



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.06.1998  
COM(1998) 390 final

98/0217 (CNS)

Proposal for a

COUNCIL DECISION

**ON THE CONCLUSION OF AN AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS CONCERNING THE PROVISIONAL APPLICATION OF THE PROTOCOL SETTING OUT THE FISHING OPPORTUNITIES AND FINANCIAL COMPENSATION PROVIDED FOR IN THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR THE PERIOD FROM 21 MAY 1998 TO 20 MAY 2001**

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Proposal for a

COUNCIL REGULATION (EC)

**ON THE CONCLUSION OF A PROTOCOL SETTING OUT THE FISHING OPPORTUNITIES AND FINANCIAL CONTRIBUTION PROVIDED FOR IN THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR THE PERIOD FROM 21 MAY 1998 TO 20 MAY 2001**

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(presented by the Commission)



## **EXPLANATORY MEMORANDUM**

The Protocol to the Fisheries Agreement between the European Community and Madagascar expires on 20 May 1998. A new Protocol was initialled by both parties on 5 March 1998 fixing the technical and financial conditions governing the fishing activities of Community vessels in Malagasy waters during the period from 21 May 1998 to 20 May 2001.

The Commission proposes, on this basis, that the Council adopt:

- by Decision, the draft Agreement in the form of an exchange of letters concerning the provisional application of the new Protocol pending its definitive entry into force,
- by Regulation, the Protocol setting out the fishing opportunities and the relevant financial and technical conditions agreed between the European Community and Madagascar for the period from 21 May 1998 to 20 May 2001.

PROPOSAL FOR A  
COUNCIL DECISION

**ON THE CONCLUSION OF AN AGREEMENT IN THE FORM OF AN EXCHANGE OF  
LETTERS CONCERNING THE PROVISIONAL APPLICATION OF THE PROTOCOL  
SETTING OUT THE FISHING OPPORTUNITIES AND FINANCIAL COMPENSATION  
PROVIDED FOR IN THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY  
AND THE REPUBLIC OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR  
THE PERIOD FROM 21 MAY 1998 TO 20 MAY 2001**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to the Agreement between the European Community and the Republic of Madagascar on fishing off Madagascar<sup>1</sup>, and in particular Article 14 thereof,

Having regard to the proposal from the Commission,

Whereas, under Article 14 of the above Agreement, the Community and the Republic of Madagascar held negotiations to determine amendments or additions to be made to the Agreement at the end of the period of application of the Protocol to the Agreement;

Whereas, as a result of those negotiations, a new Protocol was initialled on 5 March 1998;

Whereas, under this Protocol, Community fishermen enjoy fishing opportunities in the waters falling within the sovereignty or jurisdiction of the Republic of Madagascar for the period from 21 May 1998 to 20 May 2001;

Whereas, in order to avoid interruption of fishing activities by Community vessels, it is essential that the said Protocol be approved as quickly as possible; whereas both

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<sup>1</sup> OJ L 73, 18.3.1986, p. 26.

Contracting Parties have therefore initialled an Agreement in the form of an exchange of letters providing for the provisional application of the initialled Protocol from the day following the date of expiry of the Protocol previously in force;

Whereas the Agreement in the form of an exchange of letters should be approved subject to a definitive decision under Article 43 of the Treaty;

Whereas the method for allocating the fishing opportunities among the Member States should be defined on the basis of the traditional allocation of fishing opportunities under the fisheries agreement,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Agreement in the form of an exchange of letters concerning the provisional application of the Protocol setting out the fishing opportunities and the financial compensation provided for in the Agreement between the European Community and the Republic of Madagascar on fishing off Madagascar for the period from 21 May 1998 to 20 May 2001, is hereby approved on behalf of the Community.

The text of the Agreement in the form of an exchange of letters and the Protocol are attached to this Decision.

