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DRAFT OPINION

of the Committee on Budgets

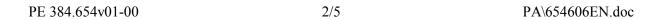
for the Committee on Fisheries

on the proposal for a Council regulation introducing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands, and the French departments of Guiana and Réunion from 2007 to 2013 (COM(2006)0740 – C6-0505/2006 – 2006/0247(CNS))

Draftswoman: Helga Trüpel

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SHORT JUSTIFICATION

In the years 2003-2006, in line with article 299(2) of EC Treaty on specific measures for outermost regions and Council Regulation no 2328/2003, Community budget has provided for compensation of additional costs incurred in the marketing of fisheries product from the Azores, Madeira, the Canary Islands, French Guiana and Reunion. The aim of the current proposal for the new Council regulation is to extend the period of compensation of those costs for the years 2007-2013 and to introduce some modifications of the scheme.

According to the Commission, general purpose of modifications proposed in the new regulation as compared to the previous one is to tighten up conditions for awarding compensations while, at the same time, to give Member States a certain flexibility to decide on species and quantities eligible for compensation. The best example of tightening the conditions is the limit for the compensations established at the level of 75% of actual transport costs - indeed, this measure would provide a clearer basis for determining the amount of aid granted than it was the case before, which is to be welcomed.

Regarding eligibility of fisheries products caught by vessels under the Venezuelan flag (article 4(4) point a), which may seem surprising, according to the information from the Commission there are currently 45 Venezuelan vessels licensed to fish in the waters of French Guiana. As they are required to land 50-75% of their catches in Guiana and compensations are provided only to processing companies based in Guiana (and not to the owners of vessels), this provision seems to be acceptable.

In general, your rapporteur approves of the proposal: the support for the ultra-peripheral regions is a measure agreed upon and confirmed in the Treaty and most of the fishing conducted in these waters, or fish landed there, is the result of local and relatively small-scale fishing and, as such, should be given aid to reach the mainland EU market. However, it is of fundamental importance to ensure that funds from EU budget are used in line with the objectives determined in the Treaty. Indeed, one port - Las Palmas de Gran Canaria, widely recognized as a port of convenience, acts as a gateway for illegally-caught fish coming into the EU. While the local fishing conducted in the waters of the Canary Islands deserves to be supported by the fund proposed by the Commission, under no circumstances should illegal fishing be covered by these subsidies.

The Commission has decided that one of its major priorities for 2007 is the fight against illegal fishing and is currently drafting a new action plan, to be accompanied by a wideranging and ambitious legislative proposal. One of the principle components of the proposal will be to strengthen controls in ports to keep illegally-caught fish out of the EU. The current proposal for the ultra-peripheral regions thus includes a condition that compensation shall not be granted to fishery products "derived from illegal, unreported or unregulated (IUU) fishing" (Article 4(4) point d). Your rapporteur fully supports this approach.

In line with the Commission's emphasis on the fight against illegal fishing, two amendments to this proposal are suggested, both of which are designed to complement this laudable objective and ensure that Communities' budget is not used for support for illegal fisheries products.

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Article 7 requires the Member States concerned to submit compensation plans to the Commission, indicating type and quantity of fish products that are eligible for aid, as well as the amount of compensation. An amendment has been included to require the Member States to give an indication of the controls that are to be implemented to ensure that only fish that is caught legally, under the provisions of the Common Fisheries Policy (Article 4.3), benefit from the compensation covered by the present regulation.

Article 10 states that Member States must adopt the necessary provisions to ensure compliance with the regulation. Since the fight against illegal fishing is so important, and given the Commission's excellent efforts in that direction, a few details are suggested concerning the type of controls that Member States should foresee in order to keep illegal fish out of the EU.

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 Commission¹

Amendments by Parliament

Amendment 1 Article 7, paragraph 1

1. Within four months of the entry into force of this Regulation the Member States concerned shall submit to the Commission the list and quantities referred to in Article 4(1) *and* the level of compensation referred to in Article 5(1), hereinafter jointly referred to as "the compensation plan".

1. Within four months of the entry into force of this Regulation the Member States concerned shall submit to the Commission the list and quantities referred to in Article 4(1), the level of compensation referred to in Article 5(1) and a detailed list of measures to be applied to ensure that the provisions of Articles 4(2), 4(3) and 4(4) are respected, hereinafter jointly referred to as "the compensation plan".

Justification

Amendment aims at ensuring that only legally caught fish benefits from compensations foreseen in the regulation.

Amendment 2 Article 10

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¹ Not yet published in OJ.

Member States shall adopt appropriate provisions to ensure compliance with the requirements set out in this Regulation and the regularity of operations.

Member States shall adopt appropriate provisions to ensure compliance with the requirements set out in this Regulation and the regularity of operations. *Provisions on the traceability of fisheries products shall be sufficiently detailed so as to allow for the identification of products that are not eligible for compensation.*

Justification

More detailed requirements should be introduced in order to ensure that only legal fisheries products can be covered by the compensations.