

the evaluation partnership 



**Interim Evaluation
on establishing EU financial measures
for the implementation of the
Common Fisheries Policy
and in the area of the Law of the Sea
2007-2013**

FINAL REPORT

August 2010

Interim Evaluation on establishing EU financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea 2007-2013

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Final Report

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List of acronyms and abbreviations

| | |
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| ACFA | Advisory Committee on Fisheries and Aquaculture |
| ACP | African, Caribbean and Pacific |
| AMP | Annual Management Plan |
| CCAMLR | Commission for the Conservation of Antarctic Marine Living Resources |
| CFCA | Community Fisheries Control Agency |
| CFP | Common Fisheries Policy |
| COBECOS | Costs and Benefits of Control Strategies |
| Commission | European Commission |
| CSP | Country Strategy Paper |
| DCF | Data Collection Framework |
| DCR | Data Collection Regulation |
| DG AIDCO | EuropeAid co-operation office |
| DG BUDG | Directorate-General for Budget |
| DG DEV | Directorate-General for Development |
| DG ENV | Directorate-General for the Environment |
| DG MARE | Directorate-General for Maritime Affairs and Fisheries |
| DG SANCO | Directorate-General for Health and Consumers |
| DG TRADE | Directorate-General for Trade |
| EC | European Community |
| EDF | European Development Fund |
| EEZ | Exclusive Economic Zone |
| EPA | Economic Partnership Agreement |
| ESA-IO | Region of Eastern and Southern Africa and the Indian Ocean |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| FPA | Fisheries Partnership Agreements |
| GDP | Gross Domestic Product |
| GFCM | General Fisheries Commission for the Mediterranean |
| GVA | Gross value added |
| IA | Impact assessment |
| ICCAT | International Commission for the Conservation of Atlantic Tunas |
| ICES | International Council for the Exploration of the Sea |
| iEPA | Indicative Economic Partnership Agreement |
| IOTC | Indian Ocean Tuna Commission |
| IUU fishing | Illegal, unreported and unregulated fishing |
| JRC | Joint Research Centre |
| LoS | Law of the Sea |
| MCS | Monitoring, control and surveillance |
| MoU | Memorandum of Understanding |
| MS | Member State |
| NAFO | North-West Atlantic Fisheries Organisation |
| NEAFC | North-East Atlantic Fisheries Commission |
| NGO | Non-governmental organisation |
| NIP | National Indicative Programme |
| No. | Number |
| PRSP | Poverty Reduction Papers |
| RAC | Regional Advisory Council |
| RFMO | Regional Fisheries Management Organisation |
| RIP | Regional Indicative Programme |
| RSP | Regional Strategy Paper |
| SADC | Southern African Development Community |
| STECF | Scientific, Technical and Economic Committee for Fisheries |

| | |
|-----|--------------------------|
| TAC | Total Allowable Catch |
| TC | Third country |
| TOR | Terms of reference |
| UN | United Nations |
| VMS | Vessel Monitoring System |
| WG | Working group |

List of Country Codes

| | |
|-----|---------------------|
| CIV | Ivory Coast |
| COM | Comoros |
| CPV | Cape Verde |
| GAB | Gabon |
| GIN | Guinea |
| GRN | Greenland |
| GUB | Guinea-Bissau |
| KIR | Kiribati |
| MAD | Madagascar |
| MAR | Morocco |
| MRT | Mauritania |
| MRU | Mauritius |
| MOZ | Mozambique |
| STP | Sao Tome e Principe |
| SYC | Seychelles |

0.0 EXECUTIVE SUMMARY

0.1 Background, Purpose and Approach to the Evaluation

Council Regulation (EC) No 861/2006 provides the legal basis for a series of EU financial measures for the implementation of the Common Fisheries Policy (CFP) and in the area of the Law of the Sea for the period from 2007 to 2013, covering the following four thematic areas:

- Control and enforcement
- Conservation, data collection and scientific advice
- Fisheries governance
- International fisheries relations, including Law of the Sea matters

In line with the relevant legal requirements, the purpose of this evaluation is to assess the results obtained by the different measures that were financed and to verify that they were consistent with the objectives set, and to thereby facilitate better informed decision making in fisheries resource management and utilisation, especially with a view to informing the overall CFP reform process in general, and the nature and content of a potential replacement of the Regulation from 2014 in particular.

Given the varied nature of the measures financed under the Regulation and the specific aspects that the Commission was most interested, the four subject areas were assessed largely separately. The approach, methods and tools that were employed varied considerably from one area to another. Very broadly speaking, the main data collection methods can be summarised as follows:

- Review of existing data sources: In all four areas, large amounts of relevant data and information were gleaned from existing reports, statistics, legal documents, evaluations etc. The evaluation team undertook a systematic review of these sources, identified and extracted data and matched it to the indicators.
- Generation of data through participatory methods: To complement the data that is already available, the evaluators engaged relevant actors and stakeholders, both to fill gaps in the available quantitative data, and to generate additional qualitative data (related to aspects such as their assessment, views and experiences of certain measures or issues, specific problems and possible solutions, etc.). This was achieved through a range of tools, including data collection questionnaires, interviews, and surveys.

It should be noted that in some instances, the scarcity and/or quality of available information, and the short time frame for collecting / generating additional data, mean that the evaluation results are subject to certain limitations. This is especially the case where data was requested from national authorities (both from Member States and third countries).

0.2 Summary conclusions

It is very difficult to draw any common conclusions that are valid across the four thematic areas from this evaluation. This is due not only to the very different nature of the measures that are being financed under each area, but also to the fact that the evaluation focused on different elements under each. In line with the evaluation questions that were defined by DG MARE, the data collection and analysis in some areas (e.g. area 1 – control and enforcement) was of a *summative* nature, focusing on *outcomes*. In other areas (most notably area 3 – governance) the purpose of the evaluation was more *formative*, with a primary focus on *processes* rather than outcomes.

As a result, the findings and conclusions outlined in the following sections of this report do not easily lend themselves to a direct comparison or aggregation. And given that the overarching objectives of the Regulation as defined in the 2005 IA¹ relate exclusively to *processes* (more effective and transparent financial management, more uniform and coordinated procedures, simplified programming, etc.), they do not represent an appropriate analytical framework. Instead, the following sections attempt to summarise the main conclusions that were drawn under each area, specifying whether these relate to the *outcomes* achieved by the measures that are being financed, or to the *processes* and rules through which this funding is provided. Based on this, conclusions of a more general nature are presented at the end of this section.

0.2.1 Control and Enforcement

A) Outcomes

The utilisation of the funds allocated by the EU to Member States for control and enforcement measures has been quite high, albeit with considerable variations across expenditure categories. The annual execution rates of fisheries control measures for which EU co-financing was approved between 2004 and 2006 vary from approximately 40% to 90%, depending on the category – it is highest for construction of patrol vessels and aircraft (which also require the greatest work investment by national administrations) and installation of VMS Devices, and lowest for projects relating to IT equipment and training. This execution rate was significantly higher than that of projects for which co-financing was rejected by the Commission, which indicates that the EU financial contributions are relevant and induce MS to implement projects that they would otherwise not consider.

The analysis of data on the number of both port inspections and at-sea inspections has provided strong evidence that since 2000, there has been an increase not only in the overall quality of surveillance activities, but also – crucially – in the uniformity of the quality of these activities. The number of inspections is becoming increasingly similar across Member States when one factors out aspects such as the length of the coastline, the size of the fishing fleet and the number of landings, which indicates that EU co-financing is having a positive impact on the uniform quality of Member States' control, inspection and surveillance activities. This has come at a total cost in terms of cumulative actual expenditure by Member States of EUR 238 million up to and including 2007.

The evaluation has also found a clear indication of the effectiveness of both land and sea based inspections in terms of reducing infringement rates – it has emerged that when the inspection rate is lower, infringement rates tend to be higher. While a comprehensive comparison of the effectiveness of different kinds of investments was not possible with the data that were available, the analysis points towards specific benefits from expenditure on the construction of patrol vessels and aircraft and the training of inspectors in particular. This is broadly corroborated by the views of Member States, who in their questionnaire responses also indicated that they consider at-sea inspections from patrol vessels and dockside inspections as the two most important means of control overall. In addition, new technologies such as automated cross-checking of data and video surveillance were regarded as important across a range of infringement categories. It is difficult to draw general conclusions about the impact of specific levels of co-financing and thereby provide a clear indication of the level of efficiency. While the national authorities seem to agree on the priorities for spending (inspections at sea and on land, and cross checking of data), the impacts of this spending in terms of infringement rates varies significantly between Member States.

¹ Commission Staff Working Paper SEC(2005) 426 – Extended Impact Assessment

In order to assess whether the co-finance scheme makes resources available in due time, appropriate quantity and quality, the evaluation examined the extent to which Member States' fishing fleets have complied with the obligation to install VMS devices in a timely manner. Based on data in the Community Fleet Register², it found that by July 2009, compliance across the EU fleet as a whole was between 95% and 98% for the different sizes of vessels. However, the average delay across all Member States was between 1.4 and 2.9 years for 90% coverage, and between 2.6 and 4.3 years for 100% coverage. EU co-financing appears to have supported compliance with the VMS obligation. The Member States for which the Commission has provided substantial co-funding all had good VMS coverage in their fleets at the beginning of 2009, while those MS that have received no or very little co-financing for VMS from the Commission show lower levels of VMS coverage and longer delays, which suggests that EU co-funding represents at the very least an effective incentive for compliance with VMS obligations. It is also worth noting that the budgeted cost per VMS unit varied significantly across Member States, which may be related to a number of factors.

B) Processes

The Commission's procedures for co-financing projects in fisheries control and enforcement do not seem to have presented any significant impediments to Member States when applying for financing. In their questionnaire responses, only three national authorities cited any difficulties. These were related to the sometimes diverging priorities between the Commission and Member States; the perceived need to allocate more funding to the area of administration; the problem of the alignment of the timing of calls for applications for financing and the lifecycle of specific projects (in particular for long term projects where it is often not possible to anticipate all costs at the outset); and the uncertainty of the timing of the payment of advances and the need to reduce the amount of time taken to reimburse payments already made.

0.2.2 Conservation measures, data collection and improvement of scientific advice

A) Outcomes

The collection of basic data through the national programmes under the Data Collection Framework (DCF, formerly the DCR) has mostly been relevant and effective. Under the DCR the percentage of EU contribution was 50% for the minimum programme and 35% for the extended programme whilst within the DCF this percentage is 50% for all elements of the National Programmes. The evaluation has found that (with very few exceptions) Member States have fulfilled their obligations under the DCF, and the resulting data is instrumental to policy making under the CFP. While the number of decisions related to general resources and (to a much lesser extent) those related to the annual TAC and quota process has fallen over the last few years (2004-2009), the percentage of stocks benefitting from advice based on the underlying data collection programme has actually increased slightly. The quality of the data is judged positively by users, which suggests that (in spite of some concerns around timely delivery and data format) the whole programme is progressing adequately and is probably improving over time. The increasing level of regional co-operation and harmonisation of métiers is also facilitated by the DCF / DCR, and in turn is likely to further enhance the effectiveness of the data collection.

As regards the studies financed under article 10 of the Regulation being evaluated, a total of 28 studies were commissioned over the reference period 2006-2008 (which is equivalent to 57% of all

² Concerns regarding the updating of the data in the Community Fleet Register, and the degree to which they represent an up to date picture of VMS installation on Community vessels are discussed in the main body of the report and the annex.

studies that were included in the relevant Annual Work Programmes of DG MARE). The majority were directly related to TAC decision making and Long Term Management Plans, or with the development of new tools for improving the data collection process. This indicates a high level of relevance and effectiveness. At the same time, several studies were also dedicated to non-core topics such as dissemination, gear issues and general fisheries methodology, which indicate a certain degree of positive spillover.

The scientific advice provided by the ICES, STECF and JRC under the different arrangements under article 11 was also assessed mostly positively. All three institutions have provided significant relevant input to fisheries management decisions. The ICES has provided around 150 distinct pieces of advice per year; although this advice covers only 62% of the total number of species derived from the MoU, the gaps refer to minor species, and all of those species contributing to the majority of landings in the EU are covered. Of the STECF's approximately 25 meetings per year, the vast majority were dedicated directly to EU fisheries management topics, while an average of four meetings per year dealt with the DCF / DCR.

B) Processes

While the quality of the data collected under the DCF/DCR was mostly rated as satisfactory by the user institutions, less than half of surveyed users were satisfied with the timeliness of delivery or the format of the data, which indicates there is some room for improvement, particularly with respect to specific catch data and, to a lesser extent, biological and some economic data.

As for the cost of the various measures financed under articles 9, 10 and 11, this can generally be judged to be efficient (i.e. in line with market standards). The total cost of DCR / DCF data collection amounts to an average of just over EUR 70 million per year, equivalent to between 0.8 and 1% of the value of the industry. This proportion is very similar to the public sector costs of collecting environmental data across all maritime sectors in the EU, as well as to the cost of similar programmes elsewhere. By comparison, the amounts spent on studies and scientific advice are much smaller (average of less than EUR 5 million per year). Variations in the amounts appear to be more related to the specific types of studies or advice provided than to any underlying changes in efficiency.

0.2.3 Governance

A) Outcomes

The present evaluation only assessed the outcomes of the funding for the Regional Advisory Councils (RACs) to a very limited extent, given that the Commission itself had carried out an internal review of the functioning of the RACs in June 2008, which concluded that the legal framework had proved to be generally satisfactory, that it had enabled the creation of the RACs and guided their functioning, and that the RACs had already made a positive contribution to the development of the CFP. This evaluation has broadly confirmed these results, in particular that the RACs are generally perceived as serving a useful purpose on a number of levels, and that all relevant actors – Parliament, Council, Member States, regional organisations and members - are firmly committed to the RACs. The number of recommendations issued by the RACs has increased continually, and their relevance in the context of the CFP is not being questioned.

However, a significant number of RAC members do not feel that the recommendations of the RACs are being taken into consideration to a sufficient extent by the Commission. In its own review, the Commission emphasised that it cannot always act on RAC recommendations if these are not compatible with CFP objectives and sustainable fisheries.

B) Processes

The evaluation undertook a detailed assessment of the financial situation and management structures of the RACs. The main result of this is that the RACs are heavily reliant on the EU for finance, and this reliance is likely to continue for the foreseeable future. In 2008-09, EU co-financing accounted for 70% of eligible costs of the six RACs that were examined (up from 68% in 2007-08). Over the same period, the financial contributions of Member States have also been stable (25% in 2007-08 to 24% in 2008-09), while the funds raised via membership fees have decreased from 10% to 8% of final eligible costs, due in part to declining membership, in turn partly the result of some members consolidating under umbrella organisations. There is a need to maintain a strong stakeholder focus and ultimately ensure a good degree of ownership, which may be achieved from monitoring the number and representativeness of RAC membership. The 90% ceiling on EU contributions continues to be an appropriate figure. At present it leaves room for an increase in EU contributions as EU eligible costs increase, and it still ensures a significant element of ownership from the members in particular. At the same time, the maximum amount of EU funding should at least be adjusted to take into account inflation.

The average RAC budget in 2007-08 and 2008-09 was between EUR 275,000 and EUR 285,000, of which the EU contributions accounted for just over EUR 186,000 and EUR 202,000. These overall levels of funding are generally sufficient for the RACs to fulfil their current role. However, the European Parliament, the Member States and the Executive Secretaries share a vision that the RACs become more proactive and fulfil their tasks in more strategic ways, so there is clearly an argument for increasing their capacity, particularly in medium term planning and scientific expertise in order to contribute to long term fisheries management plans and specific technical issues. This would almost certainly have to imply an increase in EU funding, as it would be difficult for the other components to be increased significantly. Membership fees are currently judged to be at an appropriate level, and increasing them would be likely to discourage important participants (in particular NGOs); there was also no strong case for harmonising the membership fees across RACs. And while there may be some scope for raising more funds from Member States, and for harmonising the level of their contributions within a given RAC, it appears important that these remain voluntary and that individual RACs continue to determine what they receive from Member States. Significant contributions in kind might be put in peril if financial contributions from Member States were made mandatory, and overall receipts might well decline if rates were standardised. Given the healthy contributions provided by Member States, regional organisations and members, there is a significant sense of ownership and commitment to the RACs.

Should the role of the RACs be enhanced, and indeed should some RACs independently seek to improve the quality of their advice and provide more strategic advice to the Commission and to the sector, there will be a need for further financing. The Member States and members face limitations in being able to increase financing from traditional sources. Therefore, additional EU financing would be required. However, in order not to undermine the independence of the RACs, there is a need to continue to limit the proportion of finance that the Commission provides. Alternative sources of finance independent of the Commission may be appropriate, particularly with respect to multiannual projects, and strategic planning and management of the sector.

A number of problems and weaknesses were identified regarding the rules and procedures which govern the disbursement of EU funds to the RACs. As a consequence, there is a degree of dissatisfaction among RAC Executive Secretaries with some aspects of the procedures and also with the way that decisions are managed. Despite increased economy, in terms of the number of meetings held and recommendations made, the work load of the RACs and the meetings with the Commission appear to be dominated by financial and procedural matters, at the expense of technical work, thus compromising the attention given to technical issues and their potential effectiveness. In order to improve the situation, the Commission should explore whether there are

instruments other than an operational grant that could be used to provide financial support to the RACs (ideally on a multi-annual basis). Should this not be the case, the efforts that have already been made to clarify and (where possible) adapt the applicable rules and procedures should be further strengthened.

0.2.4 International relations in the area of the CFP

0.2.4.1 Fisheries Partnership Agreements

A) Outcomes

The evaluation has concluded that the FPAs are generally favourable for both the EU and for third countries, but that the resulting value for money tends to be significantly higher for the former. The costs of the fishing opportunities negotiated have been advantageous for European ship-owners. The FPAs have made a significant contribution to securing the continued existence and competitiveness of the EU's fisheries sector, and have also had a small overall impact on employment (although this is concentrated in those regions that are especially dependent on the fisheries sector). In terms of ensuring adequate supply, fish caught under FPAs only accounts for approximately 3% of total supplies in volume terms to the EU market, but for some species groups (including tuna) the contribution to overall supplies can be quite significant.

Regarding the impact of FPAs on third countries, the evaluation has found that the financial contributions made by the EU are a very significant source of revenue for fisheries administrations and, in some cases, the economy of third countries as a whole. However, in spite of the fact that between 13% and 100% (depending on the FPA) of the financial support provided is earmarked for sectoral support, the extent to which these funds are actually used to support sustainable fisheries is unclear. With a few notable exceptions, the evaluation found little evidence that funding from the FPAs has made any direct and/or substantial difference to the development of policies or plans for sustainable management and for improved conservation of fisheries resources (in the form of updated policies, and improved and documented MCS strategies and research plans).

As for the economic development of partner countries, a considerable number of jobs for third country nationals have been created on board EU vessels, but whether multiplier effects (e.g. provision of vessel services, landing / processing of fish in third countries) have occurred to a significant extent is more questionable. There is also very little evidence of joint ventures and/or technology / skill transfer to partner countries as a result of FPAs.

The evaluation has also found that the FPAs are generally consistent with both EU development policy and EU trade policy (at least in those cases where the EPA contains a fisheries chapter). However, the allocation of the financial contribution under the FPAs could be better aligned with the development strategies agreed with the countries/regions in the CSPs and RSPs.

B) Processes

The timeliness (or lack thereof) of the disbursement of financial contributions to third countries under FPAs does not seem to have had an impact (positive or negative) on the achievement of their objectives. No particular issues were raised by the third country governments contacted over the process of disbursing funds. The current joint monitoring process appears both adequate and effective.

0.2.4.2 Regional Fisheries Management Organisations

A) Outcomes

Within the majority of the RFMOs, the EU has been highly active in initiating or supporting relevant measures that are strongly coherent with the objectives of the CFP (in particular regarding the control of fishing effort and the regulation of IUU fishing). The vast majority of these measures have been transposed into EU law in a timely and effective manner, although further work needs to be conducted to improve actual compliance with these rules in practice.

As regards the EU's voluntary financial contributions to RFMOs, the results vary depending on the RFMO in question. ICCAT, which has received by far the largest amount (including a sizeable contribution to the *Atlantic-wide Research Programme for Bluefin Tuna*), is particularly positive on the added value of EU funding for facilitating sustainable and responsible fisheries. EU funding for RFMO meetings has also contributed indirectly to the improvement of conservation and management of international fisheries. However, even though the funds have appeared to have been spread unevenly across the RFMOs, and outside of ICCAT and GFCM, the EU voluntary contributions have been minimal, this is dependent on the requirements of the individual RFMOs, some of which do not require additional voluntary funding due to their particular operating structure. In particular, the difficult relationship the Commission (and other members) had with the FAO on various matters seems to have limited the support available to some RFMOs, in particular to IOTC.

B) Processes

The way in which EU funding has been made available is seen as appropriate by most RFMOs; it is perceived to be linked to clearly defined objectives, areas of action and expected results, and (especially in the case of relatively small amounts of funding allocated to particular activities) has followed uniform and co-ordinated procedures and appropriate criteria for eligibility of expenditure. EU funding was mostly seen to have been provided on schedule, a few complaints about delays in the payment of invoices notwithstanding. There was also consensus amongst RFMOs that EU voluntary financial support had proved particularly successful in providing adequate amounts of funds (compared to other Parties).

However, there are exceptions in the cases of IOTC and GFCM, the two RFMOs under assessment that run under the framework of the FAO, one of which highlighted that the administrative restrictions and requirements limit the flexibility required to respond to changing conditions in the field. At the same time, there is some concern about the lack of progress made to date by one substantial initiative co-financed by the EU, namely MedFisis.

0.3 Overarching conclusions and recommendations

As can be seen from the summaries above, all of the different types of measures financed under the Regulation were assessed positively in terms of their *outcomes* (to the extent that such an assessment was within the scope of this evaluation and was possible based on the available data). The measures generally pursued relevant objectives, were effective and efficient. No major shortcomings were identified, although some areas for improvements are listed below.

As regards the *processes* by which the finance is provided to beneficiaries, no major problems or impediments were identified in the areas of control and enforcement, data collection and scientific advice, or international relations (although it should be noted that this may be partly due to the fact that the evaluation did not focus primarily on the processes in these areas). However, in the area of

governance, the financial management rules and procedures that govern the co-financing cause considerable difficulties for the RACs, and should therefore be reviewed.

In summary, the following recommendations are made:

1. Control and enforcement:

- Focus on means to further increase the number and efficiency of inspections across MS, for example through the development of Joint Deployment Plans by the Community Fisheries Control Agency. Continuing to fund training of inspectors and further development of new technologies such as data cross-checking should also be a high priority.
- Investigate further the relationships / causality between infringement rates and inspection rates, to see whether they have value in setting benchmark inspection rates for achieving an effective implementation of the CFP.

2. Conservation measures, data collection and improvement of scientific advice:

- Continue to improve data delivery and format, in particular concerning specific catch / effort data, which was consistently identified as giving the greatest problems and therefore requires more attention in the future.
- Invite every MS to provide a list of all the projects and internal activities which are not directly related to the DCR / DCF yet are indirectly funded by the National Programmes. This would contribute to a better and more accurate assessment of the overall value of the DCF, and could also be used as an evaluation tool.

3. Governance:

- Increase the maximum amount of the EU grant to EUR 300,000 per RAC and year. Further increases could become necessary in the future, depending on the envisaged future role of the RACs in the context of the reformed CFP, and inflation.
- Maintain the maximum 90% EU co-financing rate, as well as the present composition of finance (the main contributors being the EU, Member States, and RAC members), and leave it to the RACs to determine their respective membership fees and contributions by MS;
- Explore possibilities within the relevant Financial Regulations to endow the RACs with a different type of grant that would enable multi-annual planning and enhance flexibility while reducing the workload of the Secretariats;
- If no feasible alternative instrument exists, further clarify and streamline the applicable rules and procedures for the annual operational grants, including:
 - i. Work with the RACs to harmonise their financial years;
 - ii. hold common meetings with the RACs at strategic points in the planning cycle;
 - iii. provide clear guidance on eligibility in advance of the financial year;
 - iv. revise the rules so that membership fees have to be received by the time of audit, rather than before financing.

4. International relations in the area of the CFP:

- Place more emphasis on enhancing the effect of FPAs on partner countries' fisheries policies, MCS strategies and research plans, as well as on the local fisheries economy. This could be achieved through more (and/or more effective) sectoral

support, and/or through more technical assistance, including assistance provided directly by DG MARE or the fisheries expertise within the EC Delegations.

- Ensure that agreements generate an optimal balance in value for money for all parties (rather than focussing on generating maximum value for money for EU stakeholders). This may require greater collaboration between DGs and units within the Commission (including DG Development).
- Focus support to RFMOs on improving actual compliance. Improved monitoring schemes, such as that developed for ICCAT, should be considered more widely.
- Verify / monitor the timely implementation of measures that are being co-financed. Both mid-term and ex-post evaluations should be undertaken of all major projects funded through this Regulation, perhaps with a financial threshold (e.g. all projects with a total expenditure of over EUR 0.5 million).

1.0 PURPOSE AND SCOPE OF THE EVALUATION

The Common Fisheries Policy (CFP) provides a structural framework for the management of fisheries resources exploited by Member State (MS) fleets in European Union and third country waters. This framework currently consists of four main pillars, namely conservation policy, structural policy, market policy and international policy.

Council Regulation (EC) No 861/2006 (*hereafter called the Regulation*) provides the legal basis for a series of EU financial measures for the implementation of the CFP and in the area of the Law of the Sea for the period from 2007 to 2013, covering the following four thematic areas:

- Control and enforcement
- Conservation, data collection and scientific advice
- Fisheries governance
- International fisheries relations, including Law of the Sea matters

The Regulation requires the Commission to prepare an "interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the actions financed under this Regulation no later than 31 March 2011". In view of the timetable for the reform of the CFP (which is scheduled to be in effect from 2013), DG MARE has decided to bring this evaluation forward so that the results can feed into the reflections on the reform.

In addition to this, in line with Article 27(4) of the Financial Regulation³ and Article 21 of its Implementing Rules⁴ also require the Commission's DGs/Services to ensure that the spending activities which they manage and where the resources mobilised exceed EUR 5,000,000 are "subject of an interim and/or ex post evaluation in terms of the human and financial resources allocated and the results obtained in order to verify that they were consistent with the objectives set, as follows:

- a. the results obtained in carrying out a multiannual programme shall be periodically evaluated in accordance with a timetable which enables the findings of that evaluation to be taken into account for any decision on the renewal, modification or suspension of the programme;
- b. activities financed on an annual basis shall have their results evaluated at least every six years."

The overall purpose of this evaluation is not simply to comply with the above mentioned requirements, but also to facilitate better informed decision making in fisheries resource management and utilisation, especially with a view to informing the overall CFP reform process in general, and the nature and content of a potential replacement of the Regulation from 2014 in particular. To achieve this, the main objective of the evaluation is to assess the activities implemented under the Regulation in relation to the policy objectives in order to determine their:

- Continued relevance (i.e. the extent to which the objectives are pertinent to needs, problems and issues to be addressed);

³ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. Amended by: Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006; Council Regulation (EC) No 1525/2007 of 17 December 2007

⁴ Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. Amended by: Commission Regulation (EC, Euratom) No 1261/2005 of 20 July 2005; Commission Regulation (EC, Euratom) No 1248/2006 of 7 August 2006; Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007

- Economy (i.e. the extent to which resources are made available in due time, in appropriate quantity and quality and at the best price);
- Effectiveness (i.e. the extent to which the set objectives and intended results were achieved); and
- Efficiency (i.e. the relationship between resources employed and results achieved).⁵

Given that the Regulation has only been in force since 1 January 2007, the evaluation focused mainly on initial outputs and early effects of the main activities financed on the basis of the Regulation. At the same time, due to this short time span and in order to provide meaningful input not only for the evaluation of the Regulation itself, but also for the broader CFP reform, the performance of measures in all four thematic areas covered by the Regulation (see above) was reviewed for the period 2004-2009,⁶ and not only since the Regulation came into force. Since the applicable legislation that was in force between 2004 and 2006 did not differ significantly from the Regulation, this does not represent a problem for the validity of the evaluation results.

To ensure that the available time and resources for the evaluation were used to the best possible effect, and in view of the fact that some evaluations and related studies on certain areas or activities have either recently been carried out or are due to be carried out shortly, this interim evaluation focused on certain specific elements of the four thematic areas. A brief overview of these areas, in particular those elements that fall within the scope of this evaluation, is provided in the following sections.

⁵ The evaluation criteria that were applied stem from Art. 27(2) of the Commission's Financial Regulation (Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002, laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities), and are further developed in the Commission's Guidelines on evaluation (Evaluating EU activities: A practical guide for the Commission services, July 2004)

⁶ In a few instances – notably in the area of control and enforcement – data going back to 2001 was reviewed if this added to the meaningfulness of the results.

2.0 THE SUBJECT OF THE EVALUATION

This section introduces and briefly describes the four subject areas covered by this evaluation, including both the regulatory framework (i.e. the relevant provisions in the Regulation and elsewhere) and the implementation of relevant measures that were financed under the Regulation between 2007 and 2009.

2.1 Control and Enforcement

2.1.1 Regulatory Framework

While fishing policy matters have been on the EU's agenda since 1970, the first Common Fisheries Policy (CFP) as such was implemented in 1983, and the first regulation specifically designed for the proper control and enforcement of the policy was adopted one decade later: the *Control Regulation* of 1993⁷ laid out in detail the EU Member States' obligations in that respect, as they are ultimately responsible for enforcing the CFP nationally, controlling their fisheries as well as their fishing fleets' activities outside EU waters. This regulation provided the basis for all subsequent revisions and reforms. The most recent revision was adopted in 2009 and came into force on January 1st 2010⁸. This specifies in a great deal of detail (120 articles) the CFP's rules and the measures in place to ensure consistent control and enforcement of the CFP across all MS, and identifies a range of concrete issues in which the regulation directly intervenes, including:

- Access to water and resources: obligation to operate the vessel monitoring system (VMS), providing for the possibility of a vessel detection system (although not making the Automatic Identification System (AIS) obligatory), etc
- Control of fisheries: obligation to use the Electronic Reporting System (ERS), fishing logbooks, notification of landing, transmission of landing declaration data, monitoring of fishing efforts, control of fleet management, etc
- Control of marketing: completion of sales notes, monitoring of producers arrangements, etc
- Inspection

The objectives of the Commission with regards to the control and enforcement element of the CFP as per the Terms of Reference (p.4) are threefold:

- *General objective: An effective implementation of the CFP*
- *Specific objective: The implementation by Member States of an EU control and enforcement system*
- *Operational objective: Sufficient investments by Member States in equipment and human capital*

⁷ Council Regulation (EEC) No 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy,

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31993R2847:EN:HTML>

⁸ Council Regulation (EC) No 1224/2009 establishing a Community control system for ensuring compliance with the rules of the common fisheries policy,

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:343:0001:0050:EN:PDF>

The Financial Regulation of 2006⁹ was intended to provide the MS with the necessary financial assistance to meet the requirements of the Control Regulation (as described above). The financial measures in place are well summarised in the Financial Regulation:

EU financial measures ... shall contribute to the objective of improving the control of fishing activities in order to ensure effective implementation of the CFP within and outside EU waters by financing the following actions:

1. Actions taken by Member States to enhance capacity or reduce identified weaknesses in their fisheries control activities:
Member States (MS) are ultimately responsible for enforcing the CFP and making sure their national operators are aware of it and abide by its rules. A consistent approach needs to be taken across the EU for the competition to be fair amongst fishermen, which implies a need for all MS to use similar control equipment, generalise awareness of the rules, train staff in a similar fashion and apply sanctions consistently. A major lack of uniformity across the EU was identified and efforts have been made to reduce discrepancies since the early days of the CFP, however the European Court of Auditors reported in 2007¹⁰ that a long way still had to be made to reach an efficient level of control and monitoring of the CFP.
2. Evaluation and control by Commission services of the application of the rules of the CFP by the Member States:
This refers to the work of Commission inspectors whose mission is to inspect the implementation of CFP across the EU but also to train national inspectors, check safety equipment and organise meetings.
3. Coordinating control measures, in particular through plans for the joint deployment of national inspection and surveillance units by way of the Community Fisheries Control Agency (CFCA):
The CFCA was established in 2005 by the Commission with the mission of ensuring the coordination of fisheries control and inspection activities by MS. Its primary role is to organise cooperation between national control and inspection activities, specifically through promoting confidence and trust between all parties involved in what is a highly politically sensitive issue.

2.1.2 Implementation

The Commission's budget for the control and enforcement of CFP was introduced in 1990, with the ultimate objective of helping Member States improve their control and enforcements systems, with a particular focus on helping those less well equipped to "catch-up" with the best performing States. The Commission is of the view that it has produced positive results. These include: the installation of vessel monitoring transponders (blue boxes) on nearly ten thousand vessels (by the end of 2006); the equipping of all national centres with modern vessel monitoring technology; the exchange of information, training and best practice examples amongst inspectors of all Member States; and a

⁹ Council Regulation (EC) No 861/2006, establishing Community financial measures for the implementation of the common fisheries policy and in the area of the Law of the Sea

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:160:0001:0001:EN:PDF>

¹⁰ Special Report No 7/2007, <http://eca.europa.eu/portal/pls/portal/docs/1/673627.PDF>

significantly improved monitoring and surveillance capacity for control and enforcement authorities¹¹.

The Commission's financial support to MS to promote "an effective implementation of the CFP" throughout the EU is not distributed on a proactive basis, but rather reacts to MS' requests for funding: the Commission analyses the national fisheries control programmes submitted each year and decides to co-finance these or not on the basis of their perceived effectiveness. Over the 2007-2009 period, over EUR 130 million was allocated by the Commission to helping MS to develop their control and enforcement of the CFP¹² and funding the activities of supranational bodies in helping them to do so. The expenditure was broken down as follows:

- The Commission's financial contribution to help Member States improve their control systems makes up the bulk of the total budget allocated to the CFP's control and enforcement element. Figures in annex 2 of the Terms of Reference show appropriations commitments totalling just over EUR 130 million over the period 2007-2009 period, or 83% of the total of EUR 157 million¹³. The most frequent expenditure categories that can benefit from EU aid are:
 - a. The construction of patrol vessels and aircraft;
 - b. Vessel Monitoring System (VMS) devices; and
 - c. Training courses for control personnel.
 - d. New technologies and IT networks
- 6% of the budget, or EUR 9.7 million was committed between 2007 and 2009 for the inspection and surveillance of fishing activities in EU waters and elsewhere.
- The CFCA receives substantial funding from the Commission to coordinate all stakeholders' efforts in enforcing the CFP. This overarching operational body was allocated EUR 17 million in appropriations over the 2007-2009 period, or 11% of the total commitment for the control and enforcement of the CFP.

2.2 Conservation measures, data collection and improvement of scientific advice

2.2.1 Regulatory Framework

Decisions under the CFP need sound scientific advice on the basis of the best scientific information available. During the period from 2001 to 2008, the EU has co-funded MS data collection and management activities through the DCR.¹⁴ A new framework entered into force as from 2009,¹⁵ which covers also the final use of the data and takes into consideration the most recent trends in fisheries management such as the metier approach and the ecosystem approach. The objectives of

¹¹ The total maximum Community contribution for the purchase and modernisation of patrol vessels and aircraft indicated in Commission Financing Decisions between 2007 and 2009 amounts to just over €72million.

¹² Sum of Maximum Contributions in Community Financing Decisions 2007-2009

¹³ Where data are available, the analysis of expenditure in the full study was extended back in time to 2001.

¹⁴ Council Regulation 1543/2000

¹⁵ Council Regulations 199/2008.

the Commission with regards to the data collection and conservation measures element of the CFP as per the Terms of Reference (p. 4-5) are as follows:

Specific objective:

- *“Achieve a sustainable management of fisheries resources within the scope of the CFP, based on sound scientific advice”*

The sound scientific advice referred to above requires fulfilling the operational objectives below:

- *“Achieve a systematic and harmonised pan-European system of data collection, management and use*
- *Implement a system of independent scientific bodies that provide regular advice*
- *Obtain possibilities for ad hoc scientific advice”*

The financial measures in place to assist MS in collecting scientific and economic data are summarised in the 2006 regulation¹⁶:

“EU financial measures shall contribute to the objective of improving the collection and management of the data... by providing financial support to the Member States to establish multi-annual aggregated and science based datasets which incorporate biological, technical, environmental and economic information:

1. *Measures in the area of basic data collection (Article 9):*

This refers not only to data collection, management and use relating to volumes of catching per vessels, the abundance of stocks by species and geographical areas, economic situation of fishing industries, etc, but also to the evaluation of fishing fleets' activities in the marine ecosystem. The collection of economic data became compulsory in 2004, and the 2009 reform put a further emphasis on such data as way to measure the impact of new legislation and to enhance fishing fleets monitoring.

2. *Measures in the area of additional data collection (Article 10):*

This refers to supplementary data collected under pilot studies and other studies in support of the CFP. Such studies have been commissioned systematically since 2006 and cover a range of topics as well as fisheries management including socio-economic, technological conservation and environmental aspects such as the role of MPAs.

3. *Measures in the area of scientific advice (Article 11):*

Expenditure in this area refers to building partnerships with academic and research institutes and specialised experts, contribution to international bodies in charge of stock assessment (e.g. ICES¹⁷) as well as facilitating the work of the Scientific, Technical and Economic Committee for Fisheries (STECF¹⁸).

