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COMMISSION STAFF WORKING PAPER

**PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING A COMMUNITY
FISHERIES CONTROL AGENCY**

IMPACT ASSESSMENT AND EX ANTE EVALUATION

{COM(2004)289 final}

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PROPOSAL FOR A COUNCIL REGULATION ESTABLISHING A COMMUNITY FISHERIES CONTROL AGENCY

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TITLE OF PROPOSAL

Proposal for a Regulation of the Council establishing a Community Fisheries Control Agency.

DOCUMENT REFERENCE NUMBER

COM(2004)289 final

1. THE PROBLEM OF WEAK CONTROL AND ENFORCEMENT IN FISHERIES

1.1. Identifying the problem

The Green Paper on the reform of the Common Fisheries Policy (CFP) sets out inter alia problems in the area of control and enforcement of the rules of the Common Fisheries Policy (CFP) by Member States.

The Commission launched, on the basis of the Green Paper, a wide consultation with all interested parties. A public hearing was held by the Commission in Brussels in June 2001. Over 300 comments on the Green Paper were submitted to the Commission, from Member States, regional and local authorities, government agencies, the fishing, processing and aquaculture industries, recreational fishermen, non-governmental organisations dealing with environment and development policies and other interested parties¹.

Several debates took place in the Fisheries Council during 2001 on the basis of the Green Paper. The European Parliament adopted in January 2002 a resolution calling for “a fisheries policy based on rational and responsible management of resources which has as its rationale the preservation of fish stocks and the maintenance of the way of life of those traditionally dependent on the sea and preserves the fundamental principle which derives from these objectives, namely relative stability; a policy which facilitates a fair and equitable regime for distributing fisheries resources tailored to the specific needs of fisheries dependent regions and which is impartial, stable, enforceable and under Community control”. The Economic and Social Committee and the Committee of Regions also issued opinions following the publication of the Green Paper.

¹ The consultation revealed a widespread support for the need for a substantial reform of existing policy instruments in order to improve conservation of resources, for greater stakeholder involvement and for a more level-playing field with respect to control and enforcement.

The debate on the future of the CFP not only revealed more clearly the shortcomings and internal systemic weaknesses of the Common Fisheries Policy, such as poor enforcement, the lack of a multi-annual management perspective, fleet over-capacity and insufficient stakeholder involvement, but also the external challenges that the Community will need to address over the coming years resulting from new trends in world fisheries.

1.2. Causes of the weaknesses

Major causes for the weaknesses in control and enforcement are the different practices, priorities, inspection procedures and inspection strategies between Member States. The use of means of inspection and surveillance is optimised on national level sometimes between fisheries duties and non-fishery duties. As a consequence gaps occur at Community level from which fishing vessels may profit. In certain cases, these problems are compounded by a lack of means of inspection and surveillance and/or poor enforcement action as follow-up of infringements.

Control and enforcement under the CFP appears disjointed on the level of the Community. The fishermen regard fragmented control and enforcement as unfair competition between fleets of different nationality and as a lack of equal treatment between Community fishing vessels.

1.3. Detrimental effect on fish stocks

The debate on the future of the CFP also showed a broad consensus that the current policy is incapable of reversing the increasing threats to important fish stocks and of providing economic sustainability to the fisheries sector.

Deficiencies in the implementation of the rules of the CFP undermine the conservation of fish stocks. The Commission has tabled reports² describing the effects of weaknesses in control and enforcement under the CFP. Scientific reports mention for example that less than half of the catches of species from certain stocks is officially recorded and reported. Ineffective implementation of the rules of the CFP jeopardises the sustainability of several stocks.

1.4. Past experiences of co-operation and co-ordination

There have been examples of joint action by Member States in respect of inspection and surveillance of cod fisheries in the North Sea and the Baltic. Ad hoc arrangements have existed for the deployment of inspection vessels in NEAFC³. These initiatives have demonstrated that joint efforts can work. However, in practice the operational effectiveness is undermined because of the lack of structure at Community level. Experiences in NEAFC have shown that there needs to be an

² COM(96) 100 final. Premier rapport de la Commission sur le contrôle de la pêche
COM(96) 363 final. Rapport sur l'application du régime communautaire de la Pêche et de l'Aquaculture
COM(97)226 final. Monitoring the CFP 1995
ISBN 92-894-0915-0. Report on the implementation of the Community system for fisheries and aquaculture 1993-2000

³ North East Atlantic Fisheries Commission

objective basis upon which Member States should provide inspection means to the common pool⁴.

