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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 concerning the conclusion of the Partnership Agreement between the European Community and Solomon Islands on fishing off Solomon Islands
(COM(2005)0404 – C6-0320/2005 – 2005/0168(CNS))

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PA_Leg

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 Solomons (the subject of the present opinion) and Federated States of Micronesia (currently also being approved by the EU machinery).

The agreement with the Solomons is a new one, not the renewal of an existing protocol.

It allows for four purse seine vessels and ten longliners to operate in the waters of the Solomon Islands 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 €400.000 per year, but if the number of purse seiners increases then the compensation increases by €65.000 per vessel. For that amount, the EU vessels can catch a total of 6.000 tonnes per year; if catches exceed that then the payment is increased by €65 per tonne.

Total indicative financial cost of intervention (COM(2005)404 Legislative financial statement, p. 37) is presented in the below table.

EUR million (to 3 decimal places)

		Year n	n + 1	n + 2	Total
TOTAL CA including cost of Human Resources	Min.	0.477	0.477	0.517	1.471
	Max.	1.277	1.407	1.447	4.131
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	Max.	1.277	1.407	1.447	4.131

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 (30% of the total financial compensation), 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 the Solomons 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 is 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 €1.25 million, while the Solomons would benefit to the tune of €815.000, depending on the amount of EU fishing.

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:

Text proposed the Commission

Amendments by Parliament

Amendment 1
Article 3 a (new)

Article 3a

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

Amendment 2
Article 4 a (new)

Article 4a

Prior to the 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.