The 2008 framework, which came into force in January 2009 relating to articles 9, 10 and 11, regulates every single aspect of data collection, management and processing methodologies, as well as how the data is intended to be used, by whom, and to what extent the Commission co-finances different national programmes. Under the DCR the percentage of EU contribution was up

¹⁶ Council Regulation (EC) No 861/2006,

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:160:0001:0001:EN:PDF>

¹⁷ <http://www.ices.dk/>

¹⁸ <https://stecf.jrc.ec.europa.eu/home>

to 50% for the minimum programme and up to 35% for the extended programme whilst within the DCF this percentage is up to 50% for all elements of the National Programmes¹⁹. The Commission also organises Regional Coordination Meetings in order to assist MS in coordinating their national programmes and implementing and managing the collection, management and use of regional data. As a consequence an RCM can provide recommendations to modify national programmes, as well as exchange data²⁰.

The adoption of this new, complete framework of data collection addresses the concerns expressed in the 2004 evaluation working paper²¹ about the lack of consistency in the collection of and the lack of timeliness in the delivery of data at the national and EU levels.

2.2.2 Implementation

The rationale behind contributing to fund data collection and scientific advice on fisheries activities is one of harmonizing the way such data is collected, processed and used across the EU. The consistency, the quality and the reliability of the measurement tools used in all MS are crucial in helping the EU:

- Estimating the state of the fishing, aquaculture and fish processing industries in the EU in terms of production techniques, efficiency, state of the fishing fleets, importance in the national economy, etc.;
- Evaluating fleet management systems, fisheries activities, the effects of fishing activities in the marine ecosystem, rates of change in fishing capacity experienced over time etc.;
- Facilitating the work of scientists and economists in measuring, anticipating and advising the Commission and other relevant international scientific bodies and Regional Management Fisheries Organisations on the economic, social, biological and environmental impacts of the EU's fisheries activities.

A total of nearly EUR 120 million was spent by the Commission over the 2007-2009 period on assisting MS in collecting data and scientific advice²². The expenditure was broken down as follows:

- The vast majority of the Commission's contribution to the CFP's objectives in data collection and scientific advice is dedicated to the collection of basic data: 90% of total expenditure on average over the 3 years, or EUR 108 million.

The DCF collects and manages data on:

- a. fishing activities: economic, biological, transversal and survey data on a whole range of variables and species by specified levels of disaggregation;
- b. aquaculture and Processing activities: economic data on a range of variables and species broken down by levels of disaggregation and precision levels;

²⁰ Council Regulation (EC) No 199/2008, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:060:0001:0012:EN:PDF>

²¹ SEC(2004) 1312. Scientific, Technical and Economic Committee for Fisheries (STECF): Evaluation of 2003 data collection national projects undertaken under the Commission Regulation (EC) No 1639/2001. October 2004. http://ec.europa.eu/fisheries/publications/factsheets/legal_texts/sec_2004_1312_en.pdf

²² *Terms of Reference*, Annex 2, p.43: the "payments" category was considered the most representative of the Commission's expenditure on control and enforcement measures. However, total "commitments" amounted to over EUR 135 million.

- c. the assessment of the impact of fisheries on marine ecosystems using data collected under the new framework.

The data collected is used for the purposes listed above, and feeds through the discussions, debates, meetings and seminars taking place at the STECF. Moreover, most stock assessments undertaken in the EU are based on this data.

- A further 10% of the budget, or nearly EUR 12 million between 2007 and 2009, was spent on the improvement of scientific advice, building partnerships with scientific bodies and experts and coordinating the research effort.

The STECF was created in 1993 by the Commission and renewed in 2005, and is consulted on a regular basis on all matters relating to the CFP, in particular with regard to its biological, environmental, economic, social and technical aspects. The STECF is made of circa 30 members, including biologists, economists, fisheries technologists and environmental scientists, who meet in plenary with the Commission three times a year and produce annual reports on the status of fisheries resources, their development and the economic and environmental implications that these may have on the way the CFP is (or should be) enforced. Additional sub-group meetings are also carried out on a regular basis. Currently there are around 20 sub-groups developing work under the umbrella of the STECF.

Besides having created the STECF and implemented a Data Collection Framework., the Commission also set up Memorandum of Understanding with the International Council for the Exploration of the Sea (ICES²³) in 2004, renewed in 2007, in compliance with the CFP's requirement that decisions be made based on scientific advice that is independent from any political pressure²⁴. ICES is an international organisation made up of twenty member countries and five affiliate countries, and whose mission is to coordinate and promote marine-related research in the North Atlantic and Baltic Sea. It responds to the Commission's requests by providing specialist advice on a whole range of issues relating to the CFP.

The Commission also has a further administrative arrangement with the Joint Research Centre (JRC). The JRC, in particular within its JRC-FISHREG facility, besides its role as a research institute, operates closely with DG MARE on the implementation of some aspects of the CFP. It receives and holds the data collected and sent by MS some of which it uses to produce the Annual Economic Report (AER). It may perform other specific actions as instructed by DG MARE.

²³ <http://www.ices.dk/indexfla.asp>

²⁴ *Speech at the ICES Conference*, Dr. Joe Borg, Member of the Commission responsible for Fisheries and Maritime Affairs, 2005, http://ec.europa.eu/maritimeaffairs/speeches/speech81_en.html

2.3 Governance

2.3.1 The Regulatory Framework

The general objective 3 of the Regulation refers to ‘fisheries governance’²⁵ and focuses on financing measures for the strengthening of good governance structures within the CFP with a view to increasing stakeholder involvement in the fisheries management process:

*“EU financial measures ... shall contribute to the objective of involving stakeholders at all stages of the CFP, from conception to implementation, and of informing them about the objectives of, and measures relating to, the CFP, including, where appropriate, their social economic impact.”*²⁶

As reflected in DG MARE’s 2009 Annual Management Plan (AMP), the improvement of governance structures is to be achieved through the following 3 specific objectives:

1. To ensure and improve the proper functioning of the Advisory Committee for Fisheries and Aquaculture (ACFA), with a view to receiving timely and comprehensive advice on horizontal policy issues;
2. To ensure and improve the efficient functioning of the Regional Advisory Councils (RACs) in accordance with the objectives of the CFP and principles of sound financial management, especially as regards the Mediterranean;
3. To ensure that specific target audiences and other interested parties are appropriately and promptly informed of the Commission’s initiatives and EU actions on fisheries and maritime policies and have the opportunity to give their feedback (external communication).²⁷

Concrete expenditure measures included in the Regulation:

1. For ACFA²⁸: financial support for ACFA members to prepare and attend ACFA meetings; and support for ACFA representatives to participate at meetings of the RACs.
2. For RACs²⁹: contribution to their operating costs in the start-up phase³⁰ and to interpretation and translation costs.
3. For external communication³¹: the production and dissemination of documentary material (written, audiovisual and electronic) for the target groups concerned; and the outreach to wider audiences through the development of the DG Fisheries website and a regular publication, and the organisation of information and training seminars for opinion formers.

²⁵ See Art. 3 incise (d) of the Regulation.

²⁶ See Article 6 of the Regulation.

²⁷ See 2009 Annual Management Plan (AMP), version 23-12-2008, p.43-45.

²⁸ See Article 12 incises (a) and (b) of the Regulation.

²⁹ See Article 12 incise (c) of the Regulation.

³⁰ This was then amended by Council Decision (2007/409/EC), which stipulated the following: *“The grant allocated by the Community to each Regional Advisory Council for its operating costs shall not exceed 90% of the operating budget of the Regional Advisory Council. In the following years, the financial contribution shall be permanent and depend on the budget available. Each year, the Commission shall conclude with each Regional Advisory Council an “operating grant agreement” setting the precise terms and conditions and the procedure for the grant allocation”.*

³¹ See Article 12 incise (d) of the Regulation.

2.3.2 Implementation

The current section focuses on the Regional Advisory Councils, as the other areas mentioned above (ACFA and external communication) did not fall within the scope of this interim evaluation.

The creation of the RACs was one of the pillars of the 2002 reform of the CFP in response to the EU and stakeholders' desire to increase the latter's participation in the CFP process. The RACs are heavily involved in the policy consultation process, as they are to prepare "*recommendations and suggestions on fisheries aspects in the area they cover and transmit them to the Commission or to the relevant national authorities*" and they can do that, not only in response to a request from the Commission or Member States, but also on their own initiative.³²

The RACs are made up of representatives of the fisheries sector and other groups affected by the CFP (such as environmental NGOs and upstream industries). Scientists are also invited to participate in the meetings of the RACs as experts. The Commission and regional and national representatives of Member States may be present at the meetings as observers.

Initially, RACs benefited from a start-up aid on a degressive basis only for their first five years of operation. However, the Commission decided to propose an amendment to the RAC Council Decision in order to declare them as bodies pursuing an aim of general European interest. This change means that RACs now benefit from permanent funding from the EU budget. According to the current rules, EU co-funding can finance up to 90% of the operating RAC costs.

The establishment of the 7 RACs envisaged in the legal regulation is a bottom-up approach and it is up to interested parties in the different regions to make sure that these organs are actually created. Some of those originally envisaged in the founding regulation came to existence relatively late (e.g. Distant water fisheries in March 2007, South-western waters in April 2007, the Mediterranean Sea in September 2008).

Table 1 - Overview of the 7 RACs that have been established

| RAC | Operational since | Website | General Assembly | Seat |
|-----------------------------|------------------------|--|------------------|---------------------------|
| Baltic Sea | Mar 2006 | www.bsrac.org | 40 members | Copenhagen, Denmark |
| Mediterranean Sea | Sep 2008 ³³ | N/A | N/A | Rome, Italy |
| North Sea | Nov 2004 | www.nsrac.org | 33 members | Aberdeen, Scotland |
| North-western waters | Sep 2005 | www.nwwrac.org | 55 members | Dublin, Ireland |
| South-western waters | Apr 2007 | www.ccr-s.eu | 103 members | Lorient, France |
| Pelagic stocks | Aug 2005 | www.pelagic-rac.org | 39 members | Rijswijk, The Netherlands |
| Long Distance | Mar 2007 | www.ldrac.eu | 88 members | Madrid, Spain |

³² See http://ec.europa.eu/fisheries/cfp/governance/racs_en.htm

³³ See Commission Decision of 29 August 2008 declaring operational the Regional Advisory Council for Mediterranean Sea under the CFP. The statutes of the Mediterranean RAC are available since June 2008. See http://www.fishsec.org/downloads/1243971352_87718.pdf. In practice however, there is no evidence that the Mediterranean RAC is fully operational but it appears to be in the process of being established.

An internal review of the functioning of the RACs was carried out by the Commission in June 2008³⁴, following the review requirements of the 2004 Council decision establishing the RACs. Overall, the Commission's report concluded that the legal framework had proved to be generally satisfactory and that it had enabled the creation of the RACs and guided their functioning.

2.4 International relations in the area of the CFP

2.4.1 The Regulatory Framework

The general objective 4 of the Regulation refers to 'International relations and the Law of the Sea (LoS)³⁵ and grants financial support for the conclusion of fisheries agreements with third countries, including bilateral partnership agreements, and participation in regional / international management and advisory organisations relating to fisheries or the LoS. The main objective is to:

*"...contribute to the funding of measures designed to ensure long-term conservation and sustainable exploitation of fisheries resources on the high seas and in third country waters."*³⁶

Community financing in the international relations area is to contribute to the following specific objectives:

1. In the area of the negotiation and conclusion of Fisheries Partnership Agreements: protecting employment in the Community regions dependent on fishing; guaranteeing the continued existence and competitiveness of the Community's fisheries sector; contributing, through partnership, to a better management of fisheries resources in third country waters and to a better use of Community funds; ensuring adequate supply for the Community market.³⁷
2. In the area of the Community's involvement in regional and international organisations³⁸: contributing through an active presence in regional and international bodies to the conservation and sustainable exploitation of fishery resources at international level by adopting appropriate management measures for these resources.³⁹

In the area of international relations Community financing may contribute to the following measures:

- expenditure arising from fisheries agreements and fisheries partnership agreements with third countries;
- expenditure arising from the Community's mandatory or voluntary contributions to the funds of international organisations, including United Nations bodies;

³⁴ COM(2008) 364 Communication from the Commission to the Council and the European Parliament – Review of the functioning of the Regional Advisory Councils.

³⁵ Council Regulation (EC) No 861/2006 of 22 May 2006 establishing Community financial measures for the implementation of the common fisheries policy and in the area of the Law of the Sea. See Art. 3 incises (f) and (g) of the Regulation.

³⁶ Introduction to the Regulation, point (20)

³⁷ See Article 7 incises 1(a) to 1(d) of the Regulation.

³⁸ See Commission communication of 8 December 1999 "Community participation in Regional Fisheries Organisations (RFOs)" [COM(1999) 613

³⁹ See Article 7 incise 2 of the Regulation.

- contributions to preparatory works for new organisations or treaties relating to fisheries or to the law of the sea which present a particular interest for the Community;
- voluntary contributions to scientific work or programmes conducted by international organisations which present a particular interest for the Community;
- costs of participation in relevant meetings and negotiations hosted by international organisations.⁴⁰

2.4.2 Implementation

1. Fisheries Partnership Agreements (FPAs)

The EU has a substantial number of agreements with third countries which give the EU fleet access to fishing waters of these third countries. After the reform of the CFP in 2002, the agreements were transformed from the traditional access arrangements in place since the 1970s to partnerships for the development of sustainable and responsible fisheries.

The aim of the new generation of agreements is to promote responsible and sustainable fisheries in the waters of third countries by providing the European fleet with access to surplus fish resources in the territorial waters of those countries and by supporting their fisheries policies. The specific conditions of the agreements – including the objectives, the budgetary planning, and the conditions for assessing the results and progress achieved – are laid down in “protocols”, each of which runs for a period of several years.

The main procedural elements of the new agreements entail an improvement of the political dialogue with the partner countries and stakeholders in the sector and an increased emphasis on the analysis of potential impacts, control and implementation of the agreements. These elements are meant to encourage better take-up of fisheries policy by the beneficiary countries. The idea behind the agreements is to assist the third countries with putting in place their own fisheries policies in order to help them achieve economic development while protecting their fish resources.

Agreements with countries which have the means to exploit their own resources – mainly Northern European countries – usually take the form of a straightforward exchange of quotas. In the case of countries which do not fully exploit their fishery resources (mainly ACP countries, but also Greenland), the EU concludes fisheries partnership agreements, with a financial contribution for access to their fishing zones.

The table below provides an overview of the FPAs that are or have been in place with third countries over the evaluation period with a financial contribution by the EU.⁴¹

⁴⁰ See Article 13 of the Regulation.

⁴¹ It should be noted that after the entry into force of the Treaty of Lisbon (1 December 2009), the pillar structure ceased to exist, and the legal personality of the *European Community* pillar was transferred to the newly consolidated *European Union*.

Table 2 - overview of the FPAs that are or have been in place with third countries over the evaluation period

| Country | Protocol Duration (in years) | Protocol timeframe (valid until) | Type of FPA | Annual EU contribution (in EUR) | EU contribution earmarked for support of sectoral fisheries policy |
|--------------------------------|------------------------------|----------------------------------|-------------|---------------------------------|--|
| Cape-Verde | 4.5 | 31.08.11 | Tuna | 385.000 | 100% |
| Comoros | 6 | 31.12.10 | Tuna | 390.000 | 60% |
| Côte d'Ivoire | 6 | 30.06.13 | Tuna | 595.000 | 100% |
| Gabon | 6 | 02.12.11 | Tuna | 860.000 | 60% |
| Greenland | 6 | 31.12.12 | Mixed | 15.847.244* | 21% |
| Guinea | 4 | 31.12.12 | Tuna | 1.050.000** | 100% |
| Guinea- Bissau | 4 | 15.06.11 | Mixed | 7.500.000 | 39% |
| Kiribati | 6 | 15.09.12 | Tuna | 478.400 | 30% 1 st yr; 40 % 2 nd yr 60 % as from 3 rd yr |
| Madagascar | 6 | 31.12.12 | Tuna | 1.197.000 | 80% |
| Mauritania | 4 | 31.07.12 | Mixed | 86.000.000** | 11 million EUR / year increasing in the following years |
| Micronesia | 3 | 25.02.10 | Tuna | 559.000*** | 18% |
| Morocco | 4 | 27.02.11 | Mixed | 36.100.000 | 37% |
| Mozambique | 5 | 31.12.11 | Tuna | 900.000 | 100% |
| São Tomé & Príncipe | 4 | 31.05.10 | Tuna | 663.000 | 50% |
| Seychelles | 6 | 17.01.11 | Tuna | 5.355.000 (from 17.01.08) | 56% (as from 17.01.08) |
| Solomon Islands | 3 | 08.10.09**** | Tuna | 400.000 | 30% (120.00) |

* Includes €1.5M financial reserve for additional fishing opportunities (i.e. cod & capelin) which is not necessarily utilised ** 1st year, decreasing the following years ***New protocol initialled
**** New agreement initialled

2. Regional Fisheries Management Organisations (RFMOs)

Regional Fisheries Management Organisations (RFMOs) are international bodies entrusted to ensure the conservation and sustainability of the fisheries resources of the high seas, areas which fall outside the jurisdiction of the individual states. RFMOs are the main vehicle for multilateral cooperation amongst governments, providing a legal framework that can take into account the specific features of each zone and species concerned.

The role played by RFMOs has progressively been expanded. Initially focused on formulating opinions on conservation and resource management issues, RFMOs currently issue recommendations on management and regulation competences. In particular, RFMOs tend to take four kinds of regulatory decisions, determining:

- fishing limits (total allowable catches, maximum number of vessels, duration and location of fishing);
- technical measures (definition of how fishing activities must be carried out, permitted gear and technical control of vessels and equipment);
- control measures (monitoring and surveillance of fishing activities);
- measures to combat illegal, unreported and unregulated fishing (IUU) and destructive fishing practices.

As a rule, RFMOs have an executive body, a scientific body, a secretariat and subsidiary bodies (finance committee, implementing committee and a statistical committee). These bodies are made up of representatives of the contracting parties meeting at least once each year in full session. They are assisted by working parties.

As a major fishing power, the EU plays an active role within these organisations. It is represented by the Commission, which in turn is assisted by Member States representatives and other relevant stakeholders from the fisheries sector. The EU is currently a contracting party to the following RFMOs:

Table 3 – List and status of RFMOs

| RFMO | Acronym | Website | Jurisdiction | In force since |
|--|---------|--|------------------|----------------|
| Western Central Atlantic Fishery Commission | WECAFC | www.fao.org/fishery/rfb/wecafc/en | Atlantic Ocean | 1973 |
| North-West Atlantic Fisheries Organisation | NAFO | www.nafo.int | Atlantic Ocean | 1979 |
| North-East Atlantic Fisheries Commission | NEAFC | www.neafc.org | Atlantic Ocean | Nov 1982 |
| North Atlantic Salmon Conservation Organisation | NASCO | www.nasco.int | Atlantic Ocean | Oct 1983 |
| Int. Commission for the Conservation of Atlantic Tuna | ICCAT | www.iccat.int | Atlantic Ocean | 1969 |
| South-East Atlantic Fisheries Organisation | SEAFO | www.seafo.org | Atlantic Ocean | Apr 2003 |
| Commission for the Conservation of Antarctic Marine Living Resources | CCAMLR | www.ccamlr.org | Antarctica | 1982 |
| General Fisheries Commission for the Mediterranean | GFCM | www.gfcm.org | Mediterranean | 1949 |
| Western and Central Pacific Fisheries Commission | WCPFC | www.wcpfc.int | Pacific Ocean | Jun 2004 |
| Indian Ocean Tuna Commission | IOTC | www.iotc.org | Indian Ocean | Mar 1996 |
| Inter-American Tropical Tuna Commission | IATTC* | www.iattc.org | E. Pacific Ocean | 2004 |
| Agreement on the International Dolphin Conservation Program | AIDCP | www.iattc.org/IDCP/ENG.htm | E. Pacific Ocean | 1999 |

* The EU participated regularly in the IATTC meetings as an observer since before 1999, and became a co-operating non-Party 2004 when the IATTC adopted the use of this status. A revised Convention will enter into force in 2010, as a result of which the EU will become a Contracting Party.

It should be noted that the EU is in the process of adhering to the Commission for the Conservation of southern Bluefin Tuna (CCSBT), and RFMOs to which the EU is currently an observer. In addition, the Southern Indian Ocean Fisheries Agreement was concluded in 2006 but has not yet entered into force. When this occurs the EU will be a contracting party as it has already concluded its ratification process. The South Pacific Regional Fisheries Management Organisation is currently in the final stages of negotiation and the EU will become a Party on the entry into force. The EU has financial obligations to these organisations through the compulsory payment of annual contributions. Furthermore, it has the possibility of making voluntary contributions to the operations of these organisations, which is already the case for the South Pacific RFMO where the EU will be co-financing research activities of the most important economic species.

The Community attaches utmost importance to its participation in RFMOs. Financial assistance to RFMOs can be made “*for implementing responsible fisheries wherever its interests are at stake, in particular by participating actively in the establishment of the legal and economic order that is the competence of the RFMOs*”⁴². Contributions can take the following forms:

- Cooperative initiatives and programmes implemented by RFMOs outside their regular budget, which require *ad hoc* (voluntary) funding;
- Support to the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes;
- Representation costs (i.e. participating in meetings and negotiations hosted by RFMOs).

⁴² See 2009 Annual Management Plan (AMP), version 23-12-2008, p.28-29.

3.0 THE EVALUATION APPROACH AND METHODOLOGY

Given the varied nature of the measures financed under the Regulation within the four subject areas, this evaluation was in many ways more like four separate evaluations in one. The types of interventions that were evaluated and the specific aspects that the Commission was most interested in varied from area to area, with important consequences for the approach, methods and tools that were employed.

In order to do justice to this fact, the evaluation team was split into four thematic groups, each led by a thematic team leader with a relevant fisheries background. These groups developed tailored approaches and methodologies for the evaluation of each subject area, which are described in more detail in Annex 6 to this report. As a result, the data collection and analysis was undertaken largely independently for each area. The main data collection methods can be summarised as follows:

- Review of existing data sources: In all four areas, large amounts of relevant data and information were gleaned from existing reports, statistics, legal documents, evaluations etc. The evaluation team undertook a systematic review of these sources, identified and extracted data and matched it to the indicators.
- Generation of data through participatory methods: To complement the data that is already available, the evaluators engaged relevant actors and stakeholders, both to fill gaps in the available quantitative data, and to generate additional qualitative data (related to aspects such as their assessment, views and experiences of certain measures or issues, specific problems and possible solutions, etc.). This was achieved through a range of tools, including data collection questionnaires, interviews, and surveys.

Depending on the subject area in question, the balance between these two main approaches varied. There are also areas where the subject area was potentially very broad, and the evaluation had to employ case studies to focus on specific aspects from which to extrapolate to the wider subject. Summing up briefly (for more detail please consult Annex 6):

- Control and enforcement (area 1): The data that was required to answer the evaluation questions was of a largely quantitative nature, and required a significant amount of sophisticated data analysis and modelling. To complement the data that was available from the Commission and other sources, a questionnaire was sent to the national fisheries authorities of all 22 coastal Member States.
- Conservation, data collection and scientific advice (area 2): To assess the measures financed under articles 9, 10 and 11 of the Regulation, the evaluation team used budgetary and other data from sources including the Commission, ICES, STECF, and others. A questionnaire was also sent to users of the data provided under the DCF to gauge their level of satisfaction.
- Governance (area 3): To evaluate the RACs (and in particular their financial management rules and processes), the data from available reports and documents was complemented by information generated through interviews with the Executive Secretaries of all six RACs that were reviewed and a sample of representatives of Member States and regional authorities, as well as an online survey of RAC members.
- International relations (area 4): For the FPAs, a significant amount of relevant data was available from previous evaluation reports; this was complemented by data collected through a questionnaire to a sample of eight partner countries. A questionnaire was also sent to six

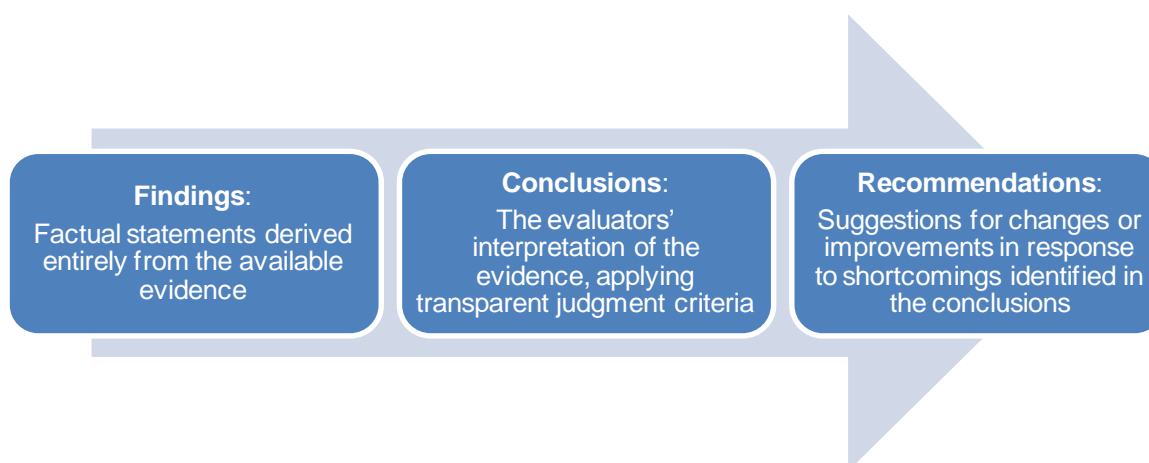
RFMOs, and more details on a sample of specific measures for which co-financing was provided were collected through the review of project documentation and direct contact with RFMOs.

It should be noted that in some instances, the scarcity of available information, and the short time frame for collecting / generating additional data, mean that the evaluation results are subject to certain limitations. This is especially the case where data was requested from national authorities (both from Member States and third countries). Specific information on the data situation and limitations, as well as the response rates to the different data collection approaches, is also contained in Annex 6.

The overall analytical framework for this evaluation consists of the evaluation questions, judgment criteria and indicators contained in Annex 5 to this report. It expands on the questions and indicators defined by the Commission, shows how these were interpreted and also what data the evaluators used.

The main analytical steps that were followed to arrive at sound and relevant evaluation results can be summarised as follows:

1. Findings: A summary of the key data found for each individual indicator was developed. These findings are entirely factual, and provide the evidence base for the ensuing analysis and judgments (see section 4 of this report and Annexes 1 to 4).
2. Conclusions: A value judgment in the form of an answer to each of the specific evaluation questions was formulated. This was based on the evidence outlined previously, and take into account the success criteria as defined in the analytical framework (see section 4 of this report and Annex 5).
3. Recommendations: Where appropriate, the evaluators identified ways of addressing any shortcomings or problems identified, and briefly tested them for their practicality and realism. Where required, possible risks, advantages and disadvantages were also outlined.



4.0 EVALUATION RESULTS

The following section summarises the main results of the evaluation in each of the four subject areas. It presents key findings, conclusions and – where appropriate – recommendations in relation to each of the evaluation questions. More detailed findings and data in relation to each of the indicators that were used can be found in Annexes 1 to 4 to this report.

4.1 Control and Enforcement

In the area of control and enforcement, the evaluation set out to answer the following evaluation questions:

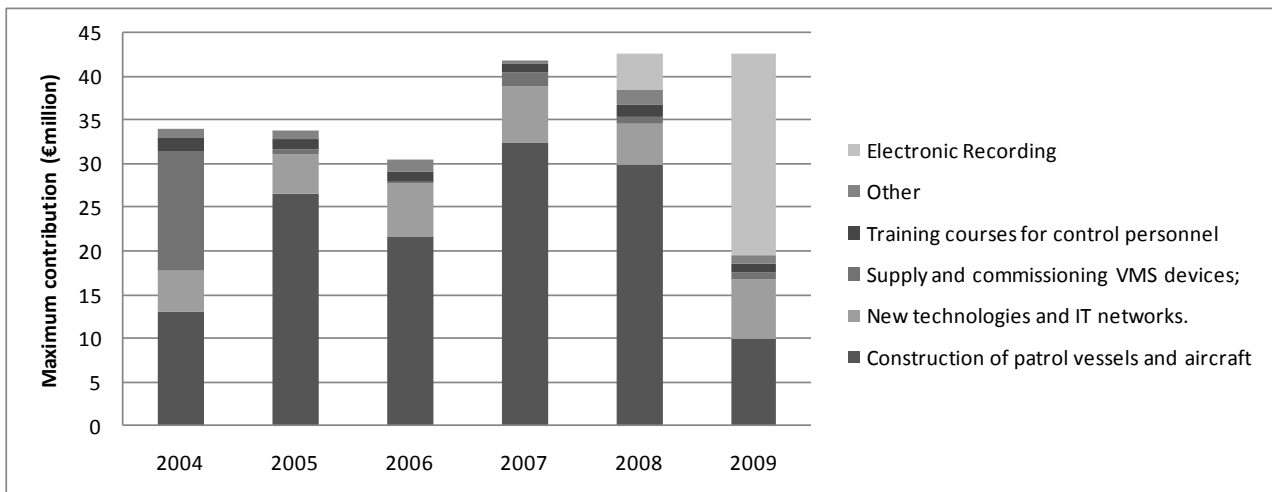
| Activities | Evaluation criterion | Specific evaluation questions |
|---|----------------------|--|
| Financial contribution to MS expenses in the field of control (article 8 a) | Relevance | 1. To what extent is the co-financing of MS' fisheries control programmes still relevant? |
| | Economy | 2. To what extent does the co-finance scheme facilitate that resources are available in due time, in appropriate quantity and quality at the best price? |
| | Effectiveness | 3. <i>Concerning the target 'Sufficient investment by MS in equipment and human capital':</i> To what extent have the funds allocated to MS been utilised? |
| | | 4. <i>Concerning the target 'Sufficient investment by MS in equipment and human capital':</i> In how far are MS' control, inspection and surveillance activities of a uniform quality? |
| | | 5. <i>Concerning the target 'Effective implementation of the CFP'</i> To what extent have the different expenditure categories co-financed by the EU helped to achieve an effective implementation of the CFP? |
| | Efficiency | 6. <i>Concerning the target 'Sufficient investment by MS in equipment and human capital':</i> How much work had to be invested to achieve the (hopefully high) execution rates? |
| | | 7. <i>Concerning the target 'Sufficient investment by MS in equipment and human capital':</i> How much money had to be invested to achieve the uniformity of inspections? |
| | | 8. <i>Concerning the target 'Effective implementation of the CFP'</i> How much money had to be invested to achieve the increased effectiveness of the CFP? |

4.1.1 To what extent is the co-financing of MS' fisheries control programmes still relevant?

A) Key findings

“Maximum contributions”, which represent the expenditure eligible for co-funding after the co-finance rate had been applied, have increased in nominal terms by 25% from 2004 to 2009, with a sharp increase experienced from 2007 onwards. There have been two major changes over this period. The first change was a substantial shift in the funding away from VMS to a new category that is described as Electronic Recording. This has resulted directly from a shift in demand from MS; as fleets have become more or less fully VMS equipped, they are seeking increasingly to integrate electronic data reporting into the system. The second change was a significant reduction in the funding allocated to the Construction of Patrol Vessels and Aircrafts after 2007; this category represented over three quarters of the overall maximum contributions in 2005, a proportion which fell to less than a quarter in 2009.

Figure 1 – Sum of Maximum Contributions per category of eligible expenditure by year 2004 to 2009



Source: EU Financing Decisions 2004-2009

Whilst the Commission's procedures in place for co-funding were not perceived as major impediment to MS, a few comments were made by MS, including:

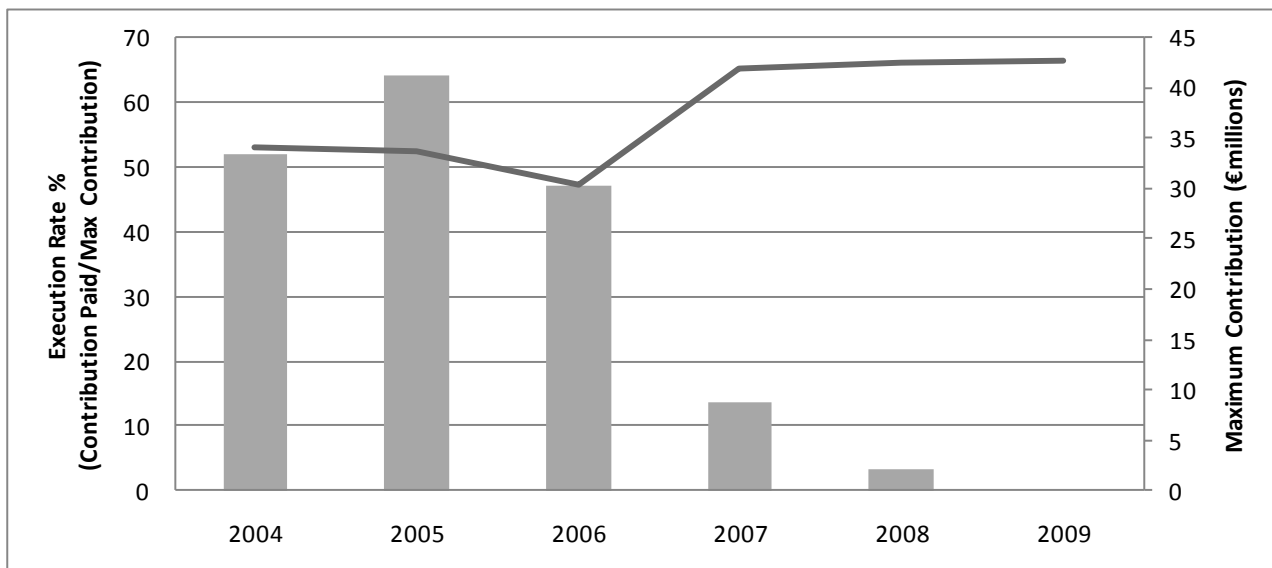
- The Commission's priorities for co-financing may not always mirror MS priorities;
- More financing could be usefully allocated in the area of administration, which could lead to improvements in the quality of reporting.
- There is some difficulty in applying for co-financing for longer term projects when not all of the costs can be anticipated at the outset; allowing applications for additional co-financing once long term projects (e.g. vessel construction) are underway would mitigate this.

The execution rate calculated for projects that have been allocated co-financing in recent years underestimates the true execution rate, because the projects are still on-going and payments by the Commission are only made once the expenditure has been incurred and invoices sent in by the MS (Figure 2). Looking only at the 2004-2006 period, for which most projects have now been completed, the overall execution rate was 55%, although rates have varied significantly between different expenditure categories. The category with the highest uptake has been the construction of patrol vessels and aircraft. The execution rate in the category for the period 2004-2006 was 67%. In

2004 and 2005 it was more than 70%, falling to 55% in 2006 (possibly indicating that invoicing for some longer term construction projects is incomplete). The next highest rate was for projects in the category the supply and commissioning of VMS at 40% (the majority of the projects in 2004); uptake of projects in new technologies and IT networks was 34% and for training courses it was 26%.

These differences between categories are not surprising. The construction of vessels and aircraft is expensive and requires significant planning; projects are not implemented without substantial justification. Of the 82 projects in this category that were eligible for co-financing over the period 2004 to 2006, just over half (44) received some level of payment (all but 4 more than 50%), and nearly one quarter (19) received 100% of their Maximum Contribution. In the case of VMS projects, these are associated with a specific obligation of MS to install devices on their vessels, hence a high execution rate is to be expected. In this case, out of a total of 21 projects that were allocated funding (17 of them in 2004), eight did not take it up.

Figure 2 – Execution rate (Contribution Paid/Maximum Contribution – columns, as of June 2010) and Maximum contribution (line) across all projects 2004 to 2009



Between 2004 and 2009, across all MS a total of 497 projects, with a total budget of EUR 963million did not receive co-financing. Five MS (Denmark, Spain, Estonia, Ireland and Netherlands) returned questionnaires that listed a total of 17 individual projects over this period that were rejected by the Commission, but were nevertheless implemented by the MS. The total budget of the implemented projects was EUR 8.7 million, which is 5.7% of the total planned expenditure across all rejected projects (EUR 152 million) in these MS. This suggests an execution rate that is significantly lower than for projects that did receive co-financing. A further seven MS provided questionnaire responses that indicated none of the rejected projects had been implemented. The actual execution rate of rejected projects across all MS is therefore probably lower than that indicated above

B) Conclusions and recommendations

In summary, the execution rate of projects deemed eligible for co-financing is significantly greater than that of ineligible projects. This is particularly true of both large projects such as the construction of vessels and aircraft, and time critical projects such as the installation of VMS devices to meet EU regulations. While this is perhaps to be expected, and we cannot determine what would have been the case if financing had not been granted to eligible projects, the significant difference suggests that the co-financing decisions of the Commission do induce MS to implement projects that they

would otherwise not consider. A few MS identified aspects of the Commission's financial support delivery model that they would like to see modified (i.e. closer alignment with MS priorities, additional funding for administration and allowance for additional applications once projects are underway), but the increasing demand for co-funding and the high execution rates of projects for which co-funding is approved indicate the relevance of the EU's intervention as a tool contributing to more uniform implementation across MS of projects aimed at effective implementation of the CFP.

4.1.2 To what extent does the co-finance scheme facilitate that resources are made available in due time, in appropriate quantity and quality at the best price?

