

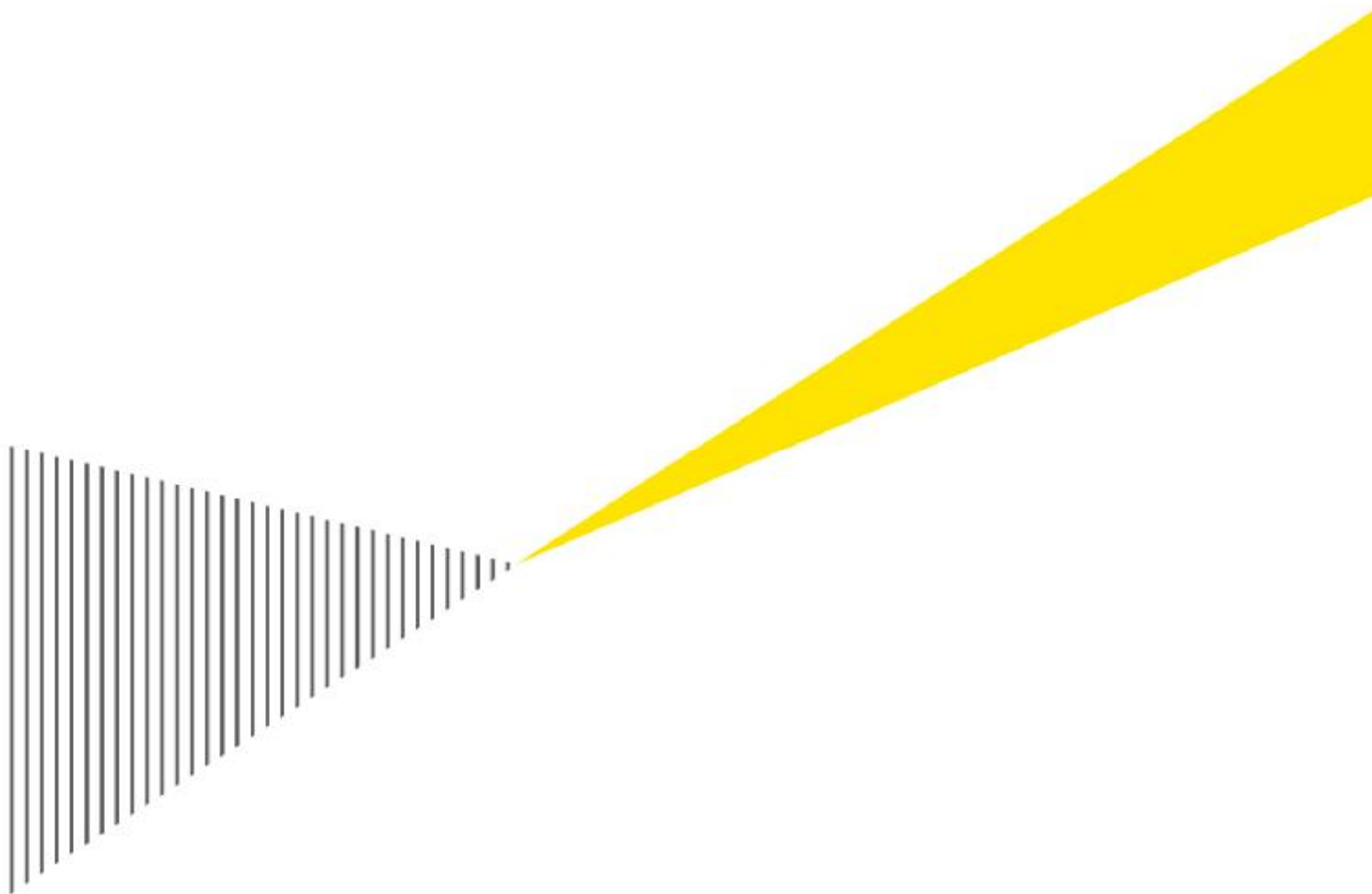
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DG MARE

# Ex-post evaluation of the Financial Instrument for Fisheries Guidance (FIFG) 2000–06

Executive summary

March 2010



The ex-post evaluation of Financial Instrument for Fisheries Guidance (FIFG) 2000–06 was conducted by Ernst & Young in cooperation with AND International, COGEA and Eurofish. In line with the requirements of Regulation 1260/1999, Article 43, it aims to:

- Account for the utilisation of resources made available and to measure the relevance, effectiveness and efficiency of the FIFG and its impact;
- Provide recommendations for implementation of European Fishery Fund (EFF) and provide policy orientations for the ongoing reform of the Common Fisheries Policy (CFP), contribute to designing the next generation of policy interventions after 2013 and provide guidance on the role of structural support to fisheries and aquaculture under broader European Union (EU) structural policies in coastal and maritime regions.

