



Council of the  
European Union

Brussels, 17 July 2015  
(OR. en)

11009/15

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**Interinstitutional File:**  
**2015/0153 (NLE)**

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**PECHE 258**

## PROPOSAL

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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	16 July 2015
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2015) 347 final
Subject:	Proposal for a COUNCIL DECISION on the signing, on behalf of the European Union, and the provisional application of the Protocol initialled on 20 March 2015 setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand

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Delegations will find attached document COM(2015) 347 final.

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Encl.: COM(2015) 347 final



Brussels, 16.7.2015  
COM(2015) 347 final

2015/0153 (NLE)

Proposal for a

## **COUNCIL DECISION**

**on the signing, on behalf of the European Union, and the provisional application of the Protocol initialled on 20 March 2015 setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand**

## EXPLANATORY MEMORANDUM

### **1. CONTEXT OF THE PROPOSAL**

On the basis of the relevant negotiation directives<sup>1</sup>, the Commission on behalf of the Union negotiated with the Government of Denmark and Government of Greenland in view of renewing the Protocol to the Fisheries Partnership Agreement between the European Union on the one hand and the Government of Denmark and the Home Rule Government of Greenland, on the other hand. Following these negotiations, a new Protocol was initialled on 20 March 2015. It covers a period of five years from the date of provisional application laid down in its Article 14 – i.e. from the date of its signature and from 1 January 2016 at the earliest.

The new Protocol is in line with the objectives of the Fisheries Partnership Agreement, strengthens the cooperation between the Union and Greenland and promotes a partnership framework in which to develop a sustainable fisheries policy and responsible exploitation of fishery resources in the Greenlandic fishing zone in the interest of both Parties. It grants fishing opportunities to Union vessels in the fishing zone of Greenland, in line with relevant conservation and management measures and within the limits of the available surplus.

The two Parties have agreed to cooperate to implement Greenlandic sectoral fisheries policy and to that end shall continue the policy dialogue on the relevant programming.

The Commission proposes, on this basis, that the Council adopts this Decision.

### **2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS**

The interested parties were consulted during the ex-post evaluation of the Protocol for the period 2013-15. Experts from the Member States and industry were also consulted in technical meetings. Furthermore, the evaluation reflects the views of the Greenlandic fisheries authorities and stakeholders. These consultations led to the conclusion that it would be beneficial for both Greenland and the Union to renew the Protocol to the Fisheries Partnership Agreement.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

This procedure on the signing on behalf of the Union and provisional application of the new Protocol is launched in parallel with the procedure regarding the Council Decision, with the consent of the European Parliament, on the conclusion of the new Protocol.

### **4. BUDGETARY IMPLICATION**

The new Protocol provides for a total annual financial contribution of EUR 17.799.978 per year for its duration. This amount corresponds to: a) EUR 13.168.978 per year for the access

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<sup>1</sup> Adopted by the 3333th meeting of the Council (Competitiveness), on 25 September 2014.

to the Greenlandic fishing zone, b) EUR 2.931.000 per year, corresponding to the additional envelope paid by the EU in support of Greenland's fisheries policy and c) EUR 1.700.000 as an annual reserve for additional and new fishing opportunities that may be accepted by the EU subject to scientific advice and surplus resources.

Proposal for a

## COUNCIL DECISION

**on the signing, on behalf of the European Union, and the provisional application of the Protocol initialled on 20 March 2015 setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand**

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(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 28 June 2007 the Council adopted Regulation (EC) No 753/2007 on the conclusion of the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand<sup>2</sup> ('the Partnership Agreement').
- (2) The Council authorised the Commission to negotiate a new protocol to the Partnership Agreement granting Union vessels fishing possibilities in the fishing zone of Greenland. Following completion of the negotiations, a new Protocol was initialled on 20 March 2015.
- (3) Therefore, the Protocol should be signed, subject to its conclusion.
- (4) Article 14 of the Protocol provides for its provisional application as from 1 January 2016.
- (5) In order to ensure the pursuit of fishing activities by Union vessels, the Protocol should be applied provisionally, pending the completion of the procedures for its entry into force,

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<sup>2</sup> OJ L 172, 30.6.2007, p. 1.