A) Key findings

To answer this evaluation question, it is important to consider the co-financing of projects that have the relevant characteristics. The obligation of MS to meet the requirements for installation of VMS on EU vessels has these relevant characteristics: (i) there are clear deadlines by which vessels in specific categories must have VMS installed⁴³; (ii) the vessels that must meet the requirements are clearly identified; (iii) the equipment installed must meet the required specifications; and (iv) information on price is available from MS across the EU. The evaluation therefore examined the concrete case of the compliance with obligations relating to VMS equipment.

Quantity

Based on information recorded in the Community Fleet Register (CFR), Belgium, Portugal and the UK were the only MS to have 100% VMS coverage on vessels >24m by the January 2000 deadline, with Denmark very close at 95%. Just over a third of vessels >24m were equipped with VMS by the deadline, but most MS were showing over 90% VMS coverage on these vessels by 2009. The exceptions were the Netherlands and Romania.

With regards to the 18-24m vessels, which were required to be equipped with VMS by January 2004, a total of 5 MS had full VMS coverage by the deadline, i.e. two more than was the case with the over-24m vessels. In the case of the 15-18m vessels, the number of MS meeting the VMS requirement by the January 2005 deadline was higher again at 6. This indicates that MS might have learnt from the experience of the over-24m sector five years earlier, and were therefore better prepared for implementation in the 18-24m and 15-18m categories. Overall, 59% and 52% of vessels in the 18–24m and 15-18m categories respectively complied with the VMS obligation by the deadlines.

Overall, although most MS did not meet the deadlines for installing VMS on vessels, there has been a substantial increase in coverage during the subsequent years, and **most MS showed 90–100% coverage for all length classes in 2009**. Notably, Greece and Italy increased coverage in the 15–18m sector from 7% and 0% respectively at the deadline date, to 88% and 95% respectively in

⁴³ By 30 June 1998: certain categories of vessels >24m loa (Art. 3(1) of amended 1993/2847/EC); By 01 January 2000: all categories of vessels >24m loa (Art. 3(2) of amended 1993/2847/EC); By 01 January 2004: vessels >18m loa (Art. 2(1)(a) of 2003/2244/EC); By 01 January 2005: vessels >15m loa (Art. 2(1)(b) of 2003/2244/EC). Certain vessels may be exempted from the requirements (e.g. fishing vessels used exclusively for exploitation of aquaculture and operating exclusively inside the baselines of Member States).

2009. By July 2009, compliance across the EU fleet as a whole was nearly 96% for >24m vessels, 98% for 18–24m vessels and 95% for 15–18m vessels.

It should be noted that although MS are obliged to update the Fleet Register whenever changes occur in the fleet, many records in fact appear to be significantly out-of-date, which may mean that VMS coverage is in fact higher than the data suggest. Also, the CFR contains some vessels that fall outside the VMS obligations (hence we have looked at the achievement of 90% coverage as well as 100% coverage).

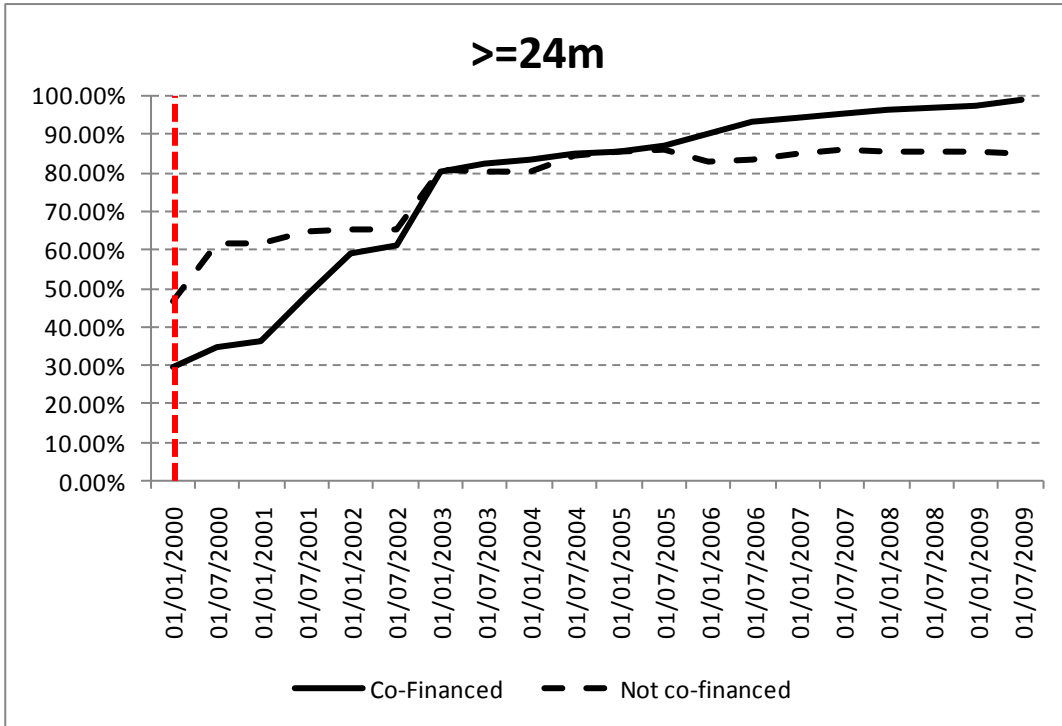
Time

According to the CFR data **there have been significant delays in some MS in complying with the VMS obligations**. For the >24m vessels, some MS have not yet reached 90% coverage, nearly 10 years past the deadline by which VMS should have been fitted on all vessels. The average delay across all MS for >24m vessels was 2.9 years for 90% coverage and 4.3 years for 100% coverage. Average delays in meeting the VMS obligations for 18–24m vessels were shorter, being 1.4 years for 90% coverage and 2.6 years for 100% coverage. On the other hand, average delays for meeting the obligations for the 15–18m vessels were slightly longer: 1.9 years for 90% coverage and 2.9 years for 100% coverage, which may be due to a larger proportion of such vessels being exempt from the VMS obligations. We note again, however, the problems associated with using the Fleet Register data for this purpose.

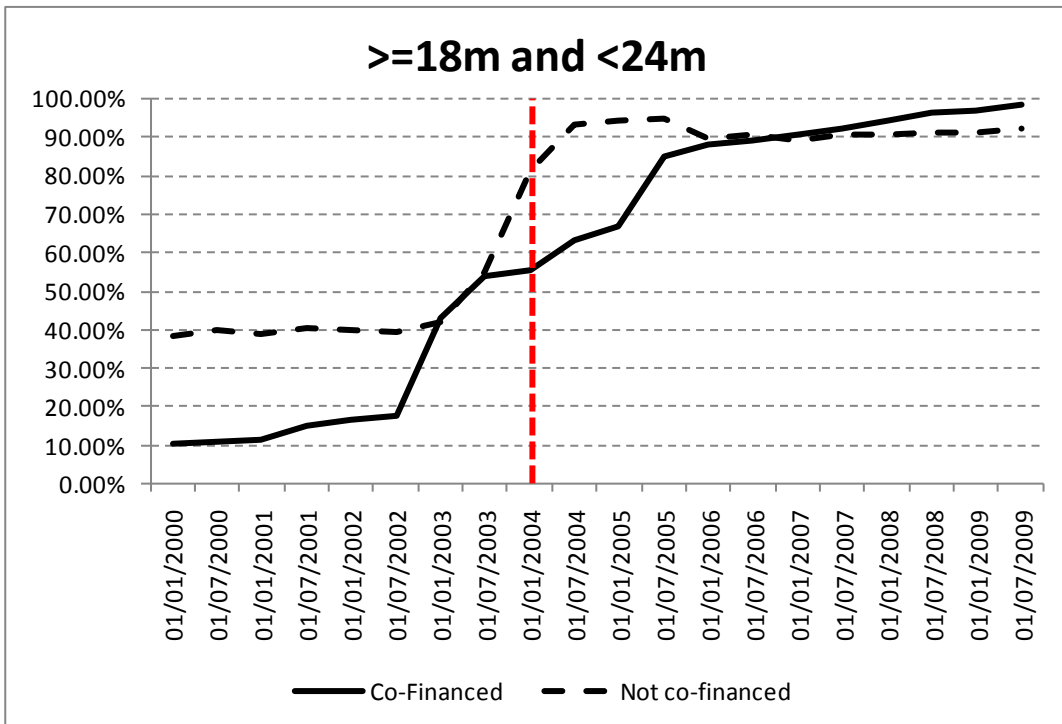
Figure 3 (a-c) illustrates the effect of co-financing on the change over time in proportion of vessels with VMS installed. These graphs show clearly that the countries that received co-financing benefitted from it in that their VMS compliance rate increased significantly more than that of vessels from MS that did not receive co-financing. In each of the three size classes, the proportion of vessels with VMS installed for MS that received co-financing starts the period lower, but finishes the period higher, even though compliance at the time of the deadline was higher for vessels from MS that did not receive co-financing. This suggests that co-financing for VMS installations was targeted at those MS that needed the most assistance.

Figure 3 – Percentage of vessels with VMS, by size class and receipt (or not) of co-financing 2000–2009. Source: Community Fleet Register. VMS obligation dates for each vessel category indicated by vertical dashed lines.

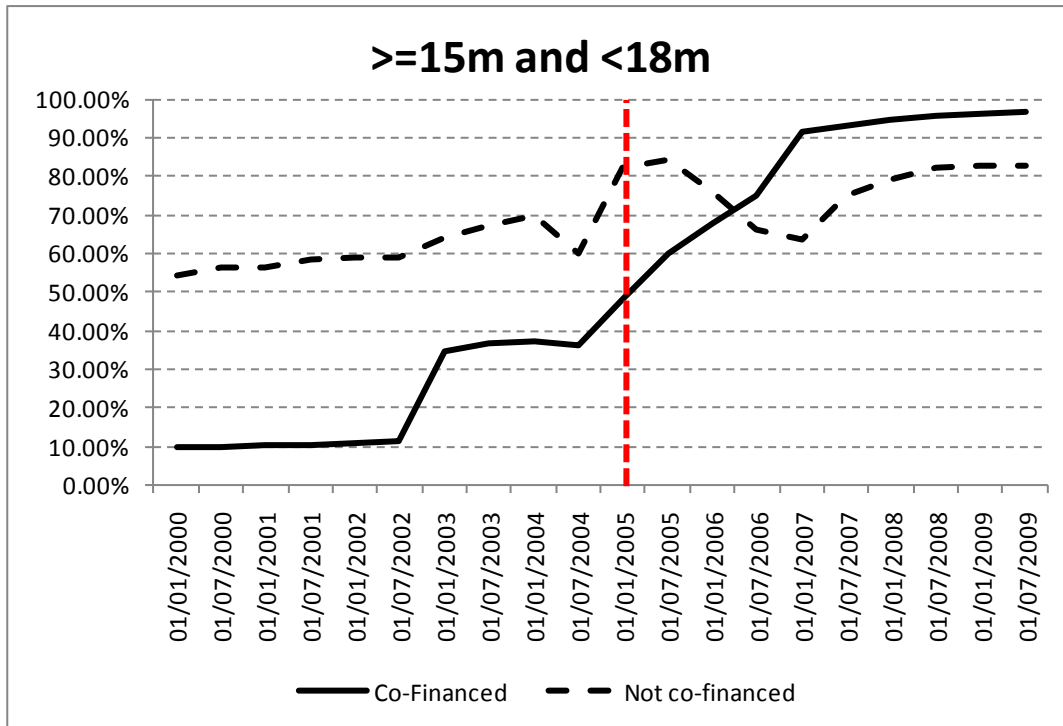
(a) Over-24m vessels



(b) 18-24m vessels



(c) 15–18m vessels



Price

An analysis of the range in price of VMS transponders across MS provides an indication of whether units were provided at best price, although it is important to note that price variations do arise for reasons other than economy (e.g. specifications of the VMS systems required, the year when the units were budgeted for - the cost of VMS units has dropped over time, the quantity bought and the variations in local supplier prices). There was just over a five-fold difference between the cheapest budgeted unit and the most expensive. However, 80% of the 15 MS for which data were available showed average prices in the range: between EUR 2,000 and EUR 5,500 per unit.

B) Conclusions and recommendations

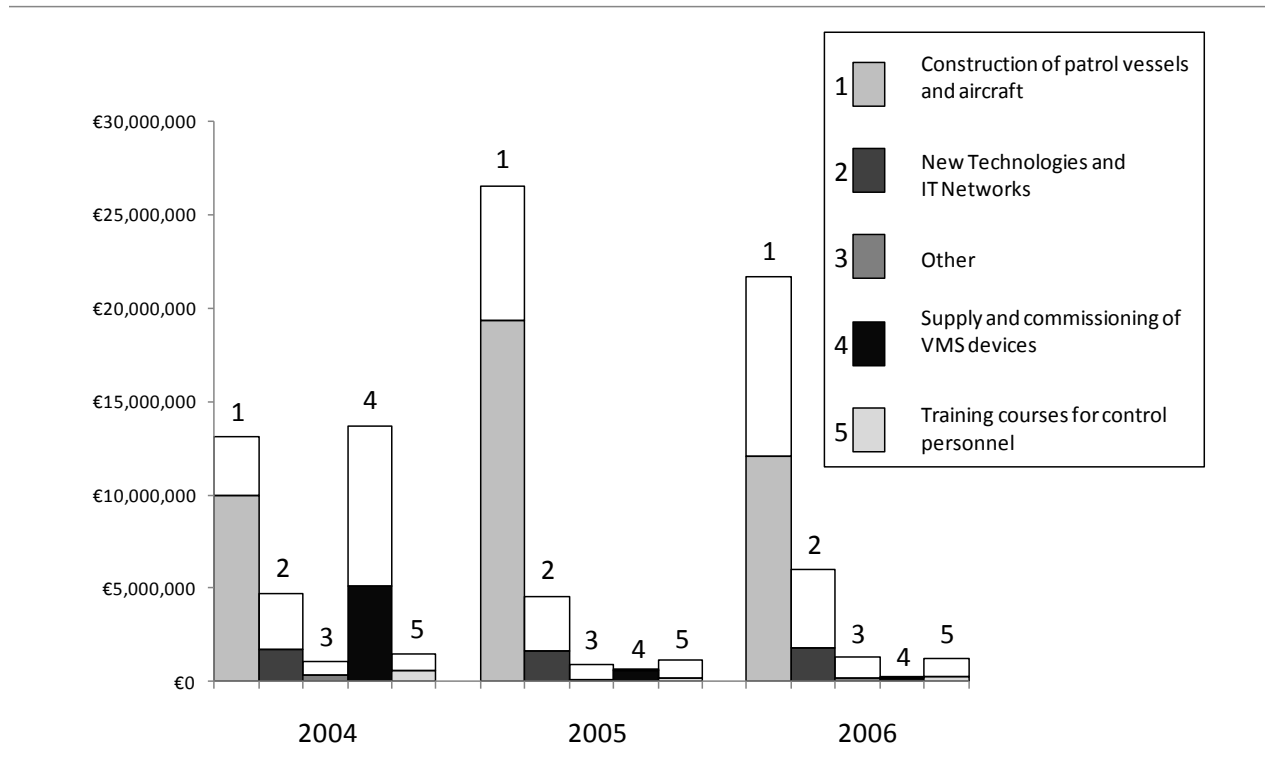
There has been a steady increase in the percentage of vessels in the fleet with VMS, and EU co-financing appears to have supported this shift. The MS for which the Commission has provided substantial co-funding all had good VMS coverage in their fleets at the beginning of 2009, while some MS that have received no or very little co-financing for VMS from the Commission show lower levels of VMS coverage. While percentage vessel coverage at the time of the deadlines appears to have been better overall for those MS that did not receive co-financing, the coverage increased significantly more over the period 2000-2009 for MS that did receive co-financing than for those that did not. This suggests that co-financing for VMS installations was targeted effectively at those MS that needed the most assistance.

4.1.3 To what extent have the funds allocated to MS been utilised?

A) Key findings

The findings under Relevance demonstrate the Execution Rate of fisheries control programmes by expenditure category. The findings presented in that section address this specific evaluation Question:

Figure 4 - Execution Rate by Expenditure Category by year 2004 to 2006 (as of June 2010): the columns indicate the total Maximum Contribution and solid colour portions indicate the amount actually paid



Source: EU Financing Decisions (Maximum contributions) and European Commission Follow-up Tables (Contribution Paid) 2004-2006

B) Conclusions and recommendations

Highest execution rates are shown by large projects such as the construction of vessels and aircraft, and time critical projects such as the installation of VMS devices to meet EU regulations.

4.1.4 In how far are MS' control, inspection and surveillance activities of uniform quality?

A) Key findings

Simple bivariate regression analysis enabled the evaluation team to isolate key relationships in order to measure the extent to which Member States' control, inspection and surveillance activities are of a uniform quality. These included:

- *The relationship between the number of port inspections and the coastline length in a range of Member States and over time: the analysis has shown that a positive relationship has*

emerged and strengthened over time, particularly after 2005, as the average ratio of port inspections/coastline length increased and became more statistically significant.

Table 4 – Regressions results: port inspections vs. coastline length

| years | Beta ⁴⁴ | R2 ⁴⁵ | p-Value ⁴⁶ |
|-------------|--------------------|------------------|-----------------------|
| 2000 | 0.977616 | 0.257612 | 0.244903 |
| 2001 | 0.646154 | 0.01975 | 0.763772 |
| 2002 | 0.390949 | 0.043393 | 0.692055 |
| 2003 | 0.644905 | 0.255505 | 0.201299 |
| 2004 | 0.273053 | 0.031945 | 0.559068 |
| 2005 | 0.669297 | 0.069671 | 0.383531 |
| 2006 | 1.465658 | 0.640541 | 0.001768 |
| 2007 | 1.49063 | 0.662104 | 0.002309 |
| 2008 | 1.640335 | 0.601643 | 0.008369 |
| 2009 | Insufficient data | | |

Source: MS Annual National Control Reports 2000-2009, TEP & MRAG Calculations

- The relationship between the number of port inspections and number of landings in a range of Member States and over time: similarly, the relationship has developed and strengthened over time, and corroborates the findings above.

Table 5 – Regressions results: port inspections vs. number of landings

| years | Beta | R2 | p-Value |
|-------------|-------------------|----------|----------|
| 2003 | 0.033424 | 0.963717 | 0.12201 |
| 2004 | 0.029972 | 0.288141 | 0.350952 |
| 2005 | 0.043167 | 0.827997 | 0.00066 |
| 2006 | 0.020395 | 0.329993 | 0.050756 |
| 2007 | 0.034306 | 0.751048 | 0.001175 |
| 2008 | 0.035499 | 0.800345 | 0.001127 |
| 2009 | Insufficient data | | |

Source: MS Annual National Control Reports 2000-2009, TEP & MRAG Calculations

⁴⁴ This measures the extent of relationship between the variables under scrutiny. In this case, an increase of 1 unit in coastal length led to an increase of 0.97 units in the number of port inspections in 2000, and an increase of 1.84 units in the number of port inspections in 2009.

⁴⁵ The R-Squared value is a Statistical measure of how well a regression captures the relationship between the dependant and the explanatory variables. The closer it gets to 1, the more significant and reliable the model becomes.

⁴⁶ P-Value is an indicator of the statistical significance of the coefficient (Beta). A p-Value of less than 0.05 indicates that the coefficient is statistically significant at the 95% confidence level. The smaller the p-Value, the more significant the statistical relationship depicted in the Beta column.

- *The relationship between the number of at-sea inspections and the number of >12m vessels in a range of Member States and over time: the pattern here was similarly striking, indicating that the number of inspections per vessel has increased over the 2002-2008 period.*

Table 6 – Regressions results: at-sea inspections vs. number of >12m vessels

| years | Beta | R2 | p-Value |
|-------|----------|----------|----------|
| 2000 | NA | NA | NA |
| 2001 | NA | NA | NA |
| 2002 | -0.62164 | 0.01375 | 0.763837 |
| 2003 | 0.346888 | 0.026152 | 0.677653 |
| 2004 | 0.432734 | 0.058445 | 0.449049 |
| 2005 | 0.564741 | 0.052767 | 0.410178 |
| 2006 | 1.887407 | 0.314765 | 0.036859 |
| 2007 | 2.549714 | 0.860547 | 1.38E-05 |
| 2008 | 2.502864 | 0.62727 | 0.006317 |

Source: MS Annual National Control Reports 2000-2008, TEP & MRAG Calculations

B) Conclusions and recommendations

This analysis indicates that:

- Where there is a statistically significant relationship between the independent and dependent variables, the relationship is positive (shown by the positive beta coefficients). i.e. the larger the control task, the larger the inspection effort.
- The relationships become statistically significant in the period 2005/2006 and remain so afterwards, with increasing R-Squared. This suggests that there is increasing uniformity amongst MS in the amount of control effort applied to the control task.

4.1.5 To what extent have the different expenditure categories co-financed by the EU helped to achieve an effective implementation of the CFP?

A) Key findings

Effective implementation of the CFP implies that that catches are maintained at levels agreed by the Council of Ministers. To achieve this, MS are expected to implement a high and uniform standard of control, inspection and surveillance activities in order to reduce catch related infringements (e.g. black landings).

Through the questionnaire responses, MS identified at-sea inspections from patrol vessels and dockside inspections as the control means most important for detecting a range of serious infringements. The analysis in the previous section has demonstrated that across MS, inspection effort has become increasingly well correlated with the size of the control task and this has provided three valid measures of the inspection rate on land and at sea: port inspections/number of landings, port inspections/coastline length and at sea inspections/fishing vessel.

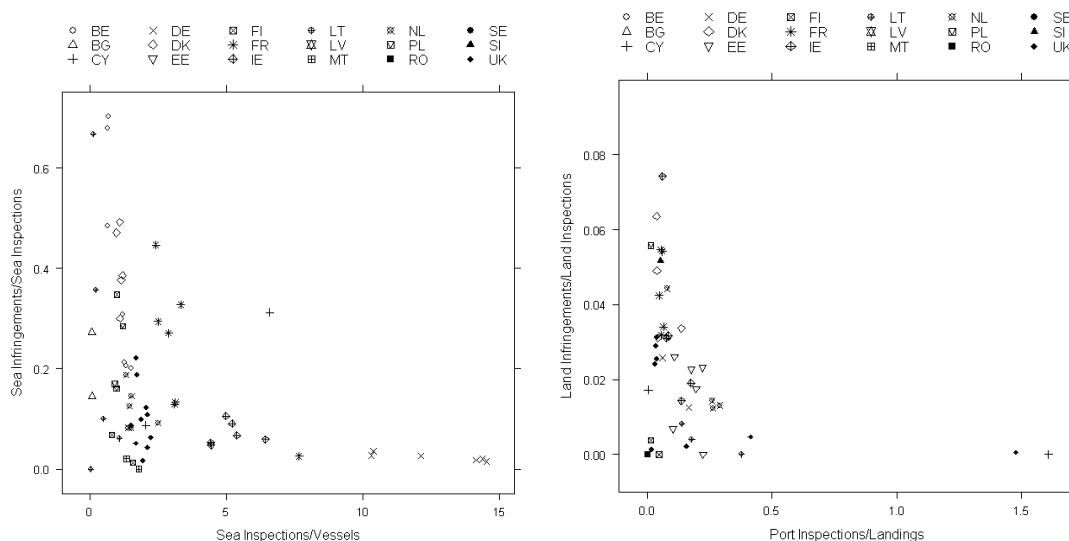
The number of infringements detected per inspection (the infringement rate) provides a potential proxy for the number of infringements actually committed (See Annex 6, Section 6.1). Infringement

rates calculated on the basis of MS data submissions were approximately an order of magnitude less for land-based inspections than for at-sea inspections. This may suggest that more infringements take place at sea, but also that these infringements are easier to detect when and where they happen, rather than some time after the event at the next port call (other than those infringements that happen specifically at the port, such as the landing of fishery products not complying with the EU rules on control and enforcement). Conducting inspections at sea is, however, significantly more expensive, due to the requirement for investment in patrol vessels.

While individual MS data for infringement rates show few clear trends, analysis at the regional level may be more revealing. Infringement rates (both land and sea based) for the Baltic MS show a significant increase in the period 2004 to 2006. The average infringement rate for at sea inspections then appears to fall in 2008 and 2009, but this is an artefact of a lack of data for the relevant MS in these years. Inspection rates plotted alongside the infringement rates did not appear to show any relationship over time. Infringement rates for the North Sea MS have been more stable over time, although there is an indication that the infringement rate for land-based inspections has fallen since 2006. This is mirrored by an increase in the rate of port inspections per coastline length from 2004 to 2006. The infringement rate for at sea inspections in North Sea MS also fell over the period 2005 to 2007.

The data on inspection rates and numbers of infringements are patchy, particularly at either end of the timeline, making identification of patterns very difficult. Nevertheless, scatter-plots of these data suggest quite clearly that when the inspection rate is lower infringement rates tend to be higher (Figure 5). The patterns appear to demonstrate a benefit of both land and sea based inspections in terms of lower infringement rates.

Figure 5 – Scatter plots of inspection rates and numbers of infringements

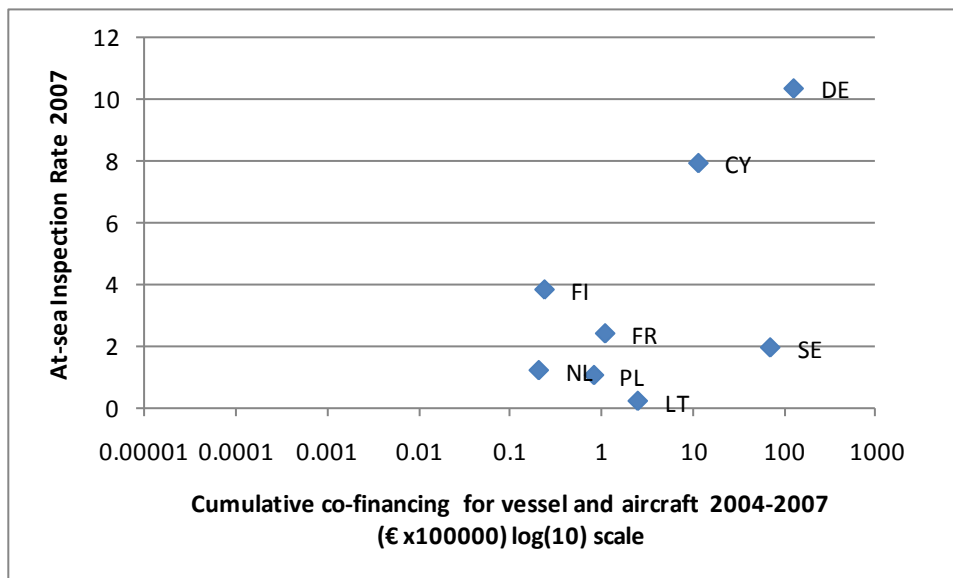


Source: MS Annual National Control Reports 2000-2008, MS Questionnaire responses, TEP & MRAG Calculations

At-sea inspections cannot be undertaken without access to sea-going patrol platforms and a staff of trained inspectors. Co-financing for both of these requirements is included in the CFP. There are only a few data available to investigate whether a higher at-sea inspection rate results from more co-financing of control means in these categories: not all MS have received co-financing in these areas, and of those that have not all have the necessary data to calculate the inspection rate. Figure 6 shows the at-sea inspection rate (2007) against the cumulative co-financing paid up to the end of

2007 for 8 MS. The range of co-financing paid to MS (minimum EUR 20,696, maximum EUR 12,633,639) was such that it was necessary to use a log scale to show all the data in a meaningful way. This plot shows that two of the three MS much larger amounts of co-financing for construction of vessels and aircraft (Cyprus and Germany) had higher inspection rates in 2007 than other MS. For some reason, while Sweden also received significant co-financing, this had not resulted in higher inspection rates by 2007. This is perhaps because vessel construction is a long term project and the benefits of the co-finance paid have possibly not yet been realised in this case. Lithuania received EUR 250,000 in 2006, and this had clearly not had any impact by 2007. However, its inspection rate increased by a factor of 5 in 2008. Similar plots of at-sea inspection rates and land-based inspection rates vs. cumulative co-financing for training show no clear relationship. If the relationship shown in Figure 5 also holds, then those MS with higher co-financing and higher inspection rates should also benefit from lower infringement rates. These relationships require considerable additional work to substantiate; however, the uptake of co-financing in the category of vessel construction is high and MS' clearly value at-sea and land-based inspections as an important means of control. MS' questionnaire responses also identified a number of New Technologies as important across a range of infringement categories, including automated cross-checking of data and video surveillance. It is worth noting that VMS is not identified as a high priority in the detection of infringements other than those associated with the functioning of the VMS itself.

Figure 6 – Scatter plots of inspection rate in 2007 vs. Cumulative contribution paid 2004-2007 in the category of Construction of Patrol Vessels and Aircraft for selected MS



Source: MS Annual National Control Reports 2000-2008, Commission Financing Decisions, MS Questionnaire responses, TEP & MRAG Calculations

B) Conclusions and recommendations

With respect to the specific evaluation question: *To what extent have the different expenditure categories co-financed by the EU helped to achieve an effective implementation of the CFP?* it is difficult to undertake analyses that are specific to a single expenditure category. However, the above analysis points towards benefits from expenditure on the construction of patrol vessels and the training of inspectors. Key areas of expenditure identified directly by MS include at-sea

inspections from patrol vessels, dockside inspections, and new technologies including automated cross-checking of data and video surveillance. However, the emphasis placed on the importance of inspections does not mean that the Commission should necessarily return to the levels of co-financing in the category of Patrol Vessels and Aircraft seen in the period up to 2007-2008. The patrol platforms resulting from previously funded projects should endure for some time under regular maintenance. A more productive approach would probably be to focus on means to further increase the number and efficiency of inspections across MS, for example through Joint Deployment Plans development by the Community Fisheries Control Agency. Continuing to fund training of inspectors and further development of new technologies such as data cross-checking are also a high priority.

The relationships between infringement rates and inspection rates, and inspection rates and co-financing should be investigated further in terms of causality to see whether they have value in setting benchmark inspection rates and co-financing levels for achieving an effective implementation of the CFP.

4.1.6 How much work had to be invested to achieve the (hopefully high) execution rates?

A) Key findings

Information was provided by six MS on work invested by them in co-financed projects (note this does not necessarily reflect the workload of the Commission). The limited responses from MS did not enable quantification of an index for ranking of expenditure categories but an indicative ranking was developed.

A simple ratio of cost share to execution rate was calculated based only on the relative share of administrative costs indicated by MS. Of the four main expenditure categories, the construction of patrol vessels and aircraft had the highest ratio and therefore ranked the lowest, despite its higher execution rate compared to the other categories. New technologies and IT networks was next in the ranking, with supply and commissioning VMS devices, and training courses for control personnel achieving similar scores. Confirming the ranking of patrol vessels and aircraft construction projects, MS indicated that the relative burden of the procurement process for projects in this category was "hard", while the other categories were ranked as medium (Supply and commissioning VMS devices) or medium/easy. While information on the duration of the tender process was variable, the responses indicated that this category also takes the longest time to complete.

The numbers of responses to tenders were similar across all categories, although slightly lower in the vessel construction category, probably indicating the lower number of suppliers, due to the high capital investment involved. In terms of number of invoices per project, the projects for the supply and commissioning VMS devices probably carry the highest burden and training courses for control personnel the lowest.

Table 7 below summarizes the results.

Table 7 - Summary of information on the work invested into co-financed projects and the execution rate by expenditure category

| | Execution rate 2004 to 2006 (%) | Measurements of work invested | | | | | |
|--|---------------------------------|--|---------------------------------------|--------------------------------|-----------------------------------|----------------------|-------------------------------|
| | | Relative share of administrative costs | | Relative burden of procurement | Duration of public Tender Process | Responses to Tenders | invoices per year per project |
| | | % | Ratio of cost share to execution rate | | | | |
| Construction of patrol vessels and aircraft | 67 | 45 | 0.67 | Hard | 2-60 months | 2-3 | 1-25 |
| New technologies and IT networks | 34 | 15 | 0.45 | Medium / Easy | 12 months | 3 | 3-25 |
| Supply and commissioning VMS devices | 40 | 15 | 0.37 | Medium | 2-18 months | 5 | 8-260 |
| Training courses for control personnel | 26 | 10 | 0.39 | Medium / Easy | <1 month | 4 | 2-22 |
| Other | 16 | 15 | 0.93 | NA | 8-12 months | 5 | 1-30 |

Source: MS' questionnaire responses

B) Conclusions and recommendations

Overall it appears that **projects for the construction of patrol vessels and aircraft require the greatest work investment to achieve the high execution rates**. These are typically substantial capital intensive projects that take a number of years to complete and carry a high procurement burden, probably due to their large overall budgets. This also means there is a high burden on the Commission when reimbursing expenditure related to such projects. Treating these items under "shared management" rather than "centralised direct management" would tend to alleviate this burden for the Commission.

4.1.7 How much money had to be invested to achieve the uniformity of inspections?

A) Key findings

Each of the three dependent variables plotted in the analysis of the extent to which MS' control, inspection and surveillance activities of a uniform quality relate to the conduct of inspections, either at sea or on land. However, of the four main expenditure categories (five if we include electronic

reporting), only the Construction of patrol vessels and aircraft and Training courses for control personnel can be regarded as contributing directly to these activities. Expenditure in the other categories may be integral to the functioning of an effective control and enforcement regime, but it is difficult and may not be particularly informative to try to compare the results of this analysis across expenditure categories.

Achievement of uniformity in inspections is indicated by the level of R-squared in the regressions over time. If we select an arbitrary level of 0.6 as a level that indicates uniformity has been achieved it is possible to calculate the cumulative actual expenditure made by MS up to the time at which this level was first achieved. In the case of both Port Inspections vs. Number of landings and At-sea inspections vs. number of vessels >12m at least this level of R-squared was achieved in 2007, by which time the cumulative actual expenditure by MS was EUR 238 million. In the case of Port Inspections and Coastline Length, the R-squared rose above 0.6 the previous year, by which time the cumulative investment was EUR 231 million. There is little difference between these figures, because there had been a major investment up to 2006 (totalling EUR 201 million) in the funding of the construction of patrol vessels and aircraft.

B) Conclusions and recommendations

Significant investment in construction of patrol vessels and aircraft preceded a clear increase in uniformity of inspections across the EU, which was achieved in the period 2006-2007.

4.1.8 How much money had to be invested to achieve the increased effectiveness of the CFP?

A) Key findings

The analysis conducted under Effectiveness Q3 indicated that effectiveness has been achieved in some cases (in terms of lower infringement rates), through sufficiently high inspection rates on land and at sea. Timelines for a selection of MS show clearly the cumulative increase in co-funding over time, but the changes in infringement rates over the same period vary significantly between MS. Absolute infringement rates vary between MS. Based on a very small sample, those showing the highest infringement rates show the most significant fall as investment has increased. MS with infringement rates that are already low do not show a decrease with increasing investment.

B) Conclusions and recommendations

It is difficult to draw general conclusions about the impact of specific levels of co-financing and thereby answer the specific evaluation question. While MS seem to agree on the priorities for spending, the impacts of this spending in terms of infringement rates varies significantly between MS (see the Efficiency section of the annexes to this report, figures 1.34 – 1.37).

4.2 Conservation measures, data collection and improvement of scientific advice

In the area of conservation measures, data collection and improvement of scientific advice, the evaluation set out to answer the following evaluation questions:

| Activities | Evaluation criterion | Specific evaluation questions |
|---|----------------------|---|
| Basic data collection (article 9): national programmes for data collection, use and management | Relevance | 1. To what extent has the systematic collection of data by MS contributed to taking effective fisheries management decisions under the CFP? |
| | Economy | 2. To what extent have MS delivered the data required for scientific advice in appropriate quantity and quality at the best price? |
| | Effectiveness | 3. To what extent have EU funds contributed to produce a harmonised pan-European and systematic system of fisheries data collection and scientific advice needed to conduct the CFP? |
| | Efficiency | 4. To what extent have the national programmes delivered efficiently the data collection activities planned? |
| | Consistency | 5. To what extent are there positive spillovers of the data collection activities? |
| Additional data collection (article 10): studies and pilot projects | Relevance | 6. To what extent have the studies financed under Article 10 contributed to taking effective fisheries management decisions or to enhance the DCF? |
| | Economy | 7. To what extent have the budget allocations dedicated to studies satisfied the need for ad hoc scientific advice for effective management decisions under the CFP or for enhancing the DCF at the best price? |
| | Effectiveness | 8. To what extent have the studies financed under Article 10 contributed to enhance the DCF and to conduct the CFP? |
| | Efficiency | 9. To what extent have the studies financed efficiently satisfied needs for scientific advice and for improvements of the data collection system? |
| | Consistency | 10. To what extent are there positive spillovers from studies financed? |
| Scientific advice (article 11): MoU ICES, Administrative Arrangement JRC, STECF indemnities, etc. | Relevance | 11. To what extent have the measures under Article 11 (MoU ICES, Admin. Arrangement JRC, STECF indemnities, etc.) contributed to taking effective fisheries management decisions? |
| | Economy | 12. To what extent have the scientific bodies fulfilled the work programme as laid down (MoU, Administrative Arrangements, etc.) at the best price? |
| | Effectiveness | 13. To what extent has the outsourcing of scientific advice facilitated the decision making process under the CFP? |
| | Efficiency | 14. To what extent have the scientific bodies delivered the scientific advice needed for fisheries management decisions? |
| | Consistency | 15. To what extent are there positive spillovers from the support for independent scientific bodies? |

4.2.1 To what extent has the systematic collection of data by MS under Article 9 contributed to taking effective fisheries management decisions under the CFP?

