



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL REGULATION

**establishing Community financial measures for the implementation of the Common
Fisheries Policy and in the area of the Law of the Sea**

(presented by the Commission)

{SEC(2005) 426}

EXPLANATORY MEMORANDUM

In implementing the Common Fisheries Policy (CFP), a crucial objective is to make financial intervention more effective. Greater complementarity and more streamlined, uniform and coordinated procedures, both within the European Union and in relations with third countries and international organisations, are essential to ensuring the consistency and relevance of financial intervention.

1. SUBJECT-MATTER AND SCOPE (CHAPTER I)

The present Regulation establishes the framework for financial interventions for the implementation of the CFP in addition to the proposal for a Council Regulation on the European Fisheries Fund. Interventions are planned in particular in the following areas: control and enforcement, conservation measures, data collection and improvement of scientific advice, governance, international relations and the Law of the Sea.

2. OBJECTIVES (CHAPTER II)

This Regulation shall contribute to improving the conditions for implementing financial interventions in each of these areas by setting specific objectives for each of them. These objectives can be summarised as follows:

As regards control and enforcement, the aim is to improve the control of fishing activities in order to combat those fishing activities that are damaging the conservation of resources within and outside Community waters, by providing Community financial support to Member States to reduce weaknesses in their fisheries control programmes; by evaluating and controlling the application by the Member States of the rules of the CFP, and by assisting coordination of control measures, particularly with regard to the joint deployment of national inspection and surveillance systems by means of the Community Fisheries Control Agency.

As regards the area of data collection and scientific advice the objective is to provide Community support for the collection and management of the data needed to evaluate the state of fisheries resources and the fishing industry, within and outside Community waters, by providing Community financial support to the Member States to establish multi-annual aggregated and science-based data sets which incorporate biological, environmental and economic information. In the area of governance, interventions shall provide information and ensure the involvement of stakeholders at all stages of policy development up to and including implementation.

In the area of international relations interventions shall provide Community financial support for the conclusion of fisheries agreements with third countries, including partnership agreements, and participation in international organisations relating to fisheries or the law of the sea, contributing to the improvement of the sustainability of the fisheries resources in third country waters and on the high seas.

3. COMMUNITY FINANCING MEASURES (CHAPTER III)

In order to achieve the objectives of the Regulation, specific measures are planned in the abovementioned areas, in particular:

- In the area of control and enforcement actions will provide for investments in control activities, analysis and assessment of enforcement expenditure and initiatives aimed at improving communication and dialogue between those involved in the sector and with the general public. Financing under the Regulation will also provide for expenditure relating to inspection by Commission inspectors and for the administrative and operating expenses of the Community Fisheries Control Agency (CFCA).
- In the area of data collection and improvement of scientific advice, financing may be provided for measures relating to Community financial support for programmes to collect data needed to implement the CFP and for partnership contracts with national research institutions or contributions to the relevant international bodies. It will also provide Community financial support for arrangements with Community consultative bodies to provide the secretariat to the Scientific, Technical and Economic Committee for Fisheries (STECF), and to conduct the pre-analysis, evaluation and preparation of data.
- In the area of governance of the CFP, the Regulation provides for expenditure in relation to the Advisory Committee on Fisheries and Aquaculture (ACFA) and the Regional Advisory Councils (RACs), and for financing of the operating costs of the RACs during their start-up phase as well as their translation and interpreting costs. It also provides for financing the costs of disseminating information relating to the CFP to relevant stakeholders.
- In the area of international co-operation Community financing may contribute to expenditure in relation to fisheries agreements with third countries and for mandatory or voluntary contributions to the funds of international organisations, including United Nations' bodies. Financing may also include Community financial support for preparatory works for the establishment of new organisations or treaties relating to fisheries and to the Law of the Sea, which are of particular interest to the Community.

Given the complexity of the various areas of the CFP, the preparation of legislation and implementation of the rules of the CFP often requires a high degree of expertise which can best be provided by specialists. To this end the Regulation contains a provision which gives details of measures relating to technical assistance for which Community financing may be provided. Such measures may include Community financial support for studies, meetings, experts, information, awareness-raising, training and publication activities, or expenditure associated with IT and computer networks for the exchange of information. It may also cover expenditure for temporary staff and any other administrative or technical assistance expenditure that the Commission may incur.

4. RATES OF CO-FINANCING AND FINANCING PROCEDURES (CHAPTERS IV AND V)

The Regulation sets out the procedures for establishing the content of Community and national programmes. The requirements in relation to Community and national programmes include provisions on notification by Member States to the Commission regarding their annual programmes. They also relate to the application for and granting of financing by the

Commission, including rates and conditions of financing, and procedures for the adoption and content of detailed rules.

As regards the programmes submitted by the Member States for implementing monitoring and control systems, the Commission shall give priority to the actions which it deems most appropriate for improving efficiency in this area, and also take into account the performance of Member States in implementing programmes already approved.

5. GENERAL AND FINAL PROVISIONS (CHAPTERS VI AND VII)

Actions financed under this Regulation shall not receive financial assistance from other Community instruments. To that end, beneficiaries shall provide the Commission with all the relevant information.

Measures are envisaged to protect the Community's financial interests, to ensure that Community funds have been used in accordance with the conditions laid down in the Regulation and to prevent fraud, corruption or other illegal activities. In accordance with this requirement, the Commission may, if necessary reduce, suspend or recover the financial assistance granted for an action. To ensure compliance, the Regulation empowers officials of the Commission and of the Court of Auditors to carry out checks on actions financed by the Regulation. These measures are adopted in accordance with the relevant Community legislation.

It is necessary to evaluate actions financed under this Regulation to ensure the effectiveness of Community financing, and the Commission is obliged to ensure regular independent, external evaluation of the relevant actions, and to submit appropriate interim and post-evaluation reports to the European Parliament and the Council.

The Committee for Fisheries and Aquaculture established in accordance with Article 30 of Council Regulation (EC) No 2371/2002 shall assist the Commission in its functions under this Regulation.

Proposal for a

COUNCIL REGULATION

establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas:

- (1) Council Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy³, provides that the Common Fisheries Policy (the 'CFP') is to ensure the exploitation of living aquatic resources in a manner that provides sustainable economic, environmental and social conditions.
- (2) In implementing the CFP, as laid out in Council Regulation (EC) No 2371/2002 and its implementing regulations, a crucial objective is to make Community financial intervention in the sector more effective. Greater complementarity and more streamlined, uniform and coordinated procedures, both within the European Community and in relations with third countries and international organisations, are essential to ensuring the consistency and relevance of such financial intervention.
- (3) It is necessary to take account of the objectives previously established in the 2002 CFP reform, which have been complemented by sectoral legal and policy instruments.
- (4) In addition it is necessary to adapt Community legislation to those objectives and to the orientations of the financial framework for the period 2007-2013, while at the same time ensuring compliance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁴ and its implementing rules as set out in

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ L 358 31.12.2002, p. 59.