The following executive summary is based on detailed analyses in the final evaluation report.

# 1 General presentation of the evaluation and of the Financial Instrument for Fisheries Guidance (FIFG)

The **Financial Instrument for Fisheries Guidance (FIFG)** was created in 1993 as the specific financial instrument dedicated to fisheries structural policy. First established through Regulation (EC) No 2080/93, the FIFG became the structural pillar of the CFP and therefore an essential component of European strategy in the fisheries sector. In 2007 the FIFG was replaced by the **European Fishery Fund (EFF)**, set up by Council Regulation (EC) No 1198/2006, which will continue until 2013.

The objectives assigned to the FIFG for the 2000-2006 period as defined in Council Regulation (EC) No 1263/1999 were as follows:

- contributing to achieving a **sustainable balance between resources and their exploitation**;
- strengthening the **competitiveness of structures** and developing economically viable enterprises in the sector;
- improving **market supply and the value added** to fishery and aquaculture products;
- contributing to **revitalising areas** dependent on fisheries and aquaculture.

Community financial assistance under the FIFG could be granted for the implementation of operations organised under six priority axes and 20 measures as follows:

Priority axis 1: Adjustment of the fishing effort	Priority axis 2: Fleet renewal and modernisation	Priority axis 3: Protection and development of aquatic resources, aquaculture, fishing ports facilities, processing and marketing and inland fishing	Priority axis 4: Other measures	Priority axis 5: Technical assistance
<ul style="list-style-type: none"> <li>Measure 1.1: Adjustment of fishing effort</li> <li>Measure 1.2: Adjustment of fishing effort</li> <li>Measure 1.3: Adjustment of fishing effort</li> </ul>	<ul style="list-style-type: none"> <li>Measure 2.1: Fleet renewal and modernisation</li> <li>Measure 2.2: Fleet renewal and modernisation</li> <li>Measure 2.3: Fleet renewal and modernisation</li> </ul>	<ul style="list-style-type: none"> <li>Measure 3.1: Protection and development of aquatic resources, aquaculture, fishing ports facilities, processing and marketing and inland fishing</li> <li>Measure 3.2: Protection and development of aquatic resources, aquaculture, fishing ports facilities, processing and marketing and inland fishing</li> <li>Measure 3.3: Protection and development of aquatic resources, aquaculture, fishing ports facilities, processing and marketing and inland fishing</li> </ul>	<ul style="list-style-type: none"> <li>Measure 4.1: Other measures</li> <li>Measure 4.2: Other measures</li> <li>Measure 4.3: Other measures</li> </ul>	<ul style="list-style-type: none"> <li>Measure 5.1: Technical assistance</li> <li>Measure 5.2: Technical assistance</li> <li>Measure 5.3: Technical assistance</li> </ul>
				<ul style="list-style-type: none"> <li>Priority axis 6: Measures financed by other structural funds</li> <li>Measure 6.1: Measures financed by other structural funds</li> <li>Measure 6.2: Measures financed by other structural funds</li> </ul>

The evaluation covers all sectors and geographical areas assisted by the FIFG during the 2000–06 period. This includes **60 programmes in 24 Member States (MS)** (one programme is transnational – United Kingdom and Ireland – and was approved under the “PEACE II” Community Initiative).

The general methodology of the evaluation was based on the four classic evaluation phases: (1) structuring, (2) observing, (3) analysis, (4) judgment and recommendations.

The data collected comes from primary sources collected through approximately 140 face-to-face and phone interviews with national authorities, sector stakeholders and FIFG beneficiaries from all MS, and secondary sources available at EU and national level. This includes data from the Infosys database<sup>1</sup>. 15 case studies were conducted in order to analyse specific situations within regional areas, identify FIFG synergies and complementarities and assess FIFG efficiency at project level.