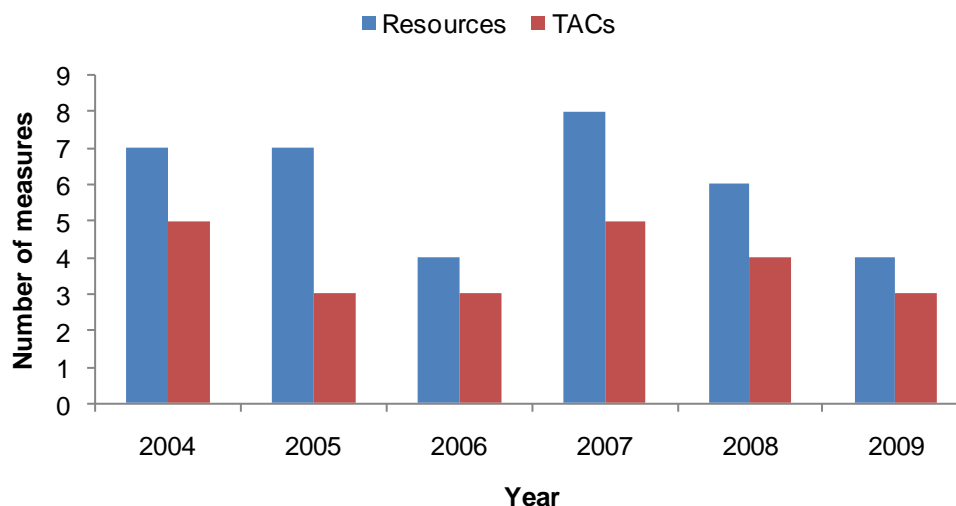
A) Key findings

Decisions under the CFP related to fisheries management are split into two categories; those related to general resources (the non-recurrent decisions), and those related to the annual TAC and quota process which form the recurrent decisions. While the former regulations can typically be regarded as single decisions, the annual TACs and quotas regulations are a consolidated list of various management decisions regarding TAC allocations and annual conservation measures, such as area closures and gear restrictions.

Figure 7 shows the number of conservation measures issued by the European Council and European Commission between 2004 and 2009. Decisions which were classed as within-year amendments have been excluded from this analysis as these often resulted to circumstances independent to the decision making process.

In general, and for both categories, there have been a roughly consistent number of decisions made over this period, with variation most likely explained by the necessity for a particular regulation in a certain year. For example, decisions within the 'resources' category include multi-year recovery or management plans, which stretch over a three year period. This pattern can be seen quite clearly in the figure below, which show peaks in years when several multiannual plans were introduced (2004-2005 and 2007-2008).

Figure 7 - The number of regulations regarding conservation measures between 2004 and 2009

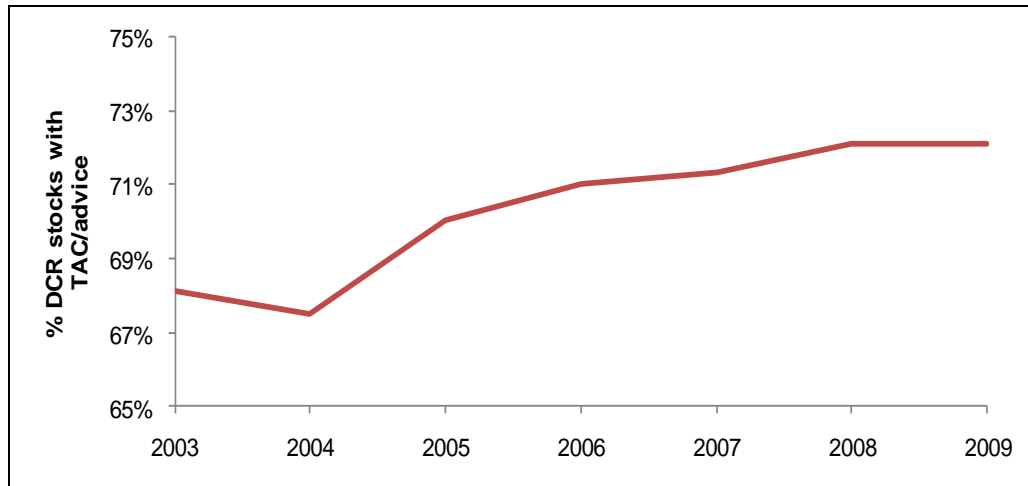


The Data Collection Regulation/Data Collection Framework (DCR/DCF) outlines a comprehensive list of stocks for which data must be collected by MS in order to produce analytical stock assessments. In northern and western waters this is done by ICES, and within the Mediterranean this is done by GFCM. In theory, this information is then used to inform management decision regarding TACs and other conservation measures.

The list of species and stocks included in Appendix VII of both the DCR and DCF is more extensive than the list of stocks which are managed under quota. Figure 8 shows that the number of stocks

which receive some form of management advice has increased by 4% since 2004. This equates to an additional net gain of 9 stocks which receive management advice, noting that during this period stocks have been both included and removed from quota management.

Figure 8 - Percentage of fish stocks (per year) covered by DCF which receive management advice. Note the scale on the y-axis.



B) Conclusions and recommendations

This specific evaluation question is interested in the number of decisions based on scientific advice. The number of measures based on the scientific advice has remained relatively consistent although there have been peaks in 2004-2005 and 2007-2008 linked to the formulation of multiannual management plans, the influence of which can extend over several years. There has actually been an increase in stocks benefitting from advice based on the underlying data collection programme, thus the relevance of the programme has increased.

Given that the DCR/DCF collects data on more stocks than currently receive scientific advice there should be an effort to extend the number of stocks under this advice.

4.2.2 To what extent have MS delivered the data required for scientific advice in appropriate quantity and quality at the best price?

A) Key findings

To assess the economy with which the data required is collected in the appropriate quantity and quality a questionnaire was sent to the key users (STECF, ICES, JRC, GFCM, ICCAT, IOTC, NEAFC, the Pelagic RAC and the North Sea RAC). With regard to data quality, of those who responded, 40% expressed complete satisfaction, whilst overall 80% expressed some qualified satisfaction. Satisfaction with the timeliness and format of data delivery was rather less, with only 40% considering this was as requested. The most widely regarded problematic area was specific catch effort data and, to a lesser extent, biological and economic data. Some specific problems with economic data collection were highlighted: it was felt that too much time was still spent in fixing

inaccuracies which amounted to a constant and serious problem. More specifically it was felt that some MS have problems collecting costs and earnings information within the timescale required by the Annual Economic Report. The North Sea RAC feel there is a considerable need for more socio-economic indicators within the DCF which they would find particularly useful for their purposes.

The Mid-Term Review of the DCR in 2004 commented that Member States had invested considerable effort in the implementation of the data collection Regulation (EC) N°1639/2001 but that the programmes were highly variable in quality and completeness. Presumably these shortcomings have persisted, which may go some way to explaining the incomplete level of satisfaction with the programme. On the other hand, the programme is trying to provide information for many different interests, which always tends to result in not everyone being completely satisfied with everything. Nevertheless one respondent noted, 'Experience has shown that lots of time of STECF meetings dedicated to scientific advice (and for the specific needs of which data calls are issued) is wasted fixing data quality problems. Data arrive routinely late and can be incomplete and inaccurate, for important Member States fisheries.' Some questions on quality do remain, therefore.

With regard to the cost effectiveness and value for money aspects, the full annual costs of the data collection under National Programmes within the DCR/DCF are shown in the Figure 9. They reached EUR 64 million per year by 2008 thus the rise in costs between 2005 and 2008 was EUR 10.4 million or 16%. However, adjusting for the 8.4% inflation over the period (Eurostat) means the rise was a more modest 3.8% in real terms. With the implementation of the DCF to give an improved and expanded service, costs have reached EUR 88 million by 2010 which is actually an apparent increase of EUR 31 million or 35% since 2005. Adjusting for inflation since 2005 still leaves the increase at 25%. This suggests a significant increase since the DCF was inaugurated.

Figure 9 - Approved total costs (Euros) of the National Programmes (Article 9), Member States and EU, by year



In the broadest economic terms, how efficient is the data collection programme in relation to the international market for data and data collection? One way of assessing cost efficiency in an international market is to compare the costs of data collection against the productivity of the industry that it sustains. A recent study (MRAG 2009) estimated the combined public and private sector costs of collecting all environmental data in the maritime sector within the European Union to be EUR 2.416 billion. The total income from the major elements of the productive maritime sector, including shipping, marine energy (oil and gas), aggregates, ports, shipbuilding and marine

services, fishing, aquaculture, leisure and tourism, amounts to EUR 259 billion according to the Maritime Clusters. Thus, the cost of data collection amounts to around 1% of the income from the sector it supports. This includes the market price of both public and private sector data.

The DCF supported a total fisheries sector landed value of EUR 6,729 million in 2008 and EUR 8,176 million in 2007 according to Eurostat. In the respective years the DCR/DCF costs (Figure 9) were EUR 64.67 million and EUR 64.71 million from DG MARE records. This leads to proportions of 1% and 0.8% respectively, which is close to the relationship between the general costs of data of 1% given above for all related sectors across Europe. If anything, it is slightly lower on average in fisheries, suggesting an even better cost efficiency although this may be less the case with the increases observed for the DCF although it will still be around 1%. Since the true value of the industry with tertiary and secondary value added will clearly be even greater than the landed value the ratio is likely to be considerable less than 1%.

A further way of analysing this is by looking at the same sector internationally:

- Comparing with another more conventionally public sector funded data programme as operated by the Republic of South Africa (Pers. Comm. Director Fisheries Research, MAFF, Government of S. Africa), here the data collection programme most recently cost ZAR 116.4 million whilst the landed value of the fishery was ZAR 1.6 billion, giving a ratio of 0.73%, very similar to that of the DCF in the EU fishery given above.
- A further example is the fishing sector of New Zealand where the Government has initiated a cost recovery scheme for data collection with partial outsourcing which are generally regarded as leading to improved economic efficiency. For 2008, New Zealand Government sources estimated data costs at \$NZ 12 million (EUR 6.48 million) whilst catch value was \$NZ 3,939 million (EUR 2,127 million), which gives an efficiency ratio of only 0.3% emphasising the effectiveness of cost recovery as an instrument of increasing efficiency. Outsourcing to the private sector may therefore decrease costs.

Another approach to this question, given that the DCR/DCF data collection in its entirety is not a specific data call but compliance with a regulation, is to consider the case of the annual data call for the economic data that is needed for the Annual Economic Report (AER). A potential problem with this is that the AER does not have a specific role in managing the resource and the revenue it produces, and therefore the economic benefit. It is essentially a planning and policy development tool. However, in this role it is possible to identify an economic contribution to the benefits to the industry. When economic data was first added to the DCR, the first full report in 2003 indicated that the fleets of the EU-15 were not operating at a profit. It can be maintained that the subsequent progressive improvement was stimulated and guided by the data collected by the AER call. The most recent Annual Economic Report (AER 2009) shows that profitability has increased from zero in 2003 to around EUR 1 billion by 2006 and EUR 900 million by 2007. Equally, when the new Member States were first monitored in 2005, they were in negative profitability but by 2007 these new States were adding a further EUR 40 million in profitability (AER 2009). Thus by 2007 the EU industry was in profit by EUR 1 billion under the guidance of the AER. An estimate of the annual cost of the AER data call has been provided by DG MARE for 2009; this amounts to EUR 8.82 million. Assuming a similar sum for 2007 would mean an economic return on data costs of 147% or, alternatively, that the data call costs are 0.7% of the profits generated. This demonstrates a similar level of economic performance to the DCR/DCF as a whole. In essence the AER and the data it is based on appears to be an efficient diagnostic and planning tool. It might be considered that the DCF/DCR is concerned with managing the 'catch' element of the fishery whilst the AER is guiding the 'effort' element particularly in relation to the sustainability of the industry.

B) Conclusions and recommendations

Feedback from users of the DCF showed that there is an acceptable level of satisfaction with the *quality* of the data, but less so on data *delivery and format*. Clear indications were also received of a general perception of improved performance in recent years. Specific catch/effort data was consistently identified as giving the greatest problems and therefore requiring more attention in future.

The Mid-Term Review of the DCR in 2004 concluded that, 'Member States have in general fulfilled their obligations in establishing means to achieve the goals of the data collection framework. A similar conclusion can be made at this point regarding the qualified satisfaction expressed in the present survey of users.

There was a consistent view amongst users that it was too early to judge if the DCF had improved on the DCR.

Given the qualified level of satisfaction shown by the survey it is probably most appropriate to conclude that, in the words of one of the respondents, 'despite the shortcomings highlighted above there have been improvements over time in terms of data coverage and quality. The situation is better now compared to a few years ago'

In terms of costs, there has been a progressive increase of funds for the NPs since 2005. The inflation adjusted costs of the DCR increased by 3.8% from 2005 to 2008 whilst proportionately more funds were committed to the DCF from 2009 to 2010, amounting to 25%, after inflationary adjustment, since 2005. This reflects the extension of the scope of the DCF from a methodological point of view, to include the fleet-based and ecosystem approaches and a reinforcement of regional co-ordination. There has been an increase in the amount of data collected particularly in the economics area along with enhanced data handling and modelling capacity.

In terms of value for money the costs of DCR/DCF data collection amount to between 0.8 to 1% of the value of the industry. Comparison with the public sector costs of collecting environmental data across all maritime sectors in the EU indicates this to be 1% of total value, whilst the cost of another public sector fisheries programme in S Africa amounts to 0.73% of value. Similarly, the cost of the AER data call is equivalent to 0.7% of the increased profitability underpinned by the data.

Thus the costs of DCR/DCF data collection can be judged as in line with (if not a little lower than) public sector norms. The indications are that the DCR/DCF is equivalent value for money as other data collection systems both across maritime sectors in Europe and across fisheries sectors internationally. There is also some indication that contracting out, at least partially, may allow for some cost reduction.

4.2.3 To what extent have EU funds contributed to produce a harmonised pan-European and systematic system of fisheries data collection and scientific advice needed to conduct the CFP?

A) Key findings

With regard to effectiveness, the indicators in sections 4.2.1 above give some indication as to the extent to which scientific advice has been based on the output of data from the National Programmes. The first (Figure 7) shows the number of conservation measures issued by the EC made has been falling since 2004. The number of annual recurrent TACs and quotas regulations has remained roughly constant, with additional regulations in 2004 and 2007 introduced in response to special circumstances (Annex Section 2.1.1). It is the number of non-recurrent decisions which

appear to have declined, particularly after 2007, although the number of decisions relating to area closures, which are based on new scientific information and advice, has increased linearly since 2004. The production of decisions for the TAC process, which is dependent upon the data collection programme and fundamental, has been more or less maintained.

The DCR/DCF outlines a comprehensive list of stocks for which data must be collected by MS in order to produce analytical stock assessments. The list of species and stocks included in Appendix VII of both the DCR and DCF is more extensive than the list of stocks which are managed under quota. Looking at the numbers of stocks within the DCR/DCF which are actually subject to TAC advice (see Figure 8), shows that the number of stocks which receive some form of management advice based on the data programme has increased by 4% since 2004. This equates to an additional net gain of 9 stocks which receive management advice - presumably, in part, due to the increased data availability.

With regard to the effectiveness with which data collected under the National Programmes has been transmitted to end users within deadlines, and with respect to data quality, the feedback from the users, particularly the answers to questions of timeliness and quality of data from the programmes has proved valuable (Section 4.2.2 and Annex Section 2.1.2). On the question of quality, 40% were satisfied and a further 40% showed only a partial or qualified satisfaction but, even here, there were areas where it was satisfactory such as fleet specific effort (JRC) or some Member States are satisfactory (STECF). On this basis it could be said that 80% have expressed some qualified positive view on the effectiveness with regard to quality. With regard to timeliness and format some 40% were satisfied with the timely fashion of the deliveries whilst 60% were less than satisfied.

The Compliance Score Board of ICES allows the overall satisfaction level to be assessed a little further. For example, in 2009 the scoreboard spreadsheet listed 14,616 units of information to be supplied to ICES by Member States. Of these, only 23 (i.e. 0.15%) were rejected on the grounds of poor quality data. Some 2,448 (or 16.7%) were classified as 'not produced'. Only one array consisting of some 25 units (that of Germany for the North East Arctic sector) was designated as 'not provided on time'. On this basis, non-compliance appears very low and data quality and timeliness, at least in 2009 for ICES, also appears acceptable, perhaps even exceeding the perceptions of the users and their responses to the questionnaire.

Efforts to improve regional cooperation are likely to improve the effectiveness of data collection. The analysis of the level of fisheries sampling harmonisation across MS indicates that the overall harmonisation is approximately 31% of all metiers⁴⁷ of the fleets operating in the Atlantic, North Sea and Baltic regions. The harmonisation information was obtained from the Regional Coordination Meeting reports. In addition, there is some international coordination and sampling sharing mainly in distant waters, in regions such as the West and Central Atlantic and the Indian oceans.

This level of harmonisation implies that a large amount of work goes into firstly the definition of the actual metiers, and then harmonising them across a specific region. This type of analysis can only be carried out with a consistent knowledge of the volume and value of landings and discards by fleet, which is precisely the data collected under the DCR/DCF. The better the supporting data the more accurate the definition of metiers is. A good definition of the metiers allows a better characterisation of the fleet and its whole operation.

In the Mediterranean efforts are also currently being made to increase the effectiveness of fisheries data collection, yet the progress has been slower than for fisheries in other regions, mainly due to the complexity of the various types of fisheries and fleets operating in this region and the large

⁴⁷ Not including the Mediterranean for which region metier harmonization is still under development.

number of small landing areas. At present, it is not possible to produce an accurate estimate for the current level of harmonisation within or between MS..

B) Conclusions and recommendations

The process of producing TACs and quota regulations annually has been maintained by the underlying data collection programme or even increased in some areas. More decisions are now related to non-TAC species and the programme supplies data for advice on an increasing number of stocks. A consultation with users found there were some reservations about the overall effectiveness, particularly regarding the timely delivery, but the majority of comments were positive, which suggests the whole programme is progressing adequately and is probably improving over time. The level of optimisation and harmonisation of fisheries management can only be achieved with the output of the DCR/DCF, and by improving regional coordination this in turn will increase the effectiveness of the data collection itself.

More specific attention needs to be paid to the situation in the Mediterranean particularly to investigations of fleet activity so that more specific metiers can be clearly defined and potentially harmonised.

4.2.4 To what extent have the national programmes delivered efficiently the data collection activities planned?

A) Key findings

Every year each MS puts forward budgeted proposals for their methods to achieving the data requested under the Regulation/Framework with the required precision within which the Commission approves that proportion it intends to fund. At the end of the sampling year the actual proportion of the promised output achieved is assessed and this proportion of the approved budget is acknowledged and paid. There is within this, therefore, a measure as to how efficient the MS has been in fulfilling the demands of the Regulation. The budgetary costs and performance are summarised in Table 8.

Table 8 - Summary of approved EU financial contribution for Article 9 of DCR/DCFF with proportion of required performance achieved by MS in data collection to support CFP

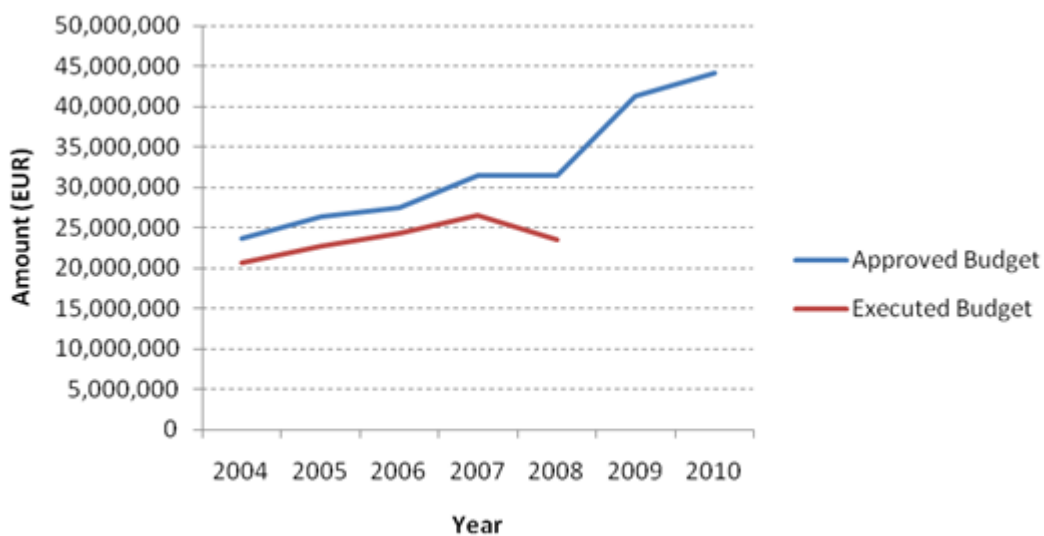
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------------------|------------|-------------|------------|------------|------------|------------|------------|
| Approved Budget | 23,641,767 | 26,415,174. | 27,411,310 | 31,511,584 | 31,448,459 | 41,335,326 | 44,125,647 |
| Executed Budget | 20,664,355 | 22,659,793 | 24,247,882 | 26,535,720 | 23,437,900 | | |
| Inflation adjusted | | 26,415,174 | 26,808,261 | 30,062051 | 28,181,380 | 39,116,326 | 41,525,647 |
| Number of MS | 13 | 19 | 20 | 20 | 22 | 22 | 22 |
| Executed/Approved % Executed | 87.4% | 85.8% | 88.4% | 84.2% | 75.3% | | |

There are clear upward trends in the overall Commission contribution in the approved budgets and also in the eligible budget i.e. that related to the successful performance, ultimately paid by the Commission (Figure 10). The surge in NP budget with the DCF since 2009 is clearly reflected in the

EC contribution which now is 50% of all NP elements rather than just the minimum programme as in the DCR. This contributes specifically to an increased commitment to the handling and processing of data by the MS to improve and speed up the provision of scientific advice.

However, whilst both lines increase overall there is a divergence. The proportion of the budgeted data collection that was executed remained relatively constant at around 85-90% up to 2007 (Figure 10). In 2008, however, it took a marked dip, although this apparently is not due to a decrease in performance but to the fact that some Member States have not provided the relevant financial documentation and therefore the corresponding payments cannot be ordered yet.

Figure 10 - EU contribution (EUR) to the National Programmes costs (Article 9), by year



To arrive at an indicator of the efficiency with which the funds for Article 9 have been applied, it is necessary to take the variable number of Member States participating into account. Removing the costs of Bulgaria and Romania from the 2008 totals means the number of countries participating has remained more or less the same since 2005. In fact, in 2008 the amounts approved for these two countries was only EUR 308,813 which has a negligible effect on the analysis and therefore practically need not be taken into account. The 2005-based inflation index for 2008 was estimated at 108.42% by 2008 (Eurostat). Adjusting the annual totals of Approved Funds for inflation since 2005 shows the rise in funding in real terms to be quite modest at 6.3% between 2005 and 2008. There was, however, a rise by 32.5% in inflation adjusted costs with the DCF in 2009 compared to 2005 costs. This, again reflects the fact that the quantity of data required has increased in some areas and there is a greater commitment to data processing whilst answers to the questionnaire suggest quality is stable if not improving over the years (see also Section 4.2.3).

The analysis of the amount of savings indicates that harmonisation alone may be resulting in savings of around 12% of the total DCR/DCF budget (EUR ~32 million) or approximately EUR 4 million. Information on the shared observer schemes also indicates a certain amount of savings, yet it was not possible to accurately estimate its value due to very little information provided by MS into this matter. It is however important to note that the number of shared observer schemes is small and therefore the total amount of savings as a result of these shared programmes is also likely to be small in comparison to the amount of savings generated from the harmonisation of the metiers.

B) Conclusions and recommendations

Member States appear to be fulfilling their obligations to the DCR with a reasonable operational and cost efficiency through time. Inflation adjusted costs have risen slightly but then so has the amount of data collected and the quality has been maintained. The implementation of the DCR saw something of an increase in real costs amounting to 32.5 % since 2005 and, with the implementation of the DCF, a further 28% since 2008. This is aimed at increasing support to Member States to manage and process data. The increases are linked to the enlarged scope of the DCF, with respect to the DCR, beyond data collection to more overall data handling within the DCF.

Since the implementation of this regulation, its budget has had a true multiplier effect in that significant additional work outside the scope of the national programmes is carried out on a regular basis (i.e. with funding originating from the DCR/DCF) in many MS. This multiplier effect is, nonetheless, difficult to quantify as it is hard to accrue the exact volume of work carried out outside the scope of the DCR/DCF. The difficulty in having this information stems from the fact that the majority of this parallel work does not get published *per se* or has limited visibility, as it is often associated with other projects which are funded and published under the scope of different funding bodies. Indeed, it is common to find published work acknowledging the source of part of the data used in the study to be the DCR/DCF project.

An important recommendation for any future developments of the DCF would be to invite every MS to provide a list of all the projects and internal activities at the various national institutions which are not directly related to the DCR/DCF yet are indirectly funded by the National Programmes. This would contribute to a better and more accurate assessment of the overall value of the DCF, as all this additional work (considered as an effective output) could be factored into the calculations. This information could also be used as an evaluation tool to measure the additionality factor to every National Programme, as it could be solidly used to search for potential savings in other EU funded programmes where superimposition of project objectives and duplication of data collection would be observed.

4.2.5 To what extent are there positive spillovers of the data collection activities?

A) Key findings

There have been no data calls which are not directly related management decisions or measures for fisheries under the CFP. This is also confirmed by the responses to the satisfaction questionnaire.

4.2.6 To what extent have the studies financed under Article 10 contributed to taking effective fisheries management decisions or to enhance the DCF?

A) Key findings

A comprehensive list of the projects planned and commissioned by DG MARE from 2006 to 2008 is given in the Annex Section 2.2.2. The studies commissioned have been broken down into those dealing with topics directly related to TAC decision making and Long Term Management Plans, and those dealing with the development of new tools for improving the data collection process since these are the most relevant areas to the DCR/DCF. From the total of 28 studies commissioned, 7 could be related to the former and 9 to the latter, giving an overall 57% devoted to these core areas.

Considering the studies commissioned for 2009-2010 as representing the first year of the DCF showed 2 TAC related and none on tools. However, the nature of the projects changed towards impact assessments which could be very broad in their scope.

B) Conclusions and recommendations

More than half the studies commissioned dealt with the prime objectives of the DCR/DCF and the programme can therefore be considered relevant to the core fisheries management objectives of the DCR/DCF. The independent advice providers consulted through the satisfaction questionnaire also reported they used the studies exclusively for fisheries management which further confirms their relevance. As such they do give added capacity and flexibility to the Commission in very relevant areas.

The move from ad hoc topics to those with wider political and policy implications is due to increased involvement of DG MARE services in the process. This is particularly the case for conservation units (A2, C2, D2 and F2) and the economic unit (A3).

4.2.7 To what extent have the budget allocations dedicated to studies satisfied the need for ad hoc scientific advice for effective management decisions under the CFP or for enhancing the DCF at the best price?

A) Key findings

The requested projects included in DG MARE annual work programmes for public contracts and grants for 2006-2008 (found under budget heading 11 07) are listed in the Annex, Section 2.2.1.

Of the 49 requested some 28 (or 57%) were commissioned, demonstrating a moderate rate of uptake in view of the budget availability. The total budget for the period was EUR 7,927,266 (see Table 11, Section 4.2.12) which amounts to EUR 283,166 per study on average. This is assuming all the allocated funds were spent. The threshold of EUR 150,000 has been set as a reference, so that studies costing less than this threshold could probably be considered smaller projects. The analysis of all the project related costs indicates that the average price of the projects is adequate and of a medium size (i.e. the cost of individual projects are not considered excessive). In terms of the overall DCR/DCF budget, studies accounted for around 4.2% (see Table 11, Section 4.2.12) which again does not seem excessive given the flexible and relevant nature of the support the studies. Indeed, the actual budget available is established under Article 10 (2) of Regulation 861/2006 as being up to a maximum of 15% of the whole budget for data collection activities.

All the users consulted in the satisfaction questionnaire reported they used the studies for fisheries management which further extends their relevance and effectiveness.

B) Conclusions and recommendations

The 57% uptake from the requested studies suggests a moderate satisfaction of the demand for support from the studies.. There appears to have been no consistent increase in the funds committed for Article 10 with the advent of the DCF in 2009. Given the increased relevance to the work and policy development of DG MARE the funds committed in this direction might be increased given that the ceiling given in Article 10 is 15% of the total budget for data collection activities, rather more than is being spent currently (4.2%). A further consideration is that a dissociation of the Article 10 budget, currently defined as a percentage of the total budget for data collection activities, from

the budget for measures under Article 9 would significantly improve the efficiency and effectiveness of the planning for the studies.

4.2.8 To what extent have the studies financed under Article 10 contributed to enhance the DCF and to conduct the CFP?

A) Key findings

As per Section 4.2.6 above, of the 28 studies conducted 9 (or 32%) were related to the conduct and improvement of the DCF/DCR. An appraisal of the list of these studies also indicates that all but one of them dealt with aspects of fisheries management necessary for the proper conduct of the CFP. In addition, all respondent institutions to the satisfaction questionnaire said they used the studies solely to support fisheries management.

B) Conclusions and recommendations

The studies are directly effective in contributing to the major objectives of the DCR/DCF and in improving the effectiveness of the process.

4.2.9 To what extent have the studies financed efficiently satisfied needs for scientific advice and for improvements of the data collection system?

A) Key findings

The funding approved for the studies under the DCR/DCF is shown in the table in the Annex Section 2.2.4. The budget does vary from year to year but not in any consistent pattern. The cost per study again shows considerable variation but no consistent trend. In 2006 and 2008 the average cost per study was around the EUR 150,000 level whilst the other two years had considerably higher averages which, certainly in the case of 2009, reflected larger projects with a wide remit, rather than any change in efficiency of use of funds. However, the funding available for studies is on average only 4.2% of the total committed for the DCR/DCF (see Section 4.2.12) which would seem to indicate an effective use of funds for a relevant activity.

B) Conclusions and recommendations

Given their relevance and that they are used by most participants in the TAC and fishery management process to support the basic data collection, the studies appear to fulfil the need for supplementary information, and at a cost of 4.2% of the DCR/DCF budget they are quite efficient and good value for money.

4.2.10 To what extent are there positive spillovers from studies financed?

A) Key findings

All of the listed studies from 2006-2009 (see Annex Section 2.2.5) have relevance or direct application to fisheries management or the CFP, showing a consistency of purpose.

Table 9 - Breakdown of all completed studies by year and topic

| | Number of Studies | DCR/DCF | Economics | Others |
|----------------|-------------------|---------|-----------|--------|
| 2006 | 12 | 8 | 2 | 2 |
| 2007 | 7 | 1 | 1 | 5 |
| 2008 | 9 | 4 | 1 | 4 |
| 2009 | 6 | 1 | 1 | 4 |
| Total | 34 | 14 | 5 | 15 |
| % Total | | 41% | 15% | 41% |

Of the total of 34 studies 7 (i.e. 20%) may be directly related to management decisions and measures (although it is difficult to be certain in all cases). Segregating the studies by subject (Table 9) shows that some 41% dealt directly with the DCR/DCF or its tools, whilst a further 15% dealt with economics, which became a significant part of the DCR/DCF. However, around 41% were still related to other topics such as dissemination, gear issues and general fisheries methodology. Since these are not directly related to the DCR/DCF process they indicate a degree of spillover, i.e. value added, from the studies of Article 10.

Some studies result from external requests from the Regional Coordination Meetings and other data collection related fora. It was noted above that only around 19 of the 48 studies requested were commissioned and managed by DG MARE. The complete list in the Annex Section 2.2.2 shows a total of 28 completed over this 2006 – 2008 time period. Assuming these were from external requests then these amount to the difference of 9 studies (or 19%). This again indicates significant spillover from the studies in relation to the DCR/DCF.

B) Conclusions and recommendations

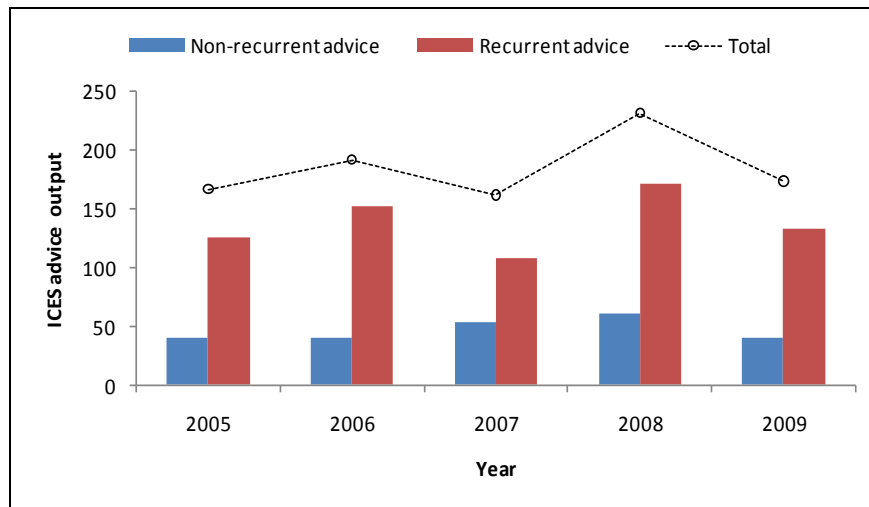
There is a significant spillover of around 41% by topic and 19% by commissioning from studies under article 10, demonstrating value added beyond the immediate requirements for supporting the DCR/DCF.

4.2.11 To what extent have the measures under Article 11 (MoU ICES, Admin. Arrangement JRC, STECF indemnities, etc.) contributed to taking effective fisheries management decisions?

A) Key findings

This question looks at the output of ICES and STECF in terms of the amount of scientific advice given. The numbers of pieces of advice given by ICES is shown in Figure 11.

Figure 11 - Number of ICES advice produced between 2005 and 2009, disaggregated into special requests and stock summaries



There is little real trend in the numbers of recurrent pieces of advice provided by ICES and they average around 148 per year. The pieces of advice include recurrent stock summaries upon which the TAC recommendations are made and the special requests. The special requests or non-recurrent advice is the main variable and accounts, on average for around 23% of ICES decisions.

The number of pieces of advice produced by STECF, as detailed in annual spring, summer and autumn plenary reports, has averaged a total of 56 pieces per year between 2007-2009 with 60 in 2007, 54 in 2008 and 59 in 2009 (see Annex).

As well as holding the DCF data for DG MARE, the JRC also conducts some studies to provide advice. Around three such studies per year are listed with DG MARE as a customer, but only FISHREG is funded as providing advice related to fisheries management.

B) Conclusions and recommendations

All decisions made by the European Commission are related to fisheries stock management, and are therefore relevant, and the decision output has been maintained over the period. The commissioned projects of the JRC are wider and more varied but only one has a consistent element related to fisheries management.

4.2.12 To what extent have the scientific bodies fulfilled the work programme as laid down (MoU, Administrative Arrangements, etc.) at the best price?

A) Key findings

ICES is tasked with producing two types of advice; recurring and non-recurring. The latter refers to special requests by either the Commission or a MS, and the MOU with ICES does not stipulate how much non-recurring advice should be produced. The former – recurring advice – relates to the state

of the marine ecosystem and human impacts, and typically refers to annual⁴⁸ fish stock assessments. Annex 1 of the ICES MOU outlines the species which recurring advice should cover, which totals 50 individual species and three species groups (sharks, skates and rays and deep sea species). In line with the MOU, ICES duly provides recurring advice for each of these species or groups.

The MOU with ICES also stipulates that advice shall be given in the context of ecosystems and fisheries, and that IUU activity be accounted for where and when it is known to have occurred. However, the MOU does not prescribe the ecosystems and fisheries for which advice should be provided. The number that might be considered can be inferred by counting the number of stocks of species for which ICES is tasked with providing advice which are listed in the DCR, and comparing this with the relevant advice produced by ICES (see Table 10). This exercise reveals ICES only delivers advice on around 60% of the maximum stocks for which advice is required. Advice is consistently absent for some particular species, most notably deep water species, which is likely due to issues of poor or missing data. Most of the major stocks contributing to EU landings are covered.

Table 10 - Number of pieces of ICES advice in relation to total from MOU

| Maximum stocks for which advice is required in MOU | Number of ICES recurring advice | | | | | | Average |
|--|---------------------------------|------|------|------|------|------|---------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2006 | |
| 170 | 103 | 113 | 110 | 99 | 109 | 102 | 106 |
| % MOU | 60.6 | 66.5 | 64.7 | 58.2 | 64.1 | 60.0 | 62.3 |

It is possible to obtain some assessment of the overall economic performance of this component, which is largely concerned with providing independent scientific advice for fisheries management, particularly the TAC system upon which management depends under the CFP. A breakdown of the funding for the three articles governing the DCR/DCF is shown in Table 11.