*Article 2*

The fishing opportunities fixed in the Protocol shall be allocated among the Member States as follows:

a)	Tuna seiners:	Spain:	22	vessels
		France	20	vessels
		Italy:	3	vessels
b)	Surface longliners:	Spain:	20	vessels
		France:	6	vessels

Portugal: 4 vessels

If licence applications from these Member States do not cover all the fishing opportunities fixed by the Protocol, the Commission may take into consideration licence applications from any other Member State.

*Article 3*

The President of the Council is hereby authorised to designate the persons empowered to sign the Agreement in order to bind the Community.

Done at

**For the Council**

**The President**

# AGREEMENT

## IN THE FORM OF AN EXCHANGE OF LETTERS CONCERNING THE PROVISIONAL APPLICATION OF THE PROTOCOL SETTING OUT THE FISHING OPPORTUNITIES AND FINANCIAL COMPENSATION PROVIDED FOR IN THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR THE PERIOD FROM 21 MAY 1998 TO 20 MAY 2001

### *A. Letter from the Government of Madagascar*

Sir,

With reference to the Protocol initialled on 5 March 1998 setting out fishing opportunities and financial compensation for the period from 21 May 1998 to 20 May 2001, I have the honour to inform you that the Government of Madagascar is prepared to apply the Protocol on a provisional basis with effect from 21 May 1998, pending its entry into force in accordance with Article 7 of the said Protocol, provided the European Community is disposed to do the same.

This is on the understanding that the first annual instalment of the financial compensation specified in Article 2 of the Protocol is paid by 30 October 1998.

I should be obliged if you would confirm the European Community's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration.

For the Government  
of the Republic of Madagascar

***B. Letter from the Community***

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

"With reference to the Protocol initialled on 5 March 1998 setting out fishing opportunities and financial compensation for the period from 21 May 1998 to 20 May 2001, I have the honour to inform you that the Government of Madagascar is prepared to apply the Protocol on a provisional basis with effect from 21 May 1998, pending its entry into force in accordance with Article 7 of the said Protocol, provided the European Community is disposed to do the same.

This is on the understanding that the first annual instalment of the financial compensation specified in Article 2 of the Protocol is paid by 30 October 1998.

I should be obliged if you would confirm the European Community's agreement to such provisional application."

I have the honour to confirm the European Community's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration.

on behalf of

the Council of the European Union,



PROPOSAL FOR A

98/0217(CNS)

**COUNCIL REGULATION (EC)**

**ON THE CONCLUSION OF A PROTOCOL SETTING OUT THE FISHING  
OPPORTUNITIES AND FINANCIAL CONTRIBUTION PROVIDED FOR IN THE  
AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC  
OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR THE PERIOD FROM 21  
MAY 1998 TO 20 MAY 2001**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 43 in conjunction with the first sentence of Article 228(2) and the first subparagraph of Article 228(3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>1</sup>,

Whereas, pursuant to the Agreement between the European Community and the Republic of Madagascar on fishing off Madagascar<sup>2</sup> the two Parties conducted negotiations to determine the amendments or additions to be made to the Agreement at the end of the period of application of the Protocol to the Agreement;

Whereas, as a result of these negotiations, a new Protocol setting out the fishing opportunities and financial compensation provided for in the said Agreement for the period from 21 May 1998 to 20 May 2001 was initialled on 5 March 1998;

Whereas it is in the Community's interest to approve the said Protocol;

<sup>1</sup> OJ

<sup>2</sup> OJ L 73, 18.3.1986, p. 26

Whereas the method for allocating the fishing opportunities among the Member States should be defined on the basis of the traditional allocation of fishing opportunities under the fisheries agreement,

HAS ADOPTED THIS REGULATION:

*Article 1*

The Protocol setting out the fishing opportunities and financial compensation provided for in the Agreement between the European Community and the Republic of Madagascar on fishing off Madagascar for the period from 21 May 1998 to 20 May 2001 is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Regulation.

*Article 2*

The fishing opportunities fixed in the Protocol shall be allocated among the Member States as follows:

a)	Tuna seiners:	Spain:	22	vessels
		France	20	vessels
		Italy:	3	vessels
b)	Surface longliners:	Spain:	20	vessels
		France:	6	vessels
		Portugal:	4	vessels

If licence applications from these Member States do not cover all the fishing opportunities fixed by the Protocol, the Commission may take into consideration licence applications from any other Member State.

