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# REPORT

on the amended proposal for a Council regulation on the conclusion of the Fisheries Partnership Agreement between the European Community and the Republic of Madagascar (COM(2007)0428 – C6-0064/2007 – 2007/0006(CNS))

Committee on Fisheries

Rapporteur: Margie Sudre

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Symbols for procedures		
*	Consultation procedure	
ч ч Т	majority of the votes cast	
**I	Cooperation procedure (first reading)	
**II	majority of the votes cast Cooperation procedure (second reading)	
11	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	
***111	the common position	
***III	Codecision procedure (third reading)	
	majority of the votes cast, to approve the joint text	
(The type	e of procedure depends on the legal basis proposed by the	
Commiss		
commis		

## 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 amended proposal for a Council regulation on the conclusion of the Fisheries Partnership Agreement between the European Community and the Republic of Madagascar (COM(2007)0428 – C6-0064/2007 – 2007/0006(CNS))

## (Consultation procedure)

The European Parliament,

- having regard to the proposal for a Council regulation (COM(2007)0428)<sup>1</sup>,
- having regard to Article 37 and Article 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 (C6-0064/2007),
- 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 Development and the Committee on Budgets (A6-0405/2007),
- 1. Approves the amended 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 Republic of Madagascar.

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 forward the conclusions of the meetings of the joint committee referred to in Article 9 of the Agreement.

# Justification

Parliament needs to be supplied with proper information so that it can evaluate the agreement.

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<sup>&</sup>lt;sup>1</sup> Not yet published in OJ.

Amendment 2 Article 3, paragraph 1 a (new)

> The Commission shall evaluate each year whether Member States whose vessels operate under the Protocol have complied with reporting requirements. Where this is not the case, the Commission shall withhold their requests for fishing licences for the following year.

Justification

Vessels that do not comply with the most basic requirement, reporting what they catch, should not benefit from financial support from the EU.

## Amendment 3 Article 3 a (new)

## Article 3a

The Commission shall report annually to the European Parliament and the Council on the results of the multiannual sectoral programme described in Article 7 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 in Madagascar, the Commission should report annually to Parliament.

Amendment 4 Article 3 b (new)

Article 3b

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 and the conditions under which it was implemented.

#### 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 5 Article 3 c (new)

#### Article 3c

On the basis of the report referred to in Article 3a 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 6 Article 3 d (new)

Article 3d

The Commission shall forward to the European Parliament the conclusions of the meetings of the joint committee referred to in Article 9 of the Agreement.

# **EXPLANATORY STATEMENT**

## Introduction

Fisheries relations between the European Community and the Republic of Madagascar go back a long way. The first fisheries agreement between the two parties came into force in 1986. The present Partnership Agreement was signed for a renewable period of six years from 1 January 2007. On the date of its entry into force, it repeals and replaces the previous agreement.

Within the framework of the European Union's fisheries partnership agreements, on 21 June 2006 the Community and the Republic of Madagascar initialled a partnership agreement offering Community fishermen fishing opportunities in the waters falling within Madagascar's sovereignty.

On 25 January 2007 the Commission adopted a proposal for a Council regulation on the conclusion of this partnership agreement. However, the protocol and the annex thereto setting out the technical and financial conditions governing the fishing activities of Community vessels had to be renegotiated and then re-initialled on 16 March 2007 to accommodate requests for additional fishing opportunities for longliners. The reference tonnage and the financial contribution were revised accordingly.

These additional requests result from the joint declaration by the Council and the Commission No 10529/06 allowing the outermost regions, on the basis of Article 299 of the Treaty, to extend the system of public funding for the renewal of their fleet. These requests for additional fishing opportunities are also in line with Indian Ocean Tuna Commission (IOTC) recommendations authorising island or developing countries to submit a development plan for their fleet. The initial proposal for a regulation therefore had to be amended in order to take account of the amendments made to the new protocol of 16 March 2007.

The European Parliament received the proposal thus amended on 19 July 2007.