*Attention: analyses at EU level were carried out on the basis of Infosys data at 31 December 2008. As the programmes continued after the aforementioned date, data will have evolved since then (as new commitments and payments are likely to improve achievements).*

Analyses were conducted based on 12 evaluation questions<sup>2</sup> regarding six different evaluation criteria: relevance, external coherence, effectiveness, implementation, impact and sustainability.

The summary picks up the main observations of the evaluation according to each evaluation criterion.

## 2 Main findings

2.1 Although relevant to addressing the fishery sector's needs, the FIFG lacked internal coherence as it consisted of a patchwork of measures, whose role, objectives and expected complementarities were not clearly defined.

- The FIFG was relevant as a policy instrument and its measures were generally well suited to addressing the fisheries sector's needs, but some of them were not sufficiently targeted by the FIFG regulation and programme objectives.
- **Resource issues** were addressed by the fleet restructuring measures, which were identified as a “priority” area at EU level as they accounted for about 45% of total FIFG programmed funds. The need to limit fishing effort was addressed by measures related to the adjustment of the fishing fleet (priority axis 1), as well as a number of other measures under priority axis 4 relating to temporary cessation of activities and other financial compensation and innovative measures towards greater selectivity and experimental fishing. These measures mainly focused on reducing the fleet capacity and thus complemented other CFP measures (quotas). However, this is not sufficient to ensure reduction of the fishing effort which the 2002 reform partly took into account when ending the construction of new vessels (measure 21), considering that efforts made to limit fishing effort were off set by productivity gains enabled by newly built vessels.

As for fleet renewal and modernisation measures (priority axis 2) which were meant to contribute to the sector's competitiveness, they could have contributed to the alleviating of resource issues by supporting the improvement of fishing selectivity through the design of new innovative vessels and/or modernisation of existing ones. However, the withdrawal of aid for the construction of new vessels (measure 21) following the 2002 CFP reform has lowered FIFG capacity to orient the design of new vessels towards selectivity or energy-saving objectives.

- The FIFG was on the whole relevant to cover the **main EU market supply needs**, including the need to support EU production, the need to better adjust to modern distribution and global trade, the need to increase the focus on added value and the need to improve competitiveness in a context of growing imports and increasing competition. Most investment measures on aquaculture, fishing ports, processing and marketing (priority axis 3) were targeting these needs and other support measures under axis 4 were also aimed at contributing, more indirectly, to these goals. Although targeting was satisfactory, the financial priority for aquaculture measures

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<sup>1</sup> Infosys is EC FIFG monitoring system. Its data is ruled by EC Regulation 366/2001

<sup>2</sup> Covering all 23 evaluation questions mentioned in the terms of reference of the evaluation

remained fairly low (only 9%). On the other hand, measures dedicated to modernisation of the processing sector proved highly prioritised by the MSs (24%).

- **Economic and social needs** were addressed by supporting socioeconomic measures for fishermen only (measure 42), although most FIG measures (especially under axes 2 and 3) indirectly covered the need to develop or maintain employment, increase producers' income and improve working conditions. However revitalisation of fishery-dependent areas was not targeted by any specific action although the securing of jobs and companies in these areas was indirectly covered by many FIG measures.
- The FIG is made up of 20 measures organised in four priority axes.<sup>3</sup> As was the case with the previous FIG programming period, the evaluation points out the **weak readability of the overall FIG strategy**. There are no inconsistencies between the various measures, but links between them and FIG objectives were not easily understandable, and it was not clear how all priorities complemented each other. In particular, some measures under axis 4 were very broad measures to support the structuring and organisation of the sector (measure 44) but were considered by most stakeholders to lack any clear objectives.
- The **overall lack of both hierarchy in priorities** (all the measures were optional) and **quantified targets** (such as expected development for aquaculture) finally lower the internal coherence of the package of measures. The FIG appeared as a toolbox whose consistency was mostly expected to take its substance from policy choices of the MSs. The FIG's "toolbox strategy" has led to "cash-desk strategies" in most MSs rather than project strategies for subsectors and/or territories. Consistency, complementarities and synergies are therefore very difficult to perceive in most of the programmes,

## 2.2 The FIG's external consistency with the other instruments and policies within the CFP was ensured "conceptually" in the EU regulations, as they share the same general objectives.