HAS ADOPTED THIS DECISION:

*Article 1*

The signing of the Protocol setting out the fishing opportunities and financial contribution provided for by the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand ('the Protocol'), is hereby approved on behalf of the Union, subject to its conclusion.

The text of the Protocol to be signed is attached to this Decision.

*Article 2*

The Secretariat-General of the Council shall establish the instrument of full powers to sign the Protocol, subject to its conclusion, for the person(s) indicated by the negotiator of the Protocol.

*Article 3*

The Protocol shall be applied provisionally, in accordance with Article 14 thereof, as from 1 January 2016, pending completion of the procedures necessary for its entry into force.

*Article 4*

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

Done at Brussels,

*For the Council*  
*The President*

## 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 Protocol setting out the fishing opportunities and financial contribution provided for in the Fisheries Partnership Agreement between the European Community on the one hand, and the Government of Denmark and the Home Rule Government of Greenland, on the other hand.

#### **1.2. Policy area(s) concerned in the ABM/ABB structure**

11. – Maritime Affairs and Fisheries

11.03 – Compulsory contributions to regional fisheries management organisations (RFMOs) and other international organisations and sustainable fisheries agreements (SFAs).

#### **1.3. Nature of the proposal/initiative**

The proposal/initiative relates to the extension of an existing action.

#### **1.4. Objective(s)**

*1.4.1 The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The negotiation and conclusion of fisheries agreements with third countries meets the general objective of giving EU fishing vessels access to fishing zones under the jurisdiction of third countries and developing partnerships with those countries with a view to strengthening the sustainable exploitation of fishery resources outside EU waters.

The Sustainable Fisheries Partnership Agreements (SFPAs) also ensure consistency between the principles governing the Common Fisheries Policy and the 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 and better political and financial governance of fisheries).

*1.4.2 Specific objective(s) and ABM/ABB activity(ies) concerned*

##### Specific Objective 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.

ABM/ABB activity(ies) concerned

To establish a governance framework for fishing activities carried out by Union fishing vessels in third country waters (SFAs) (budget line 11.03.01).

#### *1.4.3 Expected result(s) and impact*

The conclusion of the Protocol will help maintain fishing opportunities for EU vessels in the fishing zone of Greenland.

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 as regards monitoring and combating illegal fishing.

#### *1.4.4 Indicators of results and impact*

Rates of utilisation of fishing opportunities (uptake of fishing authorisations as a percentage of availability under the Protocol);

Gathering and analysing data on catches and the commercial value of the Agreement;

Contribution to employment and to added value in the EU and to stabilising the EU market (in aggregate with other SFPAs);

Number of technical meetings and meetings of the Joint Committee.

### **1.5. Grounds for the proposal/initiative**

#### *1.5.1 Requirement(s) to be met in the short or long term*

The existing Protocol for the period 2013-15 will expire on 31 December 2015. It is intended that the new Protocol will apply provisionally as of 1 January 2016. To secure continuity of fishing operations, a procedure for adoption by the Council of a decision on the signature and provisional application of the Protocol has been launched in parallel with a procedure for its conclusion.

The new Protocol will provide a framework for the fishing activities of the Union fleet in the fishing zone of Greenland and will allow Union vessel owners to apply for fishing authorisations by Greenland. In addition, the new Protocol enhances cooperation between the EU and Greenland, with a view to promote the development of a sustainable fishing policy. It provides, in particular, for vessels to be monitored via VMS and for the timely transmission of catch data., including by means of relevant IT systems once they become operational. Sectoral support has been strengthened to help Greenland manage and conserve its fisheries resources and monitor the compliance of domestic and foreign fleets.

