

# EUROPEAN PARLIAMENT

2004



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*Committee on Fisheries*

9 September 2004

## **OPINION**

of the Committee on Fisheries

for the Committee on Budgets

on the Budget 2005 : section III, Commission  
2004/2001 (BUD))

Draftswoman: Carmen Fraga Estévez



## Introduction

The Preliminary Draft Budget 2005 for fisheries shows a 7.2% increase over the Budget for 2004 and amounts to €71 million. In general terms, this increase is due to a number of factors including International Agreement on Fisheries (+ 4.1%) resulting from the renewal of protocols connected to existing agreements which are due to expire, as well as new agreements which have to be negotiated. It is also necessary to increase evaluation in connection with the adhesion of two regional organisations, as well as the increase of payments resulting from the increase of activities of regional organisations.

An increase of 46% stems from the further implementation of the CFP, and relates in particular to the creation of the RAC's and the enlargement of the EU. Details of the enlargement costs for 2005 are as follows:

| Line     | Subject  | Country abbreviation | Country                   | Amount 2005   |
|----------|--|----------------------|---------------------------|---|
| 11 04 01 | Dialogue/Communication                                     |                      |                           | (250 000)   |
| 11 06 01 | Structural funds (Objective 1)                             | CY                   | Cyprus                    | 1 126 162   |
|          |  | CZ                   | Czech Republic            | 2 420 887   |
|          |  | EE                   | Estonia                   | 4 009 497   |
|          |  | HU                   | Hungary                   | 1465 243  |
|          |  | LT                   | Lithuania                 | 4 119 701   |
|          |  | LV                   | Latvia                    | 8 799 000   |
|          |  | MT                   | Malta                     | 945 640   |
|          |  | PL                   | Poland                    | 67 375 653  |
|          |  | SI                   | Slovenia                  | 594 539   |
|          |  | SK                   | Slovakia                  | 610 591   |
|          |  |                      | <b>Sub-total 11 06 01</b> | <b>91 466 913</b>                                       |
| 11 07 01 | Data-Collection  |                      |                           | 8 000 000<br>(compared to 15M€ for EUR 15)              |
| 11 07 03 | Inspection/recruitment of inspectors for new Member States |                      |                           | 1 000 000<br>+ increased budget for inspection missions |

The research budget has also increased (40.52%) and structural intervention in favour of fisheries has increased by 8.04%. Another major increase has been 7.9% for conservation, controls, and implementation, which essentially refers to the needs for new information gathering in the new Member States.

The draftsman broadly welcomes the Budget proposals for 2005, but wishes to make a number of specific points:

## Fisheries Agreements (Line 11 03 01)

In the PDB, the Commission proposed €195 326 000 for commitments and €199 076 000 for payment appropriations. These proposals were based on a number of precise costings which are as follows :

| Breakdown   | Implementation 2003      |                      | Implementation Plan 2004  |                              | PDB 2005 (1)                |                                |
|---|--------------------------|----------------------|---------------------------|------------------------------|-----------------------------|--------------------------------|
|   | Number of actual outputs | Total cost (M Euros) | Number of planned outputs | Total planned cost (M Euros) | Number of outputs envisaged | Total cost envisaged (M Euros) |
| <b>ACTION / SPECIFIC OBJECTIVE 1:</b><br><br>Agreements in force on 01/01/2005<br><br><b>Type of outputs</b><br><br>Côte d'Ivoire, Gabon, Greenland, Guinea, Guinea-Bissau, Kiribati, Madagascar, Mauritius, Mauritania, Mozambique, Senegal        | 15                       | 178 559              | 16                        | 168 422                      | 11                          | 164 351                        |
| <b>Sub-total</b>  | 15                       | 178 559              | 16                        | 168 422                      | 11                          | 164 351                        |
| <b>ACTION / SPECIFIC OBJECTIVE 2:</b><br><br>Negotiations on renewal and extension and additional contractual obligations<br><br><b>Type of outputs</b><br><br>Angola, Cape Verde, Comoros, Sao-Tomé, Seychelles, Additional financial compensation | 2                        | 3 743                | 5                         | 19 646                       | 6                           | 25 590                         |
| <b>Sub-total</b>  | 2                        | 3 743                | 5                         | 19 646                       | 6                           | 25 590                         |
| <b>ACTION / SPECIFIC OBJECTIVE 3:</b><br><br>Negotiations on new agreements<br><br>Type of outputs:<br><br>Algeria, Cook Islands, Croatia, Kenya, Libya, Micronesia, Russia, Solomon Islands, Tanzania  | 1                        | 0 546                | 0                         | 0                            | 9                           | 5 385                          |
| <b>Sub-total</b>  | 1                        | 0 546                | 0                         | 0                            | 9                           | 5 385                          |
| <b>TOTAL</b>  | 18                       | 182 848              | 21                        | 188 068                      | 26                          | 195 326                        |

The Budget Conciliation meeting of 16 July 2003 reduced the Commission proposals by €6 million in commitments and €3 million in payments (on the reserve). The only reason given was that the Council felt the amounts were over-estimated but, as has been shown, the amounts proposed stem from precise costings of present agreements and precise proposals for new agreements. The Draftswoman therefore proposes that the original amounts be reinstated.