⁴ OJ L 248, 16.9.2002, p. 1.

Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002⁵; and with the requirements of simplification and better regulation.

- (5) It is necessary to clearly define the objectives, areas of action and expected results for Community funding.
- (6) It is necessary to provide for rules governing the eligibility of expenditure, the level of the Community financial contribution and the terms on which it should be made available.
- (7) It is of common interest that Member States are equipped in such a way that controls are carried out to a high standard. In order to ensure that Member States accomplish their obligation under the CFP rules, the Community should support the Member States in their investments in the control area.
- (8) It is necessary to ensure the availability of the financial means needed to monitor the implementation of the CFP by the Commission.
- (9) The Community should also make a contribution to the budget of the Community Fisheries Control Agency for the implementation of the annual work plan of the Agency, including for equipment and running costs and for expenditure necessary to carry out its duties.
- (10) Fisheries management depends on the availability of data concerning the biological state of fish stocks and the activity of fishing fleets. The collection of data carried out by the Member States which is needed to conduct the CFP, and additional studies and pilot projects carried out by the Commission, must be supported by Community financial contributions.
- (11) Financial resources must be made available to obtain scientific advice on a regular basis from the international scientific organisations responsible for co-ordinating fisheries investigations in waters where Community fleets operate.
- (12) The reform of the CFP has resulted in new demands for scientific advice, in particular concerning the adoption of an ecosystem approach and the management of mixed fisheries. Financial compensation must be made available to allow the recognised experts in those fields or the institutions for which they work to meet those additional demands.
- (13) With a view to promoting dialogue and communication with the fisheries sector and other interest groups, it is important to ensure that the industry and other stakeholders are informed at a very early stage of the initiatives planned and that the objectives of the CFP and measures relating to it are clearly presented and explained.
- (14) In view of the tasks of the Advisory Committee on Fisheries and Aquaculture (ACFA) renewed under Commission Decision 1999/478/EC⁶, the European professional organisations represented in ACFA should be given financial support to prepare the

⁵ OJ L 357, 31.12.2002.

⁶ OJ L 187, 20.7.1999, p. 70.

meetings of ACFA in order to improve the coordination of national organisations at European level and ensure greater industry cohesion on topics of Community interest.

- (15) With the aim of improving governance within the CFP and in order to ensure the effective establishment of Regional Advisory Councils (RACs) established by Council Decision 2004/585/EC⁷, it is essential to support them financially during their start-up phase and to contribute to their interpreting and translation costs.
- (16) In order to ensure coordination of the work of the RACs with that of ACFA, it is necessary to facilitate the participation of a representative of ACFA in the meetings of the RACs.
- (17) To achieve the objectives of the CFP, the Community plays an active role in the work of international organisations and concludes fisheries agreements, including partnership agreements in the fisheries sector.
- (18) It is essential that the Community should contribute to the funding of measures designed to ensure long-term conservation and sustainable exploitation of fisheries resources on the high seas and in third country waters.
- (19) Expenditure associated with the preparation, follow-up, monitoring, audit and evaluation activities necessary for the implementation and the assessment of the measures within the scope of this Regulation and the achievement of its objectives should be covered under technical assistance financing measures.
- (20) Different types of management and intervention are necessary to ensure flexibility in the operation and implementation of different areas and to reflect the specific characteristics of these areas of the CFP.
- (21) It is necessary to establish procedures concerning the contents of Community and national programmes for the different measures under the relevant areas of the CFP.
- (22) It is appropriate to establish the rates of the financial contribution of the Community to the expenditure of the Member States.
- (23) A financial framework should be established for the period 2007-2013 in conformity with the Communication from the Commission to the Council and the European Parliament – ‘Building our Common Future – Policy Challenges and Budgetary Means of the Enlarged Union 2007-2013’⁸.
- (24) In relation to the actions financed under this Regulation, it is necessary to ensure the protection of Community financial interests by the proper application of the legislation pertaining to the protection of those interests, and to ensure that appropriate checks are carried out by Member States and by the Commission.
- (25) To ensure the effectiveness of Community financing, actions funded under the Regulation should be regularly evaluated.

⁷ OJ L 256, 3.8.2004, p. 17.

⁸ COM(2004) 101, 10.2.2004.

- (26) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁹.
- (27) It is necessary to repeal as of 1 January 2007: Council Regulation (EC) No 657/2000¹⁰, Council Decision 2000/439/EC¹¹ and Council Decision 2004/465/EC¹²,

HAS ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT-MATTER AND SCOPE

Article 1

Subject-matter

This Regulation establishes the framework for Community financing measures for the implementation of the Common Fisheries Policy, ('the CFP') and the Law of the Sea ('Community financing measures').

Article 2

Scope

This Regulation shall apply to Community financing measures in the following areas:

- (a) control and enforcement of the CFP rules;
- (b) conservation measures, data collection and improvement of scientific advice concerning the sustainable management of fisheries resources within the scope of the CFP;
- (c) governance of the CFP;
- (d) international relations in the area of the CFP and the Law of the Sea.

CHAPTER II

OBJECTIVES

Article 3

General objectives

The Community financing measures referred to in Chapter III shall specifically contribute towards the following general objectives:

- (a) improving the administrative capacity and the means for control and enforcement of the CFP rules;

⁹ OJ L 184, 17.7.1999, p. 23.

¹⁰ OJ L 80, 31.3.2000, p. 7.

¹¹ OJ L 176, 15.7.2000, p. 42.

¹² OJ L 157, 30.4.2004, p. 117.

- (b) improving the collection of data necessary for the CFP;
- (c) improving the quality of scientific advice for the purposes of the CFP;
- (d) improving the management of the Community fishing fleet for the purposes of the CFP;
- (e) improving the involvement of the fisheries sector and other interest groups in the CFP and promoting dialogue and communication between them and the Commission;
- (f) implementing measures relating to bilateral and multilateral agreements for the purposes of the CFP, and in particular towards improving the sustainability of the fisheries resources in third country waters and on the high seas;
- (g) implementing measures relating to the Law of the Sea.

Article 4

Specific objectives in the area of control and enforcement

Community financing measures referred to in Article 8 shall contribute to the objective of improving the control of fishing activities in order to combat fishing activities that are damaging the conservation of resources within and outside Community waters by financing the following actions:

- (a) actions taken by Member States to enhance capacity or reduce identified weaknesses in their fisheries control activities;
- (b) evaluation and control by Commission services of the application of the rules of the CFP by the Member States;
- (c) coordinating control measures, in particular through plans for the joint deployment of national inspection and surveillance units by way of the Community Fisheries Control Agency (CFCA).

Article 5

Specific objectives in the area of data collection and scientific advice

Community financing measures referred to in Articles 9, 10 and 11 shall contribute to the objective of improving the collection and management of the data and scientific advice required to assess the state of the resources, the level of fishing and the impact fisheries have on the resources and the marine eco-system and the performance of the fishing industry, within and outside Community waters, by providing financial support to the Member States to establish multi-annual aggregated and science based datasets which incorporate biological, technical, environmental and economic information.

