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REPORT

on the proposal for a Council regulation on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001 (COM(2001) 422 – C5-0405/2001 – 2001/0168(CNS))

Committee on Fisheries

Rapporteur: Pat the Cope Gallagher

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*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
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

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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PROCEDURAL PAGE

By letter of 10 September 2001, the Council consulted Parliament, pursuant to Article 37 in conjunction with Article 300 paragraph 2 and 3, first subparagraph of the EC Treaty, on the proposal for a Council regulation on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001 (COM(2001) 422 - 2001/0168 (CNS)).

At the sitting of 19 September 2001 the President of Parliament announced that she had referred this proposal to the Committee on Fisheries as the committee responsible and the Committee on Budgets and the Committee on Development and Cooperation for their opinions(C5-0405/2001).

The Committee on Fisheries had appointed Pat the Cope Gallagher rapporteur at its meeting of 11 July 2001.

The committee considered the Commission proposal and draft report at its meetings of 12 September and 8 October 2001.

At the last meeting it adopted the draft legislative resolution by 9 votes to 1, with 1 abstention.

The following were present for the vote: Daniel Varela Suanzes-Carpegna, chairman; Rosa Miguélez Ramos, vice-chairman; Niels Busk, Arlindo Cunha, Carmen Fraga Estévez, Ian Stewart Hudghton, Salvador Jové Peres (for Mihail Papayannakis), Heinz Kindermann, Brigitte Langenhagen, Patricia McKenna, James Nicholson and Dominique F.C. Souchet.

The opinion of the Committee on Budgets is attached; the Committee on Development and Cooperation decided on 13 September 2001 not to deliver an opinion.

The report was tabled on 9 October 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a Council regulation on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001 (COM(2001) 422 – C5-0405/2001 – 2001/0168(CNS))

The proposal is approved.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council regulation on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001 (COM(2001) 422 – C5-0405/2001 – 2001/0168(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2001) 422¹),
 - having been consulted by the Council pursuant to Article 37 in conjunction with Article 300, paragraph 2 and 3, first subparagraph of the EC Treaty (C5-0405/2001),
 - having regard to Rule 67 and 97(7) of its Rules of Procedure,
 - having regard to the report of the Committee on Fisheries and the opinion of the Committee on Budgets (A5-0314/2001),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Calls for the conciliation procedure to be initiated should the Council intend to depart from the text approved by Parliament;
 4. Asks to be consulted again should the Council intend to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and Commission.

¹ OJ not yet published.

EXPLANATORY STATEMENT

Introduction

The Proposal for a Council Regulation as presented by the Commission concerns the prolongation of the protocol which has been in force during the period of 1 May 1997 to 30 April 2001. The prolongation concerns 2 periods the first from 1 May 2001 to 31 July 2001 and the second from 1 August 2001 to 31 December 2001.

By an exchange of letters between the Government of Senegal and the Council the provisional continuation of fishing activities has been secured until the end of this year.

After several rounds of negotiations, the first one taking place in Brussels in January 2001, it was impossible to reach agreement on the renewal of the current protocol. In June Senegal suspended negotiations until October in order to gain time to analyse the fisheries issues and their effects. Fortunately, breaking off the negotiations did not have the same negative impact it had at the end of 1996 when all fisheries was suspended. Until the date of resumption of the negotiations the Senegalese government plans to conduct a study to determine the country's fisheries potential. Since the question of durable management was one of the breaking points of the negotiations the Senegalese government will probably make use of the results of this study later this year when negotiations will resume.

Content of the prolonged co-operation

The fisheries possibilities and the financial contribution from the Community will remain unchanged. The compensation paid by the Community will be calculated on the basis of the *pro rata temporis* principle, which means that financial compensation for the rest of 2001 will amount 8/12 of the yearly sum of 12 million €. The payment has to be made before the end of this year.

The countries benefiting from the protocol with Senegal are, in order of importance, Spain, France, Portugal, Italy and Greece.

The current agreement covers three types of fisheries: trawling (10 000 GRT), pelagic fishing, and tuna fishing. Trawling includes both inshore (for just three vessels) and deep-water demersal fishing. As regards pelagic fishing, 22 European vessels will be allowed to fish, with six vessels being able to fish simultaneously and a maximum catch of 25 000 tonnes per year. The provisions regarding tuna fishing relate to 12 pole-and-line vessels, 41 seiners and 23 longliners.

Besides the protocol with the EU the Senegalese government has concluded a major fisheries agreement with Japan, and a number of neighbouring countries.

Evaluation

Lately the Commission has begun on the occasion of the renewal of fisheries agreements, to draft assessment reports on the application of the previous protocol.

The valuable assessment report on Senegal describes in a comprehensive way the political and economic background of the country and the place the fisheries sector takes.