- **Consistency with fleet and resource preservation policies was fundamentally ensured via MAGP IV<sup>4</sup>** objectives until 2002 and subsequently through the ceiling for capacities and the entry-exit regime. This consistency was still only guaranteed with a basic reasoning, assuming that the reduction of global fleet capacity would mechanically reduce the pressure on fish stocks. In practice, the FIG's fleet scrapping measures were not implemented taking into consideration the fish stocks situation and renewal capacities (no approach by fisheries) as most MSs did not develop clear strategies for driving their fisheries to sustainable exploitation of resources (economic issues were the main driver of scrapping schemes).
- **An indirect consistency with Common Organisation of the Markets** in Fishery and Aquaculture Products (COM) exists, but this is insufficient in view of the sector's need for adaptation, particularly regarding rapid changes in the EU market. The expected role of FIG support in favour of setting up new Producers Organisations (POs) has been partly ensured as aid was not implemented in all the MSs. Moreover, support to POs projects through axis 4 measures was not an FIG priority at Community level or in most of the MSs. Consistency with COM was better ensured for the processing sector, which benefited from heavy support from the FIG to develop its capacities, inducing higher demand for imported raw materials. The customs arrangements of the COM were effective in allowing access to competitive supply for the EU processing industry.
- Finally, **no inconsistency has been identified between the FIG and other structural fund interventions**, even though FIG consistency with ERDF for investments in ports has occasionally been tricky as regards eligibility criteria and/or the very low level of the FIG in some multi-funds programmes.

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<sup>3</sup> Priority axes 5 (technical assistance) and 6 (measures financed by the ERDF and ESF) are excluded from the relevance analysis

<sup>4</sup> Multi-annual Guidance Programmes

## 2.3 The financial achievement of the FIG is satisfactory and most MSs have improved their achievement rate since the previous programming period.

- **EUR 3.6 billion** was achieved at December 2008 to implement a total of **more than 84,000 operations**, with EUR 3.4 billion in “old” MSs against EUR 212 million in new MSs. Spain alone represented 45% of the total achievement.
- **The achievement rate amounts to 90% at 31 December 2008**, which is satisfactory considering that programmes were ongoing at this date and that the funding of new projects before programmes closure could significantly improve the achievement rate. This rate stands at 91% in the “old” MSs against 79% in the new MSs. It stands at 92% in objective 1 regions against 85% in non-objective 1 regions.
- Good effectiveness was enabled by the revisions of programming (“last programming”) near the end of the programming period. The application of the N+2 rule also accelerated the proceedings and contributed to a better achievement. Originally set up to be closed in 2008, the extension of eligibility (June 2009 instead of December 2008) enabled implementation of more projects and should ensure a maximum use of the FIG at the closure date.

**Achievement rates vary depending on MS as shows the following table:**

MS	Objective 1		Non Objective 1		TOTAL		Weight in total FIG
	Achievement	Achievement rate	Achievement	Achievement rate	Achievement	Achievement rate	
Spain	1 509 572	96%	198 873	92%	1 708 445	96%	48%
Italy	243 629	83%	93 238	93%	336 867	85%	9%
France	32 658	97%	224 045	92%	256 703	92%	7%
Greece	206 507	97%			206 507	97%	6%
Portugal	202 331	85%			202 331	85%	6%
United Kingdom	91 117	97%	74 855	84%	165 972	91%	5%
Poland	146 982	73%			146 982	73%	4%
Germany	86 550	95%	45 703	73%	132 254	86%	4%
Denmark			119 350	65%	119 350	65%	3%
Ireland	72 849	107%			72 849	107%	2%
Sweden	7 201	85%	45 290	84%	52 491	84%	1%
Finland	8 816	99%	33 007	99%	41 823	99%	1%
Netherlands	5 648	90%	29 298	89%	34 946	90%	1%
Latvia	25 239	104%			25 239	104%	1%
Belgium	1 556	100%	17 134	80%	18 690	82%	1%
Lithuania	12 099	100%			12 099	100%	0%
Estonia	11 387	91%			11 387	91%	0%
Austria	200	78%	4 337	96%	4 537	95%	0%
Czech Republic	3 763	92%			3 763	92%	0%
Hungary	3 288	75%			3 288	75%	0%
Cyprus			3 249	95%	3 249	95%	0%
Malta	2 460	87%			2 460	87%	0%
Slovakia	1 725	94%			1 725	94%	0%
Slovenia	1 708	96%			1 708	96%	0%
<b>TOTAL</b>	<b>2 677 286</b>	<b>92%</b>	<b>888 379</b>	<b>85%</b>	<b>3 565 665</b>	<b>90%</b>	<b>100%</b>