*Article 3*

The President of the Council is hereby authorised to designate the persons empowered to sign the Protocol in order to bind the Community.

*Article 4*

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

# PROTOCOL

## SETTING OUT THE FISHING OPPORTUNITIES AND FINANCIAL COMPENSATION PROVIDED FOR IN THE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE REPUBLIC OF MADAGASCAR ON FISHING OFF MADAGASCAR FOR THE PERIOD FROM 21 MAY 1998 TO 20 MAY 2001

### *Article 1*

Pursuant to Article 2 of the Agreement, licences authorising fishing in Madagascar's fishing zone shall be granted to 45 freezer tuna seiners and 30 surface longliners for a period of three years beginning on 21 May 1998.

In addition, at the request of the Community, authorisation may be granted for other categories of fishing vessel under conditions to be laid down in the Joint Committee referred to in Article 9 of the Agreement.

### *Article 2*

The amount of the contribution referred to in Article 7 of the Agreement shall be fixed at ECU 304 000 for each of the three years of the Protocol, the first instalment to be paid not later than 30 October 1998 and the two remaining instalments before 20 May 1999 and 20 May 2000. This amount is to cover an annual catch of 9 500 tonnes of tuna in Malagasy waters; if the tuna caught by Community vessels in Madagascar's fishing zone exceeds this weight, the amount referred to above shall be increased by ECU 50 per additional tonne.

The financial compensation shall be paid into an account to be indicated by the Malagasy authorities, in the name of the Public Treasury.

### *Article 3*

1. During the period referred to in Article 1, the Community shall contribute an additional ECU 1 368 000 to financing the measures described below, allocated as follows:

(1) ECU 168 000 for Malagasy scientific programmes to improve knowledge of fisheries resources and ensure sustainable management thereof.

At the request of the Government of Madagascar, this contribution may take the form of a contribution to the cost of international meetings to improve knowledge and the management of fishery resources.

(2) ECU 600 000 towards a system of fisheries monitoring, checks and surveillance.

(3) ECU 300 000 for the financing of study grants and training courses.

(4) ECU 125 000 for assistance in the development of traditional fisheries.

(5) ECU 175 000 for the Ecole Nationale de l'Enseignement Maritime de Majunga (ENEM).

2. The competent Malagasy authorities shall send the Commission a detailed annual report on the use of the funds allocated to the measures provided for in paragraph 1 and on the implementation of these measures and the results achieved not later than three months after the anniversary date of the Protocol. The Commission reserves the right to request additional information from the Ministry responsible for fisheries and to review the payments concerned in the light of the actual implementation of the measures.

3. The amounts allocated to the above measures shall be made available to the Ministry responsible for fisheries and paid as they are used into the bank accounts indicated by it.

*Article 4*

Should the Community not make the payments referred to in Articles 2 and 3 of this Protocol, the Fisheries Agreement may be suspended.

*Article 5*

The Annex to the Agreement between the European Community and the Republic of Madagascar on fishing off Madagascar is hereby repealed and replaced by the Annex to this Protocol.

*Article 6*

This Protocol shall enter into force on the date of its signature.

It shall apply from 21 May 1998.

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## ANNEX

### CONDITIONS GOVERNING FISHING ACTIVITIES BY COMMUNITY VESSELS IN MADAGASCAR'S FISHING ZONE

#### 1. Application for and issue of licences

The procedure for applications for, and the issue of, licences authorising Community vessels to fish in Malagasy water shall be as follows.

(1) Through its representative in Madagascar, the European Commission shall present to the Malagasy authorities:

- at least 20 days before the beginning of the desired period of validity, a licence application completed by the shipowner in respect of each vessel for which authority to fish under the Agreement is requested;
- an annual application for prior authorisation to enter Madagascar's territorial waters; such authorisation shall be valid for the duration of the licence.