#### *1.5.2 Added value of EU involvement*

As far as this new Protocol is concerned, failure to act by the EU would be to the detriment of Greenland's capacity to ensure good governance of the fisheries sector, and could have a negative impact on the sustainability of fishing activities. This Protocol is also of strategic importance for the activities of Union vessels in the fishing zones of other key bilateral partners in the North-East Atlantic, notably Norway and Faroe Islands .



### *1.5.3 Lessons learned from similar experiences in the past*

The EU fishing opportunities are based on best scientific advice, coastal States management agreements and the surplus resources. The new Protocol ensures improved value for money for the EU by aligning the level of fishing opportunities with the effective level of utilisation. It strengthens the bilateral cooperation for the sustainable management and exploitation of fish stocks and provides for transparency of fishing activities of third countries in Greenland waters. The principle of fair distribution of the costs of access is implemented in line with the reformed Common Fisheries Policy, resulting in an increased contribution by EU economic operators to Greenland. Sectoral support has been strengthened to take into account programmes previously implemented and to reflect the needs of Greenland's fisheries administration.

### *1.5.4 Compatibility and possible synergy with other appropriate instruments*

Funds paid out under SFPAs constitute tangible revenue in the budgets of the third-country partners. However, the conclusion and monitoring of SFPAs is subject to the condition to assign some of these funds to the implementation of measures forming part of the country's sectoral fisheries policy in line with its priorities. These financial resources are compatible with other funding provided by the EU to Greenland as well as other international donor funding for carrying out projects and/or programmes at national level in the fisheries sector.

## **1.6. Duration and financial impact**

Proposal/initiative of **limited duration**

Proposal/initiative in effect from 1.1.2016 until 31.12.2020.

Financial impact from 2016 to 2020.

## **1.7. Management method(s) envisaged**

**Direct management** by the Commission

By its departments.

## **2. MANAGEMENT MEASURES**

### **2.1. Monitoring and reporting rules**

The Commission (DG MARE) will ensure regular monitoring of the implementation of this Protocol, particularly as regards operators' use of fishing opportunities and in terms of catch data.

The Sustainable Fisheries Partnership Agreement provides for at least one annual meeting of the Joint Committee, at which the Commission and the third country concerned review the implementation of the Agreement and the Protocol thereto and, if necessary, adjust the programming of sectoral support and, where applicable, the financial contribution.

## 2.2. Management and control system

### 2.2.1 Risk(s) identified

There is some risk in setting up a fisheries protocol, particularly with regard to the amounts intended to finance the sectoral fisheries policy (under-programming). These difficulties were not encountered with Greenland during the implementation of the 2013-15 Protocol.

### 2.2.2 Control method(s) envisaged

To avoid these risks, extensive dialogue is planned on the programming and implementation of the sectoral policy. Joint analysis of results, as referred to in Article 5(4) of the Protocol, also forms part of these control methods.

In addition, the Protocol contains specific clauses for its suspension, on certain conditions and in given circumstances.

## 2.3. Measures to prevent fraud and irregularities

The Commission undertakes to establish regular consultation and a political dialogue with Greenland with a view to improving the management of the Agreement and strengthening the EU's contribution to the sustainable management of fishery resources. In any case, any payment which the Commission makes under an SFPA is subject to the Commission's standard rules and budgetary and financial procedures. This makes it possible, in particular, to fully identify the bank accounts of the third countries into which the financial contribution is paid. For this particular Protocol, Article 4(7) stipulates that the financial contribution must be paid into a Public Treasury account.

## 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

Existing expenditure budget lines

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

Heading of multi-annual financial frame-work	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	DA/ NDA <sup>(3)</sup>	from EFTA countries <sup>4</sup>	from candidate countries <sup>5</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
2	11.0301 To establish a governance framework for fishing	DA	None	None	None	None

<sup>3</sup> DA= Differentiated appropriations / NDA= Non-differentiated appropriations.

<sup>4</sup> EFTA: European Free Trade Association.

