EUROPEAN
COMMISSION

Brussels, 28.4.2023
COM(2023) 219 final

2023/0117 (NLE)

Proposal for a

COUNCIL DECISION

on the conclusion, on behalf of the European Union, and provisional application of a Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar and the Implementing Protocol thereto (2023-2027)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

A Fisheries Partnership Agreement between the European Union and the Republic of Madagascar was signed on 19 December 2007 and has been provisionally applied since 1 January 2007. It is tacitly renewable for periods of 6 years from its entry into force.

The last Implementing Protocol to this Partnership Agreement was signed on 23 December 2014 and applied from 1 January 2015 until 31 December 2018, when it expired.

On the basis of the relevant negotiating directives[1], the Commission conducted negotiations with Madagascar on concluding a new Sustainable Fisheries Partnership Agreement (SFPA) between the European Union and Madagascar, including a new Implementing Protocol to that Agreement. The objective is to allow Union vessels to access Madagascar's fishing zone and to fish for tuna and associated species there, under the management mandate of the Indian Ocean Tuna Commission (IOTC). Following these negotiations, a new text of the Agreement and a new text of the Implementing Protocol were signed on 28 October 2022.

The new Agreement repeals and replaces the existing Agreement. It covers a period of 4 years from the date of provisional application laid down in Article 19 thereof, namely 1 July 2023, subject to signature by the Parties, or the date of such signature if it is signed after 1 July 2023.

The new Protocol covers a period of 4 years from the date of provisional application laid down in Article 19 thereof, in accordance with the same provisions as the Agreement.

The purpose of this proposal is to authorise the conclusion of the Agreement and its Implementing Protocol.

• Consistency with existing provisions in the policy area

The main aim of the new SFPA is to provide an updated framework that takes into account the priorities of the reformed common fisheries policy and its external dimension. This will help maintain and strengthen the strategic partnership between the European Union and Madagascar. The new SFPA will enable them to work more closely together to promote a sustainable fisheries policy, in line with the objective of conserving marine biological resources, as recognised by EU law, and responsible exploitation of fishery resources in Malagasy waters. It will also support the development of a sustainable ocean economy, in the interest of both Parties. This cooperation will also contribute to decent working conditions in the fisheries sector.

The new Protocol provides for fishing opportunities for Union vessels in Madagascar's waters, where applicable within the limits of the available surplus. It is based on the best available scientific advice and on recommendations made by the IOTC, which is the regional fisheries management organisation responsible for the management of highly migratory fish stocks, whose decisions are fully applicable, as stated in the Agreement (Article 4(3)). The management measures adopted by the IOTC are also included in the relevant provisions of the

[1] 3622nd Council meeting (Justice and Home Affairs) of 4 June 2018. https://www.consilium.europa.eu/media/36284/st09680-en18.pdf.

common fisheries policy applicable to the IOTC area, in particular those of the Annual Fishing Opportunities Regulation[2].

The Commission has based its position in part on the results of an evaluation of the previous Protocol (2015-2018) and a forward-looking assessment of whether a new Protocol should be concluded. Both were carried out by external experts.

The Protocol provides for the following fishing opportunities for highly migratory fish:

– 32 tuna seiners,

– 13 surface longliners with a tonnage greater than 100 GT,

– 20 surface longliners with a tonnage less than or equal to 100 GT,

– and support vessels in accordance with the relevant IOTC resolutions.

- **Consistency with other Union policies**

The negotiation of a new SFPA forms part of the EU's external action in relation to African, Caribbean and Pacific (ACP) countries and takes into account, in particular, the EU's objectives on respecting democratic principles and human rights.

The Union and Madagascar are also parties to the Interim Agreement signed on 29 August 2009 establishing a framework for an Economic Partnership Agreement (EPA) between the Eastern and Southern Africa States, on the one part, and the European Union and its Member States, on the other part. The negotiations for a new SFPA are in line with the EPA, which provides for cooperation between the Parties in fisheries trade and development covering marine fisheries, inland fisheries and aquaculture.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis is Article 43(2) of the Treaty on the Functioning of the European Union (TFEU), which establishes the common fisheries policy, and Article 218(6)(a)(v) and Article 218(7) TFEU, which concern the conclusion of agreements between the Union and third countries and the possibility of authorising the negotiator to approve, on behalf of the Union, modifications to the Agreement adopted by a simplified procedure or by a body set up by the Agreement.