Licence applications must be made on the form provided by Madagascar for this purpose, in accordance with the specimen given in Appendix 1; they shall be accompanied by proof of payment of the advance due from the shipowner.

(2) Licences shall be issued for a specific vessel and shall not be transferable.

However, in the event of *force majeure*, a licence for one vessel may be replaced by a new licence for another vessel of similar characteristics should the European Commission so request. The owner of the vessel being replaced shall return the cancelled licence to the Malagasy Ministry with responsibility for sea fisheries via the Delegation of the Commission of the European Communities in Madagascar.

The new licence shall indicate:

- the date of issue,
- the fact that it cancels and replaces the licence of the previous vessel.

The fee provided for in Article 5 of the Agreement shall not be due for the remaining period of validity.

- (3) The Malagasy authorities shall send licences to the representative of the Commission of the European Communities in Madagascar.
- (4) Licences must be kept on board at all times; however, on receipt of notification of payment of the advance sent to the Malagasy authorities by the European Commission, vessels shall be entered on a list of vessels authorised to fish, which shall be sent to the Malagasy authorities responsible for fisheries inspection. A copy of the said licence may be obtained by fax pending arrival of the licence itself; that copy shall be kept on board.
- (5) Owners of tuna boats must be represented by an agent in Madagascar.
- (6) The Malagasy authorities shall give notice, before the Agreement enters into force, of the arrangements for payment of fees and advances, including information on bank accounts.

## **2. Validity of licences and payment of fees**

- (1) Licences shall be valid for one year. They shall be renewable.
- (2) The fee shall be ECU 20 per tonne caught in waters under Malagasy jurisdiction. Licences shall be issued on advance payment to the Malagasy Treasury of an annual sum of ECU 2 000 per tuna seiner, ECU 1 100 per surface longliner of more than 150 GRT and ECU 800 per surface longliner of 150 GRT or less.
- (3) At the end of each calendar year, the European Commission shall draw up a final statement of the fees due in respect of the fishing year on the basis of catch declarations completed by each shipowner and confirmed by the scientific institutes competent for verifying catch statistics such as Orstom (Office of Overseas Scientific and Technical Research), IEO (Spanish Oceanographic Institute) or USTA (Antsiranana Tuna Statistical Unit) and transmitted by the Member States of the European Community. The statement shall simultaneously be notified to the Malagasy sea fisheries authorities and the shipowners. Shipowners shall make any additional payments to the Malagasy fisheries authorities within 30 days of notification of the final statement.

However, where the final statement is less than the advance referred to at (2) above, the balance shall not be recoverable by the shipowner.



### **3. Declaration of catches**

- (1) Vessels authorised to fish in Madagascar's fishing zone under the Agreement shall notify their catch statistics to the sea fisheries authorities, with a copy for the Delegation of the Commission of the European Communities in Madagascar, in accordance with the following procedure.

Tuna seiners and surface longliners shall complete a fishing form corresponding to the specimen given in Appendix 2 for each period spent fishing in Madagascar's fishing zone. The forms shall be sent to the competent authorities referred to above not later than 30 September each year.

Forms must be completed legibly and be signed by the master of the vessel. In addition, they must be completed by all vessels which have obtained a licence, even if they have not fished.

- (2) In the event of failure to comply with these provisions, the Malagasy authorities reserve the right to suspend the licence of the offending vessel until the formalities have been completed. In such cases, the Delegation of the Commission of the European Communities in Madagascar shall be informed without delay.

### **4. Communication of information**

The captain shall give notification, at least 24 hours in advance, by radio, telex or fax to the coastal radio station at Antsiranana, and by fax (No (261 20) 22 41655) to the Ministry responsible for fisheries, of his intention to bring his vessel into or take it out of Madagascar's fishing zone. When notifying his intention to leave, he shall also notify the estimated catches taken during the time his vessel has spent in Madagascar's fishing zone. The radio frequency and the telex and fax numbers to be used will be indicated on the licence.