According to estimates of Senegal's research institute, available resources would permit catches in 1996, the year when the study was conducted, of 465 000 tonnes. However, recent scientific analysis shows that coastal demersal resources -in spite of satisfactory utilisation rates in this segment (see below)- have plummeted and have forced the small-scale and industrial fleet to fish in neighbouring countries. Since 'sustainable fishing' is one of the leading principles in the CFP signals about the critical state of some fish stocks have to be taken into account by both parties when the negotiations resume.

Concerning the utilisation of the fishing possibilities in the evaluation paper, the Commission reaches the conclusion that this has been "satisfying" for the tuna fleet but only "average" for the trawl fishing and "insignificant" for pelagic fisheries. The Commission reports the following utilisation

Category	Utilisation	
	Catches/average/year	Licences issued
1. Demersal coastal trawlers (not landing in Senegal)	1 325 tonnes	100%
2. Deep sea demersal trawlers (not landing in Senegal)	2075 tonnes	21%
3. Freezer trawlers of coastal demersal fish (landing partially in Senegal)	1000 tonnes	66%
4. Freezer trawlers of deep sea crustaceans (except langoustines) (not landing in Senegal)	825 tonnes	46%
5. Pole-and-line tuna vessels	50 tonnes	98%
6. Tuna seiners	3 750 tonnes	85%
7. Surface longliners	500 tonnes	51%
8. Pelagic freezer trawlers	0	0

As can be seen by the 0% utilisation rate for pelagic freezer trawlers utilisation of fishing possibilities has not been good in all segments. In the case of some other international fisheries agreements the terminology of "paper fish" has been used. Although it often hard to predict what the actual catches will be and where the catches will be taken, especially in the case of highly migratory fish, the principle for fisheries agreements should be "money for fish". The rapporteur therefore urges the Commission to take these considerations into account during the following rounds of negotiations with Senegal.

Comments

It is very important for the Community fishermen that this agreement be renewed after 31 December 2001 when the current prolongation expires. The renewal of the protocol is especially important in terms of fishing opportunities after the failure to reach agreement with Morocco.

Moreover, compared with the new protocol with the former protocol with Morocco (€ 500 m over four years) and the recently signed agreement with Mauritania (€ 430 m over five years) it is modest in financial terms.

As for the renewal of the current protocol the situation of the local fishermen should be taken into account. The Senegalese economy is heavily dependent on the fisheries industry. As has always been crucial in the conclusion of international fisheries agreements it has to be underlined that this type of agreements should concern the surplus of resources that can't be fished by the local fishermen, of which there are currently around 45 000. According to the Commission's evaluation paper another 600 000 people directly or indirectly dependent on the fishing industry. On a total population of 8,4 million people around 17% of the working force is employed in this sector. In terms of value industry produces some 30% of the country's exports. With an average consumption of 26 kilograms per person fish products are an important source of nourishment for the Senegalese population. To secure the sustainability of fisheries in Senegalese waters in the new protocol, both parties should agree on intense scientific co-operation on top of the current provision for the Senegalese authorities to institute a biological rest-period (which has never been used).

In an attached declaration the Government of the Republic of Senegal states that a significant percentage of the financial compensation will be used in the fisheries sector. This commitment by the Senegalese authorities was set out in concrete form in a letter of 17 April 1997 from the Minister for Fisheries to Commissioner Bonino detailing the Senegalese authorities' decision to allocate 50% of the total compensation to the Treasury and use the remaining 50% in the fisheries sector on the basis of the aims of sustainable development referred to under the headings of the protocol (knowledge of fish stocks, training, fisheries surveillance, institutional assistance, etc.). The details of the use to which such funds are put will be notified to the Commission after consultation with those who are developing professional expertise in the various sectors. Unfortunately in the Commission's evaluation paper does not mention the results of the allocation of this money into the local fisheries. Therefore the rapporteur would welcome the inclusion of explicit provisions have been made to support the local industry. In other agreements these so called targeted measures sometimes even exceeds the value of the financial compensation as is the case in the protocol with Ivory Coast where support for the local fisheries amounts to 71% of the total financial contribution.

Conclusion

In the light of the above considerations, the rapporteur recommends the approval to the proposal for a Council Regulation (EC) on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001.

Since the Commission's proposal merely concerns a prolongation of the existing protocol the rapporteur will not table any amendments. Furthermore the rapporteur does not consider it appropriate to table amendments on the position the Commission should take during the negotiations because it is the role of the Parliament to judge the results and not to enter into negotiations itself. However, the results of the negotiations will be examined -inter alia- on the

basis of the consideration made above.