The organisation of the NAFO⁵ observer scheme as well as the chartering of an inspection vessel by the Commission have clearly demonstrated the efficiency and cost effectiveness of undertaking such tasks at a Community level.⁶ By having one 'Community' observer provider it is possible to switch observers between vessels of different Member States as the need arises. This flexibility would be lost if each Member State were to have its own observer provider. The deployment of a single inspection vessel reduces the steaming time lost in reaching the fishing grounds from Europe and ensures a continual presence in the area. Furthermore it plays an important role for the deployment and retrieval of observers.

In the framework of the reform of the CFP in Article 23, 24, 25 and 28 of Council Regulation (EC) No 2371/2002 of 20 December 2002 on conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy⁷ ('framework regulation) the respective roles of the Commission and Member States have been clearly defined. As a consequence the responsibility for undertaking tasks such as those outlined above, which are not core tasks of the Commission, is being handed to Member States. Although the Commission will no longer be involved the co-ordination of these activities they would be carried out more effectively at a Community level.

1.5. Summary of the weaknesses to be addressed

The increasingly poor state of certain fish stocks is not only a matter of concern from an environmental or ecological perspective. The resulting decline in fishing possibilities is also undermining the economic sustainability of the fisheries sector. This in turn will have an adverse social impact in regions of the Community where alternative possibilities for economic activity are limited.

It is necessary to develop a longer term perspective through multi-annual management measures, which can lead to a greater equilibrium between fishing capacity and the stocks available. It is essential that stakeholders are fully implicated in the overall process as they will contribute their expertise to the debate and through a closer involvement in the problem-solving process will have a greater commitment to the solutions proposed.

The measures will need to be underpinned by improvements in enforcement and the uniform application of control measures. The achievement of a 'level playing field' will be an important element as far as establishing the legitimacy of the measures is concerned. Co-operation between Member States and the co-ordination of their inspection and control activities will therefore be a necessity.

⁴ Commission working paper of 23.01.2003 on the implementation of Ad Hoc Arrangements for the operation of the NEAFC Control Scheme 2001

⁵ Northwest Atlantic Fisheries Organisation

⁶ Report FISH/2002/03 by Poseidon Aquatic Resource Management on 'Evaluation of the NAFO Observer Scheme'.

⁷ (O.J. L 358 of 31.12.2003

2. IDENTIFYING SOLUTIONS

2.1. Implementation of the Action Plan for the reform of the CFP

The Commission's action plan for the reform of the CFP and its implementation was presented in the Communication on the reform of the Common Fisheries Policy ("Roadmap")⁸.

This Communication proposed, in addition to a new regulatory framework for control and enforcement, the following initiatives:

- An Action plan for co-operation in enforcement listing actions to be implemented jointly by the competent authorities in the Member States and the Commission; and
- In addition, following a feasibility study to be carried out in co-ordination with the Member States, a proposal from the Commission for a Joint Inspection Structure at Community level.

The Communication from the Commission to the Council and the Parliament "towards uniform and effective implementation of the Common Fisheries Policy"⁹ gives effect to the above initiatives listed in the "Road map". The concept of a Joint Inspection Structure based on a Community Fisheries Control Agency was set out in this Communication as well as a proposal to carry out a study on the feasibility of the implementation of this concept.

This Communication has been discussed in the Council and the European Parliament. It has also been discussed with the industry in the Consultative Committee (ACFA). The concept of a Joint Inspection Structure based on a Community Fisheries Control Agency received wide support not only from the Council and the Parliament but also from the fishing industry.

2.2. Sustainable fisheries

In Article 2 of Regulation (EC) No 2371/2002 the objectives for the CFP are set down, which include the provision of sustainable exploitation of fisheries. In this regard a number of possible measures are identified in Article 4 such as recovery plans, to be adopted for fisheries exploiting stocks outside safe biological limits (Article 5) and management plans to be adopted in order to maintain stocks within safe biological limits (Article 6).

A number of stocks are outside safe biological limits. Recovery measures have been adopted for cod and hake and the Commission has proposed recovery measures for a number of other stocks. Weaknesses in control and enforcement of the rules of the CFP are one of the causes for the depletion of these stocks. It is imperative for the sustainable exploitation of these stocks that they are brought back within safe biological limits.