### **5. Observers**

At the request of the Malagasy authorities, tuna seiners and surface longliners shall take an observer on board who shall be treated as an officer. The time spent on board by the observer shall be fixed by the Malagasy authorities, but, as a general rule, it should not exceed the time required to carry out his duties. Once on board, the observer will:

- observe the fishing activities of the vessels,
- verify the position of vessels engaged in fishing operations,
- perform biological sampling in the context of scientific programmes,
- note the fishing gear used,

- verify the catch data for Madagascar's zone recorded in the logbook.

While on board, the observer:

- must take all appropriate steps to ensure that the conditions under which he is taken on board and his presence on board do not interrupt or hamper fishing activities,
- must respect the material and equipment on board and the confidentiality of all documents belonging to the said vessel.

The conditions governing his embarkation shall be agreed between the shipowner or his agent and the Malagasy authorities. The shipowner shall, via his agent, make a payment of ECU 10 to the Malagasy Government for each day spent by an observer on board a tuna seiner or surface longliner. If the shipowner is unable to take the observer aboard and put him off at a Malagasy port agreed by common accord with the Malagasy authorities, the shipowner shall bear the cost of taking the observer aboard and putting him ashore.

If the observer is not present at the time and place agreed and during the twelve hours following the time agreed, the shipowner shall be automatically absolved of his obligation to take the observer on board.

#### **6. Employment of seamen**

At least six Malagasy seamen shall be employed by the fleet of tuna seiners and surface longliners for the duration of the fishing season.

In the event that these seamen are not so employed, the shipowners shall pay the full amount of the wages of the seamen or seaman not employed; this sum is to be used for the training of Malagasy fishermen and shall be paid into an account whose number shall be notified to the agents.

The employment contracts for the seamen shall be concluded between the agents and the seamen concerned.

#### **7. Fishing zones**

Community vessels shall have access to all waters under Madagascar's jurisdiction outside the coastal zone of ten nautical miles.

Should the Malagasy authorities decide to install experimental fish concentration devices (FCDs), they shall inform the European Commission and the agents of the shipowners concerned, indicating the geographical position of the devices.

From the 30th day after such notification, it shall be forbidden to approach within 1.5 nautical miles of the FCDs. The dismantling of any FCD must be immediately notified to the same parties.

## **8. Use of port facilities**

The authorities of Madagascar and the beneficiaries of the Agreement shall lay down the conditions for using port facilities.

## **9. Inspection and monitoring of fishing activities**

Vessels holding a licence shall permit and assist any Malagasy official responsible for the inspection and monitoring of fishing activities to board the ship and carry out his duties.

## **10. Transshipment**

When fish are transshipped, freezer tuna seiners shall hand over the fish which they do not intend to keep to a company or body nominated by the Malagasy authorities in charge of fisheries.

## **11. Provision of services**

Community vessel owners operating in the Malagasy fishing zone shall practise positive discrimination in favour of Malagasy services (careening, handling, fuel-oil bunkering, consignment, etc.).

## **12. Boarding**

### **(1) Transmission of information**

The Malagasy Ministry responsible for fisheries shall inform the Delegation and the flag State, within 48 hours, of the boarding of any fishing vessel flying the flag of a Member State of the Community fishing under the Fisheries Agreement in Madagascar's fishing zone and shall transmit a brief report of the circumstances and reasons leading to such boarding. The Delegation and the flag State shall be kept informed of any proceedings initiated and penalties imposed.

### **(2) Settlement of boarding**

in accordance with the law on fisheries and the relevant regulations, infringements may be settled:

- either by composition, in which case the amount of the fine shall be determined in accordance with Malagasy legislation laying down minimum and maximum figures;
- or by legal proceedings, if no composition is possible, in accordance with Malagasy law.