Article 6
Specific objectives in the area of governance

Community financing measures referred to in Article 12 shall contribute to the objective of involving stakeholders at all stages of the CFP, from conception to implementation, and to inform them about the objectives of, and measures relating to, the CFP, including where appropriate the social-economic impact.

Article 7
Specific objectives in the area of international relations

1. In the area of the negotiation and conclusion of fisheries agreements, including fisheries partnership agreements Community financing measures referred to in Article 13 shall contribute to the following objectives:
 - (a) developing, through partnership, the fisheries resource management and control capacities of third countries to ensure sustainable fishing and promoting the economic development of the fisheries sector in those countries by improving the scientific and technical evaluation of the fisheries concerned, monitoring and control of fishing activities, health conditions and the business environment in the sector;
 - (b) safeguarding employment in the regions of the Community dependent on fishing;
 - (c) securing the continued existence and competitiveness of the Community's fisheries sector;
 - (d) ensuring adequate supply for the Community market.
2. In the area of the European Community's involvement in international organisations, Community financing measures referred to in Article 13 shall contribute to the conservation and sustainable exploitation of fishery resources at international level by adopting appropriate management measures for these resources.

CHAPTER III
COMMUNITY FINANCING MEASURES

Article 8
Measures in the area of control and enforcement

In the area of control and enforcement of CFP rules, the following expenditure shall be eligible for Community financing measures:

- (a) expenditure incurred by Member States in implementing the monitoring and control systems applicable to the CFP for:
 - (i) investments relating to control activities carried out by administrative bodies or by the private sector including implementation of new control technologies and the purchase of control means, in particular modernisation of vessels and aircraft;

- (ii) training and exchange programmes of civil servants responsible for monitoring, control and surveillance tasks in the fisheries area;
 - (iii) implementation of pilot inspection and observer schemes;
 - (iv) cost/benefit analysis, assessment of expenditure and audits incurred by competent authorities in carrying out monitoring, control and surveillance;
 - (v) initiatives, including seminars and media tools, aimed at enhancing awareness both among fishermen and other players such as inspectors, public prosecutors and judges, and among the general public of the need to fight irresponsible and illegal fishing and on the implementation of the CFP rules.
- (b) expenditure relating to administrative arrangements with the Joint Research Centre, or any other Community consultative body, to analyse the implementation of new technologies.
 - (c) all operational expenditure related to inspection, by Commission inspectors, of the implementation by the Member States of the CFP, and in particular inspection missions, safety equipment and training of inspectors, meetings and the charter or purchase by the Commission of inspection means.
 - (d) contribution to the budget of the Community Fisheries Control Agency (CFCA) to cover staff and administrative expenditure and operating expenditure relating to the work programme, including communication costs and expenditure linked to space technology.

Article 9

Measures in the area of basic data collection

1. In the area of basic data collection, shall be eligible for Community financing measures the expenditure incurred by the Member States for the collection and management of the basic fisheries data for the purposes of:
 - (i) evaluating the activities of the various fishing fleets and changes in the fishing power;
 - (ii) preparing summaries using the data collected under the other Community legislation concerning the CFP, and collecting additional information to:
 - establish, based on sampling where necessary, data collection programmes supplementary to these obligations under the other Community legislation , or for spheres of activity not covered by these obligations;
 - specify procedures that will produce aggregated data;
 - ensure that the data used to produce aggregated data remains available for any recalculations, whenever needed.

- (iii) estimating the total volume of catches per stock, and vessel group including discards where appropriate and, where appropriate, to classify these catches by geographical area and time period;
 - (iv) estimating the abundance and distribution of stocks. The estimates may be based on data from the commercial fisheries as well as data collected using scientific research at sea;
 - (v) evaluating the impact of fishing activities on the environment;
 - (vi) evaluating the socio-economic situation of the sector;
 - (vii) allowing the monitoring of the prices associated with the various landings and reflecting all landings at ports inside and outside the Community, as well as imports;
 - (viii) evaluating the economic and social state of the industry on the basis of studies and samples sufficiently large to safeguard the reliability of the estimate.
2. The basic data to be collected by Member States defined in paragraph 1(viii) shall be such as the following:
- (a) As regards the fishing fleets:
 - (i) income from sales and other revenue;
 - (ii) production costs;
 - (iii) data enabling the jobs at sea to be counted and classified.
 - (b) As regards the fish processing industry:
 - (i) production expressed in volume and value terms for products categories to be determined in accordance with Article 31(2);
 - (ii) the number of enterprises, and the number of jobs;
 - (iii) changes in production costs, and their composition.

Article 10

Measures in the area of additional data collection

1. In the area of additional data collection, the Commission may carry out studies and pilot projects. The spheres of activity which may be eligible for Community financing measures shall include:
- (a) methodological studies and projects aimed at optimising and standardising methods of collecting data defined in Article 9;

- (b) explanatory data collection projects in particular in the areas of aquaculture, the relationship of fisheries and aquaculture with the environment and the capacity of fishing and aquaculture industries to create jobs;
 - (c) economic and bio-economic analyses and simulations connected with decisions planned under the CFP and the evaluation of the impact of the CFP;
 - (d) selectivity of fisheries including the selectivity linked to the design of fishing gears and fisheries techniques and examination of the relationships between catch capacity, fishing effort and mortality in each fishery;
 - (e) improving the enforcement of the CFP, particularly in terms of cost-effectiveness;
 - (f) evaluating and managing the links between fishing activities and aquaculture and aquatic ecosystems.
2. The financing of all studies and pilot projects carried out pursuant to paragraph 1 may not exceed 15 % of the annual appropriations authorised for the actions financed under Article 9 and the present Article.

Article 11
Measures in the area of scientific advice

In the area of scientific advice, the following expenditure shall be eligible for Community financing measures:

- (a) expenditure for partnership contracts with national research institutions for the provision of scientific advice;
- (b) expenditure for administrative arrangement with the Joint Research Centre, or any other Community consultative body, to provide the secretariat for the Scientific, Technical and Economic Committee for Fisheries (STECF), to conduct the pre-analysis of the data and to prepare the data to evaluate the situation of the fisheries resources;
- (c) indemnities paid to the members of the STECF, and/or the experts invited by the STECF for their participation and work performed during the working groups and plenary sessions;
- (d) indemnities paid to independent experts providing the Commission with scientific advice, or providing training to administrators or stakeholders in the interpretation of the scientific advice;
- (e) contributions to international bodies in charge of stocks assessments.