# Main features of the Agreement

## **Fishing opportunities**

This is a tuna agreement which allocates fishing opportunities according to three categories of vessel. It also introduces the possibility for an additional five vessels to carry out exploratory fishing for demersal species for a maximum of two six-month periods.

Fishing category	Type of vessel	Member State	Licences or quota
Tuna fishing	Freezer tuna seiners	Spain	23
		France	19
		Italy	1
Tuna fishing	Surface longliners over	Spain	25
	100 GT	France	13
		Portugal	7
		United Kingdom	5
Tuna fishing	Surface longliners of 100 GT or below	France	26
Demersal fishing	Exploratory line or bottom longline fishing	France	5

#### **Financial contribution**

The Community is paying Madagascar a sum of EUR 1 197 000 per year for a reference tonnage of 13 300 tonnes per year. This sum will be divided up into EUR 864 500 per year equivalent to the reference tonnage and EUR 332 500 per year for the support and implementation of Madagascar's sectoral fisheries policy.

If the catches taken by Community vessels exceed the reference tonnage, the amount of the annual financial contribution will be increased by EUR 65 for each additional tonne caught. However, the total annual amount paid by the Community may not be more than twice the amount of the financial contribution, i.e. EUR 2 394 000. Where the quantities are exceeded, the amount due for the quantity exceeding the limit is to be paid the following year.

Payment of the financial contribution is to be made no later than 31 December 2007 for the first year and no later than 28 February 2008, 2009, 2010, 2011 and 2012 for the following years. The Malagasy authorities have full discretion regarding the use to which this contribution is put.

#### Licences: fees

Licences are valid for one year. They are renewable. The fee has been set at EUR 35 per tonne caught within Madagascar's fishing zone in the case of tuna seiners and surface longliners, against EUR 25 previously. Licences will be issued once the following standard amounts have been paid to the competent national authorities:

- EUR 3 920 per tuna seiner, equivalent to the fees due for 112 tonnes per year;
- EUR 3 500 per surface longliner of over 100 GT, equivalent to the fees due for 100 tonnes per year;
- EUR 1 680 per surface longliner of 100 GT or below, equivalent to the fees due for 48 tonnes per year;

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 the amount for demersal fishing licences will be fixed at a later stage within the joint committee following the exploratory fishing phase. During the exploratory phase, licences will be issued free of charge.

# Measures to promote the Malagasy fisheries sector and the sustainable management of the resource

The priority objective of this agreement is to establish a genuine partnership between the European Community and Madagascar with a view to practising responsible and sustainable fishing. Cooperation between the two parties also covers economic, scientific and technical aspects of the fisheries sector.

80% of the financial contribution and fees paid by shipowners will go towards supporting and implementing initiatives taken within the framework of the sectoral fisheries policy drawn up by Madagascar.

The Community and Madagascar will reach agreements within a joint committee established by the agreement. The role of this committee is to monitor the sound implementation of the Protocol and make it possible to set up a multiannual sectoral programme, which will be introduced as soon as the Protocol enters into force, and at the latest within three months. The programme's purpose is to define by common accord the objectives to be achieved as regards the management of resources and the guidelines according to which the financial resources will be allocated.

The two parties undertake to promote cooperation at sub-regional level on responsible fishing and, in particular, within the Indian Ocean Tuna Commission (IOTC) and the Indian Ocean Commission (IOC).

The agreement also lays down the procedure for taking observers on board community vessels and lays down strict monitoring procedures, including satellite monitoring.

The agreement may be revised in line with the state of stocks.

## Embarking seamen

Owners of tuna seiners and surface longliners must employ at least 20% ACP nationals among the seamen signed on. For the first category of vessel, however, a minimum of 70 seamen out of the total European fleet must be from the IOTC member countries. Shipowners will also endeavour to sign on additional seamen of ACP origin.

Seamen signed on by Community vessels will be covered by the International Labour Organisation (ILO) declaration on fundamental principles and rights at work. That declaration provides for mandatory freedom of association and the effective recognition of the right to collective bargaining, and the elimination of discrimination in respect of employment and occupation.