Article 17(1) of the Treaty on European Union lays down that, with the exception of the common foreign and security policy, the Commission is to ensure the Union's external representation. Consequently, the Commission alone is competent to notify Madagascar of the completion of the ratification process.

- **Subsidiarity (for non-exclusive competence)**

The proposal falls under the exclusive competence of the European Union pursuant to Article 3(1)(d) TFEU.

[2] COUNCIL REGULATION (EU) 2023/194 of 30 January 2023 fixing for 2023 the fishing opportunities for certain fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters, as well as fixing for 2023 and 2024 such fishing opportunities for certain deep-sea fish stocks (OJ L 28, 31.1.2023, p. 1). See Section 5 and Annex IJ.

- **Proportionality**

The proposal is proportionate to the objective of establishing a legal, environmental, economic and social governance framework for fishing activities carried out by EU vessels in third-country waters, as set out in Article 31 of the Regulation (EU) No 1380/2013 establishing the common fisheries policy. It complies with those provisions as well as with those on financial assistance to third countries laid down in Article 32 of that Regulation.

3. RESULTS OF *EX POST* EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- ***Ex post* evaluations / fitness checks of existing legislation**

In 2017 the Commission carried out an *ex post* evaluation of the 2015-2018 Protocol to the Fisheries Partnership Agreement with Madagascar and an *ex ante* evaluation of a possible new Protocol[3].

The *ex post* evaluation of the 2015-2018 Protocol concluded that it complemented the other access arrangements established in the region, allowing EU vessels to optimise exploitation of migratory stocks within the regional rules set by the Indian Ocean Tuna Commission. The Protocol was considered relevant to the needs of EU stakeholders as it provided operators of EU vessels with predictable access to a fishing area of interest where targeted species are abundant. Access to Madagascar's waters provides the EU longline fleet based in Réunion with opportunities to extend fishing areas to the neighbouring waters of this outermost region. The activities of the EU tuna fleet in Madagascar's waters and in the wider Indian Ocean have generated substantial socio-economic benefits for Madagascar, which has used its local processing capacity to capture some of the added value, and the EU financial contribution has been broadly aligned with the fishing opportunities exploited.

As regards sectoral support, the evaluation noted that the implementation of the programme had been satisfactory, with a good mid-term disbursement rate, and that a future sectoral support programme should focus on strengthening monitoring, control and surveillance capacity, health inspection capacity to preserve export capacity, and support for vocational training of sailors. A future sectoral support programme could also help develop the national fisheries sector by supporting small-scale fishers and maintaining good coordination with activities financed by other funding providers. The evaluation recommended earmarking part of the funding available for the recruitment of an external technical assistant to coordinate and facilitate the implementation of the sectoral support programme.

It is important for the EU to maintain an instrument allowing for close sectoral cooperation with a country that is a major partner, a supplier of fishery products to the EU and a stakeholder on the international stage and that has fishing grounds of interest to the EU fleet.

- **Stakeholder consultations**

As part of the above-mentioned evaluation, the Commission consulted the Member States, industry representatives and international civil society organisations, as well as Madagascar's fisheries administration and civil society. Consultations also took place within the Long Distance Fisheries Advisory Council. These consultations led to the conclusion that it is in the

[3] Évaluation rétrospective et prospective du protocole à l'accord de partenariat dans le domaine de la pêche durable entre l'Union européenne et la République de Madagascar – Publications Office of the EU (europa.eu).

interest of the European Union and Madagascar to maintain an instrument allowing for in-depth sectoral cooperation, with multiannual funding possibilities for Madagascar. It is in the interest of EU vessel owners to maintain access to an important fishing zone by means of a fisheries agreement. Since the 2018 evaluation, the fishing industry has confirmed its continued interest at the meetings of the Long Distance Fisheries Advisory Council.