- (3) The vessel shall be released and its crew authorised to leave the port:
- either as soon as the obligations imposed by the composition procedure have been completed on presentation of the receipt for the settlement, or
  - on presentation of proof that a bank security has been lodged, pending completion of the legal proceedings.
-

APPENDIX 1

APPLICATION FORM FOR A FISHING LICENCE

1. New application or renewal:.....
2. Name and flag of vessel:.....
3. Period of validity: from.....to.....
4. Name of shipowner:.....
5. Address of shipowner:.....  
.....
6. Name and address of charterer (if different from 4 and 5):.....  
.....
7. Name and address of official representative in Madagascar:.....  
.....
8. Name of captain:.....
9. Type of vessel:.....
10. Registration number:.....
11. External identification of vessel:.....
12. Port and country of registration:.....
13. Overall length and breadth of vessel:.....
14. Gross and net tonnage of vessel:.....
15. Make and power of main engine:.....
16. Freezer capacity (t/d):.....
17. Hold capacity (m<sup>3</sup>):.....
18. Radio call sign:.....
19. Other communications equipment (telex, fax):.....
20. Fishing appliances:.....

21. Number of crew broken down by nationality:.....

22. Number of fishing licence (in the case of a renewal, attach licence):.....  
.....

I, the undersigned,....., certify that the above information is correct and undertake to comply therewith.

Stamp and signature of shipowner:

Date:



## FINANCIAL STATEMENT

1. **TITLE OF OPERATION:** New Protocol setting out the fishing opportunities and financial compensation under the EC/Madagascar Fisheries Agreement

2. **BUDGET HEADING INVOLVED:** B7-8000

3. **LEGAL BASIS:** Article 43 of the Treaty, in conjunction with Article 228(2) and the first subparagraph of Article 228(3) thereof

EC/Madagascar Agreement (OJ L 73, 18.3.1986). Council Regulation (EEC) No 780/86

4. **DESCRIPTION OF OPERATION:**

4.1. **General Objective:** Protocol and Annex for three years

4.2. **Period covered and arrangement for renewal or extension**

Period: 21.5.1998 to 20.5.2001

Renewal arrangements: negotiation prior to the expiry of the Protocol

5. **CLASSIFICATION OF EXPENDITURE OR REVENUE:**

5.1. **CE**

5.2. **DA**

5.3. **Type of revenue involved**

6. **TYPE OF EXPENDITURE**

– **Other:** financial compensation paid to a non-member country in exchange for fishing opportunities granted by it and set out in the Protocol.



**7. FINANCIAL IMPACT**

**7.1. Method of calculating total cost of operation (definition of unit costs)**

See Annex to the Protocol

**7.2. Itemised breakdown of cost**

in current ECU million

<b>Breakdown (current ecus)</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>		<b>TOTAL</b>
<b>Financial compensation referred to in Article 2</b>	<b>0.304</b>	<b>0.304</b>	<b>0.304</b>		<b>0.912</b>
<b>Allocations under Article 3</b>	<b>1.368<sup>1</sup></b>				<b>1.368</b>
<b>TOTAL</b>	<b>1.672</b>	<b>0.304</b>	<b>0.304</b>		<b>2.280</b>

**7.3. Schedule for proposed new operation**

in current ECU million

	<b>1998</b>	<b>1999</b>	<b>2000</b>		<b>TOTAL</b>
<b>Commitment appropriations</b>	<b>1.672</b>	<b>0.304</b>	<b>0.304</b>		<b>2.280</b>
<b>Payment appropriations</b>					
<b>1998</b>	<b>0.988</b>				<b>0.988</b>
<b>1999</b>		<b>0.646</b>			<b>0.646</b>
<b>2000</b>			<b>0.646</b>		<b>0.646</b>
<b>TOTAL</b>	<b>0.988</b>	<b>0.646</b>	<b>0.646</b>		<b>2.280</b>

<sup>1</sup> scientific and technical programmes: ECU 168 000  
 fisheries surveillance: ECU 600 000  
 training: ECU 300 000  
 traditional fisheries: ECU 125 000  
 ENEM: ECU 175 000

Total additional funding excluding financial compensation should be paid in the following instalments:  
 50% in 1998, 25% in 1999 and 25% in 2000.

