present, eight countries are party to this agreement: the Federated States of Micronesia, Marshall Islands, Kiribati, Papua-New Guinea, Solomon Islands, Palau, Nauru and Tuvalu. Under the Palau Arrangement, access is restricted for purse-seine vessels which are not from the region. The number of purse-seine vessels which may be licensed to fish stands at 205.

The European Union has concluded significant multilateral fisheries management agreements in this region of the Western Pacific. In 2001 the Council instructed the Commission to negotiate fisheries agreements with countries in the area, the aim being to create a network of agreements for the Community tuna fleet similar to that which already exists in the Indian Ocean. As a result of these negotiations, the agreement with Kiribati entered into force in 2003, followed by the agreement with Solomon Islands, and it is hoped that negotiations will be held shortly with Papua-New Guinea and Cook Islands.

Access for Community tuna vessels to the fishing grounds of the Central Western Pacific is considered an essential opportunity for the long-term development of the Community industrial tuna fishery.

Negotiations with the Federated States of Micronesia (FSM) took place between the end of 2003 and the beginning of 2004. The text of the EC/FSM fisheries partnership agreement was initialled in Pohnpei (FSM) on 13 May 2004. It establishes the conditions of access for European tuna vessels to FSM waters and a framework for EC contributions to the implementation of a sustainable fisheries policy by FSM.

The protocol to the fisheries partnership agreement, which establishes the fishing possibilities and the financial contribution, has been concluded for an initial period of three years. The protocol also lays down that the concession of fishing possibilities by the Federated States of Micronesia to Community vessels must be compatible with the regional management decisions adopted by the Central Western Pacific nations in the context of the *Palau Arrangement for the management of the Western Pacific purse-seine fishery*. The EC fishing effort in the exclusive economic zone (EEZ) of the Federated States of Micronesia must be in line with the findings of relevant tuna stock assessments based on scientific criteria, including the annual scientific reports by the Secretariat of the Pacific Community.

As regards EC fishing possibilities, 6 purse-seine vessels and 12 surface longliners are permitted to fish. Starting from the second year, fishing possibilities may be increased at the

request of the Community and depending on the management decisions of the parties to the Palau Arrangement and other competent regional fisheries bodies. Alternatively, fishing possibilities may be reduced if, based on scientific advice, competent management bodies and institutions so require.

The global financial contribution has been fixed at EUR 559 000 per year. Starting from the second year, for each additional purse-seine vessel licence obtained the financial contribution may be increased by EUR 65 000/year. FSM decided to allocate 18% of the annual financial contribution to the definition and implementation of a sectoral fisheries policy with a view to enhancing responsible fishing in its waters. This contribution will be managed in the light of the objectives identified by mutual agreement between the EC and FSM.

As regards the monitoring and control of fishing activities, the annex to the protocol establishes that EC vessels must comply fully with all regional provisions (including a vessel monitoring system - VMS) established in accordance with and under the supervision of the South Pacific Forum Fishery Agency (FFA).

EC shipowners are to pay fishing fees of EUR 15 000 per purse-seine vessel and EUR 4200 per longliner. Furthermore, EC shipowners are required to embark at least one FSM seaman per vessel and contribute towards a national observers' scheme.

II. ANALYSIS OF THE PROPOSAL

The rapporteur recommends that the present proposal be approved and hopes that the two sides will complete the procedures allowing its entry into force as soon as possible. However, she cannot avoid raising two matters which harm the interests of shipowners and which should be reviewed in the future, when the fisheries agreement is renewed:

Fees for longliner licences: The figure of EUR 4200 is extremely high and represents an enormous burden for shipowners. The amount to be paid for these licences should be reduced to the same level as in other agreements such as those with the Solomon Islands and the Seychelles, which lay down fees of around EUR 3000.