- **Collection and use of expertise**

The Commission used an independent consultant for the *ex post* and *ex ante* evaluations, in accordance with the provisions of Article 31(10) of Regulation (EU) No 1380/2013 establishing the common fisheries policy.

- **Impact assessment**

Not applicable

- **Regulatory fitness and simplification**

Not applicable

Fundamental rights

The negotiated agreement includes a clause on the consequences of violating the essential elements regarding human rights laid down in Article 9 of the Cotonou Agreement, or the corresponding article of any successor agreement.

4. BUDGETARY IMPLICATIONS

The annual financial contribution is EUR 1 800 000, based on:

(a) a reference tonnage of 14 000 tonnes, for which an annual amount linked to access has been set at EUR 700 000;

(b) support for developing Madagascar's sectoral fisheries policy, amounting to EUR 1 100 000 per year.

This support meets the objectives of cooperation in the fields of sustainable exploitation of fishery resources, aquaculture, sustainable development of the oceans, protection of the marine environment, and the blue economy.

The annual amount for commitment and payment appropriations is established during the annual budgetary procedure, including for the reserve line for protocols not yet having entered into force at the beginning of the year[4].

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The monitoring arrangements are provided for in the Fisheries Partnership Agreement and its Implementing Protocol.

[4] In accordance with point 20 of the Interinstitutional Agreement on cooperation in budgetary matters (OJ L 433I, 22.12.2020, p. 28).

2023/0117 (NLE)

Proposal for a

COUNCIL DECISION

on the conclusion, on behalf of the European Union, and provisional application of a Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar and the Implementing Protocol thereto (2023-2027)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) in conjunction with Article 218(6)(a)(v) and Article 218(7) thereof,

Having regard to the consent of the European Parliament (...)[5],

Having regard to the proposal from the European Commission,

Whereas:

(1) In accordance with Council Decision [XXX] of […][6], the Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar ('the Partnership Agreement') and an Implementing Protocol ('the Protocol') were signed on […], subject to their conclusion at a later date.

(2) The Partnership Agreement repeals the previous Fisheries Partnership Agreement between the European Union and the Republic of Madagascar, in application since 1 January 2007 and for a tacitly renewable period of 6 years from its entry into force.

(3) The objectives of the Partnership Agreement and its Protocol are to enable EU vessels to fish in Madagascar's fishing zone and the Union and Madagascar to work closely together to further promote the development of a sustainable fisheries policy and the responsible exploitation of fishery resources in that zone and in the Indian Ocean. This cooperation will also contribute to decent working conditions in the fisheries sector.

(4) The Partnership Agreement and the Protocol should be approved on behalf of the European Union.

(5) In order for the Partnership Agreement and the Protocol to enter into force, the Commission, as the representative of the Union, should follow up on the Council Decision and notify Madagascar of the Union's consent to be bound by the Partnership Agreement and the Protocol.

(6) Article 14 of the Agreement establishes a Joint Committee responsible for monitoring the application of the Agreement and the Protocol. This committee has the power to approve certain amendments to the Protocol. In order to facilitate the approval of such amendments, the Commission should be empowered, subject to substantive and procedural conditions, to approve them on behalf of the Union under a simplified procedure.

---

5 reference to be added

6 (…) (OJ L […], […], p. […]).

(7) The Union's position on amendments that are proposed to the Protocol should be established by the Council. The proposed amendments should be approved unless a blocking minority of Member States, in accordance with Article 16(4) of the Treaty on European Union, objects to them.

(8) The European Data Protection Supervisor was consulted in accordance with Article 42 of Regulation (EU) 2018/1725[7] of the European Parliament and of the Council and delivered an opinion on [*please insert date*],

HAS ADOPTED THIS DECISION:

Article 1

The Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar ('the Partnership Agreement') and the Protocol on the implementation of the Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar (2023-2027) ('the Protocol') are hereby approved on behalf of the Union.

The texts of the Partnership Agreement and the Protocol are attached to this Decision as Annexes 1 and 2.

Article 2

The Commission shall, on behalf of the Union, give the notification provided for in Article 17 of the Partnership Agreement and Article 18 of the Protocol in order to express the consent of the Union to be bound by the Partnership Agreement and the Protocol.

