COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 4 February 1993

Proposal for a

COUNCIL REGULATION (EEC)

on the conclusion of the Agreement on relations

in the sea fisheries sector between the

European Economic Community and the Argentine Republic

(presented by the Commission)

Explanatory Memorandum

1. Following the final round of negotiations in Buenos Aires from 12 to 14 November 1992, a bilateral fisheries Agreement between the Community and Argentina was initialled on 30 November.

   This Agreement, valid for a period of five years, is balanced and satisfactory for both parties. It provides the Community with access to new and very considerable fishing opportunities with a high commercial value and the possibility of considerably reducing its surplus fleet capacity.

2. The Agreement conforms with the negotiating directives for fisheries agreements with Latin America adopted by the Council in October 1990.

   Those directives maintain the general guidelines for the negotiation of fisheries agreements previously laid down by the Council but incorporate new elements which differenciate between the different levels of development of the fisheries sector in Latin America. A fundamental objective is therefore to help the creation of joint enterprises and the possibility of the Community offering certain trade concessions in accordance with its international commitments as compensation for the fishing possibilities obtained.

3. The contents of the Agreement therefore respond to the objectives of the Common Fisheries Policy and the aims laid down in the negotiating directives.

   Firstly, the Agreement includes very considerable fishing opportunities (250 000 tonnes annually) with a high commercial value (120 000 tonnes of Merluccius hubbsi annually) which will provide work for a significant number of vessels. A considerable proportion of the vessels will continue to fly the flag of one of the Member States and, through the creation of joint ventures between companies, will have access to a third of the total catch possibilities for the various species covered by the Agreement.

   Secondly, it will permit the definitive transfer of a considerable number of Community vessels through the establishment in Argentina of various types of companies between Community and Argentinian shipowners in which the former may provide up to 100% of the capital. This part of the fleet, sailing under the Argentinian flag, will have access to two-thirds of the total catch possibilities provided for under the Agreement.

   Thirdly, in return for the fishing opportunities provided for in the Agreement the Community is giving trade concessions which will promote the supply of the Community market with fish products in great demand.

   Over the five years of the Agreement's validity, the Community will grant annual tariff reductions (erga omnes) on the importation of products of interest for the Argentinian fisheries sector (Merluccius hubbsi and other species).

4. In order to promote the creation of the various types of companies (joint enterprises, companies based in Argentina operating with European capital and joint ventures) provided for in the Agreement, and in accordance with the negotiating directives, the Community will grant financial assistance, from the Fisheries Agreement budget, to Community and Argentinian shipowners in accordance with the relevant criteria and scales laid down in Community rules.

   Community shipowners will receive assistance in accordance with the scales laid down in Structures Regulation (EEC) No 4028/86 increased by a percentage corresponding to the contribution made by the Member State.

   In addition, Argentinian shipowners forming part of the said companies will receive financial assistance as working capital equal to 15% of the assistance received by the Community shipowner.

5. Finally, the Community and Argentina are to cooperate in the scientific and technical fields to promote the conservation and rational exploitation of resources and the balanced development of the fisheries sector.

   To that end the Community will contribute ECU 28 million during the period of validity of the Agreement, principally intended for the development of fisheries research programmes, the improvement of port facilities and vocational and technical training in the fisheries sector.

6. This is the first Agreement with a Latin American country and the first "second generation" agreement, i.e. an agreement covering the activities of vessels flying the flags of Member States of the Community and which provides for the creation of joint enterprises.

   In short, this is an innovatory fisheries arrangement involving a system of companies established in Argentina which, in addition to reducing a part of the Community's surplus fishing capacity, permits access to very considerable fishing opportunities of great value to the whole of the Community fleet, whilst at the same time promoting stable, long-term fisheries relations between Community and Argentinian shipowners and fully respecting the principles of the conservation and rational management of fishery resources.

7. In view of the above, the Commission proposes that, with regard to the conclusion of the Agreement on relations in the sea fisheries sector between the Argentine Republic and the European Economic Community, the Council, without delay:

   - decide to sign, subject to its approval, the Agreement on relations in the sea fisheries sector between the Argentine Republic and the European Economic Community and

   - approve, with the adoption of the attached Regulation and after consulting the European Parliament, the Agreement on relations in the sea fisheries sector between the Argentine Republic and the European Economic Community.

DATA SHEET ON THE EEC/ARGENTINA FISHERIES AGREEMENT

A. Annual fishing opportunities

- Merluccius hubbsi: 120 000 tonnes
- Other species (Patagonian grenadier, Patagonian rockcod, roughhead grenadier, squid): 130 000 tonnes
- By-catches: 10%

B. Access to resources

- Joint enterprises and Community companies (up to 100% of capital):
  Conditions:- Argentinian flag;
  - access to 2/3 of the total fishing opportunities given in A
- Joint ventures:
  Conditions:- flag of one of the Member States of the Community;
  - access to 1/3 of the total fishing opportunities given under A

C. Financial contribution to the companies referred to under B (from the budget for fisheries agreements)

- To the Community shipowner: in accordance with the scales laid down in Regulation (EEC) No 4028/86 increased by a percentage corresponding to the contribution from the Member State;
- To the Argentinian shipowner: an amount equivalent to 15% of the sum received by the Community shipowner.