⁸ COM(2002) 181 final of 28.5.2002

⁹ COM (2003) 130 final of 21.3.2003

In order to effectively implement recovery or management plans it is necessary to develop common strategies for fisheries involving two or more Member States, in order to ensure that there is an equitable allocation and rational organisation of resources.

2.3. Feasibility Study

At the time of the adoption of the Decision (2004/97/EC, Euratom) taken by common agreement between the representatives of the Member States, meeting at Head of State or Government level on 13 December 2003 on the location of the seats of certain offices and agencies of the European Union¹⁰, the representatives welcomed the intention of the Commission to submit before the end of March 2004, a proposal on the establishment of a Community Fisheries Control Agency (CFCA).

Consequently it is necessary to make the proposal on the establishment of the CFCA without the benefit of the feasibility study that was foreseen in accordance with the above Communication described in paragraph 2.1.

The study must still take place in order to determine the optimal organisation for the operational functions and structure of the CFCA. The final report will be available in September 2004. Therefore the Commission reserves the right to modify the financial perspectives in the light of the conclusions of the study.

3. AVAILABLE POLICY OPTIONS

3.1. Organisation of co-operation through an Agency

In accordance with Regulation (EC) N° 2371/2002 Member States are responsible for control and enforcement. Member States have to cooperate with each other and to coordinate their inspection and surveillance activities.

It has been observed by the Commission's inspectors that in particular in Member States where several authorities are involved in control and enforcement of the rules of the CFP coordination between these authorities is often a difficult issue in practice. Even where coordination is based on clear rules the arrangements agreed do not offer in all cases sufficient flexibility to respond to the operational challenges of fisheries enforcement. Moreover, efforts made by Member States are not always matched by other Member States having different priorities and practices.

Therefore, the organisation of operational coordination of inspection and surveillance activities and cooperation carried out by Member States requires a Community mechanism based on an Agency which functions as a permanent platform ensuring operational cooperation and coordination between Member States. This mechanism will be activated in all cases where it is opportune for the achievement of Community objectives.

Since the Commission is responsible for control of the application of the rules of the CFP by Member States (control of control), it should not get involved in operational coordination of national means of inspection and surveillance. An Agency, as an

¹⁰ OJ L 29 of 3.2.2004, p. 15

independent Community body, is therefore the appropriate solution for assisting Member States to comply with their obligations under the CFP in the area of control and enforcement notably the obligations to cooperate between them and to coordinate the inspection and surveillance activities. The CFCA will assist national authorities in organising a rational deployment of pooled national means of inspection and surveillance in accordance with Community objectives, benchmarks, priorities and uniform inspection procedures.

The direct involvement of the Commission is not compatible with the CFP and informal, ad hoc arrangements between Member States do not provide a sufficiently effective alternative. The preferred solution of an Agency ensures that Member States fulfil their responsibilities whilst providing a coherent Community framework to facilitate cooperation and coordination between them.

The CFCA Staff will dispose of a unique expertise in the field of the implementation of the CFP. These skills should be exploited to the benefit of the Commission and the Member States.

Member States should also review their tasks concerning the implementation of the CFP. It may be beneficial if the CFCA were to carry out certain of these tasks. For example, training manuals concerning enforcement of the rules of the CFP may be drawn up by the CFCA and the organisation of inspection and surveillance activities in international waters may be better performed jointly by the CFCA than individually by each of the flag Member States concerned.

3.2. Alternative options

Alternative solutions based on voluntary cooperation between Member States and mutual cooperation between Member States without the support of an Agency do not offer sufficient guarantees for consistent and lasting results in terms of effective operational coordination of rational deployment of national means of inspection and surveillance.

For Member States to operate individually is costly and wasteful of resources. Sometimes there may be duplication of effort and on other occasions an absence of inspection and surveillance means. By organising deployment at a Community level a better spread of deployment will be achieved, thus creating a wider coverage. Value can also be added through the joint procurement and chartering of vessels. In this regard the experience of NAFO has been very positive where the selection of an inspection vessel through an open call for tender offers a value-for-money solution.

Moreover, options for control and enforcement undertaken by the Commission directly are not compatible with its role laid down in the reformed CFP. The Commission has assumed in the last decade tasks in the area of operational inspection and surveillance activities in international waters in order to ensure compliance with the Community's international obligations. These tasks do not correspond with its core tasks as defined under the reform of the CFP. Accordingly, the Commission is withdrawing from these activities which should be taken over by the flag Member States concerned. The CFCA may assist the Member States in undertaking such activities.