13 September 2001

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Fisheries

on the proposal for a Council regulation on the conclusion of two Agreements in the form of exchanges of letters concerning the extension of the Protocol establishing the fishing opportunities and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the periods 1 May 2001 to 31 July 2001 and 1 August 2001 to 31 December 2001
(COM(2001) 422 – C5-0405/2001 – 2001/0168(CNS))

Draftsman: Bárbara Dührkop Dührkop

PROCEDURE

The Committee on Budgets appointed Bárbara Dührkop Dührkop draftsman at its meeting of 22 September 1999.

It considered the draft opinion at its meeting of 13 September 2001.

At the last meeting it adopted the following amendments unanimously.

The following were present for the vote: Terence Wynn, chairman/acting chairman; Reimer Böge, vice-chairman; Gordon J. Adam (for Joan Colom i Naval, pursuant to Rule 153(2)), Ioannis Averoff, Jean-Louis Bourlanges, Kathalijne Maria Buitenweg, Paulo Casaca, Carlos Costa Neves, Den Dover, James E.M. Elles, Göran Färm, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, John Joseph McCartin, Jan Mulder, Juan Andrés Naranjo Escobar, Giovanni Pittella, Elly Plooij-van Gorsel (for Anne Elisabet Jensen), Bartho Pronk (for Armin Laschet), Encarnación Redondo Jiménez (for Alain Madelin), Esko Olavi Seppänen (for Chantal Cauquil), Per Stenmarck, Francesco Turchi, Kyösti Tapio Virrankoski and Ralf Walter.

BACKGROUND/GENERAL COMMENTS

1. The previous Protocol to the Fisheries Agreement between the European Economic Community and the Republic of Senegal establishing the fishing opportunities and financial contribution (1997-2001) expired on 30 April 2001.
2. The two parties entered into negotiations in order to conclude a new protocol for the period from 2001 on, but could not reach an agreement before expiration of the previous protocol. In order to ensure the continuation of fishing activities in Senegalese waters, the Community and Senegal decided first to extend the previous protocol for a 3 month period, and later to extend it for another 5 months. The respective interim agreements in the form of exchanges of letters were initialled on 23 April 2001 and 1 June
3. The difficulties of the negotiations are obviously partly due to the discontinuation of the fisheries agreement with Morocco. The absence of fishing opportunities in the waters off the Moroccan coast has increased the need for additional fishing opportunities from the coastal countries south of Morocco, in particular Mauritania and Senegal. In the framework of the 2002 budgetary procedure, this may result in the need for additional appropriations for these two agreements and increase the annual burden for the EU budget compared to the previous protocols. The new protocol with Senegal will come into force at 1 January 2002 or at a later date. Your rapporteur would like to stress, therefore, that the appropriations should be entered as non-compulsory expenditure in the reserve assigned to budget item B7-8000.
4. The Commission informed the Parliament's Committee on Fisheries about the agreements as initialled and only transmitted the text of the second agreement, but no draft financial statement. On 23 July 2001, the Commission adopted the Proposal for a Council Regulation on the Conclusion of the two agreements in the form of exchanges of letters.
5. The 1997 to 2001 protocol had an annual financial impact of € 12 million on the EU budget. Accordingly the two interim agreements, which together cover a period of 8 months, foresee the following financial contribution:

in €

	2001	Total
Commitment appropriations		
Financial compensation	8 000 000	8 000 000
Total Commitments	8 000 000	8 000 000
Payment appropriations	8 000 000	8 000 000

6. The present protocol takes over the fishing possibilities *pro rata temporis* provided for in the 1997-2001 protocol. However, the use of the fishing opportunities under the previous agreement has been partly unsatisfying, in particular for ocean-going fish trawlers (utilisation of 21%), ocean-going freezer trawlers (utilisation between 46% and 0%) and for surface longliners (51%). For the new protocol under negotiation, this under-utilisation should be taken into account.

7. The system of licence fees to be paid by the ship-owners is more complicated than in the case of most of the fisheries agreements with ACP countries. In the framework of the new protocol, the Commission should take care that the licence fee per tonne should be at least € 25 as in the other recently concluded protocols.
8. No targeted actions are directly foreseen in the 1997-2001 protocol and accordingly not in the two extensions. The protocol provides that the "Senegalese authorities shall be responsible for determining the use made of this compensation and shall notify the Commission "of the details of that use, using as a basis the aims of sustainable development of fishing, including non-industrial fishing, listed in the previous Protocol (financial compensation to the Treasury, knowledge of fish stocks, training, fisheries surveillance, institutional assistance, special programme of action for fishing activities, etc.)" ¹. The Committee on Budgets has always welcomed the increase of the targeted measures, which can help to direct the funding from the EU budget to purposes that are in the interest of the population and the development of the recipient countries. Targeted measures should be provided for in the protocol now under negotiation.
9. The Commission proposal does not contain an article to take account of Commission Regulation (EC) No 500/2001 of 14 March 2001² stating that the Member States are obliged to notify the Commission of the quantities of the catches taken in the fishing zone off Senegal. This provision was recently introduced in the new protocol with Madagascar³ and can help to achieve a more realistic picture of the actual catches of the EU shipping fleet. It could be useful in both directions, to identify more exactly the under-utilisation of fishing opportunities, and to discover if catches are not declared properly.