Article 3

In accordance with the provisions and conditions laid down in Annex 3 to this Decision, the Commission is authorised to approve, on behalf of the Union, amendments to the Protocol adopted by the Joint Committee established under Article 14 of the Partnership Agreement.

Article 4

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

Done at Brussels,

For the Council
The President

[7] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned

1.3. The proposal/initiative relates to:

1.4. Objective(s)

1.4.1. General objective(s)

1.4.2. Specific objective(s)

1.4.3. Expected result(s) and impact

1.4.4. Performance indicators

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

1.5.2. Added value of Union involvement (it may result from different factors, e.g., coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

1.5.3. Lessons learned from similar experiences in the past

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

1.5.5. Assessment of the different available financing options, including scope for redeployment

1.6. Duration and financial impact of the proposal/initiative

1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of 'control costs ÷ value of the related funds managed'), and assessment of the expected levels of risk of error (at payment and at closure)

2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

3.2.2. Estimated output funded with operational appropriations

3.2.3. Summary of estimated impact on administrative appropriations

3.2.4. Compatibility with the current multiannual financial framework

3.2.5. Third-party contributions

3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Council Decision on the conclusion of the Sustainable Fisheries Partnership Agreement between the European Union and the Republic of Madagascar and the Implementing Protocol thereto (2023-2027)

1.2. Policy area(s) concerned

08 – Agriculture and maritime policy

08.05 – Sustainable fisheries partnership agreements (SFPAs) and regional fisheries management organisations (RFMOs)

08.05.01 – Establishing a governance framework for fishing activities carried out by Union fishing vessels in third-country waters

1.3. The proposal/initiative relates to:

X **a new action**

☐ **a new action following a pilot project / preparatory action[8]**

☐ **the extension of an existing action**

☐ **a merger or redirection of one or more actions towards another / a new action**

1.4. Objective(s)

1.4.1. General objective(s)

The negotiation and conclusion of sustainable fisheries partnership agreements (SFPAs) with third countries meet the general objective of giving EU fishing vessels access to the fishing zones of third countries and developing a partnership with those countries with a view to strengthening the sustainable exploitation of fishery resources outside EU waters.

SFPAs also ensure consistency between the principles governing the common fisheries policy and commitments made under other European policies (sustainable use of third-country resources, combating illegal, unreported and unregulated (IUU) fishing, integration of partner countries into the global economy, contribution to sustainable development in all its dimensions, and better political and financial governance of fisheries).

1.4.2. Specific objective(s)

Specific objective No 1

To contribute to sustainable fishing in non-EU waters, maintain a European presence in distant-water fisheries and protect the interests of the European fisheries sector and consumers by negotiating and concluding SFPAs with coastal states, consistent with other European policies.

[8] As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Concluding the Agreement and the Implementing Protocol means that the strategic fisheries partnership between the European Union and Madagascar can be maintained and strengthened. Concluding the Protocol will create fishing opportunities for EU vessels in Madagascar's fishing zone.

The Agreement and the Protocol will also contribute to better management and conservation of fishery resources through financial support (sectoral support) for the implementation of programmes adopted at national level by the partner country, in particular the fisheries comprehensive plan, the monitoring and combating of illegal fishing, and support for the small-scale fisheries sector.

Lastly, the Agreement and the Protocol will support Madagascar's sustainable exploitation of its marine resources and contribute to its fishing economy by promoting growth and decent working conditions in fishing-related economic activities.

1.4.4. Performance indicators

Specify the indicators for monitoring progress and achievements.

Fishing opportunity exploitation rates (annual uptake of fishing authorisations as a percentage of availability under the Protocol).

Catch data (gathering and analysis) and the commercial value of the Agreement.

Contribution to creating jobs and establishing decent working conditions in the fisheries sector, creating added value in the EU and stabilising the EU market (in aggregate with other SFPAs).

Contribution to improving research, surveillance and control of fishing activity by the partner country and the development of its fisheries sector, in particular small-scale fisheries.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

It is intended that the new Agreement and Implementing Protocol will apply provisionally from the date on which they are signed so as to minimise any interruption of fishing operations resulting from the expiry of the Protocol under the current Agreement.