D. Trade concessions

The Community will fix tariff rates erga omnes for the import of certain products (Merluccius hubbsi, Patagonian rockcod, pollack, red sea bream and anchovy) for the period from 1 January to 31 December inclusive for the period of validity of the Agreement.

E. Scientific programme and other specific measures

A total of ECU 28 million over the period of validity of the Agreement intended principally for:

- fisheries research programmes;
- technological development programmes;
- the improvement of port infrastructures;
- vocational and technical training.

F. Fishing zones and gear

- Merluccius hubbsi: north of 47°S latitude; south of 47°S latitude and west of 65°W longitude to the Isla Grande de Tierra del Fuego.
- Patagonian grenadier, Patagonian rockcod and roughhead grenadier: south of 47°S latitude and west of 65°W latitude to the Isla Grande de Tierra del Fuego.
- squid: north of 45°S latitude. Squid are to be caught with squid jigs.

G. Period of validity of the Agreement

Five years. If not terminated, to be renewed automatically for two years. The Agreement will enter into force on the day on which the parties notify each other of the completion of the procedures necessary to that end.

Proposal for a

COUNCIL REGULATION (EEC)

on the conclusion of the Agreement on relations in the sea fisheries sector between the European Economic Community and the Argentine Republic

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission(1),

Having regard to the opinion of the European Parliament(2),

Whereas on 30 November 1992, following negotiations, the Community and Argentina initialled an Agreement on relations in the sea fisheries sector which provides Community fishermen with new fishing opportunities and in return requires concessions from the Community, and in particular tariff concessions;

Whereas, in the interests of the Community, the said Agreement should be adopted,

HAS ADOPTED THIS REGULATION:

Article 1

The Agreement between the European Economic Community and the Argentine Republic on relations in the sea fisheries sector is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Regulation.

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(1) OJ No
(2) OJ No

Article 2

The President of the Council shall give the notification referred to in Article 14 of the Agreement on behalf of the Community[3].

Article 3

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

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

Done at Brussels,

For the Council
The President

(3) The date of entry into force of the Agreement is to be published in the Official Journal of the European Communities by the Secretariat-General of the Council.

AGREEMENT
on relations in the sea fisheries sector between the European Economic Community and the Argentine Republic

THE EUROPEAN ECONOMIC COMMUNITY, hereinafter referred to as "the Community", and

THE ARGENTINE REPUBLIC, hereinafter referred to as "Argentina",

hereinafter referred to as the "Parties",

HAVING REGARD to the existing close links between the Community and Argentina, and in particular those laid down under the Framework Agreement on Cooperation signed between the Community and Argentina on 2 April 1990;

CONSIDERING that the Community and Argentina are signatories to the United Nations Convention on the Law of the Sea;

RESOLVED to cooperate, in their joint interest, in the conservation and rational exploitation of living marine resources;

ANXIOUS to establish terms and conditions for fishing activities and cooperation between both Parties in this sector;

CONVINCED that their mutual interests and the achievement of their respective economic and social objectives will be reinforced by means of such cooperation;

CONSIDERING that, in the context of its political development, Argentina wishes to stabilize and encourage economic and social progress;

RECOGNIZING the efforts which Argentina has been making to restructure its economy through economic deregulation, monetary stability and the opening-up of its economy;

RESOLVED to pursue closer economic cooperation in the sea fisheries sector through the encouragement of joint enterprises, the establishment of undertakings in Argentina and the constitution of joint ventures between companies;

CONVINCED that this new type of cooperation in the fisheries sector will provide regular access to new fishing opportunities, further the aims of renewing and converting the Argentine fleet and restructuring the Community fleet and promote the rational exploitation of resources in the long term;

CONVINCED that such cooperation must be carried out in an evolutionary and pragmatic way, paying special attention to scientific research and the specific measures being adopted in the sea fisheries sector;

HAVE DECIDED AS FOLLOWS:

Article 1

This Agreement lays down the principles, rules and procedures for cooperation between Argentina and the Community as regards the conservation, exploitation and processing of fishery resources.

Article 2

For the purposes of this Agreement the following definitions shall apply:

(a) Argentinian enforcement authority: the Ministry of Agriculture and Fisheries of the Argentine Republic;

(b) joint venture: contractual relationship for a limited period between shipowners from one or more Member States of the Community and Argentinian shipowners for the purpose of jointly exploiting Argentinian fishery resources using one or more Community vessels with a view to the priority supply of the Community market;

(c) Community vessel: a vessel flying the flag of one of the Member States of the Community;

(d) Community shipowner: a shipowner of one of the Member States of the Community;

(e) joint enterprise: a company constituted under private law consisting of one or more Community shipowners and one or more Argentinian natural or legal persons bound by a joint enterprise contract for the purpose of exploiting and, where appropriate, processing Argentinian fishery resources with a view to the priority supply of the Community market;

(f) Community undertaking established in Argentina: a company constituted under private law with capital coming from one or more Member States of the Community, established in Argentina for the purpose of exploiting and, where appropriate, processing Argentinian fishery resources with a view to the priority supply of the Community market.