Article 12
Measures in the area of governance

In the area of governance, the following expenditure shall be eligible for Community financing measures:

- (a) travelling and accommodation costs of members of the European trade organisations required to travel in order to prepare meetings of the Advisory Committee on Fisheries and Aquaculture (ACFA);
- (b) the cost of the participation of the representatives designated by the ACFA to represent it in the meetings of the Regional Advisory Councils (RACs);
- (c) operating costs during the start-up phase (five years), and translation and interpreting costs of the RACs as provided for in Council Decision No 585/2004/EC;
- (d) costs of explaining the objectives, and measures of the CFP, and in particular Commission proposals, and of disseminating relevant information in this field to the fishing industry and other groups concerned, including the following actions, at the initiative of the Commission:
 - (i) producing and disseminating documentary material tailored to the specific needs of the groups concerned (written, audiovisual and electronic material);
 - (ii) providing very wide access to data and explanatory material concerning in particular Commission proposals through the development of the DG Fisheries Internet website and producing a regular publication, as well as organising information and training seminars for opinion formers.

Article 13
Measures in the area of international relations

1. In the area of international relations, the following expenditure shall be eligible for Community financing measures:
 - (a) expenditure arising from the fisheries agreements and fisheries partnership agreements which the Community has negotiated or intends to renew or negotiate with third countries;
 - (b) expenditure arising from the European Community's compulsory contributions to the budgets of international organisations;
 - (c) expenditure incurred in European Community membership and voluntary funding provided to the United Nations Food and Agriculture Organisation (FAO), fisheries section, including Globefish; as well as expenditure related to the European Community membership and voluntary funding provided to any international organisation active in the field of the Law of the Sea;

- (d) voluntary financial contributions to preparations for new international organisations or international treaties which are of interest to the Community;
 - (e) voluntary financial contributions to scientific work or programmes carried out by international organisations which are of special interest to the Community;
 - (f) financial contributions to activities (working, informal or extraordinary meetings of the contracting parties) which: uphold the interests of the Community in international organisations; and strengthen cooperation with its partners in these organisations . In this connection, the costs of participation by representatives of third countries in negotiations and meetings within international forums and organisations are borne when their presence becomes necessary for Community interests.
2. Measures financed under paragraph 1(a) and (b) are implemented in particular on the basis of Regulations and Decisions relating to the conclusion of fisheries agreements and/or protocols between the European Community and third countries, and Regulations and Decisions relating to the signature by the European Community of agreements on international fisheries organisations.

Article 14
Technical assistance

Community financing measures may cover expenditure associated with the preparation, follow-up, monitoring, audit and evaluation activities necessary for the implementation and the assessment of the measures within the scope of this Regulation and the achievement of its objectives, e.g. studies, meetings, experts, information, awareness-raising, training and publication activities, expenditure associated with information technology, including computer networks for the exchange of information, expenditure for temporary staff, and any other administrative or technical assistance expenditure that the Commission may incur.

CHAPTER IV
RATES OF CO-FINANCING

Article 15
Rates of co-financing in the area of monitoring and control systems

As regards Community financial measures referred to in Article 8(a) the rates of co-financing shall not exceed 50 % of eligible expenditure. However, for the actions referred to in Article 8(a), sub-paragraphs (i), with the exception of the purchase of vessels and aircrafts, (iii) and (v), the Commission may decide a rate in excess of 50 % of the eligible expenditure.

Article 16
Rates of co-financing in the area of basic data collection

As regards Community financing measures referred to in Article 9 the rate of co-financing shall not exceed:

- (a) 50 % of the cost of the eligible public expenditure incurred in carrying out a minimum programme as provided for in Article 23(1);
- (b) 35 % of the additional eligible public expenditure incurred in carrying out an extended programme as provided for in Article 23(1). A financial contribution may be granted for actions connected with extended Community programmes only on condition that the Member State concerned fully meets the requirements for the minimum Community programme and that the annual Community appropriations have not been exhausted by the financial contribution for the minimum programme.

Article 17

Rates of co-financing in the area of additional data collection

As regards Community financing measures referred to in Article 10 the rate of co-financing shall not exceed: 50 % of the eligible costs in the case of measures carried out following a call for proposals; universities and public research bodies which, under the law of the country to which they are subject, are required to defray marginal costs, may submit proposals in respect of up to 100 % of the marginal costs incurred in carrying out a project.

Article 18

Rates of financing of travelling and accommodation costs of ACFA members

1. As regards Community financing measures referred to in Article 12 (a) and (b) , the rate of financing shall be determined in accordance with paragraphs 2 and 3 of the present Article.
2. Drawing rights will be allocated, under a financing agreement with the Commission, to each trade organisation which is a member of the ACFA plenary, in proportion to entitlements within the plenary committee of the ACFA, and depending on the financial resources available.
3. Those drawing rights and the average cost of a journey by a member of a trade organisation shall determine the number of journeys for which each organisation may be financially responsible for the purpose of preparing meetings. 20 % of the amount of the drawing right shall be retained at a flat rate by each organisation to cover its organisational and administrative costs strictly linked with the organisation of the preparatory meetings.

CHAPTER V FINANCING PROCEDURES

SECTION 1 PROCEDURES IN THE AREA OF MONITORING AND CONTROL SYSTEMS

Article 19 Introductory provision

The Community financial contribution to the national programmes adopted by the Member States when implementing the monitoring and control systems applicable to the CFP shall be provided in accordance with the procedures set out in this Section.

Article 20 Programming

1. Applications by Member States for Community financing measures shall be submitted to the Commission by 31 January of each year.

Such applications shall be accompanied by an annual fisheries control programme containing the following information:

- (a) the objectives of the annual fisheries control programme;
 - (b) the human resources available;
 - (c) the financial resources available;
 - (d) the number of vessels and aircraft available;
 - (e) a list of projects for which a financial contribution is sought;
 - (f) the overall expenditure planned for achieving the projects;
 - (g) a schedule for completion of each project listed in the annual fisheries control programme;
 - (h) a list of indicators that will be used to assess the efficacy of the programme.
2. For each project the fisheries control programme must specify one of the actions referred to in Article 8(a) and the aim, description, owner, location, estimated cost, administrative procedure to be followed and the timetable for its achievements.
3. As regards the vessels and aircrafts, the fisheries control programme shall also specify:
 - (a) to what extent they will be used by the competent authorities for control purposes as a percentage of their use over a year's total activity;

- (b) how many hours or days over a year they will be used for fishery control purposes;
- (c) in the case of modernisation, their life expectancy.

Article 21
Commission decision

1. On the basis of the fisheries control programmes submitted by the Member States, decisions on the Community financial contribution to the national programmes shall be taken each year, in accordance with the procedure referred to in Article 31(2).
2. The decisions referred to in paragraph 1 shall give priority to the actions which are most appropriate in order to improve efficiency in monitoring, control and surveillance activity, taking also into account the performance of Member States in implementing programmes already approved.
3. The decisions referred to in paragraph 1 shall fix:
 - (a) the global amount of the financial contribution to be granted to each Member State for the actions referred to in Article 8(a);
 - (b) the rate of the financial contribution;
 - (c) any condition applying to the financial contribution.