Apart from contradicting the aim of the CFP reform which assigns the responsibility for control clearly to Member States, a direct involvement by the Commission would imply a significant increase in the number of Commission inspectors as well as the acquisition of independent means (ships, aircraft etc.).

However, the setting up of the CFCA cannot be regarded as the solution to all problems. Its effectiveness will depend on the willingness of Member States to provide means for the common pool. By optimisation of the use of existing control means, shortages in means may not be resolved in all areas. Such shortages will, however, be identified by the CFCA when organising the joint deployment of national means. The problem of shortages of means will be compounded by the absence of deterrent sanctions. Member States must ensure that national sanction systems deter recidivism. The lack of deterrence in national sanctions systems must be addressed as a separate issue¹¹.

With regard to the lack of means available for inspection and surveillance it will be necessary to examine the possibilities for providing assistance to Member States once the current funding scheme for monitoring and control has expired at the end of 2005. The Commission will address this question at a later stage¹².

4. OBJECTIVES OF THE PROPOSAL

4.1. Uniform and effective implementation of the CFP

The objective of this proposal is to ensure uniform and effective application of the rules of the CFP. This objective is achieved through the creation of a joint inspection framework and the establishment of the CFCA. Through these measures, the use of existing means of inspection and surveillance may be optimised as to provide the greatest possible contribution to the achievement of uniform and effective application of the rules of the CFP by Member States.

The measures proposed should also match the challenges of the Community lying ahead in the international field. The 'New York' agreement has entered into force and authorises under certain conditions international inspections to which flag States must respond in an efficient manner. The Community has proposed the adoption of international control schemes of mutual inspection in ICCAT¹³ and the IOTC¹⁴. Once adopted the Community has to respond to its obligations. Moreover, a coordinated systematic approach needs to be taken in respect of illegal, unreported and unregulated (IUU) fishing activities.

From the point of view of the fishing industry an important objective is the establishment of a level playing field. This will restore the confidence of the industry in the inspection structures generally and prevent unfair competition.

¹¹ Sanctions catalogue provided for in Article 25 (4) of Regulation (EC) No 2371/2003.

¹² The Commission has proposed to prolong for two years 2004-2005 the current scheme for financial contribution to control expenditure incurred by Member States

¹³ International Commission for the Conservation of Atlantic Tuna

¹⁴ Indian Ocean Tuna Commission

4.2. Joint Inspection Framework

The objective of the Joint Inspection Framework (JIF) is to establish rules for operational cooperation and coordination between Member States in the area of inspection and surveillance.

Member States are responsible for inspection and enforcement under the CFP. In the exercise of these duties, they have to cooperate with each other and with third countries and to coordinate their control and enforcement activities. The Commission is responsible for evaluation and control of the application of the rules of the CFP by Member States.

The JIF mechanism will not change the basic responsibilities of Member States and the Commission under the CFP. It will be activated on request of two Member States concerned or by the Commission on its own initiative in cases where the implementation of these rules is considered opportune at Community level.

5. DESCRIPTION OF THE PROPOSAL

5.1. Specific Monitoring, Control and Surveillance (MCS) Programmes

The basis for the application of the JIF will be the Specific Monitoring, Control and Surveillance (MCS) Programme. Such programmes are provided for at present in Article 34c of Council Regulation (EEC) No 2847/93 establishing a control system applicable to the common fisheries policy¹⁵ ('control regulation'). On the occasion of the reform of the CFP the main provisions governing control, inspection and enforcement were inserted in Council Regulation (EC) No 2371/2002 ('framework regulation'). It was decided that the control regulation should remain in force until all the necessary implementing provisions have been adopted. It is appropriate to insert the provisions on Specific MCS Programmes in the proposal as they will be the cornerstones for the main activity of the CFCA.

Through the adoption of Specific MCS Programmes the Commission may fix benchmarks for the intensity of inspections, common inspection priorities and uniform inspection procedures. These programmes set the Community reference basis for the rational organisation by the Agency of the deployment of pooled national means by the national competent authorities

5.2. Establishment of a Community Fisheries Control Agency (CFCA)

The implementation of the JIF rules will be ensured by the establishment of the CFCA charged with the organisation of operational coordination of inspection and surveillance activities by Member States. The CFCA has to optimise the deployment of pooled national means of inspection and surveillance in the interest of the Community.