CONCLUSIONS

1. The Committee on Budgets deplores that the European Commission has presented its proposal for a Council regulation on the conclusion of the two Agreements in the form of exchanges of letters concerning the extension of the fisheries protocol with Senegal only shortly before the first extension period (1 May to 31 July 2001) expired, i.e. 3 months after initialling this extension. The agreement provides also that the first payment shall be made no later than 31 October 2001, which will make it very difficult for Parliament to give its opinion before the payment is made. This timeframe once again jeopardises the possibility of Parliament to exercise properly its consultation rights in the legislative procedure.
2. In case the Commission does not need to request a transfer for the amount to be paid from budget item B7-8000, the Committee on Budgets insists that it is informed about the intended date of the payment before it is effected.
3. As the present Commission proposal is only an extension of the previous protocol with Senegal for 8 months, the Committee on Budgets agrees to the Commission proposal introducing three amendments, which are modified compared to the traditional amendments

¹ Protocol establishing the fishing rights and financial compensation provided for in the Agreement between the European Economic Community and the Government of the Republic of Senegal on fishing off the coast of Senegal for the period from 1 May 1997 to 30 April 2001, Article 3(2), OJ L 302, 5.11.97, p. 4.

² OJ L 73, 15.3.2001, p. 8.

³ COM (2001) 422 final.

of the Budgets Committee, as the Commission proposal relates to an extension of a protocol and not to a new protocol.

4. The Committee on Budgets calls on the Commission to include in the protocol now under negotiation with the Senegalese government a number of elements, which are part of the fisheries agreements and protocols with other ACP countries:
- replacement of a part of the financial compensation, the use of which is now under the sole responsibility of the Senegalese authorities, by direct targeted measures;
 - inclusion of a suspension clause, if severe circumstances not attributable to natural phenomena prevent fishing activities in the Senegalese fishing zone;
 - adaptation of the protocol and the financial contribution to a realistic estimation of maximum catches, possibly taking into account additional needs for the EU fishermen as well as the under-utilisation of fishing opportunities under the previous agreement;
 - adjustment of the licence fees to be paid by the shipowners in such a way that at least € 25 are paid by the ship owners, when € 75 are paid from the EU budget as compensation for catches in the Senegalese waters.

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 3a (new)

The Member States whose vessels are fishing under this Protocol are obliged to notify the Commission of the quantities of each stock taken in the Senegalese fishing zone in accordance with the arrangements laid down in Commission Regulation (EC) No 500/2001 of 14 March 2001².

¹ OJ C (not yet published).

² OJ L 73, 15.3.2001, p. 8.

Justification

The Commission Regulation (EC) No 500/2001 states that the Member States are obliged to notify the Commission of the quantities of the catches taken in the fishing zone of third countries in the framework of EU fisheries agreements. The introduction of a new article - as the Commission included already in its proposal for the conclusion of a fisheries protocol with Madagascar¹ - can help to achieve a more realistic picture of the actual catches of the EU shipping fleet. It could be useful in both directions, to identify more exactly the under-utilisation of fishing opportunities, and to discover if catches are not declared properly.

Amendment 2 Article 3b (1) (new)

1. In the course of the application of the extension of the Protocol until December 2001 the Commission shall submit to the Council and European Parliament a new general assessment report including a cost benefit analysis as soon as possible.

Justification

Before the expiry of the previous protocol, the European Commission presented to Parliament an evaluation report on the previous protocol after initialling the new protocol. The Commission did not provide the European Parliament with information allowing a serious assessment and the presentation of an opinion by the Parliament before the start of negotiations.

Amendment 3 Article 3b (2) (new)

2. The Commission shall take that report into consideration in the negotiations with the Government of Senegal and take into account the European Parliament's

¹ COM(2001) 409 final

opinion on the extension of the Protocol.

Justification

The Committee on Budgets demands that the general assessment report and the position of Parliament on the current extension of the 1997-2001 Protocol be taken into account in the negotiation with the third country. This position is in line with the conclusion N° D of the Working Document on European Community Fisheries Agreements (PE 289.538) approved by the Committee on Budgets on 23 May 2000. It is also in line with the position taken by the Parliament on other fisheries agreements.