ACP seamen will have contracts guaranteeing them social security cover, including life assurance and sickness and accident insurance. These contracts will be drawn up between the seamen and the shipowner or their representatives.

The wages of the ACP seamen will be paid by the shipowners. They will be fixed by mutual agreement among the shipowners and the seamen or their representatives. However, their wages may not be lower than the standards applied in their countries of origin or those of the ILO.

## **Rapporteur's remarks**

The rapporteur regrets the late forwarding of the agreement to the European Parliament. It is fortunate that there was no interruption to the activities of shipowners and fishermen.

This new agreement is highly satisfactory, for both the European Community and the Republic of Madagascar. It provides fishery resources for community vessels whilst enabling Madagascar to receive income for stocks which the country would not have the technical capacity to exploit.

It is based on an in-depth assessment of the previous agreement, which made it possible to identify the needs of both parties. This assessment showed that the utilisation of fishing opportunities has been more than satisfactory in the past (93% in 2005 and 98% in 2006 for seiners; 85% in 2005 and 100% in 2006 for longliners). The tonnages of fish caught have varied widely as a result of unexplained biological phenomena. Catches stood at around 8 000 tonnes until 2001 but fell to a few hundred tonnes in 2003 and 2004 before rising to more than 12 000 tonnes in 2005. The return on investment for the European Community was negative in 2004 owing to the low catches. It was satisfactory in 2005, when it was in line with the figures recorded for other tuna agreements (EUR 4.8 million). The economic rewards for Madagascar stood at EUR 2.2 million per year plus EUR 5.4 million provided by the processing industry.

The agreement makes it possible to promote partnership relations based on respect for Madagascar's regulations on fisheries and fully responds to concerns in relation to sustainable fishing. Moreover, an evaluation of the economic, social and environmental impact will be carried out before each renewal of the protocol.

To prevent foreign fleets from disregarding the rules and ensure that financial contributions are properly allocated according to the arrangements laid down in the agreement, extensive dialogue is planned. With regard to the allocation of funds, the Commission will ensure that all payments made properly correspond to the European budgetary procedures in force, even though Madagascar will have sole discretion over the allocation of funds.

The only difficulty concerning the working conditions for seamen signed on has been removed, since the application of the ILO Declaration will provide sufficient guarantees for the preservation of basic rights.

Your rapporteur has tabled several amendments aimed at improving the information forwarded to Parliament. Accordingly, the Commission has been asked to forward the conclusions of the joint committee meetings. Furthermore, the Commission is asked to submit a report on the application of the agreement to Parliament and the Council during the final year of the protocol's validity and before another agreement is concluded on its renewal. 11.9.2007

# **OPINION OF THE COMMITTEE ON DEVELOPMENT**

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of the Fisheries Partnership Agreement between the European Community and the Republic of Madagascar (COM(2007)0015 - C6-0064/2007 - 2007/0006(CNS))

Draftsman: Josep Borrell Fontelles

# SHORT JUSTIFICATION

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

The EU has committed itself to ensuring the sustainability of fisheries worldwide, as defined at the United Nations 2002 summit in Johannesburg, maintaining or restoring stock levels with a view to producing the maximum sustainable yield.

The EU has accepted the UN's Food and Agricultural Organization's "Code of Conduct for Responsible Fisheries", to promote long-term sustainable fisheries and to affirm that the right to fish carries with it the obligation to do so in a responsible manner so as to ensure effective conservation and management of the living aquatic resources.

The EU's presence in distant fishing grounds is a legitimate objective, but it must be recalled that the interest of European Union's fisheries ought to be protected alongside the interest in developing the nations with which fisheries agreements are signed.

The European Parliament's Development Committee welcomes the ACP-EU Joint Parliamentary Assembly resolution of 22 June 2006 on "Fisheries and their social and environmental aspects in developing countries", in particular in so far as it considers that the protection of EU and ACP fishing interests must be coordinated with the sustainable management of fishery resources in economic, social and environmental terms on the one hand, and with the livelihoods of coastal communities dependent on fisheries on the other.