Article 3

The Parties shall cooperate to promote the conservation and rational exploitation of fish stocks on a sustainable basis, in accordance with the relevant provisions of the United Nations Convention on the Law of the Sea.

To this end, the Parties shall:

- make a joint study of the most efficient means of promoting the preservation and conservation of living marine resources while observing and respecting the relevant principles and rules of international law;

- exchange the data at their disposal on the state of fish stocks;

- develop joint scientific research programmes.

Article 4

1. The Parties shall encourage economic, commercial, scientific and technical cooperation in the fisheries and related sectors. They shall consult with each other to coordinate and integrate on a permanent basis the various activities which may be carried out under this Agreement.

2. With this aim, the Parties shall endeavour, in particular, to encourage and facilitate the exchange of information on fishing techniques and equipment and on methods for the preservation and industrial processing of fishery products and on the development of aquaculture.

3. Similarly, the Parties shall act so as to create conditions which will encourage technological, commercial and economic contacts between their undertakings.

4. The Community shall make payments to the Argentinian Government as laid down in Protocol I, to be used, in particular, for:

- the development of fisheries research programmes aimed at improving the management of resources and activities related to the conservation of living marine resources;

- the development of projects for the construction, improvement and extension of fishing port facilities;

- the development of programmes and investments in aquaculture;

- the strengthening of resources and infrastructure for sea-going training in Argentina;

- the start-up and implementation of specific programmes, activities and studies;

- the provision of means and technical assistance to step up the monitoring of fishing in the area covered by this Agreement;

- the development of new fishing techniques which promote the rational exploitation of stocks;

- vocational and technical training in all areas of fisheries and the fishing industry through study grants, practical training and the exchange of personnel;

- studies, seminars and conferences on fisheries;

- the identification, assessment and proposal of new projects;

- the official administration of this Agreement;

- the promotion of the preservation and conservation of living marine resources.

Article 5

1. The Parties shall create suitable conditions for the establishment in Argentina of undertakings using capital originating in one or more Member States of the Community and the creation of joint enterprises and joint ventures in the fisheries sector between Argentinian and Community shipowners with the aim of jointly exploiting and, where appropriate, jointly processing Argentinian fishery resources under the conditions laid down in Protocol I and Annexes I and II.

2. Argentina shall grant the undertakings referred to in paragraph 1 access to the fishing opportunities set out in Protocol I in accordance with the provisions of Annexes I to IV.

3. As part of its policy for the restructuring of its fleet, the Community shall facilitate the inclusion of Community vessels in undertakings established or to be established in Argentina. To that end, and as part of its policy for the technical renovation of its fishing industry, Argentina shall facilitate the transfer of current fishing licences and issue the appropriate new licences pursuant to this Agreement.

Article 6

The Parties shall select the projects for the joint ventures, Community undertakings established in Argentina and joint enterprises provided for in Article 5, which shall be authorized to take the catch quantities specified in Protocol I. The projects shall be selected in accordance with the methods and criteria set out in Annex III.

Article 7

1. In order to encourage the establishment of the undertakings provided for in Article 5, the projects selected by the Parties pursuant to Article 6 shall be eligible for financial assistance in accordance with Protocol I.

2. The Community shall grant a financial contribution in respect of the measures referred to in Articles 3 and 4 in accordance with Protocol I.

Article 8

1. The pursuit of fishing activities under this Agreement shall be subject to the possession of a fishing licence issued by the Argentinian enforcement authority.

2. Fishing licences shall be issued and transferred in accordance with the procedures and other conditions laid down in Annexes I to IV.

Article 9

1. If, as a result of a change in fish populations, the Argentinian enforcement authority decides to adopt new conservation measures affecting the fishing activities of vessels fishing under this Agreement, discussions shall be held between the Parties with a view to amending the Annexes and Protocol I hereto and maintaining the general balance of the Agreement.

2. Conservation measures adopted by the Argentinian enforcement authority shall be applied in a non-discriminatory manner to all vessels and be based on objective scientific information and criteria.

Article 10

A Joint Committee shall be set up to oversee the application of this Agreement. It shall be the duty of the Committee, in particular, to:

- supervise the implementation, interpretation and smooth operation of the Agreement;

- serve as a forum for the amicable resolution of disputes which may arise regarding the interpretation or application of the Agreement;

- ensure the necessary liaison concerning matters of common interest relating to fisheries;

- consider the programmes and activities referred to in Articles 3 and 4;

- evaluate the projects put forward by the Parties for the establishment of joint enterprises and joint ventures as provided for in Article 7, in accordance with the criteria set out in Annex III;

- recommend the projects to receive aid as laid down in Protocol I;

- study the promotion of industrial joint ventures;

- check that the projects are being properly administered and oversee the use of the financial support given to projects in accordance with Article 7;

- review the activities of Community vessels belonging to joint ventures before the end of their contracts.