SECTION 2
PROCEDURES IN THE AREA OF DATA COLLECTION

Article 22
Introductory provision

The Community financial contribution to the expenditure incurred by the Member States for the collection and management of the basic fisheries data referred to in Article 9 shall be provided in accordance with the procedures set out in this Section.

Article 23
Programming

1. A minimum Community programme and an extended Community programme shall be defined in accordance with the procedure referred to in Article 31(2), the minimum programme shall cover the essential information needed for scientific evaluations. The extended programme shall include, in addition to the information contained in the minimum programme, information likely to improve substantially the scientific evaluations.
2. Each Member State shall draw up a national programme of collection and management of data. The programme shall describe both the collection of detailed

data and the processing needed to produce aggregated data in accordance with the objectives set out in Article 5.

3. Each Member State shall, as far as possible, include in its national programme the elements relating to it under the minimum Community programme drawn up under paragraph 1.
4. Member States may apply to the Community for financial assistance for those parts of their national programmes that correspond to the elements of the minimum Community programme with which they are concerned.

Member States may also apply for Community financial assistance for additional elements of the national programme corresponding to the extended Community programme, provided that the provisions concerning the minimum programme have been fully met.

5. Member States shall ensure that the aggregated data relating to Community programmes are fed into computerised databases.

Article 24 **Management mode**

1. The Commission shall entrust the implementation of the activities included in the approved national programmes to competent bodies.
2. The bodies referred to in paragraph 1 shall meet at least the following criteria:
 - (a) they shall be national public sector bodies or private-law entities with a public service mission, provided that they are governed by the law of the Member States;
 - (b) they shall offer adequate financial guarantees, issued preferably by a public authority, in particular as regards full recovery of amounts due to the Commission;
 - (c) they shall operate according to the requirements of sound financial management;
 - (d) they shall ensure the transparency of the operations carried out in accordance with Article 56(1)(a) to (e) of Regulation (EC, Euratom) No 1605/2002.
3. Private entities with a public service mission shall be approved by the Commission if they comply with the provisions set out in paragraphs 1 and 2. Private entities will be evaluated in addition according to the following selection criteria:
 - (a) technical and professional capacity;
 - (b) economic and financial capacity;
 - (c) proof of enrolment on a professional or trade register;

- (d) compliance with the criteria established by Articles 93 and 94 of Regulation (EC, Euratom) No 1605/2002.

Article 25

Data transmission

1. The data covered by this Regulation may be sent by the Member States to the competent international organisations, in accordance with their specific rules.
2. The Commission shall be informed of any data transmissions and shall receive an electronic copy of the data on request.
3. The Commission shall have computer access to all aggregated data relating to the Community programmes and may make the data available to the STECF.
4. Data transmitted or collected in whatever form under this Regulation shall be covered by professional secrecy and shall qualify for the same protection as that granted to similar data by the national legislation of the Member States receiving them, and by the corresponding provisions applying to the Community institutions.

**CHAPTER VI
ALLOCATION OF FUNDS**

Article 26

Budgetary resources

Annual appropriations shall be authorised by the budgetary authority within the limit of the financial perspective.

Article 27

Accumulation of Community support

Actions financed under this Regulation shall not receive assistance from other Community financial instruments. The beneficiaries of this Regulation shall provide the Commission with information about any other funding received and of ongoing applications for funding.

**CHAPTER VII
CONTROL AND EVALUATION**

Article 28

Protection of Community financial interests

1. The Commission shall ensure that, when actions financed under the present Regulation are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulations (EC, Euratom) No 2988/95 and (Euratom,

EC) No 2185/96, and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

2. For the Community actions financed under this Regulation, Regulation (EC, Euratom) No 2988/95 and Regulation (Euratom, EC) No 2185/96 shall apply to any infringement of a provision of Community law, including infringements of a contractual obligation stipulated on the basis of the programme, resulting from an act or omission by an economic operation, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, by an unjustified item of expenditure.
3. The Commission shall reduce, suspend or recover the amount of financial assistance granted for an action if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract or agreement granting the financial support in question, or if it transpires that, without Commission approval having been sought, the action has been subjected to change which conflicts with its nature or with its implementing conditions.

Article 29

Checks and financial corrections

1. Without prejudice to checks carried out by the Member States in accordance with national laws, regulations and administrative provisions, officials of the Commission and of the Court of Auditors, or their representatives, may carry out on-the-spot checks on actions financed by this Regulation at any time for a period up to three years after the final payment made by the Commission.

If any Community financial support granted under this Regulation is subsequently allocated to a third party as a final beneficiary, the initial beneficiary, being the recipient of the Community financial support, shall provide the Commission with all relevant information regarding the identity of that final beneficiary.

For this purpose, all related documents shall be kept available by the beneficiaries during that period.

The Commission may also require the Member State concerned to carry out on-the-spot checks on actions financed by this Regulation under Articles 8 and 9. Officials of the Commission and of the Court Auditors, or their representatives, may take part in such checks.

2. If the Commission considers that Community funds have not been used in accordance with the conditions laid down in this Regulation or in any other applicable Community act, it shall notify the beneficiaries, including any final beneficiaries within the meaning of paragraph 1, who shall have a month from the date of such notification to send its observations to the Commission.

If the beneficiaries do not reply within that period or if its observations do not lead the Commission to modify its opinion, the Commission shall reduce or cancel the financial contribution granted or suspend payments.

Any amount unduly paid shall be repaid to the Commission. Interest shall be added to any sums not repaid in due time under the conditions laid down in the Financial Regulation.

3. The Commission shall ensure that suitable arrangements exist for the control and audit of the actions financed pursuant to Articles 53(7) and 165 of Council Regulation (EC; Euratom) No 1605/2002.
4. Under the principle of national sovereignty, only by agreement with the third country may the Commission carry out, or have carried out, financial audits of funds paid to third countries for measures financed under Article 13(a).

Article 30 ***Evaluation and reporting***

1. The actions financed under this Regulation will be monitored regularly in order to follow their implementation.
2. The Commission shall ensure the regular, independent, external evaluation of the actions financed.
3. The Commission shall submit to the European Parliament and the Council:
 - (a) an interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the actions financed under this Regulation no later than 31 March 2011;
 - (b) a Communication on the continuation of the actions financed under this Regulation no later than 30 August 2012;
 - (c) an ex-post evaluation report no later than 31 December 2014.

CHAPTER VIII **FINAL PROVISIONS**

Article 31 ***Committee***

1. The Commission shall be assisted by the Committee for Fisheries and Aquaculture provided for in Article 30(1) of Regulation (EC) No 2371/2002.
2. Where reference is made to this paragraph, Articles 4 and 7 of Decision 1999/468/EC shall apply.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at 20 working days.

Article 32
Implementing rules

Detailed rules for the application of this Regulation may be drawn up in accordance with the procedure referred to in Article 31(2) for the measures provided for in Articles 8(a) and 9.