The European Parliament's Development Committee further stresses the reference made in the ACP-EU Fisheries Partnership Agreement to the observation of the Cotonou Agreement;

insists that full account must be taken of Article 9 of the Cotonou Agreement on human rights, democratic principles, good governance and the rule of law, and welcomes the guarantees given by the Commission services to the effect that they shall take into consideration the content of Article 9 when negotiating agreements with developing countries, including non-ACP developing countries.

A first agreement, repealing and replacing the Agreement between the European Community and the Republic of Madagascar which entered into force on 28 January 1986, was adopted by the Commission on 25 January 2007.

However, the Protocol and the Annex therein setting out the technical and financial conditions governing the fishing activities of European Community vessels had to be re-negotiated, amended and re-signed on 16 March 2007 to accommodate requests for additional fishing opportunities for long-liners. The reference tonnage and the financial contribution have been adjusted accordingly.

The new Protocol and the Annex have been concluded for a period of six years from 1 January 2007 and they will apply with effect from this date. It shall be tacitly renewed for further six years periods.

The Protocol to the proposed agreement grants fishing possibilities for 43 "freezer tuna seiners", from Spain, France and Italy, 50 "surface longliners over 100 GT", from Spain, France, Portugal and United Kingdom, and 26 "surface longliners of 100 GT or below", from France, subject to a total of 119 licences.

In addition five vessels, from France, may carry out exploratory line or bottom long-line fishing for demersal species over two six-month periods.

The new financial contribution is fixed at EUR 864 500 per year against a reference tonnage of 13 300 tonnes. A specific amount of EUR 332 500 per year is aimed at supporting and implementing initiatives taken in the context of Malagasy sectoral fisheries policy.

If the overall quantity of catches exceeds the reference tonnage per year, the financial contribution shall be increased by EUR 65 for each additional tonne caught.

Ship-owners' fees could create an additional annual income of around EUR 465 000 for Madagascar.

The European Parliament's Development Committee welcomes the referred link to national initiatives and hope that they may include the financing to local infrastructure projects of processing and marketing of the fish, thus allowing local populations to go beyond subsistence fisheries.

The European Parliament's Development Committee also welcomes the fact that the agreement is partly based on an evaluation of local fisheries and that it fosters scientific and technical cooperation with local authorities. The above mentioned ACP-EU resolution considers that scientific resource assessment must be a precondition for access to fishing, and that an annual evaluation of resources must be a condition for obtaining further fishing permits.

The European Parliament's Development Committee do not endorse the procedure adopted for this agreement because the European Parliament should have played a part in the negotiation mandate, which the Council would have given to the Commission, and should be informed of the development of the negotiations.

Parliament has been consulted about the first agreement only in January 2007, seven months after the agreement was initialled, and, about the re-negotiated agreement, four months after it was amended, with the aim of coming into effect on 1 January 2007. Parliament should object and should assert that this procedure is not acceptable.

The Commission and the Council must reach an agreement on the conditions that would give the Parliament a real opportunity to be consulted. In the absence of such circumstance, the Committee on Fisheries should lead Parliament's reaction to the present status quo, including the option of voting against fisheries agreements submitted under present procedure.

# 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 Commission<sup>1</sup>

Amendments by Parliament

Amendment 1 Recital 2 a (new)

> (2a) The Community's financial contribution should be used for the development of coastal populations living on fisheries and the creation of small local fish freezing and processing industries;

<sup>&</sup>lt;sup>1</sup> Not yet published in OJ.