The Joint Committee shall meet once a year, alternately in Argentina and the Community, and in extraordinary session at the request of either of the Parties.

Article 11

Nothing in this Agreement shall affect or prejudice in any way the views of either Party with regard to any matter relating to the Law of the Sea.

Article 12

1. This Agreement shall apply for a period of five years with effect from the date of its entry into force and shall continue to apply for additional periods of two years, unless notice of termination is given in writing by either of the Parties at least six months before the date of expiry of the initial and any additional period.

2. In the event of either of the Parties giving notice to terminate this Agreement, the parties shall enter into consultations.

3. Before the end of the period of validity of the Agreement, the Parties shall begin negotiations in order to decide upon any amendments to the Annexes and/or Protocol I which may be necessary for the subsequent period.

Article 13

Annexes I, II, III, IV, V, VI and VII and Protocol I to this Agreement shall form an integral part thereof.

Article 14

This Agreement, drawn up in duplicate in Danish, Dutch, English, French, German, Greek, Italian, Spanish and Portuguese, each version being equally authentic, shall enter into force on the day on which the Parties notify each other of the completion of the procedures necessary to that end.

ANNEX 1

laying down the conditions governing the creation and access to resources of joint enterprises and undertakings established in Argentina

A. Selected projects

Once the project selection procedure laid down in Annex III to this Agreement has been completed, the Community shall provide the Argentinian enforcement authority with a list of the Community vessels selected in accordance with Article 6 of the Agreement to undertake the fishing activities in question.

B. Register

The Argentinian enforcement authority shall authorize the entry in the National Vessels Register of the vessels referred to in point A.

C. Fishing opportunities

1. Vessels entered in the National Vessels Register may exploit non-surplus and surplus resources within the maximum limits laid down in Protocol I.

2. Fishing for non-surplus resources shall be carried out using Community vessels in substitution for vessels flying the Argentinian flag, this substitution being effected in such a way as to ensure no increase in fishing effort.

3. The Argentinian enforcement authority shall authorize the transfer of current fishing licences in accordance with technical equivalence criteria to be laid down by that authority.

4. Exploitation of resources must be effected within the limits and under the terms laid down in the fishing licence of the laid-up Argentinian flag vessel and shall include fishing for the species authorized by that licence, with the exception of the species of prawn pleoticus mulleri. This species may not be fished by a laid-up vessel's licence-holder or by a third party. In addition, the transfer of licences for the fishing of species intended for the processing of surimi shall not be authorized.

D. Licences

1. In accordance with Articles 5 and 8 of the Agreement, the Argentinian enforcement authority shall facilitate the transfer of current fishing licences to the companies referred to in this Annex, with the exception of those issued to Argentinian flag vessels laid up, for whatever reason, for longer than one year without interruption, such as vessels belonging to bankrupt undertakings. It shall also facilitate the issue of new fishing licences covering the fishing opportunities set out in Protocol I.

2. Licences for the fishing of non-surplus species shall have the same term as the original licence being transferred. The validity of new licences for the fishing of surplus species shall be determined by the Argentinian enforcement authority in a general and non-discriminatory fashion.

3. Fishing licences shall be granted to an undertaking in respect of a specific vessel.

4. The terms governing the application for and issue of licences are set out in Annex IV.

5. The terms governing the application for and arrangements for the payment of Community aid are set out in Protocol I.

ANNEX II

laying down the conditions governing the creation and access to resources of joint ventures in Argentina

I. COMMON PROVISIONS GOVERNING JOINT VENTURES

A. Selected projects

Once the project selection procedure laid down in Annex III to this Agreement has been completed, the Community shall provide the Argentinian enforcement authority with a list of Community vessels selected in accordance with Article 6 of the Agreement for inclusion in a joint venture with a view to the exercise of fishing activities.

B. Register

The Argentinian Government shall open a special register of vessels in which shall be entered all Community vessels that have been granted a fishing licence in accordance with this Annex.

A Community vessel may be replaced in the register by another Community vessel with equivalent capacity and technical specifications only on duly justified grounds and with the agreement of the Parties.

C. Fishing opportunities

Vessels operating under joint ventures entered in the register referred to in paragraph B may exploit non-surplus and surplus resources within the maximum limits laid down in Protocol I.

D. Licences

1. In accordance with Articles 5 and 8 of the Agreement, the Argentinian enforcement authority shall authorize the transfer to undertakings established or to be established in accordance with Argentinian law, in respect of Community vessels operating under joint ventures as referred to in this Annex, of new fishing licences covering the fishing opportunities set out in Protocol I, with the exception of those issued to Argentinian flag vessels laid up, for whatever reason, for longer than one year without interruption, such as vessels belonging to bankrupt undertakings. It shall also facilitate the issue of new fishing licences covering the fishing opportunities set out in Protocol I.

2. The fishing licences shall be issued for a period of validity equal to the duration of the joint venture.

3. Community vessels operating under joint ventures shall do so under fishing licences which lay down catch limits per species and authorized fishing zones.