Table 11 - Totals of Committed funds for Articles 9, 10 and 11 with their average percentage contributions

| | 2006 | 2007 | 2008 | 2009 | 2010 | Average | % |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|------------|-------------------|------|
| NP Committed (MS+EC) | 57,000,441 | 64,705,709 | 64,667,807 | 82,670,653 | 88,251,295 | 71,493,600 | 93.1 |
| Article 10 Studies | 1,407,496 | 4,494,600 | 2,025,170 | 3,263,195 | N.A. | 2,797,615 | 4.2 |
| Article 11 ICES / JRC / STECF | 734,588 | 1,945,107 | 2,096,000 | 3,329,323 | 3,341,273 | 2,289,258 | 3.2 |
| TOTAL DCR / DCF | 59,142,525 | 71,145,416 | 68,788,975 | 89,263,171 | | 71,781,750 | |

The average commitment from the overall budget from the DCF/DCR to Article 11 is 3.2% (Table 11). However, in terms of the funds provide solely by the EU, the average contribution to Article 9

⁴⁸ However, advice may be provided at intervals greater than 1 year for certain stocks or under certain circumstances

data collection is EUR 35.166 million (from Table 8) giving an average EU contribution to the DCF of EUR 40.252 million using the averages for Articles 10 and 11 from Table 11 above. Thus the proportion of the funds for Article 11 from the EU alone is some 5.7%.

The main element here appears to be a lack of uptake options for funds in this area rather than a lack of budget. Given the critical role played by these organisations in taking the mass of data provided by the National Programmes and converting it into specific advice and recommendations to the Commission and thus supporting a very valuable sector (see Section 4.2.2 for value), this modest percentage would appear very good value for money.

Since the implementation of the DCF in 2009 there appears to be an improved utilisation of the budget available for scientific advice (Article 11). The average for 2009 and 2010 is EUR 3.335 million compared to the 2006 to 2008 average of EUR 1.591million under the DCR. The increase reflects the increased commitment under the DCF, seen also in the National Programmes (Section 4.2.2), to enhance the use of data towards the best scientific advice.

From a comparative viewpoint there is little to compare it with. However, in a study of the costs of collecting all marine environmental data across the European Union it was estimated that the public sector data collection costs were EUR 816 million per year and this was used by advisory bodies to provide regulatory advice at a cost of EUR 38 million per year (MRAG 2009). Thus the cost of such bodies in the public domain in all related sectors across the EU is 4.6% of the cost of the collection of data they are using. The equivalent ratio for fishery advisory bodies is 2.6% (as shown above). On this basis it can be confirmed that in the public sector market the fisheries advisory bodies are particularly good value at 2.6% of data collection.

B) Conclusions and recommendations

The advice provided by ICES covers only 62% of the total number of species derived from the MOU. However, whereas some of the gaps refer to minor species, some are important stocks such as flat fish species in the Baltic. Thus whilst the use of funds for the advisory bodies under this article seems to be very effective economically at 3.2% of all data collection costs compared to the 4.6% for environmental data across all maritime sectors in the EU public sector across the EU, nevertheless it might also be regarded as an underspend when related to the number of stocks specified in the MOU.

In addition, whilst the expenditure here appears good value for money there is still the risk of redundancy and overlap with the STECF reanalysing ICES recommendations. This may be an area for increasing efficiency or perhaps releasing capacity.

Given the relatively lower proportion of the cost of the advisory bodies under Article 11 to the cost of data collection compared to a European reference point and bearing in mind the crucial advice provided by these bodies there is a case for increasing the uptake of funds in this area particularly with view to increasing the number of stock under scientific advice.

4.2.13 To what extent has the outsourcing of scientific advice facilitated the decision making process under the CFP?

A) Key findings

The total number of STECF meetings (listed in Annex) varied over a narrow range of 25-27 per year. The STECF was being consistently effective in its operation. There was little real trend in the

numbers of pieces of advice provided by ICES and they average around 148 per year (see Section 4.2.11 above). The pieces of advice included recurrent stock summaries upon which the TAC recommendations are made and the special requests consistent with those ICES is contracted to produce.

B) Conclusions and recommendations

The decision making process pursued by ICES and STECF has been promoted by the regular recorded performance of these bodies as shown by the indicators. The advice provided by these bodies has undoubtedly been crucial in providing assistance to fisheries management decisions, however, the level at which this scientific advice has impacted on the actual decision making process is not linear as, for instance, recommendations still take quite a long time before being implemented, despite often acknowledging the importance of rapid action.

4.2.14 To what extent have the scientific bodies delivered the scientific advice needed for fisheries management decisions?

A) Key findings

This relates the pieces of advice received from ICES and STECF to the EU budgetary contribution to examine the cost efficiency of that advice (Table 12).

Table 12 - Annual funding committed and used by the scientific advisory bodies under Article 11

| | 2006 | | 2007 | | 2008 | | 2009 | |
|--------------|-----------|----------|-----------|-----------|-----------|----------|-----------|-----------|
| | Committed | Consumed | Committed | Consumed | Committed | Consumed | Committed | Consumed |
| JRC | 0.00 | 338,250 | 135,000 | 368,862 | 183,000 | 88,826 | 979,323 | 293,796 |
| STECF | 500,000 | 352,175 | 768,000 | 445,350 | 850,000 | 346,550 | 850,000 | 302,275 |
| ICES | 234,588 | 234,500 | 1,042,107 | 872,182 | 1,063,000 | 867,374 | 1,500,000 | 798,977 |
| Total | 734,588 | 924,925 | 1,945,107 | 1,686,395 | 2,096,000 | 1,302,75 | 3,329,323 | 1,395,049 |

For example, if the number of pieces of ICES advice (Figure 12) is related to the cost of the data in terms of cost per piece of advice, it can be seen that there is little overall trend (See Table 13) when this is done in relation to the amounts actually used by ICES in the year. The variability is partly due to the need to advise on multiannual management plans on a non recurrent basis and the gaps in data for some stocks in some areas in some years due perhaps to the closure of a fishery.

Table 13 - Cost per decision by ICES in relation to costs of data collection

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|------|-----------|-----------|----------|-----------|
| Budget Used EUR | - | 234,500 | 872,182 | 867,374 | 798,977 |
| Non recurrent advice | 41 | 40 | 54 | 61 | 41 |
| Recurrent advice | 126 | 152 | 108 | 171 | 133 |
| No. decisions | 167 | 192 | 162 | 232 | 174 |
| Nonrecur/recurrent | | 26.3% | 50% | 35.6% | 30.8% |
| Cost per decision (EUR) | - | 1,221 EUR | 5,383 EUR | 3739 EUR | 4,592 EUR |

Appraisal of the cost per unit advice, i.e. efficiency, for which there is no apparent chronological trend, is best done in relation to the ratio of pieces of non-recurrent to recurrent advice on a year to year basis (Table 13). From this comparison it can be seen that there is a direct relationship. When the proportion of non-recurrent decisions is high, such as 2007, then the cost per decision is high. When the proportion is at its lowest, in 2006, then the cost per piece of advice is lowest. The relative cost is therefore higher for non recurrent advice because new methods and data have to be brought in and they probably need a disproportionate amount of time.

A similar exercise for the cost per decision by the STECF shows a progressively declining cost per decision, suggesting some increase in efficiency (Table 14). Here the number of decisions is relatively constant.

Table 14 - Cost per decision by STECF in relation to costs of data collection

| | 2007 | 2008 | 2009 |
|------------------------------|---------|---------|---------|
| Budget Used EUR | 445,350 | 346,550 | 303,275 |
| No. decisions | 60 | 52 | 57 |
| Cost per decision EUR | 7,422 | 6,664 | 5,321 |

It is difficult to use this approach with the JRC since it does not provide units of advice. It stores data or carries out commissioned studies. The latter tend to be around three per year. However, the funding in three of the four years (see Table 13) has been relatively consistent and shows no upward trend, even allowing for inflation. This suggests its efficiency is being maintained or, given inflation, increasing a little.

B) Conclusions and recommendations

There does appear to be some variation in the economic efficiency in the scientific bodies' use of funds in relation to just the decisions produced. ICES is the least predictable largely down to the need to produce non recurrent advice, with STECF showing apparent increases of efficiency and JRC providing a stable series of services. This should be seen in relation to the overall cost efficiency of the advisory component noted in Section 4.2.12 and the potential for overlap in some areas of advice.

4.2.15 To what extent are there positive spillovers from the support for independent scientific bodies?

A) Key findings

The results from Section 4.2.1 show some consistency in the number of recommendations that ICES produces but all those decisions refer to fishery management so there is little spillover. The STECF also show some consistency in the number of meetings they hold in a year (See Annex Section 2.3.3). From the list of those meetings (see Section 2.3.3 of the Annexes) the number of meetings concerned solely with the DCF/DCF, those dealing with Economics and those dealing with topics other than fisheries management in EU waters have been identified (Table 15).

Table 15 - STECF meetings by selected category

| | Number of Meetings | DCR/DCF | Economics | Other than EU fisheries management |
|-------------|--------------------|---------|-----------|------------------------------------|
| 2006 | 26 | 5 | 3 | 1 |
| 2007 | 27 | 3 | 2 | 2 |
| 2008 | 23 | 4 | 2 | 2 |
| 2009 | 24 | 4 | 1 | 3 |

The category of 'Others' tends to include projects on marine environment or on fisheries outside EU waters. This is an indication that some spillover does occur. In a more limited way, there is a significant number of meetings on economic aspects which gives further flexibility to the STECF. It is also notable with regard to this flexibility that since 2008 several meetings on the Black Sea have been convened. This indicates also the flexible possibilities of the STECF as an instrument that serves the changing needs of the CFP. The JRC also has this flexibility since its projects are done on commission to DG MARE and can be on any relevant topic.

B) Conclusions and recommendations

There is consistency in the performance of all of the advisory bodies. The STECF and JRC do offer some flexibility and spillover since they offer additional advice beyond the immediate DCR/DCF programme.

4.3 Governance

In the area of governance, the evaluation set out to answer the following evaluation questions:

| Activities | Evaluation criterion | Specific evaluation questions |
|--|----------------------|---|
| Regional Advisory Councils (RACs) (article 12 b & c) | Relevance | 1. To what extent is it still necessary to co-finance by the EU the activities of the RACs in addition to financing from MS, regional authorities and members? |
| | Economy | 2. To what extent does the quality of RAC advice and their ability to carry out their work depend on the timely provision of the EU co-financing taking into account the budgetary ceiling of EUR 250,000? |
| | Effectiveness | 3. To what extent does the co-financing part of MS and the membership fees assure the necessary commitment of RAC members to their organisation and its mission? |
| | | 4. To what extent should the maximum percentage of 90% of EU co-financing of the eligible costs of the RACs be diminished or increased? |
| | Efficiency | 5. To what extent is the maximum amount (EUR 250,000) of EU grant to the RACs sufficient for the implementation of their work programme? |
| | | 6. To what extent do the conditions for the disbursement of the EU grant as foreseen in the relevant legal provisions (for example the list of eligible costs) allow the RACs to make full and effective use of the EU financial support? |
| | | 7. To what extent is MS contribution sufficient to cover part of the co-financing rate? |
| | | 8. To what extent are membership fees sufficient to cover part of the co-financing rate? |
| | | 9. To what extent is it relevant to harmonise the MS contribution for all the RACs? |
| | | 10. To what extent is it relevant to harmonise the membership fees for all the RACs? |

Summary of the Review of the functioning of the Regional Advisory Councils

The Commission carried out an internal review of the functioning of the RACs in June 2008⁴⁹, following the review requirements of the 2004 Council decision establishing the RACs. Before answering the evaluation questions, it is worth briefly summarising the main conclusions of this internal review. Overall, the Commission's report concluded that the legal framework had proved to be generally satisfactory, that it had enabled the creation of the RACs and guided their functioning, and that the RACs had already made a positive contribution to the development of the CFP.

⁴⁹ COM(2008) 364 Communication from the Commission to the Council and the European Parliament – Review of the functioning of the Regional Advisory Councils.

The Report does not examine the possible development of the RACs' role in the CFP governance system, which would be done the context of CFP Reform.

The Commission notes that the geographical coverage is satisfactory, but that the representation of certain stocks and geographical areas may be adjusted, for example to include groups on deep-sea stocks and the Black Sea. The RACs have set up working Groups and focus groups and the Commission asks that access to these be facilitated (through translation for example) but that a proliferation of such groups be avoided. The report notes that the catching sub sector has been most active, and calls for increased participation of grassroots interests. The 2:1 ratio of fisheries sector to other interests is adequate, but in some cases this has been difficult to maintain. The Commission calls for more transparency on RAC activities, and more detailed rules of procedures. RACs have delivered better access to information and better understanding of decisions taken at the European level, and a bottom-up flow of information. RACs have taken the initiative in the CFP, and they have helped soften hostility towards it. The quality and timeliness of RAC advice has improved, and the Commission has taken these into account, though it cannot always accept these if they are not compatible with CFP objectives and sustainable fisheries. The Commission recognises that the RACs have an important role to play in long-term strategic issues.

The report concludes that the current legal framework is generally satisfactory. A number of actions are proposed to improve RAC functioning in the short term without the need for new rules. The actions included:

- encouraging participation by a wider range of stakeholders;
- improving RACs' access to scientific evidence and data;⁵⁰
- involving the RACs in reflection on the long-term development of the CFP;⁵¹
- improving the consultation process by involving the RACs at an earlier stage, giving them sufficient time to respond and providing them with clearer guidelines and documents;
- proposing benchmarks to improve the consistency of RAC advice with CFP objectives;
- organising annual debriefing meetings with individual RACs to follow-up of their advice;⁵²
- improving the visibility of the RACs through the Commission's website; and
- proposing guidelines on the rules of procedure and financial management of EU co-financing.

4.3.1 To what extent is it still necessary to co-finance by the EU the activities of the RACs in addition to financing from MS, regional authorities and members?

A) Key findings

Total EU contributions for the period under evaluation amounted to EUR 3,825,588. Total non-EU contributions for the same period amounted to EUR 1,476,424.

⁵⁰ The EP in its Report on Governance within the CFP: the European Parliament, the RACs and other actors (2008/2223/INI), calls for more financing in order to improve access to scientific advice, more decentralised CFP and increased involvement of the RACs in fisheries management responsibilities.

⁵¹ The EP (ibid.) calls for the appointment of members of the Parliament's Committee on Fisheries as a liaison for each RAC, and that the RACs be invited to participate in the Committee.

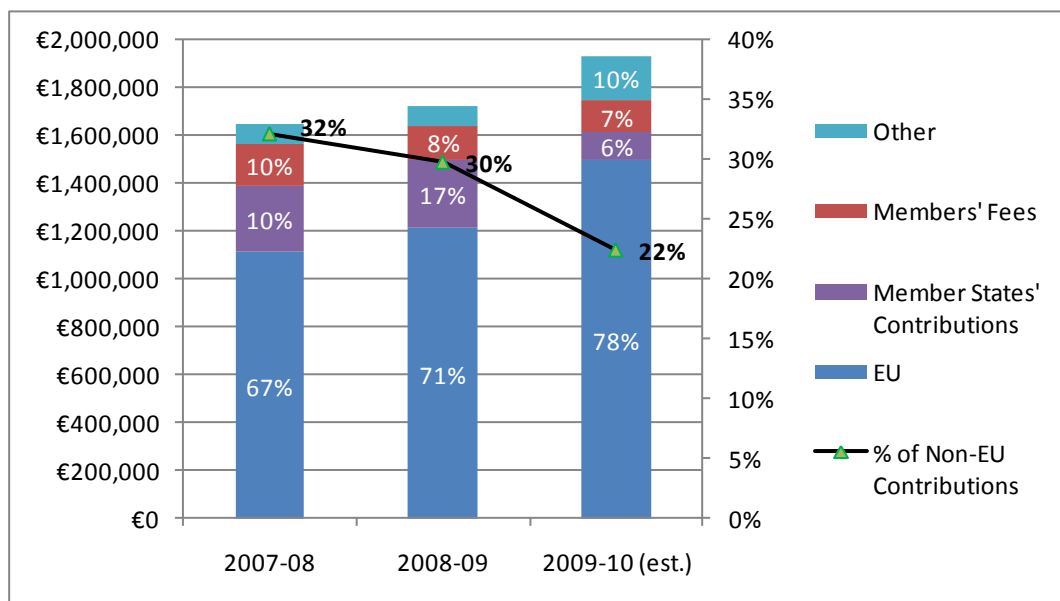
⁵² The EP (ibid.) calls for an annual conference involving the RACs and the Commission.

Table 16 – RAC Finances: EU and non-EU contributions, 2007-08 to 2009-10

| Period | 2007-2008 | | | | | 2008-2009 | | | | | 2009-2010 (7) | | | | |
|---------------|-------------------------|---------------------|-------------------|----------------------|------------------|-------------------------|---------------------|-------------------|----------------------|------------------|-------------------------|---------------------|-------------------|----------------------|-------------------|
| | Final eligible cost (1) | EU (2) | Members fees (3) | MS contributions (4) | Other (5) | Final eligible cost (1) | EU (2) | Members fees (3) | MS contributions (4) | Other (5) | Estimated eligible cost | EU | Members fees (6) | MS contributions (6) | Other |
| Baltic Sea | 279.516,00 | 196.607,29 | 27.000,00 | 48.217,00 | 7.800,00 | 269.450,87 | 213.808,87 | 3.667,58 | 50.783,13 | 0,00 | 319.589,00 | 250.000,00 | 9.875,00 | 23.750,00 | 35.965,00 |
| Long Distance | 252.892,91 | 108.928,73 | 23.900,00 | 118.578,00 | 1.886,08 | 343.907,98 | 182.430,98 | 31.800,00 | 129.677,00 | | 434.514,00 | 250.000,00 | 27.900,00 | 18.189,00 | 138.425,00 |
| North Sea | 251.446,00 | 179.245,00 | 30.150,00 | 24.450,00 | 26.242,00 | 215.822,00 | 175.114,00 | 17.491,00 | 22.917,00 | 9.467,00 | 279.671,00 | 248.671,00 | 26.000,00 | 5.000,00 | 0,00 |
| NWW | 324.931,00 | 231.487,98 | 40.852,61 | 34.087,70 | 0,00 | 285.378,00 | 223.585,66 | 39.993,00 | 22.200,00 | 0,00 | 300.750,00 | 250.000,00 | 28.550,00 | 22.200,00 | 0,00 |
| Pelagic | 258.101,00 | 209.923,78 | 28.225,00 | 22.250,00 | 0,00 | 256.135,00 | 201.259,00 | 24.150,00 | 29.188,00 | 1.422,00 | 289.875,00 | 250.000,00 | 11.875,00 | 28.000,00 | 0,00 |
| SWW | 287.446,97 | 189.796,93 | 20.750,00 | 30.000,00 | 47.000,00 | 342.725,49 | 215.128,60 | 25.975,00 | 35.000,00 | 66.700,00 | 309.276,00 | 250.000,00 | 24.275,00 | 20.000,00 | 15.000,00 |
| Total | 1.654.333,78 | 1.115.589,61 | 170.877,61 | 277.582,70 | 82.928,08 | 1.713.119,34 | 1.211.327,11 | 142.676,58 | 289.766,13 | 77.589,00 | 1.933.675,00 | 1.498.671,00 | 128.475,00 | 117.139,00 | 189.390,00 |

1) Final eligible cost= eligible cost for Commission's contribution but there are also non eligible final expenditures and deficit of receipts a) the total of contributions can be higher than the final eligible cost because the no profit rule is applied to the total of the expenditures. This is the case of BalticRAC 2007-2008, NSRAC 2007-2008 and 2008-2009, PELRAC 2007-2008, SWW 2007-2008 and 2008-2009 b) the total of contributions can be lower than the final eligible cost when there is a deficit of receipts. This is the case of BALTICRAC 2008-2009, NWW 2007-2008
 2) EU contribution= final paid amount for the period
 3) Members fees= final amount that RAC declared as paid by members
 4) MS contributions= MS contribution + regional level + government contribution of the country where RAC is established
 5) Others= income from donors or exchange gains (NSRAC 2007-2008 and 2008-2009) or VAT (LRAC 2007-2008)
 6) Members fees and MS contributions are the paid ones when the application form was submitted.
 7) Additional resources during the lifetime of the Specific Agreement are subject to an amendment and the percentage of the Commission's contribution is recalculated.

Figure 12 - EU and non-EU contributions (including members', MS' and others) to RACs



This evaluation finds that while EU contributions rose from EUR 1,115,190 in 2007-08 to EUR 1,211,327 in 2008-09 non-EU contributions declined from EUR 531,389 to EUR 510,032 in the same period. This has been due in part to declining membership. The RAC review reports favourably on the information provided to the Commission and on the RACs contribution to the implementation of the CFP. The RACs have been deemed by the Council to be of general European interest and has therefore accorded them permanent status and access to finance from the Commission. Executive Secretaries are enthusiastic about the contribution that the RACs can and should provide to the Commission and the Council. In 2007-08 and 2008-09 non-EU financial contributions amounted to 32% and 30% of total eligible costs; this is well in excess of the minimum ten per cent required by the Regulations.

All parties consulted including the Commission, Member States and members, regard the RACs as relevant to their work.

Executive Secretaries were satisfied with the quality of the advice of their RACs, but they did stress the efforts that they had made to improve the participation of members in discussions. Members' contributions were an essential element in assuring ownership and commitment from them in the RAC's work. The interest of the Member States varied considerably, but they were considered

equally important, particularly concerning lobbying and representation in the Council and in the Parliament.

While Member States felt that the performance of the RACs was variable, there was no question as to their relevance. On the contrary, the advice and opinions expressed by the Member States leaned towards the improvement and increased remit of the RACs, with an increased emphasis on outcomes rather than outputs.

Regarding the success of the RACs in providing better information and understanding of decisions taken at the European level, two thirds of all respondents to the survey of RAC members agreed the RACs had been either 'quite' or 'somewhat' successful (44% and 22% respectively). A further 20% of respondents claimed that the RACs had been 'very' successful in this respect.

Overall, approximately 6 out of 10 respondents thought the RACs had been either 'quite' or 'somewhat' successful in ensuring the views of stakeholders are taken into account in EU-level decision-making (57%).

Additionally, the majority of members who responded to the survey considered it important for their organisations to continue to be a member of the RACs, with 42% thinking it 'very' important and 45% claiming it was either 'quite' or 'somewhat' important.

RAC members were invited to provide additional comments on the RACs' functioning and importance to their organisations. Forty-five out of the 103 respondents did so (44%). The largest group of these respondents highlighted the fact that RACs were important for them as platforms to exchange information and arrive at mutual understandings with other stakeholders. In this sense, they considered it very important to be involved and represented in order to make sure all stakeholder views were taken into account.

RAC members also highlighted the need to increase the amount of scientific expertise in the work of the RACs.

B) Conclusions and recommendations

Commission co-financing is essential for RAC activities.

The RACs are generally perceived as serving a useful purpose on a number of levels. The relevance of the RACs is certainly not being questioned, and nor is the relevance of financial contributions of the EU, Member States and RAC members. This evaluation concludes that the RACs are relevant *per se*. Since finance ensures ownership and commitment in the operations of the RAC, it is safe to conclude that the finance to the RACs is also a relevant prerequisite for their operation.

Since more than two-thirds of finance is presently provided by the EU, there is no scope for withdrawing (or significantly reducing) this funding. It can be safely concluded that maintaining the present structure (independent of the precise amounts and proportions) is a course that would receive general agreement, and would ensure ownership and commitment from the main parties involved in the RACs, thereby confirming the institution's legitimacy and reinforcing their permanent nature.

It is recommended that the existing composition of RAC finance (i.e. co-financing by the Commission, RAC members and Member States) be maintained. There seems to be no particular risk in maintaining this course. The advantage would be a continued sense of ownership and commitment from all the main parties involved.

Potential role of RACs needs to be studied

Feedback from the Member States and Executive Secretaries suggests that there may be scope for extending the role of the RACs so that they become more strategic, contributing to long term fisheries management plans, and on specific technical issues. Currently the RACs' schedule of meetings and their work programmes are designed to fit the financial and human resources that they have at their disposal. However, a more fundamental question does need to be asked concerning their potential role in the coming years. There would seem to be considerable potential in this regard.

It is recommended that the Commission studies the potential role of the RACs and what additional financial support might be necessary to support any change in the role and future activities of the RACs. This work could be carried out in 2011 ready to be fed into the reform of the CFP due in 2013. Any stakeholder consultations involved in the work could make the most of the existing fora within the RACs and of the inter-RAC meeting to discuss such issues, and feed into the process of review of the CFP.

4.3.2 To what extent does the quality of RAC advice and their ability to carry out their work depend on the timely provision of the EU co-financing taking into account the budgetary ceiling of EUR 250,000?

A) Key findings

Given the fairly constant financial envelope and the sharp increase in the overall number of meetings and recommendations, there appears to be an increasing economy regarding EU finance.

Across all those consulted as part of the evaluation there is general consensus that the quality and timeliness of RAC advice has improved. However there is a difference of opinion with regard to the extent to which the Commission takes this advice into account. While the Commission feels that much of the advice is considered, this is not the perception held by Executive Secretaries and RAC members.

The RACs have been innovative in holding meetings of common interest. They do value the inter-RAC meetings, which allow for exchange of experiences and also for forming common positions. Some RACs proposed that these meetings be formalised. However, they did observe that past discussions have been dominated by financial matters, and there is a desire that this forum focus on the technical issues.

Based on data provided by DG MARE, the delays from pre-financing request to payment range from 13 to 224 days in the period studied (2007-2009). Out of the 25 pre-financing payments for which data is available, three were paid after more than the contractually established period of 45 days had elapsed. Given this relatively small number, and the specific circumstances accompanying each payment (often relating to incomplete information in the payment request or lack of adequate guarantees), it is not possible to draw any conclusions regarding the average delays.

The Executive Secretaries expressed great enthusiasm in their core work and underlined the importance of their organisations, but they found that the financial rules and regulations have a huge impact on their operations. One element that was criticised is the absence of an effective mechanism for dispute resolution: although there is a formal appeal mechanism in place with the

Court of First Instance, there is no arbitration or mediation in place when a decision is made by the relevant offices in DG MARE. Some Executive Secretaries thought that the creation of an arbitration or mediation mechanism (this role could be carried out by a third party, for example, by DG BUDG) could be a fair and efficient way of resolving differences in the interpretation or application of the relevant rules.

Four in ten members either 'disagreed' or 'strongly disagreed' that the amount of funding currently available to their RACs was sufficient to ensure the provision of high quality service (40%). With regard to the timing of Commission funding and its impact on the work of the RACs there was no overriding opinion on whether this had had a negative impact or not. Most respondents took a neutral stance on the issue. The same sentiment was felt, to a slightly lesser extent, with regard to the Commission's rules and procedures and the impact they have had on the work of the RACs.

B) Conclusions and recommendations

Delays from request to payment have not affected quality of RAC advice but lead to inefficiency

Although a few pre-financing payments have been made more than 45 days after the requests were received by the Commission, there is no evidence to suggest that these delays have directly affected the quality of advice provided by a RAC in a negative way. Delays from request to payment have usually occurred where there has been an issue with a RAC claim. The work involved in re-administering a claim takes resources away from other RAC activities. While up until now this does not seem to have negatively impacted on the quality of RAC advice it is not an efficient way of operating.

Harmonisation of financial years

Given the fact that financial rules do evolve, and that understanding these has a profound impact on the quality of submissions and subsequent payments by the Commission, there is a case for harmonisation of financial years. This would allow for common briefings and exchanges of experiences in advance of the preparation and submission of work plans. This could significantly reduce delays in payment, as a standard calendar concerning submissions and subsequent payments could be established, uniform rules for the year could be provided in advance, and questions could be raised and answered in a common forum, all allowing for a potentially marked improvement in the quality of work plans and of requests for payment or closure of accounts. A standard calendar across all RACs may well lead to a seasonal workload for the Commission considering applications and processing payments. However, the common briefings and consultations may significantly improve the quality of submissions, thereby reducing the workload overall, and allowing for technical follow up at other times of year.

Therefore, it is recommended that the Commission consult with the RACs to explore whether these could harmonise their financial years (subject to national legislation in the countries in which they are established). If harmonisation is to be pursued, a couple of options could be considered. The first option would be to harmonise the financial years across all RACs. The second option would be to introduce two financial years - three RACs would adhere to one financial year and the other four to another financial year. While the first option may provide more structure for the RACs (for example, common briefings could be held at key moments in the planning and implementation cycle and a clear calendar of commitments could be established) it is likely to result in a particularly heavy, potentially unmanageable, workload for the Commission. The second option would to some extent mitigate this issue, spreading the workload for the Commission, and at the same time offering some of the benefits mentioned above which would assist RACs with their planning and carrying out their work.

Formalising inter-RAC meetings

Since the inter-RAC meetings are valued highly by the Executive Secretaries, it is recommended that the inter-RAC meetings be formalised. This will allow for more streamlined and concerted approaches to annual planning and communications. There does not appear to be any particular disadvantage in taking such a step particularly since the meetings will occur anyway. Only benefits can accrue by having such a forum, where issues of common interest, both in terms of procedures, but more importantly and eventually in terms of process and strategy.

Improve feedback mechanisms to RACs regarding their advice

There is a significant group of stakeholders who currently do not feel that the recommendations of the RACs are being taken into consideration sufficiently by the Commission. The Commission has provided feedback to the RACs on this issue, but it has nevertheless expressed a willingness to improve its methods of consultation, and it appears committed to a continued dialogue with the RACs. Thus, it is recommended that the Commission continue to seek ways to improve its feedback mechanisms regarding the consideration that is given to RAC advice and recommendations. There is no particular risk in such a course of action.

4.3.3 To what extent does the co-financing part of MS and the membership fees assure the necessary commitment of RAC members to their organisation and its mission?

A) Key findings

The RAC Executive Secretaries felt strongly that the co-financing from Member States, regional organisations and in particular from members, was an important part of their commitment to the RACs. It also ensured their active participation and involvement. There was no suggestion that finance from these parties should be waived.

The MS have contributed 24% to 25% of the EC contributions. This is reduced to 18% if one excludes payments from Spain to the LDRAC. The members' financial contributions, as a percentage of final eligible costs, have varied from 1% to 14% for any particular RAC in any particular year. Though the percentage of final eligible costs has gone down from 10.3% in 2007-08, to 8.3% in 2008-09, this reduction must be tempered by the fact that final eligible costs have increased over the same period, Overall Members' contributions for the two years have averaged at 9.3%, thus providing almost all of the ten per cent co-financing required.

Member States cannot afford to attend all RAC meetings, but they do attend those that are of most interest to them, and they do attend the full range of meetings. At times, this means attending a meeting where the Commission will be present in order to influence decisions and other times it means attending Working Group and Focus Group meetings, where the emphasis will be more on the technical work being undertaken.

The number of members has declined in all RACs apart from the North Sea RAC. This is due partly to a consolidation of some member organisations under umbrella organisations. Members from the fisheries sector constituted the most interested parties, although grass roots participation in this sector has not been as significant as had been hoped. 60% of RAC members responding to the survey agreed that the financial affairs were well managed and that they were transparent. This is a contributory factor to the members' willingness to pay their fees. At the same time the majority of RAC members responding to the survey felt that support from the Commission should be increased.

B) Conclusions and recommendation

This evaluation concludes that there is a firm commitment from Member States, regional organisations and members to the RACs. The evaluation would endorse the universal belief among those interviewed that fundamental to this commitment is the requirement to contribute financially. This supports the conclusion presented in section 4.3.1 above for maintaining the present composition of finance, subject to proportions to be discussed in relation to evaluation questions below. Since the number of members and their financial contributions overall have declined, and the RACs are meant to be stakeholder led institutions, there may be cause for concern. It is recommended that the Commission and the RAC Executives monitor the number and representativeness of the members, to ensure that the degree of ownership is maintained. This could be a subject for discussion at Inter RAC meetings every so often. An important element will be the members' perception as to whether the advice given by their RAC is being heeded or not. The risk of not formally monitoring the degree of ownership is that the members become less important vis-à-vis the Executive, Member States and the Commission. Resulting from this process, would be the potential advantage of identifying reasons for lassitude on the side of some members, and addressing these generally, and maintaining a strong stakeholder focus.

4.3.4 To what extent should the maximum percentage of 90% of EU co-financing of the eligible costs of the RACs be diminished or increased?

A) Key findings

EC contributions to eligible costs seem to have stabilised at around 70%. Preliminary figures for 2009-10 indicate 77%, but these include the maximum grants available (which will be reduced as eligible costs are determined at the end of the year) and no EU contributions received at the time of the grant application (which will increase in the course of the year). There was no call from RACs to change the 90% rule. If the ceiling were increased, there may be increased problems of deficit of receipts. In the two years for which this study has final figures, the EU contributions in any one year for a RAC were as low as 43%, and never exceeded 80%. We have seen in the preceding section that members' contributions have sometimes struggled to maintain 10% of total eligible costs. Thus, although the RACs are deemed to be stakeholder led, and the Member States and Commission are only invited as observers, there is overwhelming dependence on external financial sources. This may put pressure on their legitimacy and independence, which enhances the need for transparency overall and coherence between the RACs.

Reducing the 90% ceiling to EU contributions to eligible costs, was not welcome, as it would put pressure on the members' contributions. Given the financial constraints felt by the RACs and the constraints felt by members, there may be a case for increased leverage. At least maintaining the current contributions of the Member States and the members would maintain their commitment and feeling of ownership that are so important. There was a voice among the RACs for increasing the contributions of Member States to 20%. If this were the case, the EU contribution could be increased and the members would not be under any increased pressure.

However, the Member States themselves had no firm opinion on whether the rate should be increased or decreased. One suggested a review, depending on how the RACs evolved over time.

B) Conclusions and recommendations

Up to 90% contributions by the EU are deemed appropriate for the RACs in their current form. If eligible costs do increase and MS and members' fees remain the same, the percentage of EU

contributions to total eligible costs may well increase from its present level of 70%, to approach the 90% limit

If there were an increase in contributions from Member States, as some RAC Executive Secretaries suggested, and members' fees were not increased, then the maintenance of the 90% cap would allow for an increase in EU contributions, should the ceiling of EUR 250,000 be lifted. A reduction in the 90% rule would put pressure on non EU contributions at a time when these are somewhat constrained and when there is a call for an enhanced role of the RACs. Thus, there is no apparent benefit in reducing the 90% limit.

Should the functions of the RACs be significantly increased as a result of their review in 2011 or following the reform of the Common Fisheries Policy in 2013, this percentage may have to be reconsidered, but this would have to be balanced against the risk of losing a significant sense of ownership by members should the EU percentage be increased. In the interest of maintaining a sense of ownership, it is recommended that the 90% ceiling on the EU contribution be maintained.

However, we have seen (see section 4.3.1 above) that there is a call for increased scientific, economic, social and financial capacity in the RACs. This would imply an increased overall budget. Thus, if the RACs are to be more effective contributors to the dialogue on the CFP, and if their role is significantly enhanced, then an increase in the 90% ceiling to 95% might be considered. This will be dependent on a concurrent increase in the overall grant from the EU (see section 4.3.5 below). However, in section 4.3.6 it is recommended that alternative sources of finance be sought; success in this domain would be the preferred route. An increase in the rate of finance from the EU would allow for enhanced research, technical capacity and strategic planning, should a review of their role recommend this, but a reduction in the non-EU contributions may severely prejudice the sense of ownership that the members and Member States have vis-à-vis the RACs. The RACs were conceived as stakeholder led bodies, and the EU finance was originally intended to be temporary. Already, the 90% contribution arguably has the potential of undermining their independence. Thus, any consideration of an increase in the 90% rule would have to be approached with caution, and it is not recommended at this stage

4.3.5 To what extent is the maximum amount (EUR 250,000) of EU grant to the RACs sufficient for the implementation of their work programme?

A) Key findings

In 2007-08 and 2008-09, EU financed eligible costs stood at 74% and 81% of the EUR 250,000 maximum.. Thus, the RACs are not far off the figure allowed to them under the Regulation. RACs have undertaken more activities, and have become more aware of what can be claimed as eligible costs.

The Executive Secretaries of the RACs felt that the permanent nature of the RACs and the availability of the EUR 250,000 were positive elements. According to them, they have not used the full amount available because they are afraid to incur ineligible costs. While the ceiling is appropriate now and has been adequate in the past, this might not necessarily hold in the future, particularly if there is a significant change in the role and responsibilities of the RACs.

Some Member States are against an increase in RAC financing from the EU. However, others did not have an opinion on the matter, or called for an increase. One pointed out that if the RACs were to improve their expertise, they would have to diversify their funding away from the EU, but no concrete proposal was made in this regard. There has been a call from the Committee on Fisheries

of the European Parliament, Executive Secretaries, the Member States and the members to increase the technical capacity of the RACs, and that they move away from the financial work and meeting rounds to a role that is more proactive, more strategic and longer term and consistent with a continued decentralisation of the CFP. There have also been calls for beefing up the technical capacity of the RACs.

B) Conclusions and recommendations

If there is indeed a vision that the RACs do fulfil their tasks in more strategic ways, then there is clearly an argument for increasing their capacity. Given the limitations on member finance, and the difficulties that may be inherent in an increase from Member States, a viable option may be to increase the ceiling of the EC contribution, with modest increases in the Member State contributions. Moreover, inflation is of course eating into the EUR 250,000 ceiling, thus eroding its real value. Should the existing ceiling remain at EUR 250,000, the activities of the RACs will be reduced. This would not support the willingness from all parties to enhance the quality of advice that they give, and to consider the technical proposals from the Commission and from the sector in more depth.