### **Regional Advisory Councils (Line 11 04 01)**

The Council agreement on the financing of RAC's was based on a degressive scale of contributions by the EU, with a set amount for interpretation and translation. These amounts are as follows:

| <b>RAC</b> |          | <b>EU pays</b> | <b>EU contribution %</b> | <b>Interpretation/<br/>Translation</b> |
|------------|----------|----------------|--------------------------|--|
|            | 1st year | 200 000        | 90%                      | 50 000                                 |
|            | 2nd year | 165 000        | 75%                      | 50 000                                 |
|            | 3rd year | 132 000        | 60%                      | 50 000                                 |
|            | 4th year | 121 000        | 55%                      | 50 000                                 |
|            | 5th year | 110 000        | 50%                      | 50 000                                 |

The Draftswoman understood from the Commission that two RAC's will be established during 2004, a further three will be established in 2005 and two more will be established in 2006.

On this basis, the costing for 2005 is as follows :

|                            |                       |
|----------------------------|-----------------------|
| 2 RAC's in 2nd year        | 2 x 165 000 = 330 000 |
| Interpretation/Translation | 2 x 50 000 = 100 000  |
| 3 RAC's in 1st year        | 3 x 200 000 = 600 000 |
| Interpretation/Translation | 3 x 50 000 = 150 000  |
|                            | -----                 |
|                            | 1 715 000             |

At the Committee meeting of 28 July, the Director General of Fisheries confirmed that one of the RAC's planned for 2004 would probably not be set up, which means that additional costs will be incurred in 2005.

The draftswoman believes that it should be possible for all seven RAC's to be fully operational during 2005, particularly as work has been done on the establishment of these RAC's, including for example the Mediterranean RAC.

If all RAC's are established in 2005 this will entail the expenditure of an extra €535 000 (2 x 200 000 + 2 x 50 000 for Interpretation/Translation + €35 000 extra for the RAC that will be set up in 2005 rather than 2004). The total expenditure in 2005 will therefore be €1 715 000. An amendment to this effect will be tabled.

### **Financial Instrument for Fisheries Guidance (Line 11 06 01 )**

#### **Completion of earlier programs (Line 11 06 03)**

#### **Completion of earlier FIG programs outside Objective 1 (Line 11 06 05)**

In structural operations, the Commission proposals have been reduced by the Council by €31.521.359 in payment appropriations. This reduction is entirely unjustified since the programs are in full operation, with increasing payments being made. The draftswoman therefore proposes that the original amounts be reinstated.

#### **Emergency measures for scrapping fishing vessels (Line 11 06 10)**

This line was proposed in 2003 but the Council adopted the Regulation only in December 2003. The purpose was to help Member States with the scrapping of fishing vessels that were surplus to requirements. Member States did not avail themselves of the extra finance proposed, partly due to the very short timetable that existed for them to do so, and partly because of bureaucratic delays. The line has now become redundant as the cost of scrapping has been included within FIG, as part of a total program from 2004 onwards.

#### **Support for the management of fisheries resources (collection of basic data and improvement of scientific advice) (Line 11 07 01)**

This line consists of two parts : Data Collection (11 07 01 Action A) and Scientific Advice (11 07 01 Action B). In the latter field, the fisheries sector suffers from many disadvantages, without enough scientists in the field and with scientists disagreeing with each other about the basic problems and causes of problems. The Draftswoman therefore proposes that a serious effort be made to remedy the situation and is putting forward an amendment increasing the second part of this Budget line by €3 million.

#### **Inspection and surveillance of fishing activities in Community waters and elsewhere (Line 11 07 03)**

This line has been reduced by 38.1% because the NAFO observers' scheme is now paid by the Member States. The scheme therefore remains in action and fully funded, and the Draftswoman wishes to make no amendments.

#### **Community Fisheries Control Agency (Line 11 07 04)**

It is proposed that the organisation starts work in 2006 and a p.m. has been entered into the 2005 budget. However, it is extremely likely that certain establishment costs will be needed in 2005 and the draftswoman proposes that a small amount of €1 million should be placed in the Budget for 2005.