Embarkation of seamen: In many cases, no seamen are embarked because workers from the third country are not considered suitable for the tasks to be carried out, or because they are not willing to be taken on board. In such cases, 'embarkation' amounts to an increase in operating costs for shipowners, without any real bearing on training for local seamen. This situation must be brought to an end. If there are able and willing third-country seamen available, they should be embarked; otherwise, shipowners should not have to pay for seamen who are only embarked on paper.

Finally, the Committee on Fisheries urges the Commission to start work as soon as possible with a view to reaching a regional agreement, particularly bearing in mind that, in the context of the negotiations, the South Pacific Forum - which includes the main countries in the area - declared its interest in signing a regional agreement with the EU.

1.2.2006

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Fisheries on the proposal for a Council regulation concerning the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia (COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS))

Draftswoman: Helga Trüpel

SHORT JUSTIFICATION

The EU has negotiated a total of three fisheries agreements with the island states in the Western Pacific - Kiribati (currently in force), the Federated States of Micronesia (the subject of the present opinion) and the Solomon Islands (currently also being approved by the EU machinery). The latter two are the new "partnership" agreements, whereas that with Kiribati is a classical fisheries agreement.

The agreement with Micronesia is a new one, to last for a period of nine years (compared to three years for the Solomons). The protocol, though, is very similar to that of the Solomons.

It allows for six purse seine vessels and twelve longliners to operate in the waters of the Micronesia for a period of three years, beginning when the approval procedures are completed. If the status of the stocks is favourable, the number of purse seiners can be increased during the second year.

The financial compensation is fixed at EUR 559.000 per year, but if the number of purse seiners increases then the compensation increases by EUR 65.000 per vessel. For that amount, the EU vessels can catch a total of 8.600 tonnes per year; if catches exceed that then the payment is increased by EUR 65 per tonne.

Total indicative financial cost on intervention (COM(2005)0502, Legislative Financial Statement, p. 46) is presented in the following table:

EUR million (to 3 decimal places)

TOTAL CA including cost of Human Resources	A+c+d+e	Min.	0.636	0.636	0.676	--	--	1.948
		Max.	1.754	1.884	1.924			5.562
TOTAL PA including cost of Human Resources	B+c+d+e	Min.	0.636	0.636	0.676	--	--	1.948
		Max.	1.754	1.884	1.924			5.562

Other aspects of the agreement are typical, although it is mid-way between the old style of fisheries agreements and the new style of fisheries partnership agreements. For instance, it adopts the approach of a multiannual sectoral programme to encourage responsible fishing (18% of the total financial compensation compared to 30% in the Solomos agreement), as FPAs do. A Joint Committee will develop annual and multiannual guidelines for spending the money, as well as criteria and procedures for evaluating the results obtained each year. While this seems like a positive development, its actual effectiveness can only be judged after it has been in effect for a few years. On the other hand, there is no specific exclusivity clause to prevent EU-flagged vessels operating in Micronesia outside the terms of the agreement.

The agreement also seeks to encourage the creation of joint ventures and, apparently, "the transfer of Community vessels to joint enterprises". Given that subsidies for the export of vessels are no longer possible under the EU structural funds, one has to wonder what is meant by this - are partnership agreements intended to create another means for the export of EU vessels?

Since there is no history of official EU involvement in the country upon which to base any *ex post* evaluation, there is only a short *ex ante* evaluation. According to that, the EU should derive a significant financial benefit, an added value of up to EUR 1.14 million, while the Micronesia would benefit to the tune of EUR 895.000, depending on the amount of EU fishing. Though the Commission promises that the full evaluation would be available on the DG Fish website, it was not available as of 12 January 2006.

Finally, a word on the environmental impact of the agreement. The impact study states that there are concerns over **bigeye tuna** in the area, as well as a number of other species that may be caught as bycatch, including marine mammals, turtles, seabirds and, especially, sharks. Purse seiners tend to catch quantities of juvenile bigeye tuna in certain types of fishing operations. Further, at the most recent scientific meeting of the Western and Central Pacific Fisheries Commission, in August 2005, it was concluded that **yellowfin tuna** was probably being over-fished, although the status of the stock was not yet problematic. For these reasons, the impact of the addition of fishing vessels by the EU needs to be carefully monitored, for if the stocks are over-exploited, there are obvious consequences for the benefits, financial and otherwise, of the agreement.