The new Agreement and Protocol will provide a framework for fishing activity by the EU fleet in Madagascar's fishing zone and will allow EU vessel owners to apply for fishing authorisations to fish in that zone. In addition, the new Agreement and Protocol will enhance cooperation between the EU and Madagascar with the aim of promoting the development of all aspects of a sustainable fisheries policy. It provides, in particular, for vessels to be monitored via VMS and for the electronic transmission of catch data. The sectoral support available under the Protocol will help Madagascar in the context of its national fisheries strategy, including in the fight against IUU fishing, while promoting decent working conditions for fishing activity.

1.5.2. Added value of Union involvement (it may result from different factors, e.g., coordination gains, legal certainty, greater effectiveness or complementarities). For

the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

Failure by the EU to conclude a new Agreement and Protocol would impede the fishing activity of EU vessels, as the current Agreement contains a clause excluding fishing activity not taking place in the framework defined by a protocol to the Agreement. Consequently, the added value for the EU's long-distance fleet is very clear. The Protocol also offers a framework for enhanced cooperation between the EU and Madagascar.

1.5.3. Lessons learned from similar experiences in the past

Analysis of past catches in Madagascar's fishing zone and of available assessments and scientific advice has led the Parties to set a reference tonnage for tuna and tuna-like species of 14 000 tonnes per year with fishing opportunities for 32 tuna purse seiners and 33 surface longliners. Sectoral support has been set at a high level in order to take account of the priorities of the national fisheries strategy and in particular of the fisheries comprehensive plan.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

Funds provided as financial compensation for access under the SFPA constitute fungible revenue in the national budget of Madagascar. However, the conclusion and monitoring of SFPAs require funds intended for sectoral support to be allocated (generally by including them in the annual budget law) to the Ministry responsible for fisheries. These financial resources are compatible with other sources of funding from other providers of international funding for projects and/or programmes to be carried out at national level in the fisheries sector.

1.5.5. Assessment of the different available financing options, including scope for redeployment

Not applicable

1.6. Duration and financial impact of the proposal/initiative

X **limited duration**

– X In force from 1 July 2023 to 30 June 2027 (subject to signature before 1 July 2023)

– X Financial impact from 2023 to 2027 for commitment appropriations and from 2023 to 2027 for payment appropriations.

☐ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Management mode(s) planned[9]

X **Direct management** by the Commission

– ☐ by its departments, including by its staff in the Union delegations;

– ☐ by executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐ the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;

– ☐ public-law bodies;

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;

– ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU and identified in the relevant basic act.

– *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

[9] Details of management modes and references to the Financial Regulation can be found on the BudgWeb site: https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The Commission (DG MARE, in cooperation with its fisheries attaché responsible for the region – Port Louis, Mauritius, and in coordination with the EU Delegation to Madagascar and the relevant Commission departments) will ensure regular monitoring of the implementation of the Protocol as regards the use of fishing opportunities by operators, catch data and compliance with the conditions for sectoral support.

Furthermore, the SFPA provides for at least one annual meeting of the Joint Committee, at which the Commission and Madagascar will review the implementation of the Agreement and Protocol and, if necessary, adjust the programming and the financial contribution.

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

Separate payments will be made for the contribution for access and the contribution linked to sectoral support.

The payments for access will be made annually on the anniversary date of the Protocol, except in the 1st year, when the payment will be made in the 3 months after the start of provisional application. Vessel access will be controlled by the issuing of fishing authorisations.

