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*Committee on Fisheries*

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**2011/0139(NLE)**

20.9.2011

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## **DRAFT RECOMMENDATION**

on the draft Council decision on the conclusion of a Protocol between the European Union and the Kingdom of Morocco setting out the fishing opportunities and financial compensation provided for in the Fisheries Partnership Agreement between the European Community and the Kingdom of Morocco

(11226/2011 – C7-0201/2011 – 2011/0139(NLE))

Committee on Fisheries

Rapporteur: Carl Haglund

<b><i>Symbols for procedures</i></b>	
*	Consultation procedure
***	Consent procedure
***I	Ordinary legislative procedure (first reading)
***II	Ordinary legislative procedure (second reading)
***III	Ordinary legislative procedure (third reading)
(The type of procedure depends on the legal basis proposed by the draft act.)	

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the draft Council decision on the conclusion of a Protocol between the European Union and the Kingdom of Morocco setting out the fishing opportunities and financial compensation provided for in the Fisheries Partnership Agreement between the European Community and the Kingdom of Morocco (11226/2011 – C7-0201/2011 – 2011/0139(NLE))**

**(Consent)**

*The European Parliament,*

- having regard to the draft Council decision (11226/2011),
  - having regard to the draft Protocol between the European Union and the Kingdom of Morocco setting out the fishing opportunities and financial compensation provided for in the Fisheries Partnership Agreement between the European Community and the Kingdom of Morocco (11225/2011),
  - having regard to the request for consent submitted by the Council in accordance with Article 43(2) and Article 218(6), second subparagraph, point (a), of the Treaty on the Functioning of the European Union (C7-0201/2011),
  - having regard to Rules 81 and 90(8) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Fisheries and the opinion of the Committee on Budgets (A7-0000/2011),
1. Declines to consent to conclusion of the Protocol;
  2. Instructs its President to notify the Council that the Protocol cannot be concluded;
  3. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Kingdom of Morocco.

## EXPLANATORY STATEMENT

### Introduction

The Kingdom of Morocco is a country located in North Africa, bordering the Atlantic Ocean, the Mediterranean Sea and Algeria to the east, and the disputed area of Western Sahara to the south. The population of Morocco is about 32 million. The service sector accounts for over half of GDP with industry adding another quarter and agriculture little over one-tenth. Tourism, telecoms, information technology and textile sectors have recently recorded the highest growth.

The Association agreement between the European Union and Morocco entered into force in 2000. This agreement constitutes the general framework for relations between the EU and Morocco in political, economic, social, scientific and cultural fields. Morocco is currently a privileged partner of the European Union and the greatest recipient of European Union funds under the European Neighbourhood Policy. The EU is Morocco's most important export market, its leading public and private external investor and its most important tourism market.

The fishing industry has been an important economic pillar for Morocco for a long time and the country is considered to be the largest fish market in Africa. The fisheries sector accounts for about 3% of GDP and the Moroccan government estimates the number of direct and indirect jobs at around 400 000.

The European Community and the Kingdom of Morocco concluded a Fisheries Partnership Agreement (FPA) on 22 May 2006<sup>1</sup>, which entered into force on 28 February 2007. On the basis of a mandate from the Council, the European Commission conducted negotiations with the Kingdom of Morocco on the renewal of the Protocol to the FPA by one year, following the expiry of the initial Protocol. A Protocol renewing the preceding Protocol for the period of 28 February 2011 to 27 February 2012 was initialled on 25 February 2011. The one-year extension is now provisionally applied but the Council still needs the consent of the European Parliament to adopt the new Protocol. Of all the Fisheries Partnership Agreements, the Protocol to the Agreement with Morocco has the second highest rate of annual financial compensation from the EU.

### Content of the Protocol

<b>Duration of the Agreement</b>	4 years renewable (28.2.2011-27.2.2015)
<b>Duration of the Protocol</b>	4 years (28.2.2007-27.2.2011) + 1 year (28.2.2011-27.2.2012), subject to ratification
<b>Initialled</b>	29 July 2005 + 25 February 2011
<b>Nature of the Agreement</b>	Mixed Agreement

<sup>1</sup> Council Regulation 764/2006 of 22 May 2006 (OJ L 141, 29.5.2006, p.1).

<b>Financial contribution</b>	36 100 000 € per year, out of which 13 500 000 million € is earmarked for the support of Moroccan sectoral fisheries policy in order to promote sustainability in its waters
<b>Fee for ship owners</b>	Tuna: 25 € per tonne caught Small scale fishing/north, pelagic species: 67 €/GT/quarter Small scale fishing/north, long-liners: 60 €/GT/quarter Industrial fishing for pelagic species: 20 €/tn Demersal fishing: 53 €/Gt/quarter Small scale fishing/south: 60 €/GT/quarter
<b>Advances</b>	Tuna fishing: 5000 € per year

The Protocol lays out the fishing opportunities offered to the European Union vessels based on the surplus available, as well as the financial contribution paid by the EU for access rights and for sectoral support. Another function of the Protocol is to provide a general partnership framework between the two parties, within which a sustainable fisheries policy is to be developed.

The overall annual financial contribution that Morocco receives from the European Union is EUR 36 100 000. It is based on:

- a) a maximum of 119 fishing permits for EU vessels in the categories of small-scale fishing, demersal fishing and tuna fishing, as well as a maximum catch tonnage of 60 000 tonnes in the category of industrial pelagic fishing, and
- b) EUR 13 500 000 in development aid for Morocco's sectoral fisheries policy. This support meets the objectives of the national fisheries policy.