AMENDMENTS

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

Amendment 1
Article 2 a (new)

Article 2a

The Commission shall report annually to the European Parliament and the Council on the results of the multiannual sectoral programme referred to in Article 5 of the Protocol.

Justification

In order to evaluate whether the compensation paid by the EU is properly accounted for and does in fact promote the sustainable use of fishery resources, the Commission should report annually to Parliament.

Amendment 2
Article 2 b (new)

Article 2b

Prior to expiry of the Protocol and before the beginning of new negotiations for a possible renewal, the Commission shall submit to the European Parliament and the Council an ex post evaluation of the Protocol, including a cost-benefit analysis.

Justification

An evaluation of the current protocol is necessary before new negotiations begin in order to know what changes, if any, should be included in any possible renewal

¹ OJ C ##, ##, p. ##.

PROCEDURE

Title	Proposal for a Council regulation concerning the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia.
References	COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS)
Committee responsible	PECH
Opinion by Date announced in plenary	BUDG 15.11.2005
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Helga Trüpel
Previous drafts(wo)man	
Discussed in committee	31.1.2006
Date adopted	31.1.2006
Result of final vote	+: unanimity -: 0:
Members present for the final vote	Laima Liucija Andrikienė, Gérard Deprez, Valdis Dombrovskis, Bárbara Dührkop Dührkop, James Elles, Salvador Garriga Polledo, Ingeborg Gräßle, Louis Grech, Nathalie Griesbeck, Catherine Guy-Quint, Anne E. Jensen, Sergej Kozlik, Zbigniew Krzysztof Kuźmiuk, Janusz Lewandowski, Vladimír Maňka, Jan Mulder, Gérard Onesta, Giovanni Pittella, Wojciech Roszkowski, Antonis Samaras, Esko Seppänen, Yannick Vaugrenard, Ralf Walter
Substitute(s) present for the final vote	Bogusław Liberadzki, Hans-Peter Martin
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...

15.11.2005

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia
(COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS))

Draftswoman: Luisa Morgantini

SHORT JUSTIFICATION

The Union's development co-operation policy and the common fisheries policy (CFP) must be consistent, complementary and co-ordinated, contributing together to poverty reduction in the countries concerned and to sustainable development.

The EU has committed itself to ensure the sustainable character of fisheries worldwide, defined at the Johannesburg summit, maintaining or restoring stock levels with a view to producing the maximum sustainable yield.

The EU has accepted the FAO "Code of Conduct for responsible fisheries".

The EU presence in distant fishing grounds is a legitimate objective, and must not forget that the interest of Union's fisheries ought to be protected alongside the interest in developing the nations with whom agreements are signed.

The present agreement must observe the EP's report on "An Integrated framework for fisheries partnership agreements with third countries" (A5-0303/2003).

In fact it is the second one to adopt a "partnership" approach, therefore introducing some changes in the content of the submitted texts.

This agreement goes along the lines of all similar agreements signed with other nations in the area (Central West Pacific), therefore promoting regional development.

On 13 May 2004 the European Community and the Federated States of Micronesia initialled

the protocol establishing the technical and financial conditions under which the Community fishing vessels can fish the Federated States of Micronesia waters. The agreement will be valid for three years from the date the appropriate adoption procedures are accomplished.

The protocol grants fishing possibilities for tuna seiners from Spain and France (Spanish vessels granted with 75% of fishing possibilities available and French with the 25% remaining) and 12 surface longliners, boats coming from Spain (8) and Portugal (4).

The financial compensation is fixed at 559,000 Euros per year. If the total quantity of tuna catches per year by Community vessels in the FSM waters exceeds 8600 tons, the total annual financial contribution shall be increased by 65 euro per additional ton of tuna caught, never exceeding although the triple of the yearly amount mentioned.