<sup>5</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

	activities carried out by Union fishing vessels in third country waters (SFAs)					
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New budget lines requested

(not applicable)

### 3.2. Estimated impact on expenditure

#### 3.2.1 Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

Heading of multi-annual financial framework:		Number 2	Preservation and management of natural resources						
			Year N <sup>6</sup> 2016	Year N+1 2017	Year N+2 2018	Year N+3 2019	Year N+4 2020	TOTAL	
• Operational appropriations									
Number of budget line: 11.0301		Commitments	17.800	17.800	17.800	17.800	17.800	89.000	
		Payments	17.800	17.800	17.800	17.800	17.800	89.000	
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>7</sup>									
Number of budget line: 11.010401		(3)							
<b>TOTAL appropriations for DG MARE</b>		Commitments	17.800	17.800	17.800	17.800	17.800	89.000	
		Payments	17.800	17.800	17.800	17.800	17.800	89.000	
• TOTAL operational appropriations		Commitments	17.800	17.800	17.800	17.800	17.800	89.000	
		Payments	17.800	17.800	17.800	17.800	17.800	89.000	

<sup>6</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>7</sup> 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.

• TOTAL appropriations of an administrative nature financed from the envelope of specific programmes	(6)											
<b>TOTAL appropriations for HEADING 2</b>	=4+6	17.800	1.608	17.800	17.800	17.800	17.800	17.800	17.800	17.800	17.800	89.000
of the multiannual financial framework	=5+6	17.800	17.800	17.800	17.800	17.800	17.800	17.800	17.800	17.800	17.800	89.000

**If more than one heading is affected by the proposal/initiative: (not applicable)**

• TOTAL operational credits	Commitments	(4)										
	Payments	(5)										
• TOTAL appropriations of an administrative nature financed from the envelope of specific programmes	Commitments	(6)										
	Payments											
<b>TOTAL appropriations for HEADINGS 1 to 4</b>	Commitments	=4+6										
	Payments	=5+6										
of the multiannual financial framework												
Commitments												

<b>Heading of multi-annual financial framework:</b>	<b>5</b>	<b>‘Administrative expenditure’</b>
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EUR million (to 3 decimal places)

	Year N <sup>8</sup> 2016	Year N+1 2017	Year N+2 2018	Year N+3 2019	Year N+4 2020	TOTAL
	DG MARE					
• Human resources	0.132	0.132	0.132	0.132	0.132	0.660
• Other administrative expenditure	0.012	0.012	0.012	0.012	0.016	0.064
<b>TOTAL DG MARE</b>	0.144	0.144	0.144	0.144	0.148	0.724

<b>TOTAL appropriations for HEADING 5 of the multi-annual financial framework</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.148</b>	<b>0.724</b>
	(Total commitments = Total payments)					

EUR million (to 3 decimal places)

	Year N <sup>9</sup> 2016	Year N+1 2017	Year N+2 2018	Year N+3 2019	Year N+3 2020	TOTAL
	DG MARE					

<sup>8</sup>

Year N is the year in which implementation of the proposal/initiative starts.

<sup>9</sup>

Year N is the year in which implementation of the proposal/initiative starts.

<b>TOTAL appropriations for HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments	17.944	17.944	17.944	17.944	17.944	17.948	<b>89.724</b>
	Payments	17.944	17.944	17.944	17.944	17.944	17.948	<b>89.724</b>

### 3.2.2 Estimated impact on operational appropriations

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

Commitment appropriations in EUR million (to 3 decimal places)

Indicate the objectives and outputs		Year N	Year N+1	Year N+2	Year N+3	Year N+3	TOTAL
		2016	2017	2018	2019	2020	
<b>OUTPUTS</b>							
	Type <sup>10</sup>	Number	Number	Number	Number	Number	Total No.
	Average cost of the output	Cost	Cost	Cost	Cost	Cost	Total cost
SPECIFIC OBJECTIVE No 1... <sup>11</sup>							
- Access to the Fishing Zone	Volume (tonnes)	42 726	42 726	42 726	42 726	42 726	213 630
- Sectoral support	Annual contribution	1	1	1	1	1	5
Sub-total for specific objective No 1			17.800	17.800	17.800	17.800	89.000
<b>TOTAL COST</b>			<b>17.800</b>	<b>17.800</b>	<b>17.800</b>	<b>17.800</b>	<b>89.000</b>

<sup>10</sup>

<sup>11</sup>

Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).  
As described in Section 1.4.2. 'Specific objective(s)...