4. Exploitation of non-surplus species must be effected within the limits laid down in the fishing licence of the laid-up Argentinian flag vessel and shall include fishing for the species authorized by that licence, with the exception of the species of prawn pleoticus mulleri. This species may not be fished by a laid-up vessel's licence-holder or by a third party. In addition, the transfer of licences for the fishing of species intended for the processing of surimi shall not be authorized.

5. The terms governing the application for and granting of licences are set out in Annex IV.

E. Fitting-out, victualling and fishing fees

Vessels operating under this Agreement shall comply with the rules and regulations laid down by the Argentinian enforcement authority regarding fitting-out, victualling and fishing fees, which shall be applied without discrimination between Argentinian and Community vessels.

F. Catch declaration

All Community vessels fishing pursuant to the Agreement shall forward to the Argentinian enforcement authority a catch declaration in accordance with the model given in Annex VII within 48 hours of the end of each trip.

In the event of these provisions not being complied with, the Argentinian enforcement authority may suspend the fishing licence of the vessel involved until the said formalities have been complied with.

Community vessels shall forward a copy of the catch declaration to the Delegation of the Commission of the European Communities in Buenos Aires.

G. Duration of the joint ventures

Joint ventures shall be valid for a period of not more than three (3) years. Under no circumstances may this duration be extended beyond the expiry date of this Agreement. Six (6) months before the end of the period of validity of the joint venture, the Joint Committee shall consider whether to extend its validity for the additional period requested.

H. Signing on of crew

1. Community vessels operating under joint ventures shall sign on at least thirty per cent (30%) of Argentinian crew members. Such crew members must possess the knowledge necessary for performing their functions.

2. The said crew members' work contracts shall be concluded in Argentina between the representatives of the shipowners and the crew members concerned and must include social security arrangements and life and accident insurance in accordance with Argentinian legislation.

I. Scientific observers

At the request of the Argentinian enforcement authority, Community vessels fishing pursuant to the Agreement shall permit a scientific observer designated by the said authority to come on board and to perform his tasks. He shall be provided with all the facilities necessary for the exercise of his functions.

The conditions of his stay on board shall be the same as those of the other officers of the vessel. Observers' remuneration and social security contributions shall be paid by the Argentinian authorities. The costs of their stay on board shall be borne by the owner of the vessel.

J. Inspection and monitoring

At the request of the Argentinian enforcement authority, Community vessels fishing under this Agreement shall permit the officials of Argentina designated by the said authority and charged with the inspection and control of fishing activities to come on board and to exercise their functions and shall provide them with assistance in doing so.

Such officials must not stay on board any longer than is required for the performance of their task.

K. Fishing zones and gear

Fishing is authorized for the following species, in the zones and with the gear specified below, not including the territorial waters and the Argentinian-Uruguayan joint fishing zone established in the Treaty of Rio de La Plata and its maritime coast:

1. Fishing zones:

Merluccius hubbsi:

(a) north of 47°S latitude.

(b) south of 47°S latitude and west of 65°W longitude to the outer limit of the territorial sea at the Isla Grande de Tierra del Fuego.

Patagonian grenadier, Patagonian rockcod or roughhead grenadier

South of 47°S latitude and west of 65°W longitude to the outert limit of the territorial sea at the Isla Grande de Tierra del Fuego.

Argentinian shortfin squid

North of 45°S latitude.

2. Fishing gear.

Argentinian shortfin squid may only be fished using jiggers.

II. SPECIAL PROVISIONS FOR JOINT VENTURES FISHING FOR SPECIES IN STRUCTURAL SURPLUS

Joint ventures may catch up to a third (1/3) of the maximum total volume fixed in Protocol I for the species in structural surplus.

A. The grant of fishing licences

Community vessels must commence operations within six (6) months of the issue of the corresponding licence. If they fail to begin within this period, the licence shall be revoked automatically without prior notice or further formalities.

The Argentinian enforcement authority may, however, extend the period for commencing operations for one further period of three (3) months.

B. Requirements for licence applications

The Argentinian enforcement authority shall lay down the documents which must accompany applications, a specimen of which can be found in Annex IV.

III. SPECIAL PROVISIONS FOR JOINT VENTURES FISHING FOR SPECIES NOT IN STRUCTURAL SURPLUS AND SUBSTITUTING ARGENTINIAN FLAG VESSELS

A. Joint ventures between companies may catch up to a third (1/3) of the maximum total volume fixed in Protocol I for Merluccius hubbsi.

B. The provisions of Annex 1, points C(2), (3) and (4) and D shall apply.

ANNEX III

Methods and criteria for project selection

1. The Parties shall exchange information on the projects presented for the formation of joint enterprises, undertakings established in Argentina and joint ventures as provided for in Article 5 of the Agreement which are liable to receive financial aid from the Community.

2. The projects shall be presented to the Commission of the European Communities via the competent authorities of the Member State or States concerned in accordance with Community rules.