Source: National programming documents and Infosys at 31/12/2008 (PEACE II excluded)

- Among FIG beneficiaries, Ireland and Latvia obtain the best achievement rates. The main reasons explaining a lower efficiency in some MSs include:
  - The FIG co-financing rate was too low, mainly in non-objective 1 areas, to act as a sufficient incentive for some categories of project holders.
  - Limited national public co-financing also acted as a deterrent for some categories of project holders, as was notably the case in Denmark and the Netherlands.

- The bad economic situation and shipowners' financial difficulties accounted for the failure of some projects during the implementation phase, as was notably the case in the new MSs and in Greece.
- Finally, major factors were also management difficulties on the one hand and national authorities' lack of interest on the other hand, which both had a bad impact on the general implementation of the FIG (see the following section).

► **Achievement also varies depending on the areas of intervention and measures.**

Area of intervention / Measure		Achievement (K€)			Weight in total achievement
		FIFG	Total	% FIFG	
Adjustement of fishing effort, fleet renewal and modernisation					
11	Scrapping	546 737	884 625	62%	15%
12	Transfer to a third country/reassignment	31 732	58 853	54%	1%
13	Joint enterprises	35 858	47 886	75%	1%
21	Construction of new vessels	459 149	1 493 156	31%	13%
22	Modernisation of existing vessels	141 719	593 184	24%	4%
42	Socio-economic measures	39 929	122 944	32%	1%
45	Temporary cessation of activities and other financial compensation	280 252	366 472	76%	8%
TOTAL		1 535 375	3 567 120	43%	43%
Aquaculture					
32	Aquaculture	317 055	1 199 125	26%	9%
TOTAL		317 055	1 199 125	26%	9%
Fishing port facilities					
33	Fishing port facilities	357 330	649 568	55%	10%
TOTAL		357 330	649 568	55%	10%
Processing and marketing					
34	Processing and marketing	658 278	2 852 239	23%	18%
43	Promotion	123 378	212 511	58%	3%
TOTAL		781 656	3 064 750	26%	22%
Organisation of the sector					
44	Operations by members of the trade	216 373	425 555	51%	6%
TOTAL		216 373	425 555	51%	6%
Innovation					
46	Innovative measures	186 984	309 733	60%	5%
TOTAL		186 984	309 733	60%	5%
Other measures					
31	Protection and development of aquatic resources	57 808	93 077	62%	2%
35	Inland fishing	2 569	12 462	21%	0%
41	Small-scale coastal fishing	15 870	28 170	56%	0%
51	Technical assistance	64 430	100 733	64%	2%
52		-	-		0%
61	Measures financed by the ERDF	30 544	37 911	81%	1%
62	Measures financed by the ESF				0%
TOTAL		171 222	272 353	63%	5%
TOTAL		3 565 996	9 488 204	37%	100%

Source: Infosys at 31/12/2008

- Most measures show average achievement rates (between 85% and up to over 95%) apart from measures 35 (inland fishing), 41 (small-scale coastal fishing), 22 (modernisation of existing vessels) and 42 (socioeconomic measures), which are below average. On the other hand, measures 43 (promotion), 46 (innovating measures), 45 (temporary suspension of activities) and 11 (scrapping) show high achievement rates (all measures with 100% public financing rate).

## 2.4 Management systems enabled fairly effective programming and implementation despite some disparities across the various MSs.