18% of the financial contribution will be used for defining and implementing a sectoral fishing policy in the Federate States of Micronesia, with a view to promote responsible fishing and sustainable fisheries in its waters. No special mention is made in the protocol for the development of activities of the local populations living on fisheries.

Parliament is consulted 17 months after the agreement was initialled.

Parliament's consultation is therefore ill timed. Parliament's development committee wasn't informed of the negotiation mandate presumed given by Council to the Commission, and wasn't also informed of the development of the negotiations. Nothing came as an explanation for the delay in the consultation process.

It is time that Parliament changes the present situation regarding fisheries agreements with third countries. Commission and Council must reach a common agreement on conditions that could give a useful meaning to Parliament's consultation. If this should not be the case the Fisheries Committee should lead Parliaments reaction to the present status quo, not rejecting the final argument of voting no to fisheries agreements submitted under present circumstances.

AMENDMENTS

The Committee on Development 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
Recital 2 a (new)

¹ Not yet published in OJ.

(2a) The EC financial compensation should also be used for the development of coastal populations living on fisheries and the creation of small local fish canning and processing industries.

PROCEDURE

Title	Proposal for a Council regulation on the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia
References	COM(2005)0206 – C6-0353/2005 – 2005/0206(CNS)
Committee responsible	PECH
Opinion by Date announced in plenary	DEVE 15.11.2005
Enhanced cooperation – date announced in plenary	
Draftswoman Date appointed	Luisa Morgantini 24.10.2005
Previous drafts(wo)man	
Discussed in committee	14.11.2005
Date adopted	14.11.2005
Result of final vote	+: 22 –: 0 0: 0
Members present for the final vote	Margrete Auken, Alessandro Battilocchio, Marie-Arlette Carlotti, Thierry Cornillet, Nirj Deva, Fernando Fernández Martín, Michael Gahler, Filip Andrzej Kaczmarek, Ģirts Valdis Kristovskis, Miguel Angel Martínez Martínez, Gay Mitchell, Luisa Morgantini, Jürgen Schröder, Feleknas Uca, Anna Záborská.
Substitute(s) present for the final vote	Marie-Hélène Aubert, Ana Maria Gomes, Manolis Mavrommatis, Karin Scheele, Zbigniew Zaleski.
Substitute(s) under Rule 178(2) present for the final vote	Elisa Ferreira, Pier Antonio Panzeri.
Comments (available in one language only)	

PROCEDURE

Title	Proposal for a Council regulation concerning the conclusion of the Partnership Agreement between the European Community and the Federated States of Micronesia on fishing in the Federated States of Micronesia	
References	COM(2005)0502 – C6-0353/2005 – 2005/0206(CNS)	
Date of consulting Parliament	28.10.2005	
Committee responsible Date announced in plenary	PECH 15.11.2005	
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 15.11.2005	DEVE 15.11.2005
Not delivering opinion(s) Date of decision		
Enhanced cooperation Date announced in plenary	No	
Rapporteur(s) Date appointed	Rosa Miguélez Ramos 16.11.2005	
Previous rapporteur(s)		
Discussed in committee	29.11.2005	30.1.2006
Date adopted	23.2.2006	
Result of final vote	+: 10 -: 0 0: 4	
Members present for the final vote	James Hugh Allister, Elspeth Attwooll, Marie-Hélène Aubert, Iles Braghetto, Zdzisław Kazimierz Chmielewski, Carmen Fraga Estévez, Ioannis Gklavakis, Alfred Gomolka, Pedro Guerreiro, Heinz Kindermann, Albert Jan Maat, Rosa Miguélez Ramos, Philippe Morillon, Seán Ó Neachtain, Willi Piecyk	
Substitute(s) present for the final vote	Jan Mulder	
Substitute(s) under Rule 178(2) present for the final vote	Anders Samuelsen	
Date tabled	23.2.2006	
Comments (available in one language only)	...	