It is recommended that the Commission considers increasing its maximum contribution to EUR 300,000 and adjust this for inflation on an annual basis. The suggested increase of EUR 50,000 takes account of inflation since the EUR 250,000 limit was introduced and covers any potential increase in the demands made upon RACs in the short term. There is no particular risk involved, since the RACs are likely to be able to continue to raise the minimum 10% finance from other sources. The advantages are that the RACs will be able to increase their activities where these are justified within a work plan, and that the real value of the EU contribution will be maintained. A EUR 50,000 increase is considered significant enough to provide the necessary additional funding, but not so much as to undermine the sense of ownership that the members have to the organisation and its roles.

4.3.6 To what extent do the conditions for the disbursement of the EU grant as foreseen in the relevant legal provisions (for example the list of eligible costs) allow the RACs to make full and effective use of the EU financial support?

A) Key findings

Data on non-eligible payment requests is available for four RACs. For two of these RACs, the ineligible costs amounted to around one per cent of the maximum EUR 250,000 grant or of the actual grant in the year. For another these amounted to up to eight per cent, and for one, to around 11%. On average the proportion of the ineligible requests to the maximum grant available and to that actually received amounted to just over one per cent in 2007-08 and 2009-10. In 2008-09, due to higher than normal figures for the North-western and South-western Waters RACs, the figure rose to around four per cent. Thus, in most cases, the proportion of ineligible costs is not high, and there is no perceptible trend.

Most Executive Secretaries find that the rules generally lack clarity. The language used can be bureaucratic and complex, rather than plain and simple. However, though they have been welcomed by most Executive Secretaries, the status of the guidelines is not clear, as in some cases they are reportedly interpreted as immutable rules by the Commission and in other cases they seem not to be binding and are up for negotiation. At times the Commission has apparently been unwilling to discuss procedures. There are cases where the RACs do feel that they have not been sufficiently

consulted, or not been consulted with enough time. This sentiment continues to exist, despite the Commission's consideration of comments on the guidelines, their amendment of these, and their explanations and justifications.

Positive aspects included the fact that the RACs are permanent institutions, and they can rely on the availability of the EUR 250,000. The guidelines have gone some way to clarifying procedures, and there is a more unified way of working across the RACs. RACs would encourage more open dialogue and visits from the financial officers of DG MARE and DG BUDG. The standardised and strict procedures mean that the RACs get good value for money; there is no waste. The co-financing principle contributes to commitment and ownership.

The Executive Secretaries generally regard the rules as inappropriate. Some RACs are set up as companies and some as NGOs.

Advance payment of membership fees was regarded by the Executive Secretaries as either good, in that it forced a commitment in advance, and provided some ready cash, or as negative, in that some poorer NGOs were discouraged. The feeling was also expressed that it was not necessarily appropriate to expect this money *ex ante*. Therefore, it was suggested that it were more appropriate to consider whether the ten per cent had been achieved at the end of the year rather than at the beginning.

It is regarded as inappropriate to ask for a bank guarantee because the RACs set up as companies or NGOs are unable to obtain these from the banks. The option of asking for a letter of guarantee from the Member States does not help. The option of obtaining a EUR 100,000 advance without a guarantee has been welcomed, despite the fact that it implies more than one work plan in the year and a heavy administrative burden.

The RACs are long term institutions but they are pressed into an annual cycle. Executive Secretaries have made various suggestions to address this problem, such as applying an n+1 or n+2 rule, flexibility between budget headings and multiannual plans. The 20% transfers allowed between line items was regarded as being too low.

The eligibility of certain items - such as interest, staff costs, contributions in kind, taxis versus public transport, travel to EC meetings, chairman fees, exchange losses (ineligible) or exchange gains (eligible) and participation in research grants - is perceived as becoming stricter (although it should be noted that from 2010, the Commission considers exchange losses as eligible costs). This contributes to fear in taking initiatives for cooperation with other institutions in relevant work. The RACs ask for more clarity and consistency in this regard, and suggest that harmonisation of budget years and clear instructions in advance of the budgetary exercises across the board and to all RACs at the same time would alleviate the difficulties these changes cause.

Tight conditions regarding the fees and travel conditions for scientists have led to difficulties in recruitment.

Member States and regional organisations were also probed on how clear and appropriate they felt the framework of rules and procedures was. Some indicated that they were fair, others that they were not familiar with them. Some MS/ROs indicated that they would like to see clearer rules on how the Commission makes use of its budgets. Moreover MS/ROs have the impression that the financial rules and procedures mean that there is more focus on "outputs" rather than "outcomes".

Circa one third of all respondents to the members' survey 'neither agreed nor disagreed' with the appropriateness of the way in which the RACs are financed; one quarter felt that it was not appropriate, but they were unable to state how this might be improved, save saying that the money from the Commission should be increased. Some mentioned that there should be more funding to

cover logistical aspects such as trips to attend meetings or preparatory work for these meetings. Another group of respondents stated that the additional support needed was not only in the form of money but also in the form of other types of resources such as translation of documents, external professional and scientific support to develop further research studies, *rapporteurs* at meetings, etc.

There was no call for a change in the eligible costs in Annex II to the 2007 Council Decision, save to have provision for inflation built into the system.

B) Conclusions and recommendations

The feedback gathered from the RACs during this evaluation shows that the form that the EU financial support currently takes (an annual operational grant) brings with it a considerable administrative burden for the RAC Secretariats. When the RACs were first established, operational grants were seen as an appropriate instrument to support them during the first five years of their existence, with a view to allowing them to get off the ground and eventually become independent of EU financial support. However, the Commission subsequently decided to declare the RACs as bodies pursuing an aim of general European interest, and thereby enable them to benefit from permanent funding from the EU budget. This evaluation has confirmed (see section 4.3.1) that the RACs will continue to be dependent on EU financial support for the foreseeable future.

In these circumstances, the evaluation results suggest that an annual operational grant is no longer an ideal vehicle for the EU financial support. As already noted in the 2008 suggestions from the Inter-RAC on financial management and confirmed by this evaluation, the rigidity of this instrument is ill suited to the dynamic reality in which the RACs operate, and forces the RAC Secretariats to invest a significant amount of time and effort each year to comply with the financial rules and procedures, which are found disproportionately onerous and burdensome. There is consensus among Executive Secretaries that a more flexible instrument would free up valuable resources and allow them to focus more on the actual operations of their organisations, while also allowing for longer-term planning and a more strategic approach to fulfilling the role foreseen for the RACs. It is therefore recommended that the Commission explore what possibilities exist within the relevant Financial Regulations to endow the RACs with a different type of grant that would enable multi-annual planning and enhance flexibility while reducing the workload of the Secretariats. While a full analysis of available alternatives would exceed the scope of this evaluation, it is clear that the potential advantages and drawbacks of an alternative instrument will need to be weighed carefully against each other.

Should it turn out that there is no practical alternative to the operational grants, the focus should be on further clarifying and streamlining the applicable rules and procedures. Although the Commission has already made a considerable effort to address the RACs' concerns (inter alia by issuing Guidelines on the interpretation of the applicable rules, and by revising certain elements such as the eligibility of exchange losses), the prevalent feeling among Executive Secretaries (as well as some RAC members and Member States) continues to be that the difficulties imposed on RACs by the current financial management framework are excessive and could be further minimised. In spite of the Commission's efforts, certain rules are still not understood fully by the RAC Secretariats, and there is also a perception that some rules are unnecessary and/or inappropriate, and that the Commission's decisions on their interpretation are sometimes arbitrary.

Based on the elements that are the greatest cause for concern among the RACs, the following recommendations for optimising the use of the current operational grants are made:

- Even clearer and less ambiguous guidance is required regarding the eligibility of costs (including exchange rate gains and losses). The feedback from the RACs shows that the rules laid down in the Annex II to the Council Decisions, the Specific Agreement, the Framework Partnership Agreement and the revised Guidelines do not appear to eliminate all

ambiguities, and leave room for interpretation / uncertainty. Clear guidance on potentially contentious items should be provided in advance of the financial year and perhaps at strategic points in the planning cycle, ideally both in writing and during one or more meetings (see also the earlier recommendation on harmonisation of financial years) to give all RACs the opportunity to raise questions and obtain consistent answers.

- The rules concerning when membership fees need to be received should be revisited. Since 2008, the Commission requires membership fees to be paid by the time the estimated budget is submitted, in order to help RACs avoid situations where members' failure to pay their fees leads to the application of the deficit of receipts rule. However, the majority of RACs are in favour of relaxing this rule and only requiring membership fees to have been received at the time of the end-of-period audit, as this would reduce the burden up front (although it would also increase the risk of having to pay back funds to the Commission if members fail to pay their fees).

4.3.7 To what extent are MS contributions sufficient to cover part of the co-financing rate?

A) Key findings

Though Member States contributions are not compulsory, five out of six RACs have routinely received a total of between EUR 20,000 and EUR 50,000 from their Member States. Member States contributed 17% of final eligible costs for the two years that these costs have been established. It is too early to draw conclusions from the data for 2009-10, as EU eligible costs are likely to be reduced and further Member State contributions received in the course of the year.

Executive Secretaries reported that the reliability of payment from Member States varied considerably, but there was general dissatisfaction with the timeliness of receipts. The effects of late receipts were enhanced by the requirement that these monies be received before the EC contribution.

Though the amount of financial contributions is regarded as small by Executive Secretaries, the Member States do make significant contributions "in kind".

Member States contributions comprised 25% on top of Commission final contributions to eligible costs in 2007-08 and 2008-09. Thus, Member States have been more than faithful to the reported "gentleman's agreement" that they would provide 10% of EC funding. This is due in part to the inability of the RACs to gain access to the full EUR 250,000 potentially available to them from the Commission. The table below shows the evolution of the figures over the three periods, but it needs to be emphasised again that the amounts for 2009-10 are not final (and, based on the experience of previous years, are still likely to rise significantly).

Table 17 – MS financial contributions per RAC

| Year | 2007-2008 | | | 2008-2009 | | | 2009-2010 (1) | | |
|----------------------|---------------------|------------|----------------------------------|---------------------|------------|----------------------------------|-------------------------|------------|---------------------------------|
| | Final eligible cost | MS finance | % MS cost of final eligible cost | Final eligible cost | MS finance | % MS cost of final eligible cost | Estimated eligible cost | MS finance | % MS cost of est. eligible cost |
| Baltic Sea | 279.516 | 48.217 | 17,3% | 269.451 | 50.783 | 18,8% | 319.589 | 23.750 | 7,4% |
| Long Distance | 252.893 | 118.578 | 46,9% | 343.908 | 129.677 | 37,7% | 434.514 | 18.189 | 4,2% |
| North Sea | 251.446 | 24.450 | 9,7% | 215.522 | 22.917 | 10,6% | 279.671 | 5.000 | 1,8% |
| North-western Waters | 324.931 | 34.088 | 10,5% | 285.378 | 22.200 | 7,8% | 300.750 | 22.200 | 7,4% |
| Pelagic Stocks | 258.101 | 22.250 | 8,6% | 256.135 | 29.189 | 11,4% | 289.875 | 28.000 | 9,7% |
| South-western Waters | 287.447 | 30.000 | 10,4% | 342.725 | 35.000 | 10,2% | 309.276 | 20.000 | 6,5% |
| Total/ mean | 1.654.334 | 277.583 | 16,8% | 1.713.119 | 289.766 | 16,9% | 1.933.675 | 117.139 | 6,1% |
| | EU contribution | % MS | | EU contribution | % MS | | EU contribution | % MS | |
| All RACs | 1.115.590 | 25% | | 1.211.327 | 24% | | 1.498.671 | 8% | |
| All RACs ex LD | | 18% | | | 18% | | | 9% | |

1) EU contributions at EUR 250k and MS and Members' contributions those when applications submitted

Generally, MS contributions have been stable, and most express conservatism with regard to entertaining any change in this. It is clear that any movement of a RAC from its present geographical location could imply a significant reduction in the monetary and non-monetary contributions that the host State makes.

Most MS/ROs would not entertain any increase in their contributions, though they are happy to continue to contribute in kind. They were also reluctant to consider a legal obligation to contribute to the RACs directly, at least one suggesting that increases in EU finance were more appropriate.

B) Conclusions and recommendations

This evaluation concludes that for the moment the MS contributions are a sufficient complement to the final eligible costs provided by the EU. However, should the role of the RACs be significantly enhanced as indicated above, the MS contributions would have to be reviewed. Given the constraints faced by the members financially, this is a reasonable avenue for exploration. Perhaps because Member States already provide much more than the original ten per cent over and above the EU contribution, the Member States have expressed reservations in their willingness to increase finance and reported on the potential difficulties that may lie ahead in increasing or even maintaining existing levels. The proportion the EU finances was around 70% in 2007-08 and 2008-09, and it can potentially increase to 90%, thus there is significant scope for an increase in EU contributions whilst maintaining Member State contributions as they are. Among the dangers inherent in an increase in the proportion of EU contributions are over dependence on EU financing, a loss of independence and a reduction in a sense of ownership. Thus, in order to maintain independence of the institution, and in view of the expressed need for an enhancement of the RACs' functions and roles, it is recommended that specific sources of finance be investigated with a view to advising the RACs on how they may gain access to these. There would be no particular risk or disadvantage of such a course. Should sources of finance independent of the Commission be identified, this would only enhance the RAC's autonomy. Moreover, there may be finance available for addressing specific technical issues in the fisheries sector, or multiannual financing that could enhance the strategic work of the RACs. This may be particularly beneficial, given the long term nature of the management and sustainability of fisheries resources and of the communities that depend on these, and may in part address some of the concerns resulting from the annuality of the operational funding that the RACs rely on at present. The fact that the contribution is voluntary is regarded as positive, in that it allows for flexibility. Given some Member States' willingness to provide

contributions in kind, and their reluctance to consider any legal obligation to pay, it may be unwise to impose a legal requirement. A valuation of the contributions in kind has not been received, but these are reported to be significant. They range from the provision of office space, utilities, meeting rooms and associated costs for meetings. Moreover, some Member States provide significant financial contributions over and above the standard contributions requested by the RACs. Any obligation to pay may bring those States giving more down to the lowest common denominator, reducing contributions overall. With the exception of those States providing significantly more than the standard rate, the vast majority of States paid the standard rate. Thus, there would seem to be no material advantage in making contributions obligatory or in standardising them, or in imposing minimum or maximum percentages.

4.3.8 To what extent are membership fees sufficient to cover part of the co-financing rate?

A) Key findings

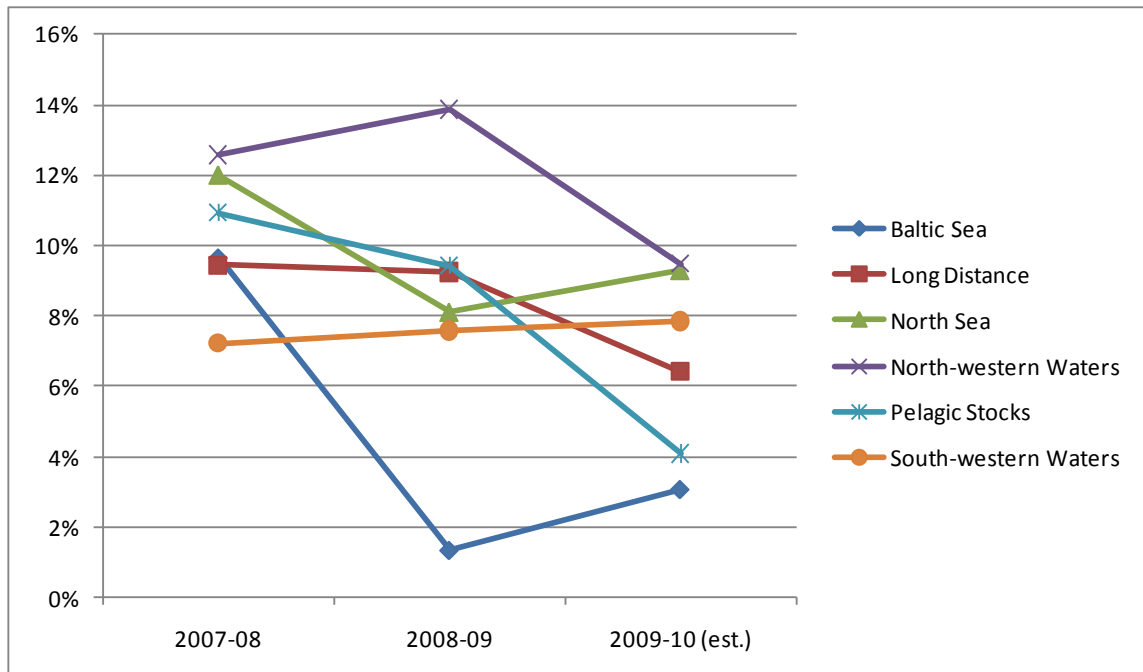
The total amount collected by all RACs through members' fees has declined, from EUR 170,878 in 2007-08 to EUR 142,677 in 2008-09. It is too early to determine the final amount that will be received in 2009-10, but according to the RACs' estimated budgets it is expected to fall slightly, to EUR 128,475. Members' contributions per operational RAC in the two years with final costs have varied from one to 14% of total eligible costs.

In 2007-08, members' fees represented 10.3% of RAC budgets, in 2008-09 this declined to 8.3%. Based on the available estimates, it will decline further to 6.6% for the 2009-10 period, but these estimates are not reliable as long as the final eligible costs are not known.

Table 18 –Members' financial contributions per RAC

| Year | 2007-2008 | | | 2008-2009 | | | 2009-2010 (1) | | | Total | | |
|----------------------|---------------------|-----------------|---------------------------------------|---------------------|-----------------|---------------------------------------|-------------------------|-----------------|--------------------------------------|---------------------|-----------------|---------------------------------|
| | Final eligible cost | Members finance | % Members cost of final eligible cost | Final eligible cost | Members finance | % Members cost of final eligible cost | Estimated Eligible Cost | Members finance | % Members cost of est. eligible cost | Final eligible cost | Members finance | % Members cost of eligible cost |
| Baltic Sea | 279.516,00 | 27.000 | 9,66% | 269.450,87 | 3.668 | 1,36% | 319.589,00 | 9.875 | 3,09% | 868.556 | 40.543 | 4,67% |
| Long Distance | 252.892,81 | 23.900 | 9,45% | 343.907,98 | 31.800 | 9,25% | 434.514,00 | 27.900 | 6,42% | 1.031.315 | 83.600 | 8,11% |
| North Sea | 251.446,00 | 30.150 | 11,99% | 215.522,00 | 17.491 | 8,12% | 279.671,00 | 26.000 | 9,30% | 746.639 | 73.641 | 9,86% |
| North-western Waters | 324.931,00 | 40.853 | 12,57% | 285.378,00 | 39.593 | 13,87% | 300.750,00 | 28.550 | 9,49% | 911.059 | 108.996 | 11,96% |
| Pelagic Stocks | 258.101,00 | 28.225 | 10,94% | 256.135,00 | 24.150 | 9,43% | 289.875,00 | 11.875 | 4,10% | 804.111 | 64.250 | 7,99% |
| South-western Waters | 287.446,97 | 20.750 | 7,22% | 342.725,49 | 25.975 | 7,58% | 309.276,00 | 24.275 | 7,85% | 939.448 | 71.000 | 7,56% |
| Total | 1.654.333,78 | 170.878 | 10,33% | 1.713.119 | 142.677 | 8,33% | 1.933.675 | 128.475 | 6,64% | 5.301.128 | 442.029 | 8,34% |

1) EU contributions at EUR 250k and MS and Members' contributions those when applications submitted

Figure 13 - % Members' fees of final eligible cost by RAC (2007-08 to 2009-10)

The Regulations require that non-EU contributions (members' fees and contributions from Member States and others) be at least ten per cent of total eligible costs; thus, Members' fees have covered approximately 90% of non-EU co-financing requirements in the two years for which final eligible costs exist.

There was no overriding consensus among Member States and regional organisations on the level of RAC membership fees. One felt that it was not the responsibility of the MS to be concerned with such matters, another felt that the fee structure was adequate and a third warned that if the fee structure was set too high, that this might form a barrier to entry for member organisations, in particular NGOs.

Almost six in ten respondents to the RAC members' survey claimed that the current membership fees were appropriate with a view to ensuring the effective functioning of the RACs (58%).

B) Conclusions and recommendations

This evaluation concludes that the members' fees continue to be an important element in co-financing, in that they cover a significant part of the minimum ten per cent co-financing. The members' contributions to the RACs are likely to continue, as most members do feel that the RACs are useful and are committed to the RACs. However, the number of members is unlikely to increase significantly, and there is limited potential for any increase in fees from members. The contributions of the members contribute significantly to a sense of ownership in the institution, which must be maintained if the institution is to perform. As argued below in section 4.3.10, this evaluation sees no advantage in imposing any changes in the amount of fees requested. RACs have been dynamic in the measures they have taken to increase revenues, for example in varying the amounts asked from members, from those in working groups and from the members of the executive committees. These measures are agreed within the RACs, which seems appropriate both materially and in terms of ownership and commitment to the management of their own affairs.

4.3.9 To what extent is it relevant to harmonise the MS contributions for all the RACs?

A) Key findings

Most Member States have contributed the same amount to a particular RAC in any particular year. This amount has ranged from EUR 2,021 to EUR 4,000. Only two Member States ceased to make contributions to a RAC in the period studied.

Regarding the harmonisation of Member State contributions across RACs, only one RAC ES was in favour of this, arguing that payments might be received in a more timely manner, and that it would be fairer and clearer. However, others argued that the requirements of the RACs were different and that RACs had a different number of affiliated Member States. One argued that the contributions should be weighted with respect to the importance of the sector. RACs were of the opinion that the contributions from Member States within a RAC should be harmonised, but that harmonisation across RACs would be significantly more problematic.

Opinion was largely in favour of harmonising the contributions of Member States within (as opposed to between) RACs. However, one MS warned against making this a legal requirement and another pointed out that those MS/ROs that host a RAC naturally have a higher stake. Moreover, uncertainty was expressed as to how the RACs would evolve; before this was clear, it was difficult to come to a conclusion on fees, and that harmonisation would be difficult to achieve. Arguments in favour of harmonisation ranged from streamlining and transparency, to fears of bias and influence where one MS supports a particular RAC more than other MS. A formal mechanism was proposed, such as direct funding from the EU budget, whereby all MS with an interest in a RAC contribute on equal terms.

As a complement to regular contributions, a call was made for having different budget lines for specific projects with clearly defined objectives that various regions could contribute to, as well as a specific tool to allow the RACs to gain extra funding for specific projects over the medium term (three to five years).

B) Conclusions and recommendations

We have seen in the preceding subsection, there seems to be a case for harmonisation of contributions from Member States within RACs, as is largely the case at the moment. The exception, as in the case of Spain for the LDRAC, can be that the host State assumes a much larger share of costs. . Blanket policies could lead to too tight a straight jacket with all Member States contributing the minimum amount and a consequent reduction in income for the RACs. Imposing the same fees across RACs would ignore the varied nature of the RACs, their differing budgetary requirements depending on their location and the languages they have to use, and the fact that they have differing numbers of Member States. Imposing the same fees across RACs would likely lead to the adoption of the lowest common denominator, which would lead to a sharp reduction in overall revenues. Thus, it is recommended that the level of Member State contributions continue to be left to the discretion of the individual RACs and Member States.

4.3.10 To what extent is it relevant to harmonise the membership fees for all the RACs?

A) Key findings

Individual Members' fees vary from EUR 100 to EUR 900 per Member per RAC per year. In some cases membership fees have increased over time and in others they have decreased. On average, fees for Executive Committee members stand at EUR 500, those for ordinary members at EUR 317 and those for Working Group members at EUR 154. However, in one RAC, the fees for Executive Committee members are lower than the others. Executive Committee fees range from EUR 50 to EUR 1,000; those for Working Groups from EUR 125 to EUR 250, and those for members from EUR 150 to EUR 900.

RACs have adjusted fees to balance members' resources and willingness to pay against financial needs.

The RAC review found that the most interested members were those from the fisheries sector; but that participation by grass roots interests has not been as significant as had been hoped (section 2.2.2 of the Review). It concludes that grassroots participation should be encouraged.

None of the RACs felt there was potential for increasing membership fees. They felt that increasing fees would have a negative effect on the number of members, affecting in particular the smaller ones. This is compounded by the current economic situation. It was important to maintain a good number of members, so that there was a balance between large and small, male and female, and NGO and industry. The RACs struggle to maintain one third membership of NGOs, but regard this as important. There was no call for differentiated payments between different members as this would complicate matters considerably and could lead to claims of unfairness. There was similarly no call for harmonising the members' fees across RACs, as the differences between RACs were considered to be too great. Executive Secretaries felt there were advantages in maintaining a certain degree of autonomy for the individual RAC to set and agree rates as necessary.

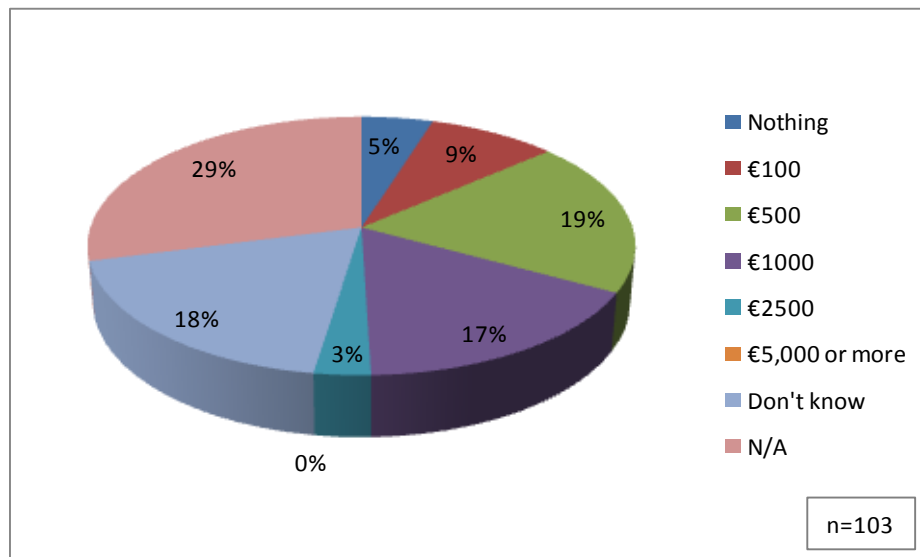
More than one RAC reiterated that if there were to be harmonisation between RACs, it should be in the context of the rules for travel, per diems, procurement, reimbursement rules and so forth.

Two Member States expressed a strong opinion that the fees should not be harmonised because a regionalised approach is most appropriate, and because there are RACs with just a few members, and other with lots of members.

Regarding members' opinions of the need to harmonise membership fees across RACs, there was no predominant view. Half of respondents were divided between those who thought membership fees should be harmonised depending on the types and size of the organisations (26%) and those who claimed they should not be harmonised (26%). The remaining 48% of respondents held that they should be harmonised for all members (16%), did not know what should be done (13%) or skipped the question (19%).

When asked how much respondents' organisations would be willing to pay in annual membership fees per RAC, almost three in ten respondents did not answer the question (29%), while 18% said they did not know. Amongst the ones that did provide an answer, about two in ten claimed they would be willing to pay EUR 500 (19%), followed by 17% that stated they would pay EUR 1,000. The graph below illustrates these results.

Figure 14 - Survey of RAC Members: Up to how much would your organisation be willing to pay in annual membership fees per RAC, and under what conditions?



B) Conclusions and recommendations

This evaluation concludes that members may be discouraged if fees are increased, and that in view of the need to enhance the technical operations of the RACs, this would be a risky course. The nature of RACs members varies greatly between RACs, depending on the type of fisheries they represent, and their location. For example, the PELRAC has a relatively low number of members but most of these consist of larger organisations, whereas the SWWRAC has a greater number of members but these tend to be smaller organisations. Location plays a part where the fishery is relatively localised (such as the Baltic) or relatively diffuse, such as the North Sea. It is likely that uniformity of fees would reduce fees to the lowest common denominator with a consequent reduction in membership revenues overall. The strategy adopted by some RACs for charging additional fees for the members of Working Groups is a pragmatic step towards maximising revenues, but this may not be appropriate across the board. RACs are able to compare different regimes and consult with each other, but the decision may be best left to the Assemblies. Harmonising membership fees across the board would ignore the varied nature of the sector. Harmonisation would save some money for those members who had previously paid more, but would not affect their willingness to become members, and gross revenues would be reduced for the RACs. The risk lies in the possibility that harmonisation would increase the fees for some members and contribute to their withdrawal from the RAC. This would undermine the inclusiveness, diversity and representativeness of the RACs, and as such harmonising fees would be a risky course of action. It would risk a reduction in the number of members and also in the total amount of fees received. This evaluation therefore recommends that the members' fees continue to be left to the discretion of the RACs.

4.4 International relations in the area of the CFP

In the area of international relations, the evaluation set out to answer the following evaluation questions:

| Activities | Evaluation criterion | Specific evaluation questions |
|---|----------------------|--|
| International fisheries agreements and fisheries partnership agreements (FPAs) (article 13 1 a) | Relevance | 1. To what extent has the implementation of FPAs satisfied the overall objectives of the CFP? |
| | Economy | 2. To what extent has the implementation of a sustainable and responsible fishery policy depended on the financial contribution ("quantity") provided by the EU? |
| | | 3. To what extent have the financial counterparts of FPAs contributed to the sustainable and responsible management of fisheries resources in third countries ("quality")? |
| | | 4. To what extent have financial contributions of the FPAs been advantageous for third countries and the EU (including ship-owners) in terms of best value for money? |
| | | 5. To what extent were the financial contributions of FPAs timely disbursed so as to effectively meet the objectives set of FPAs? |
| | Effectiveness | 6. To what extent have the FPAs contributed to securing the continued existence and competitiveness of the EU's fisheries sector? |
| | | 7. To what extent have FPAs contributed to safeguarding employment in the regions of the EU dependent on fishing? |
| | | 8. To what extent have the FPAs contributed to ensuring adequate supply for the EU market? |
| | | 9. To what extent have FPAs contributed to developing, through partnership, the fisheries resource management and control capacities of third countries to ensure sustainable fishing and promoting the economic development of the fisheries sector in those countries? |
| | Efficiency | 10. To what extent have the costs of fishing opportunities negotiated under FPAs been advantageous for the EU? |
| | | 11. To what extent have the costs of the fishing opportunities negotiated been advantageous for the European ship-owners? |
| | | 12. To what extent have the conditions of utilisation as outlined for the financial arrangements favoured the development of third countries' fisheries sector? |
| | Consistency | 13. To what extent have FPAs been consistent with the EU development policy? |
| | | 14. To what extent have the FPAs been consistent with the EU trade policy? |
| Contributions to international organisations (article 13 1 b-f) | Relevance | 15. To what extent has the objective of EU's involvement in the RFMOs been essential for the functioning of the CFP? |
| | Economy | 16. To what extent have the EU voluntary funds been made available in due time, in appropriate quantity and quality at the best price? |

| | | |
|--|---------------|---|
| | | 17. To what extent has the EU voluntary funds supported initiatives undertaken by RFMOs? |
| | Effectiveness | 18. In what ways has the EU's involvement in RFMOs contributed to the improvement of conservation and management of international fisheries? |
| | | 19. In what ways the EU has improved compliance with conservation measures? |
| | Efficiency | 20. To what extent has the objective of the EU's active involvement in RFMOs been reached efficiently in terms of the resources used to obtain the actual outcomes? |

4.4.1 To what extent has the implementation of FPAs satisfied the overall objectives of the CFP?

A) Key findings

General principles governing the implementation of FPAs include: sustainability and adherence to the FAO Code of Conduct for Responsible Fisheries; improving policy and implementation through binding conditions on meeting agreed targets on areas specified in the Agreement; evaluations of agreements through a Joint Committee and *ex-ante/ex-post* evaluations; seamen on EU vessels being governed by the ILO Declaration on Fundamental Principles and Rights at Work; and cooperation on science and resource monitoring. These are all clearly coherent with the CFP objectives.

However, noting a few exceptions (e.g. Greenland), there is little obvious evidence that funding from the FPA agreements has made any direct and / or substantial difference to the development of policies and plans for sustainable management and for improved conservation of fisheries resources, in the form of updated policies, and improved and documented MCS strategies and research plans. According to the responses we received from the third countries, these were largely developed without specific EU technical or financial assistance and were either developed internally or with external assistance from other donors or FAO. However it is likely that there has been some degree of benefit resulting from the indirect assistance received during implementation of the multiannual plans and their corresponding sectoral matrices.

B) Conclusions and recommendations

Based on the responses from the selected Third Countries, with the exception of Greenland, it was felt that FPA funded activities did not significantly support improvements in fisheries policy and management in third countries.

In order to increase the relevance of FPAs in terms of CFP objectives, greater emphasis could be given to technical assistance to third countries to facilitate the development/updating of fisheries policies, MCS strategies and research plans. This could either be done during missions fielded by the EU to evaluate FPAs, via technical expertise present in the regional / national Delegations (see below for more on this) or as specific *ad hoc* support provided by DG MARE's Unit B3 (bilateral agreements) – there is precedent for the latter approach based on support provided to Seychelles and Mauritius in the past to develop policy and MCS implementation plans. In line with overall EU development policy, greater emphasis could also be placed on aspects of democracy, human rights and social aspects.

4.4.2 To what extent has the implementation of a sustainable and responsible fishery policy depended on the financial contribution ("quantity") provided by the EU?

A) Key findings

There has been a declining importance of the financial contribution provided by the EU under agreements towards sustainable and responsible fisheries policy, due a general trend towards lower levels of financial compensation being paid in return for access. This diminishing trend has been consistent across all FPAs, as the dependence of the third countries under scrutiny and with which FPAs were concluded (Morocco, Mauritania, Sao Tome, Seychelles, Kiribati and Greenland) has decreased since 2004, or since the year the partnership agreement came into force.

For example, the overall EU contribution to the Greenland Fisheries Treasury and Ministry decreased by approximately two thirds in 2007 after enforcement of the new FPA 2007-2012, from nearly EUR 43 million annually to less than EUR 18 million per year⁵³. The overall Greenlandic fisheries budget has stayed nearly constant over the years and consequently the share of EU financial support in the overall Fisheries Ministries budgets, a good measure of the third countries budgetary dependency on FPA contributions, has decreased by a similar proportion, from 6% prior to 2007 to 2% after enforcement of the new agreement.

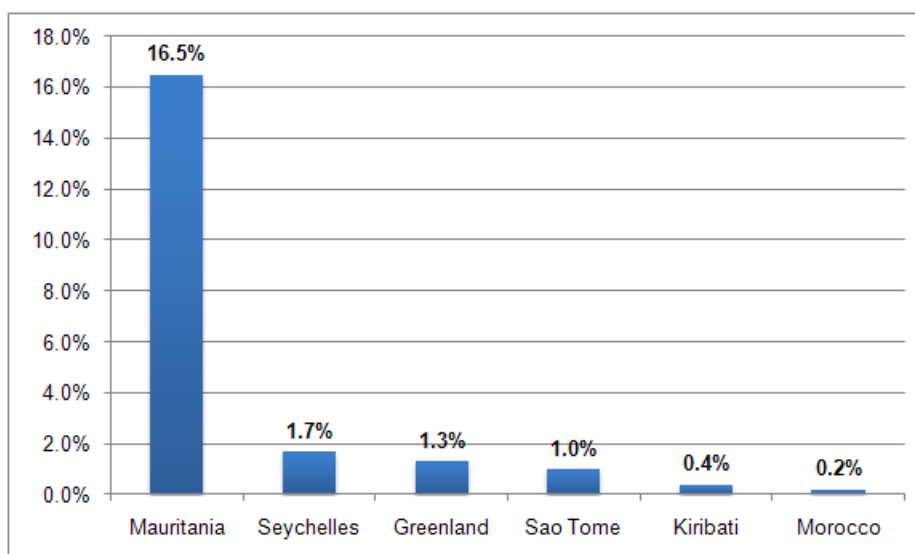
However, in spite of this downward trend, some of the third countries with whom an FPA was concluded, particularly the smaller economies such as Sao Tome & Principe, Seychelles or Mauritania, are still very much reliant on cash transfers from the EU to enforce effective and sustainable fisheries policies. In Sao Tome, the total EU contributions, including targeted support and licence fees, represented as much as 25 times the national budget for fisheries policy in 2009.

In fact, in some of the third countries with which FPAs were concluded, EU contributions to fisheries policies represent a significant share of the overall public revenues. In Mauritania for instance, the total EU contribution accounted for over 16% of the State's total public revenues. The share is of a similar order of magnitude in Guinea Bissau (15.6%), whilst it is far less significant in larger economies such as Morocco (0.2%).

The extent to which the implementation of a sustainable and responsible fishery policy depended on the financial contribution provided by the EU seems to be directly dependent upon the size of the economy of the third country. While the EU financial contribution to Mauritania under the FPA represented a large share of the overall national public revenues and could therefore be considered as a crucial source of revenue for the sustainability of the whole Mauritanian economy, EU financial contributions to most countries with which an FPA was concluded seem to represent a significant, if not the main source of revenue for national fishery ministries and authorities. Even in a relatively large economy such as that of Morocco, the total EU contribution, valued at over EUR 36 million, is responsible for an additional 12% in the overall national budget for fishery policy. The EU contribution to Sao Tome could not be determined, but is likely to be higher than that of Mauritania.