- ▶ During the 2000–06 programming period, many new MSs opted for a decentralised system (central managing authorities with local implementation bodies), part of which also resorted to external intermediate bodies for implementing all or some measures only (fleet measures were generally managed at national level). While most MSs had a national single-fund FIG operational programme and one or more multi-fund regional programmes for their Objective 1 areas, Spain and Germany opted for single-fund national programmes only (Objective 1/non-Objective 1). As regards new MSs, they mostly established national multi-fund SPDs or OPs, apart from Poland and Cyprus, which established national single-fund programmes.
- ▶ Analyses of the various types of management and implementation systems (depending on criteria: national programmes versus regional programmes, single-fund versus multi-fund, centralised versus decentralised, and lastly with or without delegation to an intermediary body) do not clearly show that one management system operates better than any other. However:
  - National single-fund programmes implemented with the support of regional bodies, as was the case in Spain, proved fairly effective, with a good combination between national coordination, adaptation to local needs and proximity to end beneficiaries in the various regions.
  - Regional programmes in Objective 1 regions proved fairly effective and suited to creating synergies at local level. However, among MSs with regional programmes, there were some successful systems such as in Portugal, but these are counterbalanced by much less successful systems such as in some regions of Italy.
- ▶ The efficiency of FIG management is diverse and depends on the existing system and procedures applied:
  - Project selection procedures are fairly transparent but lack competitiveness due to the absence of clear selection criteria, especially for certain measures under priority axis 4. Insufficient communication on the FIG and a low level of technical assistance for potential beneficiaries are other reasons that explain a poor competitive process.
  - Monitoring systems are very heterogeneous in terms of information quality and relevance across MSs. Indicators established to assess the sustainability of interventions are largely non-existent.
  - Payment procedures do not function properly in some MSs and many beneficiaries complain of delays. Delays are due to a high administrative workload that cannot be undertaken in time by available staff. They are also explained by the large number of intermediaries in the controlling and certification process before payments, lengthening the entire process.

## 2.5 Although the ex-post evaluation was undertaken at an early stage in the lifecycle of the programmes, where impacts are difficult to assess fully, the evaluation shows that FIG 2000–06 has already brought interesting results and impacts.

- ▶ The actual and potential impacts of FIG measures on the achievement of the main FIG objectives can be summarised using a scoring system based on the evaluators' judgment resulting from the analyses undertaken.

	FIFG objectives	Sustainable balance between resources and their exploitation	Competitiveness and development of viable enterprises	Market value and value added to FAP	Revitalisation of areas dependent on fisheries and aquaculture	TOTAL
FIFG Areas of intervention	1. Fleet	2	3	1	-1	5
	2. Aquaculture	0	2	2	3	7
	3. Fishing port facilities	0	2	3	4	9
	4. Processing and marketing	0	4	3,5	3	11
	5. Sector organisation	1	0,5	1	2	5
	6. Innovative measures	0,5	0	0,5	0	1
	<b>TOTAL</b>	<b>3,5</b>	<b>11,5</b>	<b>11</b>	<b>11</b>	

*The scoring goes from minus 1, i.e. negative impact, to 4, i.e. strong positive impact.*

- Impacts are very different from one area of intervention to another. Generally speaking, **FIFG investment measures** (such as modernisation of the fleet (22), of aquaculture farms (32), of fishing ports (33), and of processing plants (34)) have had as yet stronger impacts than “supporting”/ “capacity building” measures (such as measure 45) whose results proved limited and more difficult to assess. This is partly due to insufficient targeting and weak definition of these measures.
- Impacts of the different areas are as follows:
  - **FIFG fleet measures (measures 11, 12, 13, 21, 22, 23, 42, 45)** on the whole were effective both in accompanying the inevitable reduction of the fleet justified by the reduction of fishing opportunities, and in supporting the replacement of outdated vessels with more efficient and secure units (until the end of 2004, at least for direct support). **Scrapping measures** helped accelerate the pace of fleet capacity reduction and likely contributed to the acceptance by economic players in the sector of the necessity of this reduction, which would have been more difficult to achieve without FIFG support. Similarly, **renewal and modernisation measures** effectively contributed to modernising the most powerful vessels operating with active gears, but the lack of clarity in strategy and priorities regarding the type of investment to promote did not allow the projects to focus on some key issues (energy, selectivity, safety...). Furthermore, considering the different patterns in the use of fleet measures (with a huge intervention in Spain and minimal in other MSs), it is likely that some deadweight effects resulted from scrapping measures as they led to distortions in the competitiveness of national fleets at the end of the programme.
  - **FIFG aquaculture measure (measure 32)** did not prevent a global decrease in EU aquaculture production. It encouraged overproduction in some aquaculture segments (sea bream) due to the absence of monitoring of market changes and the absence of planning and control of sector development. The FIFG had a positive impact on improving EU competitiveness thanks to progress made in terms of modernising aquaculture farming equipment.
  - **Modernisation of port infrastructures (measure 33)** was effective, but FIFG support may have postponed the restructuring of ports in some areas. The lack of regional strategy had a negative effect in some regions where the FIFG led to overinvesting and building new infrastructures regardless of any regional reasoning and anticipation of the future level of fishing activities.
  - **Supports to investment in marketing, processing and promotion (measures 34 and 43)** had mostly positive effects on the modernisation and development of the downstream sector. Some substitution effects may have occurred in relation to the relocation of large investments in processing in the new MSs.
  - **Expected impacts of organisation of the sector operations (measure 44)** are difficult to assess. The view can be taken that the expected reinforced support to POs (in coherence with the CMO) has not been effective.