The above mechanism is needed to balance interests of individual Member States against the collective interest to ensure proper control and enforcement of the rules of the CFP in areas where their fishing fleets exploit jointly fish stocks subject to

¹⁵ OJ L 261, 20.10.1993, p.1

conservation and control measures adopted by the Community. Moreover, this mechanism will allow the cost/benefit ratio of deployment strategies for national means of inspection and surveillance to be optimised at Community level.

The CFCA will be a new body performing tasks that hitherto not been undertaken except on an occasional ad hoc basis. None of the tasks currently undertaken by the Commission will be transferred to the CFCA, with the exception of certain limited non-core tasks, such as the co-ordination of deployment of Member States' inspection vessels in NEAFC or the chartering of an inspection vessel for NAFO patrols. The aim of setting up the CFCA is not to externalise Commission tasks but to establish a structure for co-operation between Member States and the co-ordination of the deployment of their inspection and surveillance means.

5.3. Proposed structure of the CFCA

5.3.1. Outline of tasks

The structure and function of the CFCA is defined by the tasks that are designated to it and the need to carry out these tasks with optimal effectiveness and efficiency. The tasks can be summarised as follows:

- **organise operational cooperation** between Member States in connection with inspection and surveillance activities through proposed, prepared and implemented Joint Deployment Plans together with the establishment of a Fisheries Monitoring Centre (FMC) and the annual evaluation of JDP effectiveness.
- provision of **assistance to Member States** through training programmes, joint procurement of goods and services and assistance with joint operational procedures
- provision of **contractual services** to Member States including chartering and staffing of surveillance platforms for which repayment will be levied on the Member State.