Article 33
Repeal of obsolete acts

From 1 January 2007, Regulation (EC) No 657/2000 and Decisions 2000/439/EC and 2004/465/EC are hereby repealed.

Article 34
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2007 until 31 December 2013.

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

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Proposal for a Council Regulation establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

11: Fisheries

11 03: International Fisheries

11 04: Governance of the Common Fisheries Policy

11 07: Fisheries Conservation, Control and Enforcement

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex-B.A lines)) including headings:

Administrative expenditure:

11 01 04 02: Closer dialogue with the fishing industry and those affected by the common fisheries policy — Expenditure on administrative management

11 01 04 03: Support for the management of fish resources (collection of basic data and improvement of scientific advice) — Expenditure on administrative management

11 01 04 04: International fisheries agreements — Expenditure on administrative management

11 01 04 05: Contributions to international organisations — Expenditure on administrative management

11 01 04 06: Inspection and surveillance of fishing activities in Community waters and elsewhere — Expenditure on administrative management

International fisheries

11 03 01: International fisheries agreements

11 03 02: Contributions to international organisations

11 03 03: Preparatory work for new international fisheries organisations and other non-compulsory contributions to international organisations

11 03 04: European Community financial contribution to the bodies set up by the United Nations Convention on the Law of the Sea, 1982

Governance of the Common Fisheries Policy

11 04 01: Closer dialogue with the fishing industry and those affected by the common fisheries policy

Fisheries Conservations, Control and Enforcement

11 07 01: Support for the management of fishery resources (collection of basic data and improvement of scientific advice)

11 07 02: Financial contribution to the Member States for expenses in the field of control

11 07 03: Inspection and surveillance of fishing activities in Community waters and elsewhere

11 07 04: Community Fisheries Control Agency (CFCA)

3.2. Duration of the action and of the financial impact:

2007 - 2013

3.3. Budgetary characteristics (*add rows if necessary*):

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
11010401	Non-comp	Non-diff	NO	NO	NO	No 2
11010402	Non-comp	Non-diff	NO	NO	NO	No 3
11010403	Non-comp	Non-diff	NO	NO	NO	No 3
11010404	Comp	Non-diff	NO	NO	NO	No 4
11010405	Comp	Non-diff	NO	NO	NO	No 4

11010406	Non-comp	Non-diff	NO	NO	NO	No 3
110301	Comp	Diff	NO	NO	NO	No 4
110302	Comp	Diff	NO	NO	NO	No 4
110303	Non-comp	Diff	NO	NO	NO	No 4
110304	Comp	Diff	NO	NO	NO	No 4
110401	Non-comp	Diff	NO	NO	NO	No 3
110701	Non-comp	Diff	NO	NO	NO	No 3
110702	Non-comp	Diff	NO	NO	NO	No 3
110703	Non-comp	Diff	NO	NO	NO	No 3
110704	Non-comp	Diff	NO	NO	NO	No 3

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2007	2008	2009	2010	2011	2012 & 2013	Total
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Operational expenditure¹³

Commitment Appropriations (CA)	8.1	a	368,5	368,5	368,5	368,5	368,5	737	2579,5
Payment Appropriations (PA)		b	368,5	368,5	368,5	368,5	368,5	737	2579,5

Administrative expenditure within reference amount¹⁴

Technical & administrative assistance (NDA)	8.2.4	c	6,5	6,5	6,5	6,5	6,5	13	45,5
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	375	375	375	375	375	750	2625
Payment Appropriations		b+c	375	375	375	375	375	750	2625

Administrative expenditure not included in reference amount¹⁵

Human resources and associated expenditure (NDA)	8.2.5	d							
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e							

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c+d+e	375	375	375	375	375	750	2625
--	--	---------	-----	-----	-----	-----	-----	-----	------

¹³ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

¹⁴ Expenditure within article xx 01 04 of Title xx.

¹⁵ Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

TOTAL PA including cost of Human Resources		b+c+d+e	375	375	375	375	375	750	2625
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Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
TOTAL CA including co-financing	a+c+d+e+f							

4.1.2. Compatibility with Financial Programming

- ☒ Proposal is compatible with existing financial programming.

The proposal is compatible with the Communication from the Commission to the Council and the European Parliament - Building our common Future - Policy challenges and Budgetary means of the Enlarged Union 2007-2013 (COM (2004) 101 final of 10.02.2004), and in particular with Heading 2 'Sustainable management and protection of natural resources: agriculture, fisheries and environment'

- ☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.
- ☐ Proposal may require application of the provisions of the Interinstitutional Agreement¹⁶ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- ☒ Proposal has no financial implications on revenue
- ☐ Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

¹⁶ See points 19 and 24 of the Interinstitutional agreement.

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5] 17
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources						

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

The present proposal will regroup existing legal instruments with a view to make Community financial interventions for the implementation of the CFP more effective, transparent and easier to manage, both for the Commission and for the competent authorities of the Member States and other beneficiaries, in accordance with the principle of sound financial management and the rules laid down in the financial regulation and in line with the requirements of better regulation and simplification of Community legislation. Community financial intervention for the CFP must become more effective, consistent and streamlined through uniform and coordinated procedures wherever that's possible. Moreover, there is a need to simplify programming through a clearer definition of objectives, areas of action and expected results for Community funding. Objective rules have to be laid down governing the eligibility of expenditure, the level of the Community contribution and the terms on which it will be made available.

¹⁷ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

In preparing this proposal account has been taken of previously established objectives. These are the objectives established in the 2002 CFP reform complemented by sectoral, legal and policy instruments that have been adopted since then¹⁸.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The proposals on stepping up controls on fishing activities, data collection, strengthening scientific advice, governance and international relations are an integral part of the common fisheries policy, and are thus included in Heading 2 of the new financial perspective. They are indispensable for implementing an effective policy for the sustainable management of fishery resources under the exclusive authority of the Community. They are the result of the decisions adopted by the Council under the CFP reform of December 2002.

A single regulatory framework option has been chosen because it provides for greater transparency of objectives and means as well as for better and simplified procedures, including simplification of programming and improvement of the delivery systems, without overseeing the specific needs and characteristics of each policy domain covered by the proposal.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The proposal does not envisage changes to the objectives, principles and decision-making rules governing the different areas that will be supported by Community financial interventions. These are laid down in the EC Treaty and the rules of the CFP following its reform in December 2002¹⁹.

The reflection on possible policy options was already made within the reform of the CFP.

However, the existing financial interventions need to be extended in several areas in order to ensure the sustainable management of the fisheries resources all over the world as aimed in the CFP Reform.

In the area of control and enforcement:

- The new Member States (actual and future ones) need to be brought up to speed with the standards required by the CFP and which are in place in the other Member

¹⁸ See in particular, Roadmap on the reform of the CFP - COM(2002) 181, Communication on improving scientific and technical advice for Community fisheries management - COM(2003) 625, Communication on an integrated framework for fisheries partnership agreements with third countries - COM(2002) 637, Communication on compliance with the rules of the CFP - COM(2003) 344.