3. The Community shall submit to the Joint Committee the list of projects eligible for financial assistance as provided for in Article 7 of the Agreement. The Joint Committee shall evaluate the projects in accordance basically with the following criteria:

   (a) technology appropriate to the proposed fishing operations;
   (b) species and fishing zones;
   (c) modernization of vessels;
   (d) total investment in the project;
   (e) investment in on-shore plant;
   (f) previous experience of Community shipowner and any Argentinian partner in the fisheries sector.

4. The Joint Committee shall recommend to the Parties the projects selected in accordance with the criteria set out in point 3.

5. Once the projects have been approved by the Argentinian enforcement authority and the Community, the Community shall forward to the Argentinian enforcement authority the list of selected projects for the purpose of transferring and issuing the necessary fishing licences and their subsequent entry in the appropriate Register.

ANNEX IV

conditions governing applications for and the issuing of fishing licences

1. Argentinian owners who have established joint enterprises, undertakings in Argentina or joint ventures with Community owners in accordance with this Agreement shall submit an application for the relevant fishing licence to the Argentinian enforcement authority once they have complied with the provisions of point 5 of Annex III.

2. In the case of joint enterprises and undertakings established in Argentina, the fishing licence shall be issued to the joint enterprise or undertaking in respect of the vessels for which projects have been approved by the Parties.

3. In the case of joint ventures, the fishing licence shall be issued to the Argentinian undertaking which formed the joint venture, in respect of the Community vessel or vessels the projects for which have been approved by the Parties and identified in the respective joint venture contract.

4. Applications shall be submitted on the forms supplied for that purpose by the Argentinian enforcement authority, a specimen of which is attached.

5. Fishing licences shall be issued within thirty (30) working days of submission of applications.

6. Fishing activities by Community vessels shall begin within six (6) months of issue of the relevant licence. If they do not, the licence will be automatically revoked, without prior notification or further formality.

   The Argentinian enforcement authority may nevertheless grant a single three (3) month extension of the period for beginning fishing activities.

7. If the Argentinian enforcement authority decides to revoke a licence, it shall inform the Commission of the European Communities of its decision within fifteen (15) working days.

NOTE TO POINT 4 OF ANNEX IV

APPLICATIONS FOR FISHING LICENCES FOR VESSELS COVERED BY THE FISHERIES AGREEMENT BETWEEN ARGENTINA AND THE COMMUNITY

National Director for Fisheries and Agriculture

In my capacity as..... of the company....., a legal entity which I declare to be....., I hereby apply for the relevant fishing licence for the vessel....., registration number....., of which the principal characteristics are:

Length.....	Engine power.....
Beam.....	Hold capacity.....
Depth.....	GRT.....

Authorization of the abovementioned vessel was recommended by the Joint Committee on....., decision no..... and approved by the Argentinian enforcement authority on....., resolution no.....

The Community approved the project on..... and notified the Argentinian enforcement authority on.....

I therefore request that the relevant fishing licence be issued for the abovementioned vessel within the time limit laid down in the resolution approving the project.

PROTOCOL I

establishing the fishing opportunities and financial compensation provided for in the Agreement on relations in the sea fisheries sector between the Argentine Republic and the European Economic Community

Article 1

1. In accordance with Article 5 of the Agreement and for a period of five years from the date on which it comes into force, the maximum annual fishing opportunities shall be as follows:

A. Non-surplus species

Merluccius hubbsi	120 000 tonnes

B. Surplus species

(i)	Patagonian grenadier (Macruronus magellanicus)	50 000 tonnes
(ii)	Argentinian shortfin squid (Illex argentinus)	30 000 tonnes
(iii)	Patagonian rockcod (Salilota australis) and/or roughhead grenadier (Macruronus whitsoni)	50 000 tonnes in all.

2. By-catches shall be included in the maximum quantities indicated above and may not exceed ten (10) per cent of the catch actually taken on each trip.

Article 2

1. Of the quantities referred to in Article 1, Community vessels operating as part of joint ventures may catch the following maximum annual quantities:

A. Non-surplus species

Merluccius hubbsi	40 000 tonnes

B. Surplus species

(i)	Patagonian grenadier (Macruronus magellanicus)	17 000 tonnes
(ii)	Argentinian shortfin squid (Illex argentinus)	10 000 tonnes
(iii)	Patagonian rockcod (Salilota australis) and/or roughhead grenadier (Macruronus whitsoni)	17 000 tonnes in all.

Article 3

1. In accordance with Article 7 of the Agreement, the Community shall provide financial assistance for the formation of joint enterprises, Community undertakings established in Argentina and joint ventures selected in accordance with Article 6 of the Agreement.

   This financial assistance, as specified in the sheets in Annex VI, shall be paid to the Community owner to cover part of his financial contribution to the establishment of a joint enterprise, undertaking or joint venture in Argentina and/or to remove the vessels in question from the Community register.

2. With a view to encouraging the establishment and development of joint enterprises, the Community shall grant to joint enterprises established in Argentina financial support of fifteen (15) per cent of the amount paid to the Community owner. This financial support in the form of operating capital shall be paid by the Community to the Argentinian enforcement authority, which shall lay down the terms governing its use and its administration.