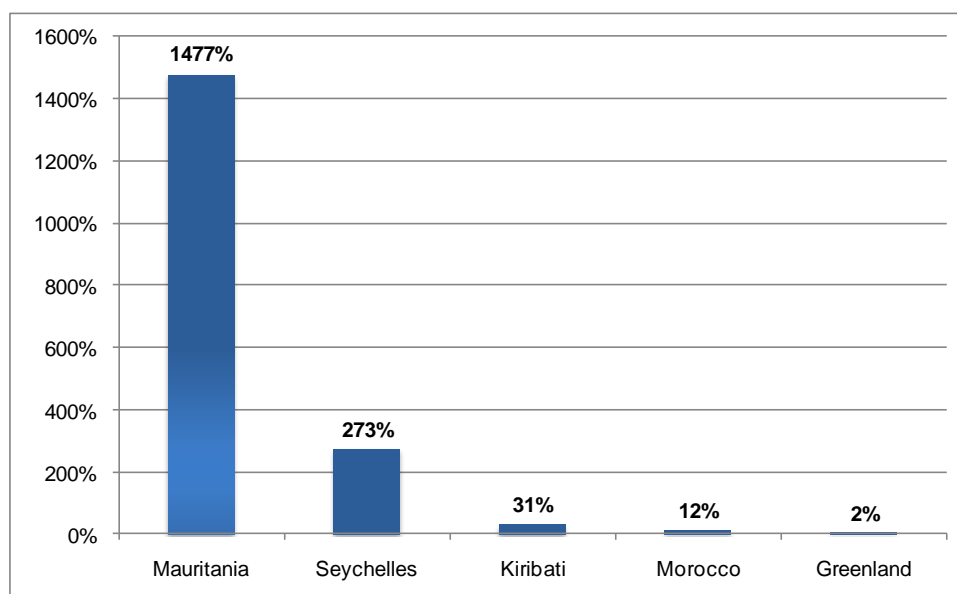
⁵³ From 2007 EUR 25 mil is dedicated to the 'Support in education are' through AIDCO programme

Figure 15 - EU Contribution as % of total public revenues (2004 - 2007) *



Source: Overall Evaluation Study of Fisheries Partnership Agreements, 2009
 * Except Greenland (excluded as calculated over a different period (2005 - 2007))

Figure 16 - EU Contribution as % of total national budget for fisheries policy (2009)⁵⁴



Source: TEP Questionnaire analysis, Ex-ante & Ex-Post FPA Evaluations, FPA Protocols
 Note: Sao Tome is excluded due to insufficient data

B) Conclusions and recommendations

FPA support is a significant source of revenue for fisheries administrations and, in some cases, the economy of third countries as a whole. However, the extent to which these funds are actually used to support sustainable fisheries is unclear. As discussed above, based on the responses from the selected Third Countries, with the exception of Greenland, it was felt that FPA funded activities did

⁵⁴ Estimate

not significantly support improvements in fisheries policy and management in third countries. However it is apparent that without EU financial support from the FPAs, implementation of many fisheries activities would be substantially weaker.

A stronger EU budget component for fisheries development and management, to contribute to partner countries' fisheries governance and support for local fisheries economy, is recommended. Funding levels for the budget component could be determined through greater analysis of partner country fisheries-sector budgets and needs and developed through the Joint Committee (JC) meetings. Further emphasis on responsible policy development could also be integrated into the JC monitoring processes.

4.4.3 To what extent have the financial counterparts of FPAs contributed to the sustainable and responsible management of fisheries resources in third countries ("quality")?

A) Key findings

Illegal unreported and unregulated (IUU) fishing still represents a significant threat in some regions with which EU FPAs are in place, with a percentage of IUU fishing as high as 45% in Ivory Coast and 50% in Guinea (MRAG, 2005⁵⁵ and Agnew *et al*, 2009⁵⁶). The rest of West Africa as well as North Africa and the small Indian Ocean countries such as Mauritius seem significantly less affected, with percentages of IUU fishing ranging from 0% and 10%. Whilst FPA derived budget support assists institutional development in third countries with the programming and allocation of budgetary resources to control fleets (investments and operations) and contributes positively to the fight against IUU fishing in countries under agreements, it may increase the unbalance with capacities of countries that are not under agreement. This may lead to displacing the problems linked to IUU fishing towards the least controlled EEZs. The approach that concerns only some countries within a sub-region, limits the effectiveness of programmes to share surveillance means at the sub-regional scale.

While the EU contributions tend to represent a significant share of the third countries' public finances for fisheries management (see the previous evaluation question), the nature that these contributions take is also seen as a best practice example as it contributes to developing countries empowerment through self management. FPA contributions are designed to purchase a right to fish in third countries waters but also to help third countries develop their own fisheries sector. This is not done through **projects aid**, as is often the case with international organisations and other bilateral agreements due to their visibility, but through **budget support**, whose purpose is to "provide financial support to macro-level policies and to government budgets to assist the recipient through a programme of policy and institutional reform and implementation" (OECD, 2007). By associating long term sustainability objectives to the financial support and by giving recipient countries the responsibility for managing these additional funds to achieve the objectives, FPA contributions are considered as more appropriate than most other initiatives carried out in third countries.

⁵⁵ Review of Impacts of Illegal, Unreported and Unregulated Fishing on Developing Countries. FINAL REPORT. July 2005.

⁵⁶ Agnew DJ, Pearce J, Pramod G, Peatman T, Watson, R (2009) Estimating the Worldwide Extent of Illegal Fishing. PLoS ONE 4(2): e4570. doi:10.1371/journal.pone.0004570

In general, fisheries policy development receives a relatively small proportion of the overall manpower (0.1 to 0.8 staff per EUR 1 million turnover) whilst fisheries control receives the most (e.g. 5 persons per EUR 1 million turnover in Mauritania), although in the Seychelles the ratio is very low, reflecting the port-based regime there for a large and valuable tuna purse seine fishery. Overall Mauritius has the highest total staff number for the value of the fishery (which was under a tuna fisheries agreement until 2007), with 175 staff members per EUR 1 million turnover, although most are concerned with non-tuna issues (e.g. the Banks demersal fishery).

B) Conclusions and recommendations

The financial counterparts of FPAs have certainly *contributed* to the sustainable and responsible management of fisheries resources in third countries and the budget support approach is considered appropriate and effective.

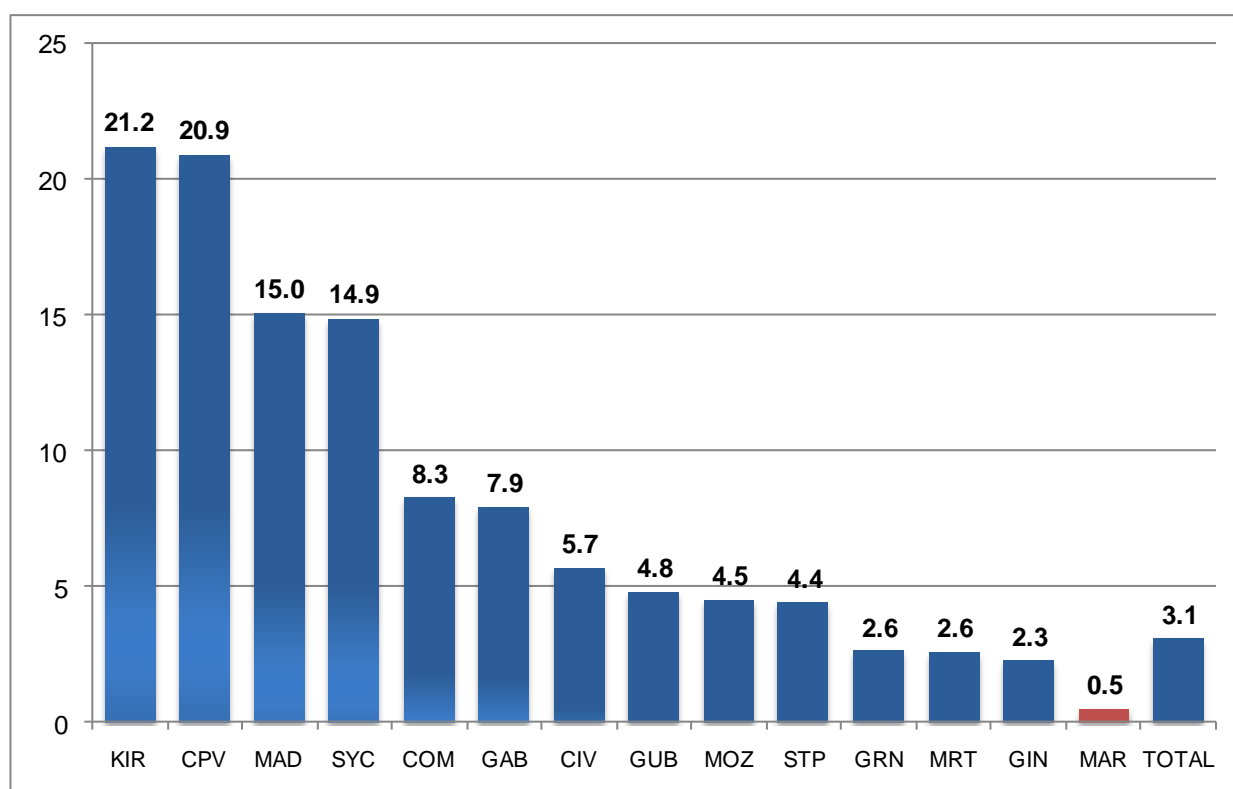
This said, contributions could be made more effective by increasing the funding levels for policy development (see previous two evaluation questions), and fisheries control could be determined through better analysis of estimations of IUU fishing in partner countries, and of current staffing levels and requirements.

4.4.4 To what extent have financial contributions of the FPAs been advantageous for third countries and the EU (including ship-owners) in terms of best value for money?

A) Key findings

Overall, and except for a few exceptions such as the FPA concluded with Morocco, for which value for money estimates should be interpreted carefully considering we are still in the early days of the agreement, FPAs seem to be advantageous for the EU. For every EUR 1 paid to Greenland in exchange for fishing rights in 2007, an additional EUR 1.3 was generated to the benefit of the EU. The FPA concluded with Kiribati seems to be the most profitable for the EU as every EUR 1 invested generated an additional EUR 20.2. It is followed by the FPAs concluded with Cape Verde, Madagascar and the Seychelles, under which EUR 19.9, EUR 14, and EUR 13.9 were generated for every EUR 1 invested, respectively.

Figure 17 - Estimated Value for Money, all FPAs (in 2007)



Source: Overall Evaluation Study of FPAs (2009) and TEP calculations

B) Conclusions and recommendations

The financial contributions paid under FPAs have been advantageous for both third countries and the EU (including ship-owners). However, the agreements have generally provided better value for money for EU stakeholders than for stakeholders in third countries.

The Commission's use of ex-ante and ex-post evaluations over the last 6 years, following earlier criticism by the Court of Auditors of the methods for concluding agreements, suggests that such evaluations are proving useful for the Commission in the negotiation process to sign FPAs. Such evaluations, with a strong focus on estimation of value-added impacts of the agreements for EU stakeholders, should therefore remain an integral part of the way in which the Commission ensures value for money. The ex-ante evaluations also seek to ensure that value for money is achieved by partner countries, and that net benefits are created for partner countries. To some extent it may be fair to say that there are conflicting tensions between trying to generate maximum value for money for EU stakeholders, while at the same time trying to do so for stakeholders in partner countries.

If the Commission wishes to ensure that agreements generate an optimal balance in value for money for all parties, rather than focussing on generating maximum value for money for EU stakeholders while ensuring some value for money for partner countries, this may require greater collaboration between DGs and units within the Commission.

4.4.5 To what extent were the financial contributions of FPAs timely disbursed so as to effectively meet the objectives set of FPAs?

A) Key findings

The catch utilisation rates of the fisheries surveyed were highly variable, but there was no apparent correlation with the efficiency of the agreement process. Furthermore, no particular issues were raised by the third country governments contacted over the process of disbursing funds. With the exception of the Seychelles and possibly Sao Tome (which did not respond to the questionnaire), multiannual plans have been prepared and are in the process of implementation, with variable levels of both monitoring (in the form of Joint Committee meetings) and success (in terms of sector matrix indicators achieved).

It is considered that the ability of these countries to meet the FPA-related needs of their fisheries sectors has not been constrained through any institutional or logistical weaknesses of the payment process (not that any were detected). Based on the questionnaire responses received, the ability to meet these objectives depends mainly upon a combination of readiness (e.g. having a sectoral policy in place on which to base future planning) and more importantly, local capacity for planning and implementation. Although it has not been fully tested, it is considered that the availability of a fisheries specialist within the region (e.g. in the Indian Ocean, where a fisheries specialist is attached as an attaché to the EU Delegation in Mauritius) has facilitated the ability of third country administrations to effectively implement their multi-annual plans.

B) Conclusions and recommendations

The timeliness (or lack thereof) of the disbursement of financial contributions to third countries under FPAs does not seem to have had an impact (positive or negative) on the achievement of their objectives. No particular issues were raised by the third country governments contacted over the process of disbursing funds. The current joint monitoring process appears both adequate and effective. The ability of the third countries to achieve the objectives set is variable, and almost entirely dependent upon in-country capacity, rather than any variability in EU fund disbursement processes.

Based on the effectiveness of the availability of 'floating' fisheries expertise within the regional EU Delegations (as in the case of the Western Indian Ocean), it is recommended that this level of facilitation is made available to all FPA partner countries, on a national or regional basis as appropriate. It is also recommended that the ex-ante evaluations include a more detailed assessment of institutional capacity to develop and implement fisheries policy and therefore to suggest appropriate support.

4.4.6 To what extent have the FPAs contributed to securing the continued existence and competitiveness of the EU's fisheries sector?

A) Key findings

As can be seen from the table below, there are a wide range of species and gear utilisation opportunities available from these fisheries agreements. In particular under the mixed agreements with Greenland, Mauritania and Morocco, there are large numbers of high value demersal species, especially in the latter two tropical fisheries. Senegal too presents similarly diverse opportunities, although there is no current FPA here.

In the case of the tuna agreements, these tend to cover bluefin tuna (in the Atlantic only) and yellowfin, bigeye, skipjack and albacore tunas. These are either landed regionally (esp. in the Indian Ocean) and enter the EU mostly in canned form or supply the Spanish, French and Italian canneries, which are highly dependent upon these FPAs for raw material.

Uptake of licensing opportunities is generally good across all agreements, implying their importance in maintaining competitiveness.

Table 19 - Coverage of species and gear under the selected FPAs

| Species / Gears | No. of species | Greenland | Mauritania | Morocco | Sao Tome | Seychelles | Kiribati | Senegal | Mauritius |
|---------------------------|----------------|-----------|------------|---------|----------|------------|----------|---------|-----------|
| Tunas | 5 | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Billfish | 4 | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Small pelagic | 6 | ✓ | ✓ | ✓ | | | | ✓ | |
| Demersal fish | 10 | ✓ | ✓ | ✓ | | | | ✓ | |
| Cephalopods | 3 | | ✓ | ✓ | | | | ✓ | |
| Lobster | 2 | | ✓ | ✓ | | | | ✓ | |
| Crabs | 3 | | ✓ | ✓ | | | | ✓ | |
| Shrimp | 2 | ✓ | ✓ | ✓ | | | | ✓ | |
| Other crustaceans | n/a | | ✓ | ✓ | | | | ✓ | |
| Bycatches | n/a | ✓ | ✓ | ✓ | | | | ✓ | |
| Purse seiners (large) | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| Purse seiners (small) | | | ✓ | ✓ | | | | | |
| Pelagic longliners | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Pole & line tuna | | | ✓ | ✓ | | | | ✓ | |
| Coastal demersal trawlers | | ✓ | ✓ | ✓ | | | | ✓ | |
| Deep-water demersal | | | | | | | | ✓ | |
| Demersals longliners | | | ✓ | ✓ | | | | | |
| Industrial fishing | | ✓ | ✓ | ✓ | | | | | |

Source: Protocols and country ex-ante and mid-term (Greenland) reports

B) Conclusions and recommendations

Given quota restrictions on catches in EU waters and continuing levels of overcapacity in the fleet operating in EU waters, the ability for many of the EU vessels involved in FPAs to fish in the waters of third countries under FPAs represents a critical means for them to remain competitive. The absence of FPAs would almost certainly mean that a) either many of the distant water vessels would not be financially viable, and/or b) that displacement of fishing effort by EU vessels from third country waters to within EU waters would result in increased competition for fish resources within the EU, resulting in a reduced competitive/financial position both for vessels currently operating within the EU and for those operating under FPAs which might fish within EU waters instead.

Given the increasing dependence of the EU upon external fisheries supplies (and the growing role of aquaculture), changes international trade flows (e.g. rapidly increasing consumption of higher value fish by the growing middle-class populations of Asian countries) and the fact that many fisheries are approaching their upper limits, it is recommended that prior to a new financial regulation being prepared, that a detailed impact analysis is conducted to determine the environmental, financial and socio-economic consequences of Third Country fishing agreements. This could then be used to fine-tune the overall FPA strategy.

4.4.7 To what extent have FPAs contributed to safeguarding employment in the regions of the EU dependent on fishing?

A) Key findings

According to the Oceanic/MegaPesca report, while the EU employment generated by fishing activities under FPAs has gradually increased since 2004 (except for a drop in 2006) to reach nearly 2,800 FTEs in 2008 including both directly and indirectly created employment, onboard the vessels and in downstream processing activities, they still represent a relatively low proportion of the total EU employment in the fisheries sector. The number of EU fishermen employed on board EU vessels fishing in third country waters represents an estimated 2% of the total EU on-board fisheries employment. For instance, the number of French nationals on board EU vessels fishing in third country waters under an FPA (370 in 2008) represents 0.6% of the total fisheries sector in France (circa 60,000 direct jobs).

B) Conclusions and recommendations

While in terms of overall fisheries sector employment in the EU, the agreements may provide for only a small proportion of total sector jobs, for those vessels involved in FPAs, which would have few alternative fishing opportunities within EU waters, the agreements represent a vital method of ensuring employment. FPAs generate jobs, particularly in Spain and France, in areas of high fisheries dependency such as Galicia and Brittany respectively.

The impact analysis discussed in Section 4.4.6 above should include an assessment of different global FPA options on EU employment opportunities, especially in the catching and the downstream processing sectors. For instance, it is thought that should fishing agreements stop, we estimate that tuna vessels and pelagic trawlers will continue fishing in external waters under private agreements, whereas vessels in the demersal segment will have to change flag or leave the fleet.

4.4.8 To what extent have the FPAs contributed to ensuring adequate supply for the EU market?

A) Key findings

The annual EU market for fish products is around 12 million tonnes. Catches made under the agreements are around 400,000 tonnes per year valued at EUR 430 million. Small pelagic catches made under the agreements (around 240,000) are not supplied to the EU market, but rather to West African countries. Other species groups caught by EU vessels under the agreements revert to the EU market. Thus the volume of supply to the EU market arising from the agreements is estimated to be around 160,000 tonnes, valued at EUR 320 million per year (i.e. total catches less the small pelagic catches).

B) Conclusions and recommendations

Supplies to the EU market from the agreements represent around 3% of total supplies in volume terms to the EU market. However, for some species groups, the contribution to overall supplies may be quite significant (e.g. for tuna), or important with respect to niche markets. Agreements related to small pelagics make no contribution to supplies to the EU market (but do contribute in other ways e.g. to employment generation and value-added for those vessels involved from the EU, and to food security in African countries receiving product caught by EU vessels).

4.4.9 To what extent have FPAs contributed to developing, through partnership, the fisheries resource management and control capacities of third countries to ensure sustainable fishing and promoting the economic development of the fisheries sector in those countries?

A) Key findings

Whether FPAs play a direct role in contributing to fisheries management and control in recipient countries is not obvious. As with the contribution of FPAs to policy and planning (see above), in most cases all significant fisheries management plans have been developed without the direct financial assistance of the FPAs. The obvious exception to this is Greenland, where the development of the cod and halibut management plans has been funded through the FPA. In terms of the development of legislation, again this has been largely conducted internally, although there are some notable exceptions such as the shark finning regulation in the Seychelles. Although not evident from the questionnaire responses, it is likely that much of the recent legislation for VMS implementation and other strengthening of MCS regimes have been strongly influenced by the increasing EU focus and activities in ensuring product traceability and IUU reduction. This is particularly so for the tuna agreements outside of the Atlantic, where around 50% of FPA funds are used to assist MCS implementation. Levels elsewhere are much lower (15% in Greenland and none in Morocco). There have been some concerns raised over the displacement of IUU activities to countries not under an agreement. However, a comparison with the two non-FPA countries (Senegal and Mauritius) suggests that this is not necessarily the case. It is also important to note that key marine fisheries legislation updates in Mauritius, whilst not an FPA partner, have been part funded by other EU financial resources.

Of the 7,000 jobs directly generated on board the EU vessels fishing in third country waters, an average of 68% were occupied by third country nationals, or an average of over 4,800 jobs over the 2005-2008 period. Whilst it appears difficult to make an accurate assessment of the nationality of these fishermen, some of the third countries with which an FPA was concluded seem to reap a large part of the employment benefits. According to the Overall FPA Evaluation conducted by Oceanic and MegaPesca in 2009, the number of Mauritanian nationals on board EU vessels could be estimated at over 730 in 2005, down to 580 in 2007. Guinean nationals were thought to occupy around 140 direct jobs on EU vessels in 2004, down to 80 in 2007. Since a FPA was concluded with Morocco in 2007, the number of Moroccan nationals working on board EU vessels is estimated between 130 and 140.

B) Conclusions and recommendations

FPAs may have assisted in strengthening resource management and MCS capabilities through indirect rather than direct means. Certainly it is the case that some significant levels of employment creation have resulted in partner countries. However, the extent to which agreements have generated economic benefits (outside of financial compensation) in the form of multiplier effects (e.g. provision of vessel services, landing/processing of fish in third countries), is more questionable. And there has been little evidence of joint ventures and/or technology/skill transfer to partner countries as a result of FPAs, and therefore of a link between concluding an FPA and being able to build up their own economically viable off-shore fleets.

One solution to be envisaged could be totally separating the question of access of European fleets from the question of sectorial support. When there is a potential need to access fishing grounds, in particular in the tuna sector, the EU could negotiate with the third country a framework defining the

minimum conditions governing fishing conditions in the EEZ, leaving the majority of the financial burden linked to this access to European ship owners. The sectorial support angle would then be fully dissociated from access. It would then be sized-based on the identification of the needs of third countries in terms of sectorial development, with the possibility of gradually releasing this support as and when progress is made. It will be also useful to identify possibilities of regional approach through relevant platforms that will favour a better integration of policies and that could go as far as common management of access possibilities granted to foreign operators.

4.4.10 To what extent have the costs of fishing opportunities negotiated under FPAs been advantageous for the EU?

A) Key findings

Overall, FPAs seem to be advantageous for the EU. For every EUR 1 paid to Greenland in exchange for fishing rights in 2007, an additional EUR 1.3 was generated to the benefit of the EU. The FPA concluded with Kiribati seems to be the most profitable for the EU as every EUR 1 invested generated an additional EUR 20.2. It is followed by the FPAs concluded with Cap Verde, Madagascar and the Seychelles, under which EUR 19.9, EUR 14, and EUR 13.9 were generated for every EUR 1 invested, respectively.

B) Conclusions and recommendations

The financial contributions paid under FPAs have been advantageous for both third countries and the EU (including ship-owners). However, the agreements have generally provided better value for money for EU stakeholders than for stakeholders in third countries. The Commission's use of ex-ante and ex-post evaluations over the last 6 years, following earlier criticism by the Court of Auditors of the methods for concluding agreements, suggests that such evaluations are proving useful for the Commission in the negotiation process to sign FPAs. Such evaluations, with a strong focus on estimation of value-added impacts of the agreements for EU stakeholders, should therefore remain an integral part of the way in which the Commission ensures value for money. The ex-ante evaluations also seek to ensure that value for money is achieved by partner countries, and that net benefits are created for partner countries. To some extent it may be fair to say that there are conflicting tensions between trying to generate maximum value for money for EU stakeholders, while at the same time trying to do so for stakeholders in partner countries.

If the Commission wishes to ensure that agreements generate an optimal balance in value for money for all parties, rather than focussing on generating maximum value for money for EU stakeholders while ensuring some value for money for partner countries, this may require greater collaboration between DGs and units within the Commission.

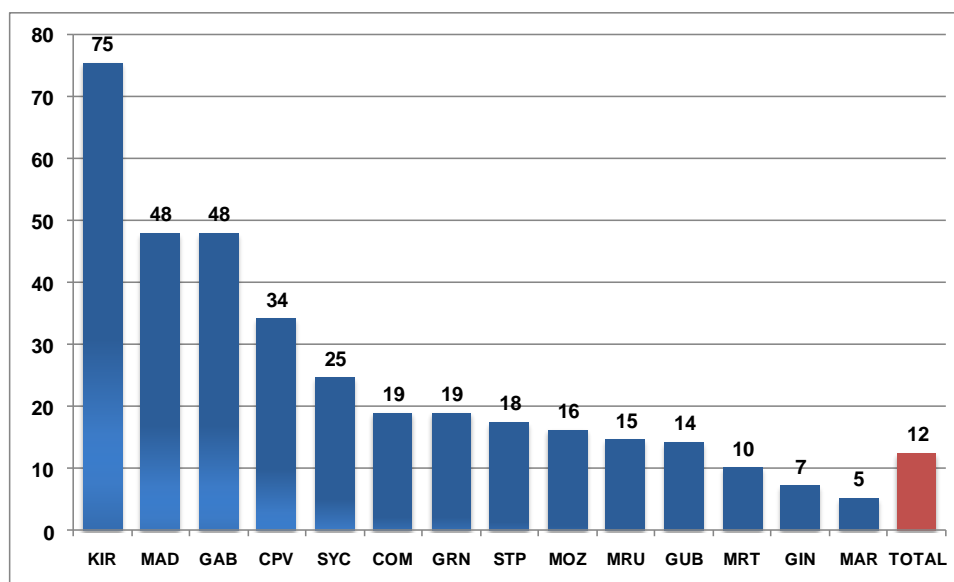
4.4.11 To what extent have the costs of the fishing opportunities negotiated been advantageous for the European ship-owners?

A) Key findings

Although in most cases the cost of licences paid by EU vessels to fish in third country waters has gradually increased in nominal terms when FPAs are renegotiated, the cost in real terms (factoring in consumer price index) has only marginally increased. The profitability of FPAs for EU vessels

taking up licences has been mostly influenced by the type of species caught and the fluctuations in world prices. The ratio of the turnover of EU vessels fishing under an FPA and the total licence costs borne by these vessels to acquire the right to fish in third country waters gives an indication of the overall Value for Money of each FPA, as well as of the overall combined FPAs, from an EU vessels perspective. Using this metric, we find that in 2007, EU vessels generated on average EUR 12 of turnover for each EUR 1 spent on licensing.

Figure 18 - Estimated Value for Money for EU vessels, all FPAs (2007)



Source: Overall Evaluation Study of FPAs (2009) and TEP calculations

B) Conclusions and recommendations

The costs of the fishing opportunities negotiated have been advantageous for European ship-owners. This can be verified by the fact that if licence fees has been set too high meaning that vessels could not generate net profits from access to the waters of third countries, they would have been unlikely to have taken up such fishing opportunities.

As discussed in Section 4.4.9, one solution to be envisaged could be totally separating the question of access of European fleets from the question of sectorial support. When there is a potential need to access fishing grounds, in particular in the tuna sector, the EU could negotiate with the third country a framework defining the minimum conditions governing fishing conditions in the EEZ, leaving the majority of the financial burden linked to this access to European ship owners.

4.4.12 To what extent have the conditions of utilisation as outlined for the financial arrangements favoured the development of third countries' fisheries sector?

A) Key findings

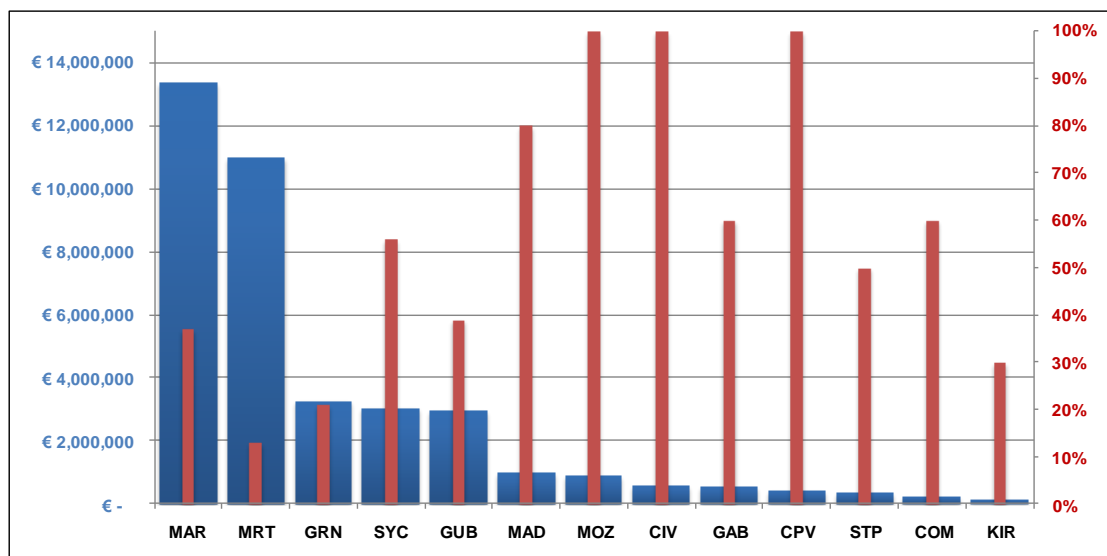
All FPA protocols concluded between the EU and third countries include an article specifically dedicated to the promotion of investments. For instance, the protocol concluded with Mauritania

refers to the objective of “developing infrastructure, in particular port infrastructure, by means of investment programmes”⁵⁷.

A significant part of the total contributions paid to third countries under FPAs is dedicated to sectoral support designed to enhance fisheries governance, control and surveillance, support scientific research, and help integrating the fisheries sector in the national economy through improving infrastructure. FPAs concluded with Cape Verde, Cote d’Ivoire and Mozambique specify that the totality of the contribution goes to sectoral support. This proportion is lowest in Mauritania (13%) and Morocco (37%); however the size of the sectoral support provided is largest in these two countries, both of which receive over EUR 10 million per year to enhance their fisheries sector.

In Mauritania, Morocco, Sao Tome and Seychelles, sectoral support includes infrastructure projects designed to modernise their fleets and ports. In Gabon, Guinea-Bissau and Comoros, they include projects to improve supply chain mechanisms, and enhance distribution chains and channels.

Figure 19 - Amounts of Sectoral Support contributions and % of total contributions (selected FPAs, 2004 - 2007)



Source: Overall Evaluation Study of Fisheries Partnership Agreements, 2009

B) Conclusions and recommendations

The extent to which the conditions of utilisation as outlined for the financial arrangements have favoured the development of third countries' fisheries sector, has varied significantly by country, with differing percentages of total contributions going to sectoral support, and within contributions to sectoral support, different emphasis on levels of support for policy development, monitoring control and surveillance, and physical investments. Sectoral support has however overall been far more focussed on fisheries management rather than on fisheries sector development and the number of joint ventures has been falling over time.

⁵⁷ Fisheries Partnership Agreement between the European Community and the Islamic Republic of Mauritania, 2006

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:343:0004:0060:EN:PDF>

As discussed previously, a stronger EU budget component for fisheries development and management, to contribute to partner countries' fisheries governance and support for local fisheries economy, is recommended. Funding levels for the budget component could be determined through greater analysis of partner country fisheries-sector budgets and needs and developed through the Joint Committee (JC) meetings. Further emphasis on responsible policy development could also be integrated into the JC monitoring processes.

4.4.13 To what extent have FPAs been consistent with the EU development policy?

A) Key findings

At a *national level*, despite fisheries being a major element of Poverty Reduction Strategy Papers (PRSP) and the fact that poverty reduction has been made the central objective of EU development activities⁵⁸, especially in countries such as Kiribati, Morocco and Mauritania, it is absent from National Indicative Programmes (NIPs). This is not consistent with the statement that "the EU will continue to pay particular attention to the development objectives of the countries with which the EU has or will agree fisheries agreements."⁵⁹ Taking Mozambique as an example, the Country Strategy Paper (CSP)/NIP (2008 – 2013) acknowledges both the EU-Mozambique FPA and the major socio-economic contribution of fisheries. It also recognises the impact of poor implementation of sanitary measures and the threat to trade potential, as well as the threat of IUU enforcement in the semi-industrial and artisanal sectors. Despite this, there is no specific allocation of the EUR 622 million Envelope A to the fisheries sector, with 46-50% targeted at "general budget support", 21% at transport infrastructure and 12-15% at budget support for agriculture, rural development and regional economic integration (but implicitly excluding fisheries). The latest Commission report on policy coherence indicates the absence of inconsistencies between these various EU approaches, mainly explained by the very small emphasis on the fishing sector in the scope of concentration of European development aid, whether they be under agreement or not.

Only the regional development policy addresses the fishing sector by trying to promote synergies between countries in the same region, and this is reflected in the Regional Indicative Programmes (RIPs). There is stronger coherence at a *regional level*. There is considerable focus on the sustainable management of marine resources, including (i) improved management systems, (ii) promoting ecosystem-based management, (iii) fighting IUU fishing and (iv) improving data collection. There have also been a large number of EDF funded initiatives towards fisheries management (towards science, MCS and post-harvest issues) that have made a substantial contribution to progressing sustainable fisheries in these regions.

There are significant differences in the methods of implementing FPA policy and development policy. Sectoral fishing support to countries under agreements is only budgetary aid, whereas development policy is issued both via budgetary aid and project aid depending on conditions. Sectoral fishing aid under agreements (of the order of EUR 40 million per year for all FPAs taken together) remains linked to the value of fishing rights granted, thus potentially given to decline in the future, whereas development aid (EUR 3.7 billion in annualized data for the 10th EDF) is based on a percentage of European GDP and is likely to rise. Development aid is higher than sectoral fishing

⁵⁸ The European Community's Development Policy, COM(2000)212 final, 26. April 2000

⁵⁹ 'The European Consensus on Development'. Joint Statement by the Council and the Representatives of the Governments of the Member States Meeting within the Council, the European Parliament and the Commission (2005)

aid except in Mauritania and Seychelles where the budget for sectoral fishing aid under agreement represents respectively 3 and 5 times the annualized EDF amount.

B) Conclusions and recommendations

In summary, the sectoral development policy of the fishing agreements is generally consistent with other EU policies towards third countries, mainly those concerning ACP countries, and in particular with regional development policy and economic partnership agreements.

The allocation of the financial contribution under the FPAs could nevertheless be better aligned with the development strategies agreed with the countries/regions in the CSPs and RSPs. Possibilities should be explored for integrating the "development part" of the FPA into the commonly agreed EU development strategy with a given country or region.

4.4.14 To what extent have the FPAs been consistent with the EU trade policy?

A) Key findings

The East African Community (EAC) and the Eastern and Southern Africa (ESA) interim Economic Partnership Agreements (regions which include third ACP countries which are/have been party to an FPA with the EC) both have fisheries-specific chapters. There is also a chapter on agriculture and fisheries in the Caribbean (CARIFORUM) EPA (not a region where FPAs are in operation). The interim EPA (iEPA) in the Pacific was only signed by Fiji and Papua New Guinea, neither of which are party to an FPA and the interim EPA with these countries does not have a fisheries chapter. The interim SADC EPA (Southern African Development Community) does not have a fisheries chapter, although there is an FPA with Mozambique which is one of the SADC countries.

B) Conclusions and recommendations

Not all EPAs with countries which also have FPAs contain fisheries chapters. But for those that do (e.g. EAC and ESA EPAs), text in the fisheries chapters is consistent with the objectives and content of the FPAs in those regions. Both EPAs and FPAs highlight the need, for example, for improved monitoring control and surveillance, reduced IUU fishing, enhanced use of vessel monitoring systems and scientific research, and promotion of joint ventures.

4.4.15 To what extent has the objective of EU's involvement in the RFMOs been essential for the functioning of the CFP?

A) Key findings

The primary reason for the EU's participation in RFMOs is to promote better governance of international fisheries by reinforcing existing RFMOs and by contributing to their establishment in respect of areas and fisheries that are unregulated. Furthermore it is actively involved in developing measures necessary to effectively regulate fisheries and conserve the resources and to defend the legitimate interests of the EU fleets.

Over 200 binding recommendations or resolutions have been issued by the four RFMOs for which such data was reviewed (NEAFC, GFCM, ICCAT and IOTC) over the evaluation period (2004 –

2009). Just over half of these have been specifically aimed at stock management and conservation and a third at MCS. Whilst this is not necessarily a reflection of the efficiency of the different RFMOs (and this evaluation is not assessing their relative performance), NEAFC and ICCAT issued two-thirds of the resolutions between them.

The EU's position on measures / proposals is reflected in the final management and conservation measures implemented. According to the questionnaire responses, just under half of all measures were instigated at the behest of the EU (although not all were ultimately adopted). The EU was particularly active in IOTC, where three-quarters of all proposals were initiated by the EU. There were six reported cases where the EU did not support a RFMO proposal, five of which were from other IOTC members. None of these were ultimately adopted by the RFMO involved.