## Summary of amendments

| Line                  | PDB 2005           |                    | DB 2005            |                    | Amendment          |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                       | Commitments        | Payments           | Commitments        | Payments           | Commitments        | Payments           |
| <b>11 03 01</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>164.351.000</b> | <b>168.101.000</b> | <b>164.351.000</b> | <b>168.101.000</b> | <b>0</b>           | <b>0</b>           |
| <b>Reserves</b>       | <b>30.975.000</b>  | <b>30.975.000</b>  | <b>24.975.000</b>  | <b>27.975.000</b>  | <b>+ 6.000.000</b> | <b>+ 3.000.000</b> |
| <b>11 04 01</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>3.264.000</b>   | <b>3.264.000</b>   | <b>3.264.000</b>   | <b>3.264.000</b>   | <b>+ 535.000</b>   | <b>+535.000</b>    |
| <b>11 06 01</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>498.625.711</b> | <b>356.475.138</b> | <b>498.625.711</b> | <b>328.283.779</b> | <b>0</b>           | <b>+28.191.359</b> |
| <b>11 06 03</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>p.m.</b>        | <b>5.000.000</b>   | <b>p.m.</b>        | <b>3.000.000</b>   | <b>0</b>           | <b>+2.000.000</b>  |
| <b>11 06 05</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>p.m.</b>        | <b>3.500.000</b>   | <b>p.m.</b>        | <b>2.170.000</b>   | <b>0</b>           | <b>+1.330.000</b>  |
| <b>11 07 01</b>       |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>43.400.000</b>  | <b>37.000.000</b>  | <b>43.400.000</b>  | <b>37.000.000</b>  | <b>+3.000.000</b>  | <b>+3.000.000</b>  |
| <b>11 07 04 01</b>    |                    |                    |                    |                    |                    |                    |
| <b>Appropriations</b> | <b>p.m.</b>        | <b>p.m.</b>        | <b>p.m.</b>        | <b>p.m.</b>        | <b>+1.000.000</b>  | <b>+1.000.000</b>  |

## SUGGESTIONS

The Committee on Fisheries calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Broadly welcomes the proposals for the Fisheries Budget in 2005 which reflect the needs of the reformed CFP after enlargement.
2. Believes however that with regard to Fisheries Agreements, the Council reduction of commitment appropriations by €6 million and payment appropriations by €3 million is entirely unjustified, and demands that these amounts be reinstated.
3. Believes further that the reduction in payment appropriations in the FIG by €30 million is unacceptable; the programs concerned are fully operational and the amount should be reinstated.
4. Calls for additional funds to be made available for the RAC's so that all RAC's can be set up in 2005.
5. Notes, and regrets, that the line for emergency measures for scrapping fishing vessels was not used, and that while it is still possible for fishing vessels to be scrapped under FIG, the extra money that was provided has been lost.
6. Points out that the 6th Framework Programme does not adequately take account of Fisheries research and calls for a substantial increase to be made to the Budget line relating to scientific advice since fisheries suffer from inadequate funding in this matter, and scientists disagree on fundamental matters.
7. Believes that although the Fisheries Control Agency is scheduled to start work in 2006, some funds should be provided in 2005 for initial preparations.



## PROCEDURE

|   |  |
|---|--|
| <b>Title</b>  | on the Budget 2005 : section III, Commission   |
| <b>References</b>   | 2004/2001(BUD)   |
| <b>Committee responsible</b>                                    | PECH   |
| <b>Enhanced cooperation</b>                                     | No   |
| <b>Drafts(wo)man</b><br>Date appointed                          | <b>Carmen Fraga Estévez</b><br>28.7.2004   |
| <b>Discussed in committee</b>                                   | 1.9.2004   |
| <b>Date amendments adopted</b>                                  | 1.9.2004   |
| <b>Result of final vote</b>                                     | for: 22<br>against: 0<br>abstentions: 0  |
| <b>Members present for the final vote</b>                       | Elsbeth Attwooll, Niels Busk, Luis Manuel Capoulas Santos, Zdzisław Kazimierz Chmielewski, Antonio De Poli, Carmen Fraga Estévez, Ioannis Gklavakis, Alfred Gomolka, Ian Stewart Hudghton, Heinz Kindermann, Albert Jan Maat, Rosa Miguélez Ramos, Philippe Morillon, Seán Ó Neachtain, Sérgio Ribeiro, María Isabel Salinas García, Struan Stevenson, Catherine Stihler, Margie Sudre, Daniel Varela Suanzes-Carpegna |
| <b>Substitutes present for the final vote</b>                   | Béla Glattfelder, Adam Siekierski.   |
| <b>Substitutes under Rule 178(2) present for the final vote</b> |  |