   Argentina shall inform the Joint Committee of how these funds are used.

3. The Community shall grant to the Argentinian company which forms a joint venture financial support equivalent to fifteen (15) per cent of that granted to the Community owner.

4. The provisions governing applications for and the grant of Community assistance to the Community owner as referred to in paragraph 1 shall be laid down in accordance with the relevant Community rules in force.

   In the case of joint ventures, payment of the aid provided for in paragraph 1 shall be made twice yearly. Applications for payment shall be made in accordance with Community rules and shall be accompanied by a report on the activity of the joint venture during the period in question.

5. Payment of the financial assistance shall take place as soon as possible after all the formal requirements have been met.

Article 4

1. The financial contribution referred to in Article 7(2) of the Agreement for scientific and technical cooperation shall be fixed at ECU twenty-eight million (ECU 28 000 000) for the duration of the Agreement.

2. The Joint Committee established under Article 10 of the Agreement shall be informed of the programmes and activities implemented with this financial contribution.

   Argentina shall undertake to use the financial support for the purposes laid down. The Commission of the European Communities shall receive a report on the results of the programmes and activities in question.

3. The total financial contribution for the period covered by the Agreement shall be paid by the Community on an annual basis; the amount paid each year shall be determined by the Argentinian Government, which shall inform the Community of how the funds have been used.

Article 5

The financial assistance referred to in Article 3(2) and the financial contribution referred to in Article 4 of this Protocol shall be paid to an account authorized for that purpose by the Argentinian enforcement authority and which shall be extra-budgetary.

ANNEX V

EXCHANGE OF LETTERS

Letter No 1

Sir,

We should be grateful if you would kindly confirm the Community's Agreement on the following:

With regard to the fishing agreement signed today between the European Economic Community and the Government of the Argentine Republic, and in particular with respect to Protocol I annexed thereto, establishing between the Parties the terms for cooperation in the fisheries sector, I have the honour to confirm that the Argentinian Government shall offer the fishing opportunities laid down in Protocol I annexed to the Agreement.

These fishing opportunities shall be retained on condition that the Community fulfils its obligations with regard to commercial cooperation as set out above.

Talks will be held as soon as possible to resolve any difficulties in fulfilling the Agreement experienced by either of the Parties.

I have the honour to confirm, moreover, that the Community will grant tariff reductions on the importation of specific fishery products listed in the note annexed to this letter for the period from 1 January to 31 December during the period of the Agreement's validity.

The maintenance of these tariff reductions shall depend on Argentina fulfilling its obligations regarding the allocation of fishing quotas as referred to in previous paragraphs.

The Community shall foster in an appropriate way regular exchanges of information on commercial cooperation with a view to ensuring the smooth operation and creating favourable conditions for the harmonious development of this Agreement.

In the event of serious disruption of the Community market as a result of tariff reductions for the products specified in the note annexed to this letter, the Parties shall consult one another on the matter as promptly as possible.

This exchange of letters is without prejudice to the rights and obligations of Argentina and the Community under the General Agreement on Tariffs and Trade.

(Complimentary close)

For the Government of the Argentine Republic

Letter No 2

Sir,

I have the honour to confirm the Community's Agreement on the following:

"With regard to the fishing agreement signed today between the European Economic Community and the Government of the Argentine Republic, and in particular with respect to Protocol I annexed thereto, establishing between the Parties the terms for cooperation in the fisheries sector, I have the honour to confirm that the Argentinian Government shall offer the fishing opportunities laid down in Protocol I annexed to the Agreement.

These fishing opportunities shall be retained on condition that the Community fulfils its obligations with regard to commercial cooperation as set out above.

Talks will be held as soon as possible to resolve any difficulties in fulfilling the Agreement experienced by either of the Parties.

I have the honour to confirm, moreover, that the Community will grant tariff reductions on the importation of specific fishery products listed in the note annexed to this letter for the period from 1 January to 31 December during the period of the Agreement's validity.

The maintenance of these tariff reductions shall depend on Argentina fulfilling its obligations regarding the allocation of fishing quotas as referred to in previous paragraphs.

The Community shall foster in an appropriate way regular exchanges of information on commercial cooperation with a view to ensuring the smooth operation and creating favourable conditions for the harmonious development of this Agreement.

In the event of serious disruption of the Community market as a result of tariff reductions for the products specified in the note annexed to this letter, the Parties shall consult one another on the matter as promptly as possible.

This exchange of letters is without prejudice to the rights and obligations of Argentina and the Community under the General Agreement on Tariffs and Trade."