- **Similarly, innovating measures (measure 46)** cannot be assessed at this stage as they could at best have a long-term impact. The measure suffered from an unclear definition that prevented MSs from managing it effectively and playing an incentive role in the submission of relevant projects.
- ▶ The FIGF significantly contributed to the strengthened competitiveness and viability of many enterprises in the sector, through support to private investment. However very few synergies were observed and consistency between investments along the supply chains and in different areas is unclear. In some cases, unwanted effects such as overinvestment (ports, aquaculture, etc.) or displacement effects (processing) occurred, which was also explained by a lack of regional strategic thinking.
- ▶ As regards contribution to the sustainability of fishery activities, impacts are more indirect and long term as the FIGF mostly played an accompanying role, whereas most efforts made to limit the impact of fishery activities on resources rely on other CFP policies.
- ▶ Lastly, even though no measure was specifically dedicated to revitalising areas dependent on fishery and aquaculture activities, the FIGF has indirectly contributed to achieving this objective through investments made in the fishing ports and in the aquaculture and processing sectors.

## 3 What outlook in keeping with fishery sector challenges?

### 3.1 Recommendation on the implementation of the EFF

In 2007, the EFF replaced the FIGF, and will continue to provide financial support to the fishery sector until 2013. Whilst it operates on a similar basis, it has introduced several changes, such as the development of a National Strategic Plan (NSP) by MSs prior to commencing the programming process, as well as a less complex structure. The OP is now the only programming and management document at a national level that addresses operational and strategic elements. MSs have more flexibility when implementing measures because eligibility rules have been limited to what is strictly necessary at Community level. These changes are in line with some of the key findings of the ex-post evaluation in that the complexity of FIGF at the EU level (60 programmes, both national and regional, and both multi-funded and single-funded) impacted negatively on the clarity of FIGF strategies and did not encourage efficient management.

Drawing on the lessons learned from FIGF 2000-2006, several short term recommendations can be made in relation to the management and implementation of the EFF programmes:

- ▶ **Involve stakeholders:** with respect to programming, project selection and monitoring, the involvement of sector experts through extensive consultation, as well as some of the main sector stakeholders (professional organisations of producers, processors, distributors) is a key factor for success. Effective cooperation within the steering/monitoring committee (regular meetings, strong leadership, etc) as well as agreement on a joint strategy and joint priorities is key
- ▶ **Improve communication on EFF:** the FIGF ex-post evaluation demonstrated that information and communication on the programmes is a key success factor but is not always effectively applied. In implementing programmes it is therefore important to encourage extensive and open communication using various tools (specialised media, information meetings, advertising on Ministry website) and tailoring communications to the local context.
- ▶ **Provide technical assistance to project holders:** in all cases, proximity and support for project holders from local facilitators with a high level of expertise is a key to success, although can require significant administrative work. It is important to find a balance between the need to reduce administrative costs and the importance of facilitation.
- ▶ **Simplify application and selection procedures:** project holders often complained about unclear and complex procedures in applying for FIGF funding. Clear application guidance should be drafted and application forms should be simplified in view of the extent to which all information required is actually used and necessary for the approval process.

