

the evaluation partnership 



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**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

## List of acronyms and abbreviations

|             |  |
|-------------|--|
| 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          |

## EXECUTIVE SUMMARY

### 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).

### 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 IA<sup>1</sup> 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.

## **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.

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<sup>1</sup> Commission Staff Working Paper SEC(2005) 426 – Extended Impact Assessment

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.

## 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:

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.

## 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 Regulation<sup>2</sup> and Article 21 of its Implementing Rules<sup>3</sup> 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);

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<sup>2</sup> 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

<sup>3</sup> 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).<sup>4</sup>

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,<sup>5</sup> 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.

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<sup>4</sup> 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)

<sup>5</sup> 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.

## 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.

### Governance

#### 0.1.1 The Regulatory Framework

The general objective 3 of the Regulation refers to ‘fisheries governance’<sup>6</sup> 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.”<sup>7</sup>*

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).<sup>8</sup>

Concrete expenditure measures included in the Regulation:

1. For ACFA<sup>9</sup>: 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 RACs<sup>10</sup>: contribution to their operating costs in the start-up phase<sup>11</sup> and to interpretation and translation costs.

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<sup>6</sup> See Art. 3 incise (d) of the Regulation.

<sup>7</sup> See Article 6 of the Regulation.

<sup>8</sup> See 2009 Annual Management Plan (AMP), version 23-12-2008, p.43-45.

<sup>9</sup> See Article 12 incises (a) and (b) of the Regulation.

<sup>10</sup> See Article 12 incise (c) of the Regulation.

<sup>11</sup> 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*

3. For external communication<sup>12</sup>: 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.

### 0.1.2 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.<sup>13</sup>

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                |
|--------------------------|------------------------|--|------------------|---------------------|
| <b>Baltic Sea</b>        | Mar 2006               | <a href="http://www.bsrac.org">www.bsrac.org</a> | 40 members       | Copenhagen, Denmark |
| <b>Mediterranean Sea</b> | Sep 2008 <sup>14</sup> | N/A  | N/A              | Rome, Italy         |

*Regional Advisory Council an "operating grant agreement" setting the precise terms and conditions and the procedure for the grant allocation".*

<sup>12</sup> See Article 12 incise (d) of the Regulation.

<sup>13</sup> See [http://ec.europa.eu/fisheries/cfp/governance/racs\\_en.htm](http://ec.europa.eu/fisheries/cfp/governance/racs_en.htm)

<sup>14</sup> 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](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.

|                             |          |  |             |                           |
|-----------------------------|----------|--|-------------|---------------------------|
| <b>North Sea</b>            | Nov 2004 | <a href="http://www.nsrac.org">www.nsrac.org</a>             | 33 members  | Aberdeen, Scotland        |
| <b>North-western waters</b> | Sep 2005 | <a href="http://www.nwwrac.org">www.nwwrac.org</a>           | 55 members  | Dublin, Ireland           |
| <b>South-western waters</b> | Apr 2007 | <a href="http://www.ccr-s.eu">www.ccr-s.eu</a>               | 103 members | Lorient, France           |
| <b>Pelagic stocks</b>       | Aug 2005 | <a href="http://www.pelagic-rac.org">www.pelagic-rac.org</a> | 39 members  | Rijswijk, The Netherlands |
| <b>Long Distance</b>        | Mar 2007 | <a href="http://www.ldrac.eu">www.ldrac.eu</a>               | 88 members  | Madrid, Spain             |

An internal review of the functioning of the RACs was carried out by the Commission in June 2008<sup>15</sup>, 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.

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<sup>15</sup> COM(2008) 364 Communication from the Commission to the Council and the European Parliament – Review of the functioning of the Regional Advisory Councils.

## 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.

### 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)<br>(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 2008<sup>16</sup>, 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.

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;<sup>17</sup>
- involving the RACs in reflection on the long-term development of the CFP;<sup>18</sup>
- 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;<sup>19</sup>
- 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.

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<sup>16</sup> COM(2008) 364 Communication from the Commission to the Council and the European Parliament – Review of the functioning of the Regional Advisory Councils.

<sup>17</sup> 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.

<sup>18</sup> 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.

<sup>19</sup> The EP (ibid.) calls for an annual conference involving the RACs and the Commission.