(Complimentary close)

For the Council of the European Communities

NOTE TO ANNEX V

CN Code	Description	Rate of Duty
ex 0302 69 97:	Fish of the species Sparus pagrus (red sea bream), fresh or chilled, excluding fish fillets and other fish meat falling within heading No 0304	5%
ex 0303 78 10: ex 0304 90 47:	Hake of the species Merluccius hubbsi, frozen, excluding fish fillets and minced fish	5%
ex 0303 79 97:	Patagonian rockcod (Salilota australis) Patagonian grenadier (Macruronus magellanicus), fish of the species Genypterus blacodes (pollack) and Sparus pagrus, (red sea bream), frozen, excluding fish fillets and other fish meat falling within heading No 0304.	5%
ex 0304 20 57:	Frozen fillets of hake of the genus Merluccius hubbsi	5%(1)
ex 0304 20 97:	Frozen fillets of the species Patagonian grenadier (Macruronus magellanicus)and Patagonian rockcod (Salilota australis)	5%
ex 0305 63 00:	Fish of the species Engraulis anchoita, salted but not dried or smoked and in brine	5%
ex 1604 19 91:	Fillets of hake of the species Merluccius hubbsi, merely coated with batter or breadcrumbs, whether or not prefried in oil, deep frozen	10%

(1) Subject to compliance with the reference price.

ANNEX VI

Note No 1

Maximum amount of Community financial assistance for joint enterprises and Community undertakings established in Argentina as laid down in Article 3(1) of Protocol I.

Category of vessel (Gross registered tons)	Age of vessel	Amount per vessel
Less than 100 GRT	10 years or less	7 200 ECU/GRT + 90 000
	More than 10 years but 20 years or less	4 800 ECU/GRT + 60 000
	More than 20 years	3 600 ECU/GRT + 45 000
100 GRT or more but less than 400 GRT	10 years or less	3 600 ECU/TRB + 450 000
	More than 10 years but 20 years or less	2 400 ECU/GRT + 300 000
	More than 20 years	1 800 ECU/GRT + 225 000
400 GRT or more but less than 3 500 GRT	10 years or less	1 800 ECU/GRT+1 170 000
	More than 10 years but 20 years or less	1 200 ECU/GRT + 780 000
	More than 20 years	900 ECU/GRT + 585 000
3 500 GRT or more	10 years or less	1 440 ECU/GRT+2 430 000
	More than 10 years but 20 years or less	960 ECU/GRT+1 620 000
	More than 20 years	720 ECU/GRT+1 215 000

Note No 2

Maximum amount of Community financial assistance for joint ventures laid down in Article 3(2) of Protocol I

Tonnage of the vessel (expressed in gross registered tons)	Amount of the cooperation premium per vessel (ECU/day)
Less than 25 GRT	89
from 25 to under 50 GRT	179
from 50 to under 70 GRT	250
from 70 to under 100 GRT	394
from 100 to under 200 GRT	715
from 200 to under 300 GRT	1 180
from 300 to under 500 GRT	1 573
from 500 to under 1 000 GRT	2 002
from 1 000 to under 1 500 GRT	2 646
from 1 500 to under 2 000 GRT	3 217
from 2 000 to under 2 500 GRT	3 575
from 2 500 to under 3 000 GRT	4 076
3 000 GRT or more	4 676

ANNEX VII

DEEP-SEA FISHING

REFRIGERATOR FREEZER FACTORY

Annual voyage No _____

Name of vessel _____ Registration No _____

Fishing company _____ Number of crew _____

Port of departure _____ Day ____ Month ____ Year ____ Hour ____ Minute ____

Port of unloading _____

Fuel (litres) _____ Distance travelled (miles) _____

Fishing gear used

Seine net 01		Pelagic trawl 06	
Trawl net 02		Dredge 07	
Lampara net 03		Pots 08	
Gill net 04		Lines 09	
Long line 05		"Rano" 10	
Other (specify)			

Fishing zone				
Number of casts				
Fishing time Ms				
Type of waters				
Depth in fathoms				
Weather				

Species	captures by KG by zone				Total catch

Comments

I hereby declare that to the best of my knowledge the information given above is correct

Signature and skipper's declaration

Financial Statement

Date :

1. BUDGET HEADING : B.2-9100 APPROPRIATIONS :

2. TITLE : Fisheries agreement between the EEC and Argentina

3. LEGAL BASIS : Agreement on sea-fisheries relations between the EEC and Argentina

4. AIMS
Agreement and protocol for a period of five years

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1993)	FOLLOWING FINANCIAL YEAR (1994)
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	ECU 32.5 million (1) (yearly average)	(1)	(1)
- NATIONAL AUTHORITIES			
- OTHER			
5.1 REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			

	.....1993.....	.....1994.....	.....1995.....	....1996....	.1997.
5.0.1 ESTIMATED EXPENDITURE 5.1.1 ESTIMATED REVENUE	(2)	(2)	(2)	(2)	(2)

5.2 METHOD OF CALCULATION

Total estimated cost for 1993-97: ECU 162.5 million, of which:
1. Joint enterprises :] 95.4 ECU million
2. Establishment of undertakings:]
3. Joint ventures: ECU 39.1 million
4. Scientific programme and special measures: ECU 28 million

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

YES

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ?

NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

YES

COMMENTS :

(1) Total and average cost are obvious estimates at this stage; actual cost incurred will depend on the type (size and age) of vessels involved.

(2) The estimated expenditure per year will vary similarly and is dependant on the take-up of the Agreement Greater expenditure is expected after the 1st and 2nd year of application of the Agreement.

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