¹⁹ See in particular Council Regulation (EC) No 2371/2002.

States. This will need an investment in heavy equipment (vessels and aircrafts, ...) and networks in those new Member States. The programmes in the new Member States will only be put in place from 2006 on. It has to be noted that a huge investment is necessary in those countries for heavy equipment in order to be up to speed with the other Member States. Moreover, Cyprus and Malta have to cover an extensive protection zone (50 miles from their coast line) which necessitates an increase of their heavy equipment. The forthcoming enlargement with Bulgaria and Romania will extend the Common Fisheries Policy to the Black Sea, including control measures and relating investments in this area.

In the coming years it will also be necessary to renew and modernise the present equipment in the other Member States in conformity with new technology used in the area of control and enforcement in the coming years.

Moreover, the creation of the Agency and the reinforced cooperation between Member States that will encourage the joint cooperation in the area on control by the Member States in Community waters, the control of the fisheries activities on migratory species between Community waters and adjacent waters (NEAFC area, Mediterranean, ...) and our control obligations within the Regional Fisheries Organisations (NAFO, ICCAT, CCAMLR, etc.) will need an increase of the heavy equipment in the Member States to be able to respond to these obligations.

In addition, the Commission would like to put an emphasis within the national programs on audits and evaluations carried out by Member States.

In order to finance those measures the Commission has foreseen a gradual increase of the Community contribution to the Member States of 35 M€ in 2006 to 40 M€ in 2013.

- The introduction of e-recording and e-reporting (e-logbooks) need an update of existing networks and an investment in software on board of more than 12.000 vessels. Moreover, it is intended to extend those measures relating to electronic equipment to all vessels (< 15 m), which means more than 50.000 vessels.

An investment is also necessary by the national Fisheries Monitoring Centres of the Member States to be able to analyse the e-data and use it as an effective control tool.

Experience has shown that Member States are sometimes reluctant to apply new technologies in the area of control and a financial incentive is necessary to apply those in order to improve the control of the fishing technologies used by the fishermen.

A Community contribution of 5M€ is foreseen from 2007 on.

- A gradual increase is also foreseen to cover arrangements with the JRC on the development and follow-up of new technologies (2M€ in 2007 – 5 M€ in 2013), in order to preserve the stocks, it will be necessary to improve the control technology

by using satellite images in addition to the Vessel Monitoring System. Moreover, the development of systems to identify and control the origin of the catches (traceability) will be necessary. The added value of the use of those satellite images is that they are independent from the data provided by the fishermen themselves and constitute a useful tool of comparison and verification of the reliability of the latter.

- In the area of inspection, no increase of the budget is foreseen (5 M€). However, the setting up of the Agency will change the present role of the Commission inspectors. Direct control will be taken over by the Agency (joint-co-operation between Member States) but an emphasis will be necessary on the control of the control. At this end, an investment in training of the Commission inspectors will be necessary as well as communication networks with the Agency.
- In order to make the Agency fully operational, it will be necessary to equip it with all the installations necessary to permit the monitoring at long distance in order to be able to analyse the information relative to the fisheries activities at long distance. This will need the set up of a Fisheries Monitoring Centre, secured network lines and extended databases. Moreover, important expenses in the area of telecommunication and satellite images will be necessary. The Agency will probably need to charter inspection means to be able to fulfil its commitments in the area of control and enforcement. A gradual increase of the budget is foreseen (5 to 10 M€) to meet those needs. The increase of the budget is in conformity with the conclusions of the feasibility study on the Agency that pointed out a need to increase the foreseen budget.
- An increase is also foreseen to cover additional audits and arrangements with the JRC on the development and follow-up of new technologies.

In the area of data-collection the increase of the budget is driven by the need to extend the current programmes with environmental data on the impact of fisheries on the marine ecosystem and to include two new Member States in 2007, and possibly more before the end of the programming period in 2013. With the forthcoming enlargement it will be necessary to apply the CFP in a whole new area, namely the Black Sea. This will require additional effort and support from the Community (an increase of 4 M€ by 2013 has been foreseen).

In addition, it is important to increase the collection of environmental and economic data so that the socio-economic impact of management decisions can be taken more fully into account (a gradual increase to cover this expenditure has been foreseen (5M€ in 2007 – 10 M€ in 2013)).

The move towards an increased integration of environmental concerns and the application of an ecosystem approach will necessitate the collection of new data, such as sampling programmes to estimate by-catches and discards. The latter will demand an increase of very costly sampling programmes with on-board observers (a gradual increase till 5 M€ has been foreseen).

The reform of the CFP has put a greater emphasis on a mixed fisheries approach instead of a stock by stock approach. This has created substantial additional demands for fisheries advice.

This measure will only be fully implemented from 2007 onwards with the reinforcement of the Scientific, Technical and Economic Committee for Fisheries, consultation of independent experts on specific issues, contracts with national research institutes, ...

The involvement of all relevant stakeholders in the CFP at all stages is one of the key elements of the reform of the CFP. The need to inform and involve the stakeholders in the decision making process is increasing rapidly. Moreover, there is already a request of the Member States at this stage to continue Community aid to the RACs after the five years, actually foreseen in Council Decision 585/2004/EC. Without anticipating a decision, it will probably be necessary to continue financing the Regional Advisory Councils.

In the area of international relations, already at this stage negotiations are taking place to conclude new partnership fisheries agreements. Moreover, the role of the International Organisations in the sustainable management of the fisheries resources all over the world is increasing steadily with an increase of the obligatory and non-obligatory contributions as a result.

5.4. Method of Implementation (indicative)

Show below the method(s)²⁰ chosen for the implementation of the action.

☒ ***Centralised Management***

☒ Directly by the Commission

☒ Indirectly by delegation to:

☐ Executive Agencies

☐ Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

☒ National public-sector bodies/bodies with public-service mission

☐ ***Shared or decentralised management***

☐ With Member states

☐ With Third countries

²⁰ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point.

☒ ***Joint management with international organisations (please specify)***

Relevant comments:

The methods of implementation used to allocate the budget to the actions financed under this Regulation, are pursuant to the financial regulation applicable to the general to the European Communities and its implementing rules.

The Commission implements the budget in the following way in the different areas:

- a) on a centralised direct basis, in particular in the areas of control and enforcement, scientific advice, governance, international relations;
- b) on a centralised indirect basis with Member States, in particular in the area of data-collection;
- c) by joint management in particular in the area of some non-obligatory contributions to international organisations.

6. MONITORING AND EVALUATION

6.1. Monitoring system

The actions financed under this Regulation will be monitored regularly. The Commission shall ensure the regular, independent and external evaluation of the actions financed.