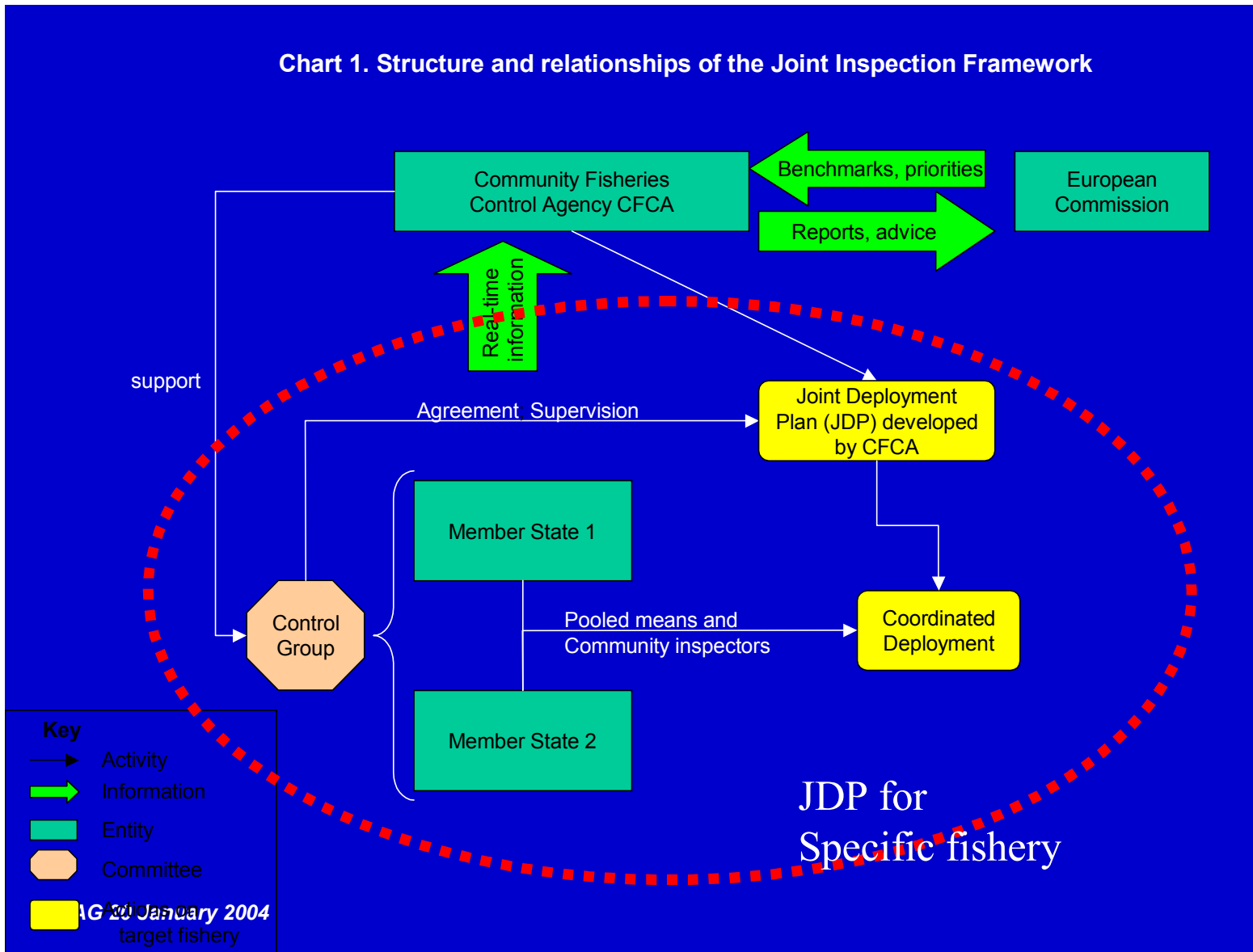
5.3.2. Joint Deployment Plans

The central concept is that of the **joint deployment plan (JDP)** as the primary mechanism for pooling the means of inspection for more uniform and effective deployment. The JDP must relate to the priorities of the Community, rather than the priorities of each Member State which is the current situation. As such, each JDP, which can involve two or more Member States, will be centred on a stock for which specific monitoring programmes have been adopted by the Commission, such as cod or hake for example.

The fact that each JDP is centred on a specific fishery means that there are very particular questions and information requirements to be referred to the participating Member States and also to the CFCA. These questions and needs will have great implications for the structure and formation of the Agency. The basis for the establishment of the JDP is a specific monitoring programme, in which the Commission sets benchmarks and priorities.

The Agency needs, therefore, to be defined both from the top, in terms of what it is required in order to serve the policy objectives, and also from the bottom up, in terms of how it will need to function to operate a new, fishery-centred mechanism in relation to the larger, triangular, institutional structure with the Commission and the Member States.

An overview of the structure of the JIF is shown in the chart below.



Indicative Structure and relationships of the Joint Inspection Framework

5.3.3. Other co-ordination tasks

In addition to the development of a JDP in respect of the specific MCS programme for cod and hake a first priority of the CFCA will be to organise joint deployment of inspection means in NEAFC and NAFO. For the latter task the CFCA would provide support through the chartering of a patrol vessel on behalf of the Member States which are concerned with the fisheries in question.

Subsequently the CFCA will need to broaden its tasks to cover joint inspection and surveillance in other fisheries in international waters (ICCAT and IOTC).

In order to co-ordinate effectively the means of Member States and direct such means to priority areas it will be necessary to develop a Fisheries Monitoring Centre (FMC) within the CFCA, to implement an integrated monitoring, inspection and surveillance communication system.

In addition, the CFCA would need to develop common operational procedures, training courses for national trainers, joint procurement and co-ordination of pilot projects for VMS, electronic logbooks etc.

5.4. Consultation with stakeholders

A certain degree of stakeholder consultation has taken place, firstly in 2001 on the basis of the Green Paper. In addition to debates in Council and Parliament a public hearing was also held, which allowed regional and local authorities, government agencies, the fishing, processing and aquaculture industries, recreational fishermen, non-governmental organisations to express their views.

More specifically, the Communication from the Commission to the Council and the Parliament “towards uniform and effective implementation of the Common Fisheries Policy”, which gives effect to the initiatives listed in the “Road map” was discussed in the Council and the European Parliament as well as with the industry in the Consultative Committee (ACFA). The concept of a Joint Inspection Structure based on a Community Fisheries Control Agency, which was explained in this Communication, received wide support not only from the Council and the Parliament but also from the fishing industry.

It was intended that the feasibility study would permit a wide stakeholder consultation prior to the proposal being drawn up. The study will still take place however, in order to determine the optimal organisation for the operational functions and structure of the CFCA. As originally foreseen, the consultants undertaking the study will conduct a wide consultation of the various parties involved. These will include representatives of local and national administrations or agencies involved in control and enforcement, as well as of fishermen and other interested parties.