The Protocol provides for fishing opportunities in the following six categories:

- Small-scale pelagic fishing in the north: 20 seiners
- Small-scale fishing in the north: 30 bottom longliners
- Small-scale fishing in the south: 20 vessels
- Demersal fishing: 22 vessels
- Tuna fishing: 27 vessels
- Industrial pelagic fishing: 60 000 tonnes of catches.

### **Rapporteur's comments and conclusions**

An outside consultancy prepared an ex-post evaluation report, on behalf of the European Commission, which evaluates the first four years of the FPA with Morocco. It highlights

some very distressing facts about many aspects of the previous Protocol, the extension of which is the subject of this recommendation.

On a general note, it states that "the results of this first 4-year period of the new fisheries partnership agreement between the EU and Morocco are generally rather disappointing". There are numerous problems relating to the economical aspects of the Agreement. According to the evaluation report, the Agreement fails to fulfil two of its major objectives: stabilising the EU market and developing the fisheries sector. When it comes to meeting the overall annual demand for fisheries and aquaculture products on the European market the contribution of the Agreement is "marginal to say the least". The report also states that the Agreement has "not contributed effectively to the development of the fisheries sector in Morocco".

There is a very low cost-benefit ratio due to low utilisation of the fishing opportunities negotiated. The evaluation states that:

*the cost of the agreement seems very high in relation to the fisheries opportunities that have actually been taken up. The European fleets' estimated turnover is EUR 30.2 million, i.e., a mere EUR 0.83 for every euro invested by the EU. Using only the indicator of wealth created by European vessel owners subject to the agreement (direct and indirect added value for the EU), an even less impressive cost/benefit ratio for the EU investment emerges: EUR 0.65 in added value generated for every euro invested. These figures... are well below the level of the corresponding indicators for other fisheries agreements.*

These figures clearly show the inefficiency of this Agreement from a financial perspective. It is concluded in the evaluation report that in terms of economic cost-effectiveness, the Agreement is the least successful of all the bilateral Fisheries Partnership Agreements.

There are also ecological issues of concern with the Agreement. Of the 11 demersal stocks fished in the Moroccan waters, five appear overexploited (European hake, pageot acarné, octopus, squid, pink prawn), four appear fully exploited (porgy, large-eye dentext, dorade, rubber-lip grunt) while two stocks could not be sufficiently analysed due to lack of data (black hake, calmar). The almost total depletion of these stocks begs the question whether the principle of EU vessels only fishing surplus stocks is adhered to. The fishing activities off the coast of Morocco also have adverse impacts on the environment, most notably through the widespread problem of discards, catches of sharks and probable catches of marine mammals by pelagic trawlers.

The Agreement has little impact on the Moroccan fisheries sector. The evaluation report clearly states that the Agreement has "not contributed effectively to the development of the fisheries sector in Morocco". It also states that the Agreement does not meet the specific needs of Morocco, neither technically or financially. The financial contribution of the EU has no major macro-economic effect on the Moroccan budget.

In addition to the aforementioned economical, ecological, environmental and other shortcomings of the Protocol, there are disputed legal issues with regards to Western Sahara. In the case of this Agreement, the issue at hand concerns whether or not the Agreement



directly benefits the Sahrawi people. The relevant documentation concerning the Protocol does not clarify this sensitive question.

The rapporteur has also found it difficult to work with the European Commission when drafting this recommendation. The official referral (saisine) to the Council and Parliament concerning the extension of the Protocol did not arrive in the Parliament until the beginning of June 2011, three months after the Protocol was put into force. The ex-post evaluation report was originally only available in French, and despite numerous promises from the Commissioner and her cabinet, an English translation was not made available to the rapporteur until July. At this point the Protocol had already been in force for four months. The lack of inter-institutional cooperation has obstructed the rapporteur's work through the entire process of preparing this draft recommendation. Hopefully this was an anomaly rather than an indicator of how the Commission intends to work with the Parliament in the future.

The outdrawn nature of this entire process has put the fishermen concerned in a rather distressing position, because of the uncertainty of the future. However, at the time of publication of this recommendation, there will at least two months before the final vote can take place in plenary. This gives the fishing industry time to prepare for a possible termination of the Protocol. Moreover, if the vote in plenary takes place in December, almost 85 % of the duration of the Protocol has already passed and a lion's share of the fishing opportunities will have been utilized. The aforementioned economical, ecological, environmental and procedural problems with the Agreement are so grave that they outweigh the possible counterargument for giving consent to the extension of the Protocol.

In conclusion, it is very important to state that even though this Agreement clearly has some major faults, it in no way implies that the EU could not have a mutually beneficial FPA with Morocco in the future. Cooperation with Moroccan authorities has, throughout the process of preparing this recommendation, been highly satisfactory. The problems with this Agreement cannot be blamed on the partner country but rather on the Agreement itself. However, as the Agreement stands right now it would be principally wrong to recommend that the Parliament gives its consent to the extension of a Protocol with so many apparent flaws. There are no reasons for the Parliament to give its consent on the extension of a Protocol to an Agreement that is a waste of taxpayers' money, ecologically and environmentally unsustainable and that has no significant macro-economic effect on either the EU or Morocco. The rapporteur therefore recommends that the Parliament declines to give its consent to an extension of the Protocol.