# **EUROPEAN PARLIAMENT**

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Committee on Budgets

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## **DRAFT OPINION**

of the Committee on Budgets

for the Committee on Fisheries

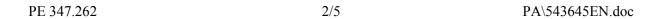
on the proposal for a Council regulation on the conclusion of the Agreement in the form of an exchange of letters concerning the extension of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the European Economic Community and the Islamic Federal Republic of the Comoros for the period from 28 February 2004 to 31 December 2004

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#### 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 5 Portuguese

As part of the reform of the Common Fisheries Policy, the Commission undertook to conduct "sustainability impact assessments" <sup>1</sup> 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<sup>2</sup>, 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.

<sup>&</sup>lt;sup>1</sup> COM (2002) 637 final

<sup>&</sup>lt;sup>2</sup> COM (2002) 637 final

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, but 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" <sup>1</sup>. 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, 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 Commission<sup>2</sup>

Amendments by Parliament

Amendment 1 Article 3 a (new)

<sup>2</sup> Not yet published in OJ.

PE 347.262 4/5 PA\543645EN.doc

<sup>&</sup>lt;sup>1</sup> Council Regulation (EC) No 1439/2001. Protocol for fisheries opportunities with Comoros. Article 3 of the Protocol.

#### 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 and accountability as regards the implementation of target 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.