6. IMPACT OF THE PROPOSED MEASURES

6.1. Sustainable exploitation

A strengthening of control and enforcement through the optimisation at the level of the Community of the use of the existing means of inspection and surveillance contributes to the achievement of conservation objectives by uniform and effective implementation of the conservation and control measures applicable to stocks outside safe biological limits. The proposal will, therefore, positively contribute to sustainable exploitation of depleted stocks.

Sustainable exploitation of fish stocks is crucial for the medium and long term future for fishermen and the fish processing industry as a whole. Ineffective control and enforcement contributes to investments based on undeclared catches and results in distortions in the industry. Indeed, investments in the fishing industry as a whole must be based on legitimate future fishing opportunities.

6.2. Level playing field for the industry

The efforts to achieve a proper implementation of the rules of the CFP are compounded by the perception by fishermen that the rules are not equally enforced on all fleets participating in the fishery. This perception impedes on the support of the industry for proper control and enforcement by the national competent authorities.

The fishing industry demands a genuine level playing field in the Community. The creation of a JIF and the establishment of a CFCA will contribute to the establishment of such a level playing field as well as a truly European culture of control and enforcement.

6.3. Subsidiarity and proportionality

Its independence from the Commission in its capacity as “controller of the controllers” will permit the CFCA to establish a sound relationship with the national competent authorities in Member States regarding the organisation of control and inspection by Member States.

The Agency will support Member States in complying with their obligations under the CFP in the area of cooperation and coordination of control and inspection by organising a rational deployment by Member States of pooled means of control and inspection in accordance with Community objectives, benchmarks, priorities and uniform inspection procedures adopted by the Commission

The establishment of the CFCA will also improve the relations between the Community and outside partners by centralising contact points and promoting uniform traditions and practices.

This mechanism is needed to balance interests of individual Member States against the collective interest of ensuring proper control and enforcement of the rules of the CFP in areas where their fishing fleets jointly exploit fish stocks subject to conservation and control measures adopted by the Community. Moreover, this will allow the optimisation of the cost/benefit ratio of deployment strategies for national means of inspection and surveillance.

6.4. Assessing the results

The impact of the proposed measures is to be assessed in terms of a more effective implementation of the rules of the CFP (higher compliance levels, improved reliability of catch data, etc). Moreover, the proposed measures will improve the transparency of the implementation of the rules of the CFP and, in particular, inspection and surveillance activities (availability of sufficient means, qualitative and quantitative results of inspections, etc).

A direct effect will be felt in terms of the application of the Recovery and Management Plans described under paragraph 2.2. The Specific MCS Programmes described in paragraph 5.1 will underpin these plans through the development of coherent strategies, which ensure that inspections are as effective and economical as possible.

The main tangible results as far as the CFCA is concerned will be the adoption of JDP's. The indicators that can be used in order to assess the results of these plans will be the bench marks set by the Commission in the appropriate specific MCS programmes. Furthermore, each JDP shall be subject to an annual review by the CFCA.

The results of other tasks specified in paragraph 5.3 will be measured by the success in implementing training programmes, joint procurement procedures and provision of contractual services to Member States, as well as the establishment of an FMC.

Other risks such as the divulging of sensitive information to outside interests will be mitigated by the application of the staff regulations of officials of the European Communities. The members of the Administrative Board will be subject to the requirements of confidentiality pursuant to Article 287 of the Treaty.

6.5. Effect on the environment and socio-economic impact

The impact of the proposed measures will be felt firstly from an environmental or ecological perspective through the improvement in the state of certain important fish stocks.

By bringing fishing capacity into balance with the fishing possibilities will create a more stable setting for the fisheries sector to achieve the economic sustainability. The beneficial social impact will be reinforced through closer stakeholder involvement and encourage a greater commitment from fishermen to the development of the policy and its implementation.

6.6. Budgetary appropriations and human resources

Apart from salaries the costs of the CFCA will be limited to operating expenditure. Other items of expenditure, such as the chartering of inspection vessels or joint procurement of equipment, logbooks etc, will be organised by the CFCA but paid for by Member States.

It is estimated that the budget of the CFCA will be around 5, 5 MIO €. The expenditure will be divided between human resources and operational costs.