The EU was also actively involved with NEAFC during the period under evaluation. Excluding MCS measures (which are proposed by consensus), 21 out of 51 adopted proposals were instigated by the EU (this accounts for 40% of non-MCS measures adopted). Proposals not directly instigated but still supported by the EU accounted for 60% of the total number of non-MCS measures adopted during this period.

The EU's involvement was equally as strong with GFCM. Ten out of thirty measures adopted over the period under evaluation were instigated by the EU (33%), and the remainder were supported though not directly instigated (20 or 66%).

B) Conclusions and recommendations

The EU has been highly active in developing management measures for all the RFMOs, with the exception of GFCM. The nature of the EU's involvement in the development of measures has mainly been through the drafting of resolutions and recommendations. The nature of the measures both initiated and supported by the EU is strongly coherent with the objectives of the CFP. It is also apparent that much of the EU's support has been towards the control of fishing effort and the regulation of IUU. The ultimate impact of these measures, in terms of their translation into EU law, subsequent integration into Member State legislation and their impact on compliance, is discussed further in our evaluation of Evaluation Question 5.

4.4.16 To what extent have the EU voluntary funds been made available in due time, in appropriate quantity and quality at the best price?

A) Key findings

Looking at the entire expenditure under budget line 11 03 03⁶⁰, of the c. EUR 7.6 million spent over the 2004 – 2009 period, around 60 per cent was spent on the Regional Fisheries Control Plan, a large regional MCS programme in the Indian Ocean. Whilst this plan is funded under this budget line, as it is being directly implemented by the recipient countries without direct support from IOTC, this has not been subjected to further evaluation. Excluding this particular programme, around half the remaining funds were spent on fisheries management programmes, mainly with ICCAT, GFCM, and FAO. ICES a scientific advisory body, and therefore not funded under this budget line.

⁶⁰ Preparatory work for new international fisheries organisations and other non-compulsory contributions of international organisations

It is notable that two (NEAFC and CCAMLR) out of the six RFMOs being focused upon in this particular evaluation did not receive any voluntary financial support from the EU. Of the other four, ICCAT and GFCM are the main recipients, taking 64 and 29 per cent respectively of the budget used by the six RFMOs. In the case of ICCAT, a third of this has been spent on the Atlantic bluefin tuna research plan, another third on meetings and items such as VMS implementation. With GFCM, three-quarters of the funds have been spent on the MedFisis programme, a regional fisheries statistics programme. In addition, two aquaculture-related activities (e.g. the ShocMed & Indam programmes) were funded. Other regional programmes e.g. EastMed and CopeMed were also funded via the budget line, but directly through FAO and are therefore not considered by this evaluation. The fact that the majority of funding under this budget line has been directed at ICCAT and GFCM is understandable, given that these two RFMOs are responsible for the majority of EU fishing activity, and thus are of greater economic interest.

Table 20 - Number and value of EU funded activities between 2004 and 2009 for the selected RFMOs

| RFMO | Management | | MCS programme | | Meetings | | Studies | | Other | | Grand Total | |
|--------------------|------------|--------------------|---------------|------------------|-----------|------------------|----------|-----------------|----------|------------------|-------------|--------------------|
| | No. | € | No. | € | No. | € | No. | € | No. | € | No. | € |
| GFCM | 6 | € 669 294 | | | 4 | € 120 130 | | | | | 8 | € 789 424 |
| ICCAT | 2 | € 536 000 | 3 | € 194 391 | 7 | € 640 247 | | | 5 | € 87 743 | 17 | € 1 458 380 |
| IOTC | | | | | 1 | € 53 724 | 2 | € 24 242 | | | 3 | € 77 966 |
| NAFO | | | | | 2 | € 97 496 | | | | | 2 | € 97 496 |
| Grand Total | 6 | € 1 075 737 | 3 | € 194 391 | 14 | € 911 597 | 1 | € 20 000 | 6 | € 221 541 | 30 | € 2 423 266 |

Source: Questionnaire responses from NEAFC, GFCM, ICCAT & IOTC

Both IOTC and NAFO accounted for less than eight per cent of the RFMO budget (selected RFMOs only). In the case of IOTC, this was spent on meetings and supporting the DG EuropeAid regional tuna tagging project. In the case of NAFO, this was provided by way of direct support to Member States to assist the organisation of annual meetings.

EU funding was generally seen to have been provided on schedule, but there were some complaints about delays in the payment of invoices in some cases.⁶¹ There was also consensus amongst RFMOs that EU voluntary financial support had proved particularly successful in providing adequate funds compared to other Parties. Not all RFMOs Secretariats felt they were in a position to assess the performance of the EU funded activities, as they believed that it would be up to the Contracting Parties to assess this element. Those who did have an opinion (IOTC) highlighted that the administrative restrictions and requirements limit the flexibility required to respond to changing conditions in the field. In some cases, the ability to deliver is compromised by the need to follow lengthy procedures.

B) Conclusions and recommendations

EU funding has been more successful in following uniform and coordinated procedures when dealing with smaller amounts allocated to particular activities. Funding allocated to larger projects has tended to meet more difficulties. EU funding over the period under evaluation is perceived to be linked to clearly defined objectives, areas of action and expected results. There are however exceptions in the cases of IOTC and GFCM, the two RFMOs under assessment that run under the

⁶¹ Assessments do not take into account funding for larger programmes such as MedFisis.

framework of the FAO. Eligibility of expenditure – where available – has tended to be consistent with RFMOs' needs. There is consensus amongst RFMOs that received EU funding that adequate funding was provided compared to other parties.

4.4.17 To what extent has the EU voluntary funds supported initiatives undertaken by RFMOs?

A) Key findings

There is a shared consensus among ICCAT and IOTC that EU voluntary funding was “very successful” in supporting their objectives for conservation and management of fisheries resources. However, differing views were expressed on the degree of success of EU financial support to strengthen international cooperation for responsible fisheries. Whilst the ICCAT Secretariat is particularly positive about EU voluntary funding in this area as they firmly believe that it assists sustainable and responsible fisheries, IOTC rated it as “somewhat successful” and asked for more support from the EU in this area. Opinions also diverged on the success of EU voluntary funding on improved ocean governance. ICCAT's assessment was that EU voluntary funding was “very successful”. IOTC rated EU funding in this area as “somewhat successful” and highlighted that future EU activities to strengthen developing states to improve ocean governance and develop stronger cooperation in the region will require a more flexible scheme, so that the benefits reach other IOTC members in the region that are major players in the fishery (e.g. Indonesia, Sri Lanka, Iran).

B) Conclusions and recommendations

Differing views from RFMOs make it difficult to develop aggregated conclusions in this area. Whilst ICCAT is particularly positive on the added value of EU funding made available to them and welcomes new streams of EU funding since it assists sustainable and responsible fisheries, apparently there is room to further enhance the relationship with IOTC. In IOTC's views, the EU's and in particular DG MARE's support have been limited in the past due, in part, to the difficult relationship that the EU (and other members) had with the FAO on various matters. This has limited the possibility to conduct support work in all developing members of the Commission.

4.4.18 In what ways has the EU's involvement in RFMOs contributed to the improvement of conservation and management of international fisheries?

A) Key findings

Budgeting information shows that nearly half (47%) of the voluntary EU funding to RFMOs was for fisheries management. Two major (i.e. > EUR 250,000) fisheries management programmes and measures have been funded since 2004:

Atlantic-wide Research Programme for Bluefin Tuna (ICCAT, EUR 480,000): Bluefin tuna is a priority species for ICCAT for which there was until recently, no research programme. ICCAT has recently adopted an action aimed at developing a wide and complete research programme that should enable the ICCAT Scientific Committee to improve knowledge of bluefin tuna, biology and migrations and undertake accurate evaluation of this key species. In 2009, there was provision for EUR 200,000 for the implementation of the Blue-fin Tuna recovery Plan, and in 2010 the same plus

a further EUR 2,000,000 has been allocated in 2010 alone for the multi-annual Atlantic-wide Research Programme for Bluefin Tuna.

MedFisis (and associated FAO programme co-financing) (GFCM / FAO, EUR 569,702): Support for implementation of the EASTMED, ADRIAMED, COPEMED and MEDFISIS programmes, which are aimed at developing a common framework for cooperation between coastal states of the Mediterranean to enable the common management of fish stocks in the region. Originally proposed in 2002, MedFisis has been subject to continued delay and is only now in its final stage of implementation (e.g. the third of a three year programme). No evidence has been provided on the achievements to date and it is difficult to assess whether this project will achieve its objectives at this stage.

In addition to the funding for fisheries management, around 40% of the financial support was to *inter-sessional and other meetings* supporting conservation and management of international fisheries. About a third of this was spent on one meeting, ICCAT's 16th Special Meeting of the Commission. This meeting, held in Marrakesh, reviewed the work of various Working Groups and compliance committees, and was aimed at addressing serious challenges such as compliance issues and management measures for bluefin tuna. Other major meetings (i.e. those with EU contributions of EUR 75,000 and over) were also held by ICCAT (Extraordinary meeting of the Compliance Committee) and NAFO (co-financing of the 2007 Annual Meeting).

Supporting the fight against IUU: for the RFMOs included in the survey frame, only 9% of funding was aimed at combating IUU. Some EUR 200,000 was spent by ICCAT on developing and then implementing a vessel monitoring system (VMS) programme for bluefin tuna fishing in the Atlantic.

B) Conclusions and recommendations

The EU's involvement in RFMOs has contributed to the improvement of conservation and management of international fisheries both through direct support for some fisheries management programmes, and through indirect means e.g. financial support for meetings. Support has however been rather concentrated on ICCAT, but it should be noted that financial support is provided to whatever RFMO may require it depending upon the respective work programmes and how the respective budgets are operated. There is no prioritisation of issues over distribution of funding between the RFMOs. The outcomes of the main funding support to GFCM (MedFisis) are not yet known and should be evaluated upon its completion.

4.4.19 In what ways has the EU improved compliance with conservation measures?

A) Key findings

Both qualitative analysis and supporting evidence indicate an improvement in compliance by Member States fleets with conservation measures during the evaluation period. Although the number of regulations implemented by the EU was largely similar during the evaluation period and the period prior to 2004, the completeness and timeliness of implementation by the EU has improved during 2004-2009. In recent years, however, various changes to the transposition processes have helped improve both compliance and transparency.

Table 21 - Regulations implementing key RFMO measures 2004-2009 and 1998-2003

| RFMO | Number of EU regulations implementing key measures | | Comments on compliance, 2004-2009 |
|--------------|--|-----------|--|
| | 2004-2009 | 1998-2003 | |
| GFCM | 5 | 2 | All measures implemented; minor delays in transposition in some instances |
| ICCAT | 15 | 15 | Level of formal implementation very high, but actual compliance by Member States is not always achieved. |
| IOTC | 4 | 3 | |
| NAFO | 12 | 13 | All measures implemented, but some delays and inconsistencies, later corrected in new instruments |
| NEAFC | 11 | 5 | |

Source: Questionnaire responses from NEAFC, GFCM, ICCAT & IOTC

In general there is a very high level of formal compliance by the EU (i.e. transposition of RFMO measures into EU legislation). Transposition does not always occur within the appropriate time framework (e.g. by the entry into force date of the RFMO measure) and in some cases transposition has not been carried out accurately, necessitating later corrective measures. Nevertheless, there is no evidence of any systemic difficulty.

The transposition method results in a highly complex network of measures. Quota or other effort restrictions, technical conservation measures and control and enforcement measures are routinely implemented separately. In some cases, measures are implemented through specific Regulations, in some cases through general CFP measures and in some cases through other instruments, such as Regulations implementing fisheries partnership agreements. In recent years, however, various changes to the transposition processes have helped improve both compliance (in particular by facilitating the timely adoption of EU measures) and transparency (in particular by consolidating similar types of measures, by RFMO measure, making it easier to determine how measures are implemented). Some examples illustrate these improvements. For example, most RFMO quota allocations and technical conservation measures are now dealt with through the annual CFP regulations following the December Council. Furthermore, in 2007 the Commission consolidated a number of existing Regulations (e.g. NAFO conservation and enforcement measures⁶² and technical conservation measures for highly migratory species⁶³), bringing together existing measures into single instruments and completing implementation where this had not been fully achieved previously. Such Regulations may be considered a significant improvement both to the effectiveness and transparency of EU implementation of RFMO measures.

The level of formal compliance is of course only part of any assessment of compliance. Although actual compliance by EU vessels with measures established by RFMOs is reasonable, and improved during the current assessment period, there remain a number of concerns. For example, in 2009 EU vessels fishing under GFCM and ICCAT were reported for illegal fishing by the United States fisheries service to the US Congress. There are also cases of actual non-compliance under other organizations, but these appear relatively isolated and non-systemic. The increased use of "stop" regulations, which prohibit fishing by Member State vessels once quotas have been

⁶² Council Regulation (EC) No 1386/2007 of 22 October 2007 laying down conservation and enforcement measures applicable in the Regulatory Area of the Northwest Atlantic Fisheries Organisation.

⁶³ Council Regulation (EC) No 520/2007 of 7 May 2007 laying down technical measures for the conservation of certain stocks of highly migratory species and repealing Regulation (EC) No 973/2001.

exhausted, has been a key element to supporting actual compliance under NAFO but do not appear to be achieved extensively elsewhere. Regarding ICCAT, the EU introduced new measures to monitor the EU fleet in April 2009 and a specific monitoring program in March 2009.

B) Conclusions and recommendations

The analysis indicates a very high success rate in terms of transposition of all measures adopted by the RFMOs into legislation in due time. Accordingly, the EU has a good level of formal compliance with RFMO measures. Minor areas for improvement relate to timelier implementation of measures in some cases. Further work needs to be conducted to improve Member State compliance, however. Improved monitoring schemes, such as that developed for ICCAT, should be considered more widely.

4.4.20 To what extent has the objective of the EU's active involvement in RFMOs been reached efficiently in terms of the resources used to obtain the actual outcomes?

A) Key findings

To investigate this, three case studies were undertaken, combining a mixture of scientific research, MCS and data support activities funded by DG MARE.

1. Scientific research: Pilot and small-scale tuna tagging in the Indian Ocean (EUR 22,242 in 2006)
2. MCS: Plan Régional de Surveillance dans le Sud-ouest de l'Océan Indien (EUR 2.31 million in 2007, EUR 0.935 million and EUR 1.398 million in 2009, totalling EUR 4.5 million)
3. Data support: MedFisis

Pilot and small-scale tagging of tropical tunas in the Indian Ocean (EUR 22,242 in 2006): In 2006 EUR 22,242 was provided to IOTC as final payment for small-scale tuna tagging and bait-fish availability analysis in areas such as Mayotte, the Maldives, Oman and the Seychelles. This was in addition to DG MARE funding of around US\$ 200,000 (c. EUR 160,000) provided prior to the evaluation period. This funding provided essential information for the subsequent EDF funded 'Regional Tuna Tagging Programme (RTTP) and although the activities were relatively small, the knowledge gained was essential to improving the design and robustness of the RTTP, which is genially considered as highly successful.

Plan Régional de Surveillance dans le Sud-ouest de l'Océan Indien (EUR 2.31 million in 2007, EUR 0.935 million & EUR 1.398 million in 2009, totalling EUR 4.5 million to date): Firstly it should be noted that whilst this Plan was funded through the RFMO budget line, it is not actually being implemented through IOTC, but is being implemented directly by the recipient countries. In July 2007, DG MARE launched the Plan Régional de Surveillance dans le Sud-ouest de l'Océan Indien, with a duration of three years, with EUR 7 million of EU funding. This project was implemented in parallel with the 9th EDF funded Regional Pilot Programme for MCS of Large Migratory Pelagics in the Indian Ocean in the last year of that Programme's operations. Without extensive research, we are not able to fully evaluate this project. Whilst the levels of activity are impressive in terms of sea and air patrol coverage, only two possible infringements have been detected. This suggests that the surveillance approach to reducing IUU fishing in the western Indian

Ocean is a comparatively expensive method, whereas other measures (e.g. port state control measures, effective information systems and supporting regional and national legislation) may be more cost effective.

MedFisis (EUR 539,737 over the 2004 – 2009 period): The Mediterranean Fishery Statistics and Information System (MedFisis), was originally designed as a three year project, jointly financed by FAO and the EU. With the exception of a 'Working Strategy of the MedFisis-TCP component published at project inception in 2004, the evaluation team could find no published outputs from the work to date. The first two years (of three) of the project – which is being implemented by FAO - were completed between 2004 and 2007, but a combination of procedural differences as well as the poor results of a verification mission in 2008 meant that the project has only just resumed its activities this year (2010). This start-up has also been plagued by the loss of staff after suspension of the project in 2008 and the need to submit and get approved a new Project Document. The intension is to complete unfinished activities e.g. the MedStat fishing vessel registration software and catch and effort (CAS) databases. FAO project staff informed that although the FAO has the technical capacity and the will to provide this support, through the Mediterranean regional projects, especially MedFisis, the funds currently available to these projects are insufficient to carry out this task (FAO, 2009b).

B) Conclusions and recommendations

In summary, based upon the apparent results of at least one of these three case studies, there is some concern over the level of efficiency in terms of the outcomes achieved from this expenditure. In the case of MedFisis, where over EUR 500,000 has already been expended, this appears to have been detected by DG MARE's verification mission after Project Year 2 and the project re-designed as a result. In contrast, the relatively minor expenditure on the small-scale tuna tagging programme in the Indian Ocean undertaken with IOTC appears to have been a success, and almost certainly allowed the subsequent EUR 14 million RTTP to be undertaken efficiently and successfully .

It is recommended that both mid-term and ex-post evaluations are undertaken of all projects funded through this regulation, perhaps with a financial threshold (e.g. all projects with a total expenditure of over EUR 0.5 million).

5.0 SUMMARY CONCLUSIONS AND RECOMMENDATIONS

It is very difficult to draw any common conclusions that are valid across the four thematic areas from this evaluation. This is due not only to the very different nature of the measures that are being financed under each area, but also to the fact that the evaluation focused on different elements under each. In line with the evaluation questions that were defined by DG MARE, the data collection and analysis in some areas (e.g. area 1 – control and enforcement) was of a *summative* nature, focusing on *outcomes*. In other areas (most notably area 3 – governance) the purpose of the evaluation was more *formative*, with a primary focus on *processes* rather than outcomes.

As a result, the findings and conclusions outlined in the previous sections of this report do not easily lend themselves to a direct comparison or aggregation. And given that the overarching objectives of the Regulation as defined in the 2005 IA⁶⁴ relate exclusively to *processes* (more effective and transparent financial management, more uniform and coordinated procedures, simplified programming, etc.), they do not represent an appropriate analytical framework. Instead, the following sections attempt to summarise the main conclusions that were drawn under each area, specifying whether these relate to the *outcomes* achieved by the measures that are being financed, or to the *processes* and rules through which this funding is provided. Based on this, conclusions of a more general nature are presented at the end of this section.

5.1 Control and Enforcement

A) Outcomes

The utilisation of the funds allocated by the EU to Member States for control and enforcement measures has been quite high, albeit with considerable variations across expenditure categories. The annual execution rates of fisheries control measures for which EU co-financing was approved between 2004 and 2006 vary from approximately 40% to 90%, depending on the category – it is highest for construction of patrol vessels and aircraft (which also require the greatest work investment by national administrations) and installation of VMS Devices, and lowest for projects relating to IT equipment and training. This execution rate was significantly higher than that of projects for which co-financing was rejected by the Commission, which indicates that the EU financial contributions are relevant and induce MS to implement projects that they would otherwise not consider.

The analysis of data on the number of both port inspections and at-sea inspections has provided strong evidence that since 2000, there has been an increase not only in the overall quality of surveillance activities, but also – crucially – in the uniformity of the quality of these activities. The number of inspections is becoming increasingly similar across Member States when one factors out aspects such as the length of the coastline, the size of the fishing fleet and the number of landings, which indicates that EU co-financing is having a positive impact on the uniform quality of Member States' control, inspection and surveillance activities. This has come at a total cost in terms of cumulative actual expenditure by Member States of EUR 238 million up to and including 2007.

The evaluation has also found a clear indication of the effectiveness of both land and sea based inspections in terms of reducing infringement rates – it has emerged that when the inspection rate is

⁶⁴ Commission Staff Working Paper SEC(2005) 426 – Extended Impact Assessment

lower, infringement rates tend to be higher. While a comprehensive comparison of the effectiveness of different kinds of investments was not possible with the data that were available, the analysis points towards specific benefits from expenditure on the construction of patrol vessels and aircraft and the training of inspectors in particular. This is broadly corroborated by the views of Member States, who in their questionnaire responses also indicated that they consider at-sea inspections from patrol vessels and dockside inspections as the two most important means of control overall. In addition, new technologies such as automated cross-checking of data and video surveillance were regarded as important across a range of infringement categories. It is difficult to draw general conclusions about the impact of specific levels of co-financing and thereby provide a clear indication of the level of efficiency. While the national authorities seem to agree on the priorities for spending (inspections at sea and on land, and cross checking of data), the impacts of this spending in terms of infringement rates varies significantly between Member States.

In order to assess whether the co-finance scheme makes resources available in due time, appropriate quantity and quality, the evaluation examined the extent to which Member States' fishing fleets have complied with the obligation to install VMS devices in a timely manner. Based on data in the Community Fleet Register⁶⁵, it found that by July 2009, compliance across the EU fleet as a whole was between 95% and 98% for the different sizes of vessels. However, the average delay across all Member States was between 1.4 and 2.9 years for 90% coverage, and between 2.6 and 4.3 years for 100% coverage. EU co-financing appears to have supported compliance with the VMS obligation. The Member States for which the Commission has provided substantial co-funding all had good VMS coverage in their fleets at the beginning of 2009, while those MS that have received no or very little co-financing for VMS from the Commission show lower levels of VMS coverage and longer delays, which suggests that EU co-funding represents at the very least an effective incentive for compliance with VMS obligations. It is also worth noting that the budgeted cost per VMS unit varied significantly across Member States, which may be related to a number of factors.

B) Processes

The Commission's procedures for co-financing projects in fisheries control and enforcement do not seem to have presented any significant impediments to Member States when applying for financing. In their questionnaire responses, only three national authorities cited any difficulties. These were related to the sometimes diverging priorities between the Commission and Member States; the perceived need to allocate more funding to the area of administration; the problem of the alignment of the timing of calls for applications for financing and the lifecycle of specific projects (in particular for long term projects where it is often not possible to anticipate all costs at the outset); and the uncertainty of the timing of the payment of advances and the need to reduce the amount of time taken to reimburse payments already made.

⁶⁵ Concerns regarding the updating of the data in the Community Fleet Register, and the degree to which they represent an up to date picture of VMS installation on Community vessels are discussed in the main body of the report and the annex.

5.2 Conservation measures, data collection and improvement of scientific advice

A) Outcomes

The collection of basic data through the national programmes under the Data Collection Framework (DCF, formerly the DCR) has mostly been relevant and effective. Under the DCR the percentage of EU contribution was 50% for the minimum programme and 35% for the extended programme whilst within the DCF this percentage is 50% for all elements of the National Programmes. The evaluation has found that (with very few exceptions) Member States have fulfilled their obligations under the DCF, and the resulting data is instrumental to policy making under the CFP. While the number of decisions related to general resources and (to a much lesser extent) those related to the annual TAC and quota process has fallen over the last few years (2004-2009), the percentage of stocks benefitting from advice based on the underlying data collection programme has actually increased slightly. The quality of the data is judged positively by users, which suggests that (in spite of some concerns around timely delivery and data format) the whole programme is progressing adequately and is probably improving over time. The increasing level of regional co-operation and harmonisation of métiers is also facilitated by the DCF / DCR, and in turn is likely to further enhance the effectiveness of the data collection.

As regards the studies financed under article 10 of the Regulation being evaluated, a total of 28 studies were commissioned over the reference period 2006-2008 (which is equivalent to 57% of all studies that were included in the relevant Annual Work Programmes of DG MARE). The majority were directly related to TAC decision making and Long Term Management Plans, or with the development of new tools for improving the data collection process. This indicates a high level of relevance and effectiveness. At the same time, several studies were also dedicated to non-core topics such as dissemination, gear issues and general fisheries methodology, which indicate a certain degree of positive spillover.

The scientific advice provided by the ICES, STECF and JRC under the different arrangements under article 11 was also assessed mostly positively. All three institutions have provided significant relevant input to fisheries management decisions. The ICES has provided around 150 distinct pieces of advice per year; although this advice covers only 62% of the total number of species derived from the MoU, the gaps refer to minor species, and all of those species contributing to the majority of landings in the EU are covered. Of the STECF's approximately 25 meetings per year, the vast majority were dedicated directly to EU fisheries management topics, while an average of four meetings per year dealt with the DCF / DCR.

B) Processes

While the quality of the data collected under the DCF/DCR was mostly rated as satisfactory by the user institutions, less than half of surveyed users were satisfied with the timeliness of delivery or the format of the data, which indicates there is some room for improvement, particularly with respect to specific catch data and, to a lesser extent, biological and some economic data.

As for the cost of the various measures financed under articles 9, 10 and 11, this can generally be judged to be efficient (i.e. in line with market standards). The total cost of DCR / DCF data collection amounts to an average of just over EUR 70 million per year, equivalent to between 0.8 and 1% of the value of the industry. This proportion is very similar to the public sector costs of collecting environmental data across all maritime sectors in the EU, as well as to the cost of similar programmes elsewhere. By comparison, the amounts spent on studies and scientific advice are much smaller (average of less than EUR 5 million per year). Variations in the amounts appear to be

more related to the specific types of studies or advice provided than to any underlying changes in efficiency.

5.3 Governance

A) Outcomes

The present evaluation only assessed the outcomes of the funding for the Regional Advisory Councils (RACs) to a very limited extent, given that the Commission itself had carried out an internal review of the functioning of the RACs in June 2008, which concluded that the legal framework had proved to be generally satisfactory, that it had enabled the creation of the RACs and guided their functioning, and that the RACs had already made a positive contribution to the development of the CFP. This evaluation has broadly confirmed these results, in particular that the RACs are generally perceived as serving a useful purpose on a number of levels, and that all relevant actors – Parliament, Council, Member States, regional organisations and members - are firmly committed to the RACs. The number of recommendations issued by the RACs has increased continually, and their relevance in the context of the CFP is not being questioned.

However, a significant number of RAC members do not feel that the recommendations of the RACs are being taken into consideration to a sufficient extent by the Commission. In its own review, the Commission emphasised that it cannot always act on RAC recommendations if these are not compatible with CFP objectives and sustainable fisheries.

B) Processes

The evaluation undertook a detailed assessment of the financial situation and management structures of the RACs. The main result of this is that the RACs are heavily reliant on the EU for finance, and this reliance is likely to continue for the foreseeable future. In 2008-09, EU co-financing accounted for 70% of eligible costs of the six RACs that were examined (up from 68% in 2007-08). Over the same period, the financial contributions of Member States have also been stable (25% in 2007-08 to 24% in 2008-09), while the funds raised via membership fees have decreased from 10% to 8% of final eligible costs, due in part to declining membership, in turn partly the result of some members consolidating under umbrella organisations. There is a need to maintain a strong stakeholder focus and ultimately ensure a good degree of ownership, which may be achieved from monitoring the number and representativeness of RAC membership. The 90% ceiling on EU contributions continues to be an appropriate figure. At present it leaves room for an increase in EU contributions as EU eligible costs increase, and it still ensures a significant element of ownership from the members in particular. At the same time, the maximum amount of EU funding should at least be adjusted to take into account inflation.

The average RAC budget in 2007-08 and 2008-09 was between EUR 275,000 and EUR 285,000, of which the EU contributions accounted for just over EUR 186,000 and EUR 202,000. These overall levels of funding are generally sufficient for the RACs to fulfil their current role. However, the European Parliament, the Member States and the Executive Secretaries share a vision that the RACs become more proactive and fulfil their tasks in more strategic ways, so there is clearly an argument for increasing their capacity, particularly in medium term planning and scientific expertise in order to contribute to long term fisheries management plans and specific technical issues. This would almost certainly have to imply an increase in EU funding, as it would be difficult for the other components to be increased significantly. Membership fees are currently judged to be at an appropriate level, and increasing them would be likely to discourage important participants (in

particular NGOs); there was also no strong case for harmonising the membership fees across RACs. And while there may be some scope for raising more funds from Member States, and for harmonising the level of their contributions within a given RAC, it appears important that these remain voluntary and that individual RACs continue to determine what they receive from Member States. Significant contributions in kind might be put in peril if financial contributions from Member States were made mandatory, and overall receipts might well decline if rates were standardised. Given the healthy contributions provided by Member States, regional organisations and members, there is a significant sense of ownership and commitment to the RACs.

Should the role of the RACs be enhanced, and indeed should some RACs independently seek to improve the quality of their advice and provide more strategic advice to the Commission and to the sector, there will be a need for further financing. The Member States and members face limitations in being able to increase financing from traditional sources. Therefore, additional EU financing would be required. However, in order not to undermine the independence of the RACs, there is a need to continue to limit the proportion of finance that the Commission provides. Alternative sources of finance independent of the Commission may be appropriate, particularly with respect to multiannual projects, and strategic planning and management of the sector.

A number of problems and weaknesses were identified regarding the rules and procedures which govern the disbursement of EU funds to the RACs. As a consequence, there is a degree of dissatisfaction among RAC Executive Secretaries with some aspects of the procedures and also with the way that decisions are managed. Despite increased economy, in terms of the number of meetings held and recommendations made, the work load of the RACs and the meetings with the Commission appear to be dominated by financial and procedural matters, at the expense of technical work, thus compromising the attention given to technical issues and their potential effectiveness. In order to improve the situation, the Commission should explore whether there are instruments other than an operational grant that could be used to provide financial support to the RACs (ideally on a multi-annual basis). Should this not be the case, the efforts that have already been made to clarify and (where possible) adapt the applicable rules and procedures should be further strengthened.

5.4 International relations in the area of the CFP

5.4.1 Fisheries Partnership Agreements

A) Outcomes

The evaluation has concluded that the FPAs are generally favourable for both the EU and for third countries, but that the resulting value for money tends to be significantly higher for the former. The costs of the fishing opportunities negotiated have been advantageous for European ship-owners. The FPAs have made a significant contribution to securing the continued existence and competitiveness of the EU's fisheries sector, and have also had a small overall impact on employment (although this is concentrated in those regions that are especially dependent on the fisheries sector). In terms of ensuring adequate supply, fish caught under FPAs only accounts for approximately 3% of total supplies in volume terms to the EU market, but for some species groups (including tuna) the contribution to overall supplies can be quite significant.

Regarding the impact of FPAs on third countries, the evaluation has found that the financial contributions made by the EU are a very significant source of revenue for fisheries administrations

and, in some cases, the economy of third countries as a whole. However, in spite of the fact that between 13% and 100% (depending on the FPA) of the financial support provided is earmarked for sectoral support, the extent to which these funds are actually used to support sustainable fisheries is unclear. With a few notable exceptions, the evaluation found little evidence that funding from the FPAs has made any direct and/or substantial difference to the development of policies or plans for sustainable management and for improved conservation of fisheries resources (in the form of updated policies, and improved and documented MCS strategies and research plans).

As for the economic development of partner countries, a considerable number of jobs for third country nationals have been created on board EU vessels, but whether multiplier effects (e.g. provision of vessel services, landing / processing of fish in third countries) have occurred to a significant extent is more questionable. There is also very little evidence of joint ventures and/or technology / skill transfer to partner countries as a result of FPAs.

The evaluation has also found that the FPAs are generally consistent with both EU development policy and EU trade policy (at least in those cases where the EPA contains a fisheries chapter). However, the allocation of the financial contribution under the FPAs could be better aligned with the development strategies agreed with the countries/regions in the CSPs and RSPs.

B) Processes

The timeliness (or lack thereof) of the disbursement of financial contributions to third countries under FPAs does not seem to have had an impact (positive or negative) on the achievement of their objectives. No particular issues were raised by the third country governments contacted over the process of disbursing funds. The current joint monitoring process appears both adequate and effective.

5.4.2 Regional Fisheries Management Organisations

A) Outcomes

Within the majority of the RFMOs, the EU has been highly active in initiating or supporting relevant measures that are strongly coherent with the objectives of the CFP (in particular regarding the control of fishing effort and the regulation of IUU fishing). The vast majority of these measures have been transposed into EU law in a timely and effective manner, although further work needs to be conducted to improve actual compliance with these rules in practice.

As regards the EU's voluntary financial contributions to RFMOs, the results vary depending on the RFMO in question. ICCAT, which has received by far the largest amount (including a sizeable contribution to the *Atlantic-wide Research Programme for Bluefin Tuna*), is particularly positive on the added value of EU funding for facilitating sustainable and responsible fisheries. EU funding for RFMO meetings has also contributed indirectly to the improvement of conservation and management of international fisheries. However, even though the funds have appeared to have been spread unevenly across the RFMOs, and outside of ICCAT and GFCM, the EU voluntary contributions have been minimal, this is dependent on the requirements of the individual RFMOs, some of which do not require additional voluntary funding due to their particular operating structure. In particular, the difficult relationship the Commission (and other members) had with the FAO on various matters seems to have limited the support available to some RFMOs, in particular to IOTC.

B) Processes

The way in which EU funding has been made available is seen as appropriate by most RFMOs; it is perceived to be linked to clearly defined objectives, areas of action and expected results, and (especially in the case of relatively small amounts of funding allocated to particular activities) has followed uniform and co-ordinated procedures and appropriate criteria for eligibility of expenditure. EU funding was mostly seen to have been provided on schedule, a few complaints about delays in the payment of invoices notwithstanding. There was also consensus amongst RFMOs that EU voluntary financial support had proved particularly successful in providing adequate amounts of funds (compared to other Parties).

However, there are exceptions in the cases of IOTC and GFCM, the two RFMOs under assessment that run under the framework of the FAO, one of which highlighted that the administrative restrictions and requirements limit the flexibility required to respond to changing conditions in the field. At the same time, there is some concern about the lack of progress made to date by one substantial initiative co-financed by the EU, namely MedFisis.

5.5 Overarching conclusions and recommendations

As can be seen from the summaries above, all of the different types of measures financed under the Regulation were assessed positively in terms of their *outcomes* (to the extent that such an assessment was within the scope of this evaluation and was possible based on the available data). The measures generally pursued relevant objectives, were effective and efficient. No major shortcomings were identified, although some areas for improvements are listed below.

As regards the *processes* by which the finance is provided to beneficiaries, no major problems or impediments were identified in the areas of control and enforcement, data collection and scientific advice, or international relations (although it should be noted that this may be partly due to the fact that the evaluation did not focus primarily on the processes in these areas). However, in the area of governance, the financial management rules and procedures that govern the co-financing cause considerable difficulties for the RACs, and should therefore be reviewed.

In summary, the following recommendations are made:

1. Control and enforcement:

- Focus on means to further increase the number and efficiency of inspections across MS, for example through the development of Joint Deployment Plans by the Community Fisheries Control Agency. Continuing to fund training of inspectors and further development of new technologies such as data cross-checking should also be a high priority.
- Investigate further the relationships / causality between infringement rates and inspection rates, to see whether they have value in setting benchmark inspection rates for achieving an effective implementation of the CFP.

2. Conservation measures, data collection and improvement of scientific advice:

- Continue to improve data delivery and format, in particular concerning specific catch / effort data, which was consistently identified as giving the greatest problems and therefore requires more attention in the future.

- Invite every MS to provide a list of all the projects and internal activities which are not directly related to the DCR / DCF yet are indirectly funded by the National Programmes. This would contribute to a better and more accurate assessment of the overall value of the DCF, and could also be used as an evaluation tool.

3. Governance:

- Increase the maximum amount of the EU grant to EUR 300,000 per RAC and year. Further increases could become necessary in the future, depending on the envisaged future role of the RACs in the context of the reformed CFP, and inflation.
- Maintain the maximum 90% EU co-financing rate, as well as the present composition of finance (the main contributors being the EU, Member States, and RAC members), and leave it to the RACs to determine their respective membership fees and contributions by MS;
- Explore possibilities within the relevant Financial Regulations to endow the RACs with a different type of grant that would enable multi-annual planning and enhance flexibility while reducing the workload of the Secretariats;
- If no feasible alternative instrument exists, further clarify and streamline the applicable rules and procedures for the annual operational grants, including:
 - i. Work with the RACs to harmonise their financial years;
 - ii. hold common meetings with the RACs at strategic points in the planning cycle;
 - iii. provide clear guidance on eligibility in advance of the financial year;
 - iv. revise the rules so that membership fees have to be received by the time of audit, rather than before financing.

4. International relations in the area of the CFP:

- Place more emphasis on enhancing the effect of FPAs on partner countries' fisheries policies, MCS strategies and research plans, as well as on the local fisheries economy. This could be achieved through more (and/or more effective) sectoral support, and/or through more technical assistance, including assistance provided directly by DG MARE or the fisheries expertise within the EC Delegations.
- Ensure that agreements generate an optimal balance in value for money for all parties (rather than focussing on generating maximum value for money for EU stakeholders). This may require greater collaboration between DGs and units within the Commission (including DG Development).
- Focus support to RFMOs on improving actual compliance. Improved monitoring schemes, such as that developed for ICCAT, should be considered more widely.
- Verify / monitor the timely implementation of measures that are being co-financed. Both mid-term and ex-post evaluations should be undertaken of all major projects funded through this Regulation, perhaps with a financial threshold (e.g. all projects with a total expenditure of over EUR 0.5 million).