### 3.2.3 Estimated impact on appropriations of an administrative nature

#### 3.2.3.1 Summary

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

EUR million (to 3 decimal places)

	Year N <sup>12</sup> <b>2016</b>	Year N+1 <b>2017</b>	Year N+2 <b>2018</b>	Year N+3 <b>2019</b>	Year N+4 <b>2020</b>	<b>TOTAL</b>
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<b>HEADING 5 of the multiannual financial framework</b>						
Human resources	0.132	0.132	0.132	0.132	0.132	<b>0.660</b>
Other administrative expenditure	0.012	0.012	0.012	0.012	0.016	<b>0.064</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.148</b>	<b>0.724</b>

<b>Outside HEADING 5<sup>13</sup> of the multiannual financial framework</b>						
Human resources						
Other expenditure of an administrative nature						
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>						

<b>TOTAL</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.144</b>	<b>0.148</b>	<b>0.724</b>
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The appropriations of an administrative nature required 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.

<sup>12</sup> Year N is the year in which implementation of the proposal/initiative starts.

<sup>13</sup> 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.

### 3.2.3.2 Estimated requirements of human resources

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

*Estimate to be expressed in full amounts (or at most to one decimal place)*

	Year N 2016	Year N+1 2017	Year N+2 2018	Year N+3 2019	Year N+4 2020
• Establishment plan posts (officials and temporary agents)					
11 01 01 01 (Headquarters and Commission's Representation Offices)	0.85	0.85	0.85	0.85	0.85
11 01 01 02 (Delegations)					
• External personnel (in full-time equivalent – FTE) <sup>1</sup>					
11 01 02 01 (CA, SNE, INT from the 'global envelope')	0.15	0.15	0.15	0.15	0.15
11 01 02 02 (CA, LA, SNE, INT and JED in the delegations)					
11 01 04 01 <sup>2</sup>	- at Headquarters <sup>3</sup>				
	- in Delegations				
Other budget lines (specify)					
<b>TOTAL</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>

**11** 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 tasks to be carried out:

Officials and temporary staff	<p>Monitoring and management of the process for the (re)negotiation of the SFPA and the approval of the result of the negotiations by the institutions; management of the current SFPA, including permanent operational and financial monitoring; ongoing monitoring of the implementation of sectoral support, management of licences.</p> <p>Desk Officer DG MARE + Head of Unit/Deputy Head of Unit + licence manager + secretarial staff:</p> <p style="text-align: center;">overall estimate of 1.00 FTE/year</p> <p>Unit cost            EUR 132 000 /year</p> <p>Calculation of costs:    1.00 people/year x EUR 132 000 /year</p> <p>Total costs:            EUR 132 000 =&gt; <b>EUR 0.132 M</b></p>
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<sup>1</sup> CA= Contract Agent; LA= Local Agent; SNE = Seconded National Expert; INT = agency staff ('intérimaire'); JED = young expert in delegation ('jeune expert en délégation').

<sup>2</sup> Sub-ceiling for external staff under operational appropriations (former 'BA' lines).

<sup>3</sup> Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

External personnel	No staff assigned in Delegations
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#### *3.2.4 Compatibility with the current multiannual financial framework*

The proposal/initiative is compatible with the current multiannual financial framework.

#### *3.2.5 Third-party contributions*

The proposal/initiative does not provide for co-financing by third parties.

### **3.3. Estimated impact on revenue**

The proposal/initiative has no financial impact on revenue.