It should be noted that the transfer of the tasks undertaken by the Commission for chartering an inspection vessel for patrols in NAFO and NEAFC will result in a saving of 2,5 MIO €. The transfer of responsibility to Member States for placing observers on board vessels operating in the NAFO Regulatory Area foreseen for 2004 will already result in a saving of 3,0 MIO €. These amounts will not be transferred to the budget of the CFCA as the tasks in question will become the responsibility of Member States. However, they show that the overall exercise foreseen in the CFP reform of re-defining responsibilities, of which the JIF and CFCA play an integral part, will not result in an increase in the Community budget.

As has been stated above, the financial estimates may need to be revised in the light of the conclusions of the feasibility study into the operational functioning of the CFCA.

(a) Human Resources

The number of staff is estimated at 49. This estimate is based on the experience acquired with regard to the work carried out to date in the field of inspection and surveillance of fisheries and by comparison with other bodies (such as the European Aviation Safety Agency¹⁶, European Maritime Safety Agency¹⁷ and European Railway Agency for Safety and Interoperability¹⁸).

The staff will consist of 9 Commission officials on secondment, 6 of whom will perform core managerial and administrative tasks. In addition, it will be necessary to transfer from the Commission 3 posts (1 A and 2 B's) filled by staff which are currently performing tasks in the Commission that in the future will be undertaken by the CFCA.

Contract agents will be recruited to fill the remaining posts (40). In recruiting such agents it will be necessary to obtain staff to perform managerial and administrative tasks as well as experts who have proven experience in the sector and are abreast of the latest technical developments.

The total annual expenditure for human resources will amount to around 4,1 MIO € in year 1, rising to 5,3 MIO € in subsequent years. This estimate is based on an average Commission staff cost of € 0,108 MIO per year, including buildings and related administrative expenditure (postal charges, telecommunications, IT, etc.)

(b) Equipment and operational costs

The principal cost in terms of equipment will be computer hardware necessary for the establishment of the FMC. It is estimated that this hardware, together with costs related to its installation, programming etc. will amount to € 1 MIO in the first year.

With regard to operational costs, from the second year on a sum of € 20,000 is planned for publication, € 40,000 for translation, € 100,000 for meetings and € 40,000 for missions.

It is estimated that the equipment and operational costs would amount to 1,1 MIO € in the first year, mainly due to the installation of the FMC, falling to € 200,000 in subsequent years.

6.7. Monitoring and evaluation of the CFCA

The activities of the CFCA will be set out in detail in its Work Programme to be established every year by the Administrative Board in close co-operation with the Commission and Member States. The Executive Director will be responsible for organising an effective monitoring system in order to compare the CFCA's achievements with its operational objectives.

The CFCA, in line with its founding regulation will have to produce every year a general report on its activities for the previous year which will be forwarded to the

¹⁶ Regulation (EC) No 1592/2002, OJ L 240 of 7.9.2002, p. 1

¹⁷ Regulation (EC) No 1406/2002, OJ L 208 of 5.8.2002, p. 1

¹⁸ COM (2003) 23 final of 23.1.2002

Member States, the European Parliament, the Council and the Commission. This report will present all specific actions undertaken by the CFCA and will provide elements for the evaluation of the actions undertaken under the proposed revision of the CFCA Regulation.

Within three years from the date of the CFCA having taken up its responsibilities, the Administrative Board shall commission an independent external evaluation. Thereafter, the activities of the CFCA will be evaluated on a regular basis, but at least every six years.

The evaluations shall assess the impact of the regulation, the utility and relevance as well as the effectiveness and efficiency of the CFCA and its working practices compared to its objectives, taking into account the high level of compliance with rules made under the Common Fisheries Policy that is required.

On the basis of the evaluations the Administrative Board shall make recommendations to the Commission regarding changes to the Regulation establishing the CFCA, the CFCA itself and its working practices. Both the evaluation findings and recommendations shall be forwarded by the Commission to the European Parliament and the Council and shall be made public.

The Executive Director shall submit the detailed accounts of all revenues and expenditures from the previous financial year to the Commission, the Administrative Board and the Court of Auditors, which shall examine them in accordance with Article 248 of the Treaty. The Court of Auditors shall publish a report on the Agency's activities each year.

In order to combat fraud, corruption and other unlawful activities, the provisions of Regulation (EC) No 1073/1999 shall apply without restriction to the Agency, which shall also accede to the Inter-Institutional Agreement of 25 May 1999 concerning internal investigations by OLAF and shall issue, without delay, the appropriate provisions to its staff.