Title	Fisheries Agreement between the EC and Madagascar	
References	COM(2007)0428 - COM(2007)0015 - C6-0064/2007 - 2007/0006(CNS)	
Committee responsible	РЕСН	
<b>Opinion by</b> Date announced in plenary	DEVE 15.2.2007	
<b>Drafts(wo)man</b> Date appointed	Josep Borrell Fontelles 28.2.2007	
Date adopted	10.9.2007	
Result of final vote	+: 20 -: 0 0: 0	
Members present for the final vote	Margrete Auken, Thijs Berman, Josep Borrell Fontelles, Nirj Deva, Alain Hutchinson, Maria Martens, Luisa Morgantini, José Javier Pomés Ruiz, Horst Posdorf, Pierre Schapira, Jürgen Schröder, Feleknas Uca, Johan Van Hecke, Luis Yañez-Barnuevo García, Jan Zahradil	
Substitute(s) present for the final vote	Marie-Hélène Aubert, Irena Belohorská, John Bowis, Atanas Paparizov, Ralf Walter	

# PROCEDURE

10.10.2007

# **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Fisheries

on the amended proposal for a Council regulation on the conclusion of the Fisheries Partnership Agreement between the European Community and the Republic of Madagascar (COM(2007)0428 – C6-0064/2007 – 2007/0006(CNS))

Draftswoman: Helga Trüpel

# 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

Amendments by Parliament

Amendment 1 Article 3, paragraph 1 a (new)

> The Commission shall evaluate each year whether Member States whose vessels operate under this Protocol have complied with reporting requirements. Where this is not the case, the Commission shall withhold their requests for fishing licences for the following year.

Justification

Vessels that do not comply with the most basic requirement, reporting what they catch, should not benefit from financial support from the EU.

Amendment 2 Article 3 a (new)

Article 3a

The Commission shall report annually to the European Parliament and the Council on the results of the multiannual sectoral programme described in Article 7 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 in Madagascar, the Commission should report annually to Parliament.

## Amendment 3 Article 3 b (new)

## Article 3b

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.

Title	Fisheries Agreement between the EC and Madagascar
References	COM(2007)0428 - C6-0064/2007 - COM(2007)0015 - 2007/0006(CNS)
Committee responsible	РЕСН
<b>Opinion by</b> Date announced in plenary	BUDG 15.2.2007
Drafts(wo)man Date appointed	Helga Trüpel 20.9.2004
Date adopted	9.10.2007
Result of final vote	$\begin{array}{cccc} +: & 16 \\ -: & 0 \\ 0: & 0 \end{array}$
Members present for the final vote	Reimer Böge, Herbert Bösch, Joan Calabuig Rull, Gérard Deprez, Brigitte Douay, Ingeborg Gräßle, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Nils Lundgren, Vladimír Maňka, Mario Mauro, Rovana Plumb, Nina Škottová, László Surján, Ralf Walter

# PROCEDURE

Title	Fisheries Agreement between the EC and Madagascar
References	COM(2007)0428 - C6-0064/2007 - COM(2007)0015 - 2007/0006(CNS)
Date of consulting Parliament	27.7.2007
<b>Committee responsible</b> Date announced in plenary	PECH 15.2.2007
<b>Committee(s) asked for opinion(s)</b> Date announced in plenary	DEVE BUDG 15.2.2007 15.2.2007
Rapporteur(s) Date appointed	Margie Sudre 14.3.2007
Discussed in committee	22.3.2007
Date adopted	22.10.2007
Result of final vote	$\begin{array}{cccc} +: & 19 \\ -: & 4 \\ 0: & 0 \end{array}$
Members present for the final vote	Jim Allister, Alfonso Andria, Stavros Arnaoutakis, Elspeth Attwooll, Marie-Hélène Aubert, Iles Braghetto, Luis Manuel Capoulas Santos, Paulo Casaca, Zdzisław Kazimierz Chmielewski, Emanuel Jardim Fernandes, Carmen Fraga Estévez, Hélène Goudin, Pedro Guerreiro, Ian Hudghton, Heinz Kindermann, Rosa Miguélez Ramos, Philippe Morillon, Seán Ó Neachtain, Luca Romagnoli, Struan Stevenson, Catherine Stihler, Margie Sudre
Substitute(s) present for the final vote	Thomas Wise
Substitute(s) under Rule 178(2) present for the final vote	Willem Schuth
Date tabled	22.10.2007

# PROCEDURE