6.2. Evaluation

6.2.1. Impact assessment

An impact assessment accompanies this proposal, which is part of the new financial perspectives package covering the period 2007-2013. The purpose of the proposal is to provide the legal basis for the continuation of Community financing to support the objectives of the Common Fisheries Policy (hereafter the CFP) beyond 31.12.2006, in the areas of control and enforcement of CFP rules, conservation, data collection, scientific advice, fisheries governance and international fisheries relations, including law of the sea matters. It also aims at providing a transparent, clear and simplified framework for the execution of Community financial interventions.

The proposal does not envisage changes to the objectives, principles and decision-making rules governing the different areas that will be supported by Community financial interventions. These are laid down in the EC Treaty and the rules of the CFP following its reform in December 2002²¹. For this reason, the assessment of the impact of the proposed Regulation does not focus on the economic, social and environmental consequences of the actions that must be financed in order to ensure the implementation of the CFP. In other words, the economic, social and environmental impacts of these actions have already been assessed and taken into account at the time of the adoption of the CFP reform.

The reflection on possible policy options was already made when this extended impact assessment was undertaken. The Commission had in fact already decided in the course of 2004 to promote the simplification of the legal bases for Community financial interventions in the area of the CFP through, inter-alia, the reduction of the number of legal instruments available for that purpose.

6.2.2. Terms and frequency of future evaluation

The Commission will submit to the European Parliament and the Council

- (1) An interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the actions financed under this Regulation no later than 31 March 2011;
- (2) A Communication on the continuation of the actions financed under this Regulation no later than 30 August 2012;

²¹ See in particular Council Regulation (EC) No 2371/2002.

- (3) An ex-post evaluation report no later than 31 December 2014.

7. ANTI-FRAUD MEASURES

The Commission shall ensure that, when actions financed under the present Regulation are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulations (EC, Euratom) No 2988/95 and (EC, Euratom) No 2185/96, and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

For the Community actions financed under this Regulation, the notion of irregularity referred to in Article 1(2) of Regulation (EC, Euratom) No 2988/95 shall mean any infringement of a provision of Community law or any breach of a contractual obligation resulting from an act or omission by an economic operation, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, by an unjustified item of expenditure.

The Commission shall reduce, suspend or recover the amount of financial assistance granted for an action if it finds irregularities, including non-compliance with the provisions of this Regulation or the individual decision or the contract or agreement granting the financial support in question, or if it transpires that, without Commission approval having been sought, the action has been subjected to change which conflicts with the nature or implementing conditions of the actions financed.

Moreover, without prejudice to checks carried out by the Member States in accordance with national laws, regulations and administrative provisions, officials of the Commission and of the Court of Auditors, or their representatives, may carry out on-the-spot checks on actions financed by this Regulation at any time up to three years after the final payment made by the Commission. For this purpose, all documents related have to be kept available by the beneficiaries during that period.

The Commission may also require the Member State concerned to carry out on-the-spot checks. Officials of the Commission and of the Court Auditors, or their representatives, may take part in such checks.

If the Commission considers that Community funds have not been used in accordance with the conditions laid down in this Regulation or in any other applicable regulation, it shall inform the beneficiary, which will have a month to send its observations to the Commission.

If the beneficiary does not reply or if its observations do not lead the Commission to modify its opinion, the Commission shall reduce or cancel the financial contribution granted or suspend payments.

Any amount unduly paid shall be repaid to the Commission. Interest shall be added to any sums not repaid in due time under the conditions laid down in the Financial Regulation.

The Commission shall ensure that suitable arrangements exist of the control and audit of the actions financed pursuant to Articles 53(7) and 165 of Council Regulation (EC) N° 1605/2002.

However, under the principle of national sovereignty, only by agreement with the third country may the Commission carry out, or have carried out, financial audits of funds paid to third countries.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	2007		2008		2009		2010		2011		2012 & 2013		TOTAL	
	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 Control and enforcement														
Community financial contribution to the Member States		45		45		46		46		50		100		332
Inspection		5		5		5		5		5		10		35
Agency		5		8		8		10		10		20		61
Reserve		12,50		9,50		8,50		6,50		2,50		5		44,5
Sub-total Objective 1		67,5		67,5		67,5		67,5		67,5		136		472,5
OPERATIONAL OBJECTIVE No.2 Data Collection and Scientific advice														
Data Collection		48		49		53		55		59		118		382
Reserve		11		10		6		4		0		0		31
Scientific advice		6		8		8		8		10		20		60
Reserve		4		2		2		2		0		0		10
Sub-total Objective 2		69		69		69		69		69		138		483
OPERATIONAL OBJECTIVE No. 3 Governance														

Governance		3,9		3,75		3,5		3,3		3,3		6,6		24,35
Reserve		0,6		0,75		1		1,2		1,2		2,4		7,15
Sub-total Objective 3		4,5		4,5		4,5		4,5		4,5		4,5		31,5
OPERATIONAL OBJECTIVE No. 4 International relations														
Fisheries agreements		200		210		222,5		222,5		222,5		445		1522,5
International organisations		5		5		5		5		5		10		35
Reserve		22,5		12,5		0		0		0		0		35
Sub-total Objective 4		227,5		227,5		227,5		227,5		227,5		455		1592,5
TOTAL COST		369		369		369		369		369		738		2583

8.2. Administrative Expenditure

The needs for human and administrative resources shall be covered within the allocation granted to the managing DG in the framework of the annual allocation procedure.

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff ²² (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed ²³ by art. XX 01 02							
Other staff ²⁴ financed by art. XX 01 04/05							
TOTAL							

8.2.2. Description of tasks deriving from the action

8.2.3. Sources of human resources (statutory)

Posts allocated to the execution of the actions described in this Regulation will be subject to a yearly evaluation in the framework of the APS/PDB exercise

- ☐ Posts currently allocated to the management of the programme to be replaced or extended
- ☐ Posts pre-allocated within the APS/PDB exercise for year n

²² Cost of which is NOT covered by the reference amount.

²³ Cost of which is NOT covered by the reference amount.

²⁴ Cost of which is included within the reference amount.

- ☐ Posts to be requested in the next APS/PDB procedure
- ☐ Posts to be redeployed using existing resources within the managing service (internal redeployment)
- ☐ Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	2007	2008	2009	2010	2011	1012 & 2013	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Control and enforcement	2,5	2,5	2,5	2,5	2,5	5	17,5
Data Collection and Scientific advice	1	1	1	1	1	2	7
Governance	0,5	0,5	0,5	0,5	0,5	1	3,5
International relations	2,5	2,5	2,5	2,5	2,5	5	17,5
Total Technical and administrative assistance	6,5	6,5	6,5	6,5	6,5	13	45,5

8.2.5. Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)						
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)						

Calculation– *Officials and Temporary agents*

Reference should be made to Point 8.2.1, if applicable

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Calculation– *Staff financed under art. XX 01 02*

Reference should be made to Point 8.2.1, if applicable

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees ²⁵							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)							

²⁵ Specify the type of committee and the group to which it belongs.

Calculation - *Other administrative expenditure not included in reference amount*