### 0.1.3 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

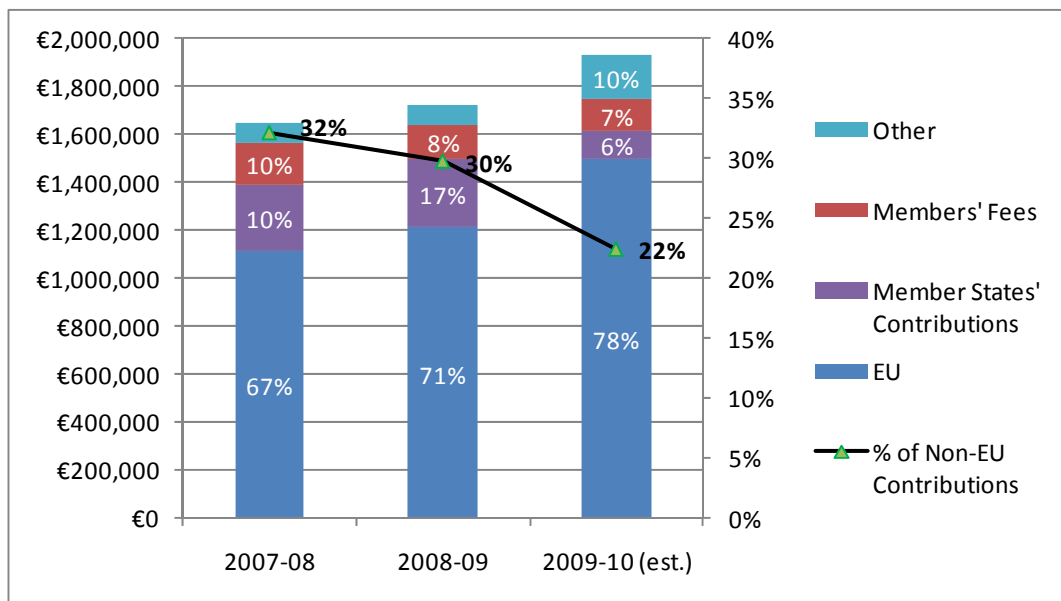
Total EU contributions for the period under evaluation amounted to EUR 3,825,588. Total non-EU contributions for the same period amounted to EUR 1,476,424.

**Table 2 – 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         | 289.450,87              | 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 | 252.892,81              | 198.528,73          | 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        | 215.522,00              | 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              | 231.487,88          | 40.852,61         | 34.087,70            | 0,00             | 285.378,00              | 223.585,66          | 39.593,00         | 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         | 29.189,00            | 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        | 308.276,00              | 250.000,00          | 24.275,00         | 20.000,00            | 15.000,00         |
| <b>Total</b>  | <b>1.654.333,78</b>     | <b>1.115.589,61</b> | <b>170.877,61</b> | <b>277.582,70</b>    | <b>82.928,08</b> | <b>1.713.119,34</b>     | <b>1.211.327,11</b> | <b>142.676,58</b> | <b>289.766,13</b>    | <b>77.589,00</b> | <b>1.933.675,00</b>     | <b>1.498.671,00</b> | <b>128.475,00</b> | <b>117.139,00</b>    | <b>189.390,00</b> |

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) Other= 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 1 - 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 leant 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.

#### **0.1.4 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.

## **0.1.5 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.

## **0.1.6 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

## **0.1.7 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.

### **0.1.8 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).

### **0.1.9 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 3 – 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.