The support will be paid for the first time within 3 months of the start of the provisional application, subject to the agreement on an annual and multiannual implementation programme, and will be conditional on the results achieved for the following years. The results achieved and the implementation rate will be monitored in accordance with the guidelines on the provision of sectoral support for Madagascar's fisheries policy to be agreed by the Parties, on the basis of reports or documentary evidence provided by the partner country and technical inspections carried out by the fisheries attaché.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

The identified risk is the underuse of fishing opportunities by EU vessel owners and the underuse or delayed use by Madagascar of funds intended to finance the sectoral fisheries policy. Extensive dialogue is planned on the programming and implementation of the sectoral policy referred to in the Agreement and the Protocol. Joint analysis of results, as referred to in Article 8 of the Protocol, also forms part of these control methods. In addition, the Agreement and the Protocol contain specific clauses for their suspension, under certain conditions and in given circumstances.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of 'control costs ÷ value of the related funds managed'), and assessment of the expected levels of risk of error (at payment and at closure)

Payments relating to access costs under Sustainable Fisheries Partnership Agreements (SFPAs) are subject to checks aimed at ensuring their compliance with the provisions of international agreements. Checks relating to sectoral support are aimed at monitoring its implementation. Monitoring is carried out by Commission staff in EU delegations and during Joint Committee meetings. A multiannual programming matrix is used to evaluate progress. If progress is insufficient, the payment of the next instalment is suspended or possibly reduced. The overall cost of the checks on all SFPAs is estimated to be around 1.8% (of total contributions in 2018). The procedures for checks on SFPAs are based largely on essential regulatory requirements. If no shortcomings are detected that could have a significant impact on the legality and regularity of the financial transactions, the checks are considered effective. The average error rate is estimated at 0.0%.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures, e.g., from the anti-fraud strategy.

The Commission undertakes to establish political dialogue and regular coordination with Madagascar with a view to improving the management of the Agreement and the Protocol and strengthening the EU's contribution to sustainable resource management. Any payment which the Commission makes under an SFPA is subject to the Commission's standard rules and budgetary and financial procedures. In particular, the bank accounts of the third countries into which the financial contribution is paid are fully identified. Article 3(7) of the Protocol provides that the financial contribution for access must be paid into a Public Treasury account and that intended for development of the sector into an official account under the supervision of the Ministry responsible for fisheries.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In the order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./non-diff.[10]	from EFTA co untries[11]	from candidate countries[12]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
Establishing a governance framework for fishing activities carried out by Union fishing vessels in third-country waters	08.05.01	Diff.	NO	NO	NO	NO

- New budget lines requested

In the order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./non-diff.	from EFTA co untries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	[XX.YY.YY.YY]		YES/NO	YES/NO	YES/NO	YES/NO

10 Diff. = differentiated appropriations / non-diff. = non-differentiated appropriations.
11 EFTA: European Free Trade Association.
12 Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☐ The proposal/initiative does not require the use of operational appropriations.

– X The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	No 2	Sustainable growth: natural resources

DG MARE			Year **2023**[13]	Year **2024**	Year **2025**	Year **2026**	**TOTAL**
• Operational appropriations							
Budget line[14] 08.05.01	Commitments	(1a)	1.8	1.8	1.8	1.8	**7.2**
	Payments	(2a)	1.8	1.8	1.8	1.8	**7.2**
Budget line	Commitments	(1b)					
	Payments	(2b)					
Appropriations of an administrative nature financed from the envelope for specific programmes[15]							
Budget line		(3)					
TOTAL appropriations for DG MARE	Commitments	= 1a + 1b + 3	1.8	1.8	1.8	1.8	**7.2**
	Payments	= 2a + 2b	1.8	1.8	1.8	1.8	**7.2**

13 Year N is the year in which implementation of the proposal/initiative starts. Please replace 'N' by the expected first year of implementation (for instance: 2021). The same for the following years.

14 According to the official budget nomenclature.

15 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

		+ 3					

• TOTAL operational appropriations	Commitments	(4)	1.8	1.8	1.8	1.8	**7.2**
	Payments	(5)	1.8	1.8	1.8	1.8	**7.2**
•TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)					
TOTAL appropriations under HEADING 2 of the multiannual financial framework	Commitments	= 4 + 6	1.8	1.8	1.8	1.8	**7.2**
	Payments	= 5 + 6	1.8	1.8	1.8	1.8	**7.2**

If more than one operational heading is affected by the proposal/initiative, repeat the section above:

• TOTAL operational appropriations (all operational headings)	Commitments	(4)	1.8	1.8	1.8	1.8	**7.2**
	Payments	(5)	1.8	1.8	1.8	1.8	**7.2**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)					
TOTAL appropriations under HEADINGS 1 to 6 of the multiannual financial framework (reference amount)	Commitments	= 4 + 6	1.8	1.8	1.8	1.8	**7.2**
	Payments	= 5 + 6	1.8	1.8	1.8	1.8	**7.2**

Heading of multiannual financial framework	**7**	'Administrative expenditure'

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the Annex to the Legislative Financial Statement (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		Year **N**	Year **N +1**	Year **N +2**	Year **N +3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
DG: <…….>									
• Human resources									
• Other administrative expenditure									
DG TOTAL <…….>	Appropriations								

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)								

EUR million (to three decimal places)

		Year **N** [16]	Year **N +1**	Year **N +2**	Year **N +3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments								
	Payments								

[16] Year N is the year in which implementation of the proposal/initiative starts. Please replace 'N' by the expected first year of implementation (for instance: 2021). The same for the following years.

3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2023**		Year **2024**		Year **2025**		Year **2026**		**TOTAL**	
	OUTPUTS											
	Type[17]	Average cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Total number	Total cost
SPECIFIC OBJECTIVE No 1[18]...												
— Access				0.7		0.7		0.7		0.7		2.8
— Sectoral				1.1		1.1		1.1		1.1		4.4
— Output												
Subtotal for specific objective No 1				1.8		1.8		1.8		1.8		7.2
TOTALS				1.8		1.8		1.8		1.8		7.2

17 Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built).

18 As described in point 1.4.2 ‘Specific objective(s) …’.

3.2.3. Summary of estimated impact on administrative appropriations

– X The proposal/initiative does not require the use of appropriations of an administrative nature.

– ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **N**[19]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
HEADING 7 of the multiannual financial framework								
Human resources								
Other administrative expenditure								
Subtotal HEADING 7 of the multiannual financial framework								
Outside HEADING 7[20] **of the multiannual financial framework**								
Human resources								
Other administrative expenditure								
Subtotal outside HEADING 7 of the multiannual financial framework								
TOTAL								

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

19 Year N is the year in which implementation of the proposal/initiative starts. Please replace 'N' by the expected first year of implementation (for instance: 2021). The same for the following years.

20 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.3.1. Estimated human resources requirements

– X The proposal/initiative does not require the use of human resources.

– ☐ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full-time equivalent units

		Year **N**	Year **N +1**	Year **N +2**	Year **N +3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
• Establishment plan posts (officials and temporary staff)								
20 01 02 01 (Headquarters and Commission's representation offices)								
20 01 02 03 (Delegations)								
01 01 01 01 (Indirect research)								
01 01 01 11 (Direct research)								
Other budget lines (specify)								
• External staff (in full-time equivalent units: FTEs)[21]								
20 02 01 (AC, END, INT from the 'global envelope')								
20 02 03 (AC, AL, END, INT and JPD in the delegations)								
XX 01 xx **yy zz** [22]	— at headquarters							
	— in delegations							
01 01 01 02 (AC, END, INT – Indirect research)								
01 01 01 12 (AC, END, INT – Direct research)								
Other budget lines (specify)								
TOTAL								

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of the tasks to be carried out:

Officials and temporary staff	
External staff	

[21] AC = contract staff; AL = local staff; END = seconded national expert; INT = agency staff; JPD = junior professionals in delegations.

[22] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

– X can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF).

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. Please provide an Excel table in the case of major reprogramming.

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

– ☐ requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

The proposal/initiative:

– X does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **N**[23]	Year **N+ 1**	Year **N+ 2**	Year **N+ 3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

[23] Year N is the year in which implementation of the proposal/initiative starts. Please replace 'N' by the expected first year of implementation (for instance: 2021). The same for the following years.

3.3. Estimated impact on revenue

– X The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

☐ on own resources

☐ on other revenue

please indicate if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line	Appropriations available for the current financial year	Impact of the proposal/initiative[24]						
		Year **N**	Year **N+ 1**	Year **N+ 2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article …….								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g., method/formula used for calculating the impact on revenue or any other information).

[24] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.