## 8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN

Since financial compensation is paid by the Community for services rendered (fishing opportunities), it is used by the authorities of the non-member country as they think fit, provided they report to the Community, as provided for in each Agreement, on the use of certain funds (contribution to the scientific programme). In the case of Madagascar, all the measures referred to in Article 3 of the Protocol are subject to an annual report on implementation and results achieved; the payments can be reviewed in the light of the actual implementation of the various measures.

The Agreement also provides for Community vessels to submit catch declarations.

## 9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

Category	1994 - 1997		1998-2001
	Fishing opportunities (GRT)	Utilisation rate	Fishing opportunities (vessels)
Tuna seiners:	42 vessels	91%	45 vessels
Surface longliners	16	73%	30 vessels

In terms of the benefits of this tuna Agreement, the unit cost of each tonne of tuna caught is ECU 80 payable by the Community and ECU 20 payable by shipowners. The average commercial value of a tonne of tuna is ECU 1 000. It has not been possible to change this breakdown, following the discussion in the external group of the Council, when the Member States with fisheries interests stated that any amendments should apply to the new tuna agreements. Because tuna is such a highly migratory species, actual catches taken in a given zone can fluctuate greatly from one fishing year to the next.

In all tuna agreements, the catches taken by the Community fleet in the waters of the non-member country cannot be known in advance. The Community therefore pays a fixed amount which is directly proportionate to an expected catch weight ("reference weight") calculated on the basis of the average catches recorded during previous years, adjusted where necessary according to the number of vessels authorised to fish. If the expected catch weight is exceeded, an additional amount is paid. If the expected catch is not taken, the non-member country keeps the amount initially paid.

The guidelines laid down by the Council for negotiating fisheries agreements with the ACP States specify that account must be taken of the Community's interest in maintaining or establishing fisheries relations with the countries concerned.

In the case of Madagascar, during the period of validity of the 1995-98 Protocol, Community shipowners actually obtained licences for tuna fisheries for 91% of what was available for tuna seiners and 73% for surface longliners. For both economic and biological reasons, average annual catches of around 6 000 tonnes a year were recorded during the 1995-98 Protocol, while the reference weight was 9 000 tonnes per year. However, since the number of vessels authorised to fish has been increased by 17 units under the new Protocol, it is warranted to provide for an increase in actual catches and to increase the reference weight for 1998-2001 slightly, from 9 000 to 9 500 t/year.

The total financial compensation amounts to ECU 2 280 000. ECU 1 368 000 of that amount is earmarked explicitly for specific measures to develop fisheries (scientific research, marine surveillance, training, etc.). These measures account for 60% of the total cost of the agreement, as compared with 37.5% under the previous Protocol. This shows the Commission's concern to ensure not only the development of fisheries activities for Community vessels but also sustainable development of fisheries in Madagascar. This Protocol provides, for the first time, for a detailed report on the utilisation of the funds earmarked for specific measures, and enables the Commission to review its payments in the light of the implementation of those measures.

The advances paid by the owners of tuna vessels to obtain their licences are substantially increased for tuna seiners (ECU 2 000 instead of ECU 1 500) and surface longliners (ECU 800 and ECU 1 100 according to the tonnage of the vessel, instead of ECU 500). The purpose of this increase is to increase the responsibility of shipowners by making them bear a larger share of the cost. The Annex also provides for an increase in the number of Malagasy seamen to be employed on Community vessels.

Assuming the fishing opportunities provided for in the Protocol are fully used, the increase in the annual cost will be ECU 35 000 to the EC budget and ECU 55 000 to the shipowners, in the form of larger advances.

The Agreement is clearly profitable in that the value of catches far exceeds the cost of the Protocol.

In addition to the direct sale value of catches, the Agreement also offers the following advantages:

- guaranteed employment on board fishing vessels,  
the multiplier effect on jobs for the ports, auctions, processing factories, shipyards and service industries in the regions concerned,
- these jobs are created in regions where there are no alternatives to fishing.
- guaranteeing supply to the Community market in fishery products.

Clearly, the list of advantages must include the importance of relations with Madagascar, both in the fisheries sector and in the political sphere.

#### **10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)**

No impact on administrative expenditure.



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