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

#### A) Key findings

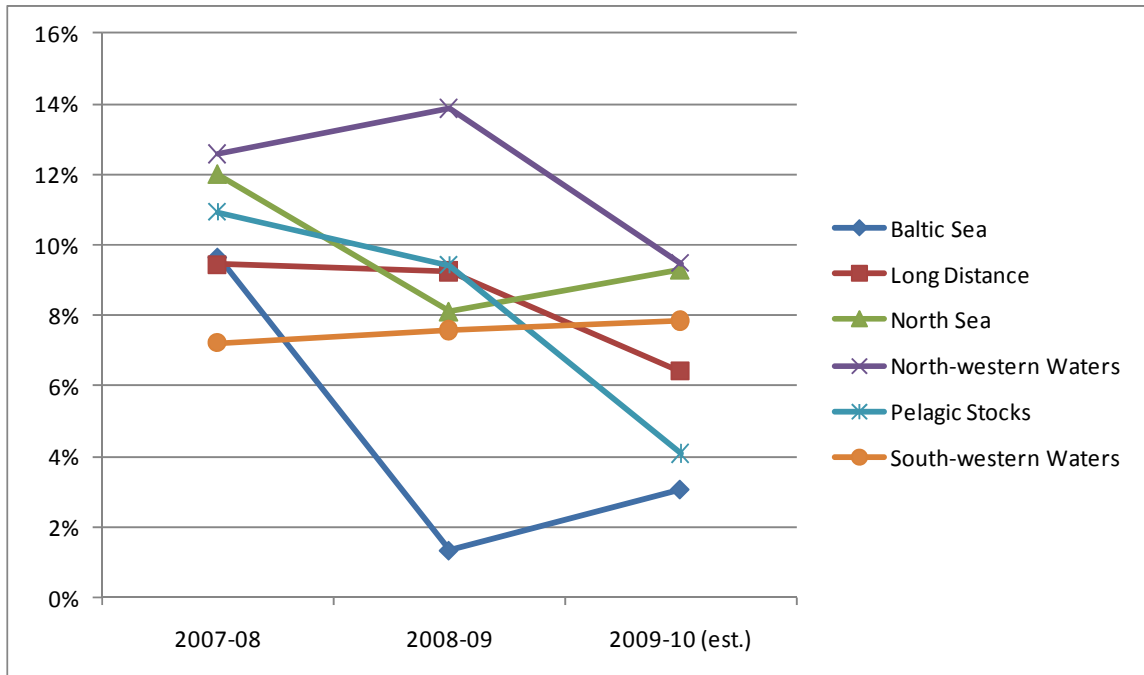
The total amount collected by all RACs through members' fees has declined, from EUR 170,878 in 2007-08 to EUR 142,677 in 2008-09. It is too early to determine the final amount that will be received in 2009-10, but according to the RACs' estimated budgets it is expected to fall slightly, to EUR 128,475. 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 4 –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 2 - % 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.

### **0.1.11 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.

## **0.1.12 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.

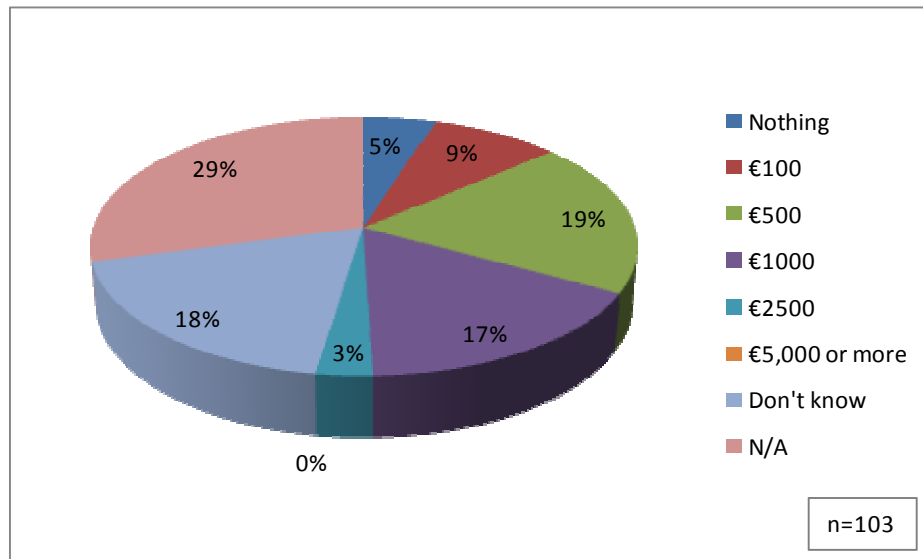
More than one RAC reiterated that if there were to be harmonisation between RACs, it should be in the context of the rules for travel, per diems, procurement, reimbursement rules and so forth.

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 3 - 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.



## 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 IA<sup>20</sup> 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.

### 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%

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<sup>20</sup> Commission Staff Working Paper SEC(2005) 426 – Extended Impact Assessment

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.

## 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:

### 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.