- **Improve monitoring of programmes:** most EU indicators were not filled in properly (with the exception of fleet measures). Some national indicators were established but judged to be partly irrelevant. IT systems were developed and improved on only an ad-hoc basis. It is thus important to check the relevance of indicators and perform an in-depth assessment of the national monitoring systems at an early stage of the EFF programmes. It is important to explain EU indicators as defined in the EFF regulation and how they are filled in and compiled. This is all the more important given that the Infosys database no longer exists.

### 3.2 Recommendations on policy orientations and CFP reform

There are strong expectations of success and tangible impacts are already apparent in most areas. However, impacts are not as significant as expected. The following recommendations would assist in achieving more sustainable fisheries, better supply of EU market in fishery and aquaculture products and improved competitiveness of EU fishery industry:

- **Adjust FIFG fleet policy objectives and implementation rules to enable greater consistency with other CFP measures.**
  - As fleet restructuring was not based on clear and consistent strategies at a national level, EU fleet policy should now define new directions and objectives for the future. A fishing effort management by fisheries (at regional level) should replace the current national fleet capacity management. It should also move to more consistent fleet policies, involving stakeholders, and implemented through sustainable management plans by fisheries (RAC level and/or relevant territorial units). Lastly, subsidising the decommissioning of fishing vessels should only be considered as a compensation tool, to be used only in specific and exceptional contexts, (e.g. for accompanying the reduction of the fleet affected by regulatory recovery plans) and with no way for re-orientation or for re-entry of new or more effective fishing capacity or for accompanying the exit of fleets affected by deep changes in key drivers of their profitability (energy costs, prices....)
- **Ensure that investment projects (fleet modernisation, aquaculture, ports) follow a relevant strategy at the regional level to avoid adverse effects of over or uncoordinated investments.** The evaluation had noted that some aquaculture investments were dedicated to some species without paying attention to the market capacity. Similarly, numerous ports projects were scattered along the coast of old MSs, despite some facilities being already over capacity. The Commission should therefore encourage effective planning and control of investments made.
- **Regarding support measures (sector organisation and innovative measures), establish a clear strategy and subsequently integrate within a more consistent and integrated policy.** Contribution towards CFP objectives should be better defined (sector structuring, development of collection actions towards sustainable exploitation of resources), including clear definition of types of operations eligible for funding and targeted beneficiaries.

### 3.3 Recommendations on the role structural support in the fishery sector

The ex-post evaluation highlights that the FIFG was on the whole relevant and useful in addressing the fishery sector's needs and supporting the restructuring of the sector. In the future, this structural support still needs to complement other CFP pillars. However a few adjustments are necessary to maximize its contribution to the sustainable development of the fishery sector in the EU. According to the evaluation's results, the Commission should:

- **Improve the design and internal coherence of EU structural intervention**
  - The future policy for implementation of structural support to fisheries has to be revised with a view to guaranteeing greater consistency of its intervention logic. At this stage, structural support has been a patchwork of measures aimed at achieving very wide objectives as defined by the CFP. The specific role and objectives of the measures need to be explained and quantified.
  - The connections and complementarities between the different measures have to be developed. In particular, intervention in fleet area needs to be coordinated with other measures in order to compensate reduction of fishing activities. For instance, innovative and pilot projects should be

encouraged as they aim at designing the fishing vessels of the future which is considered far more in line with the objective of a structural intervention.

- There should be a logical link between the strategic and operational priorities and the financial weight of the different areas of intervention (fleet, aquaculture, processing) or type of measures (investments, support measures).

► **Improve the consistency and complementarities of EU structural intervention with other CFP pillars**

- The supporting and accompaniment role of structural support to fisheries and aquaculture has to be better integrated within the CFP so that it effectively complements the other CFP pillars. Concrete synergies between the different CFP's instruments, specific action logic and additional effects of instruments should be demonstrated.

► **Encourage strategic thinking and regional reasoning, particularly through the development of collective action at territorial level**

- The Commission has to foster territorial approaches (axis 4 of the EFF) and favour the development of collective projects with clear objectives and targets. To date, structural intervention could be considered as a plain resource envelope that led to dispersed results and even to negative effects. For instance, many investment projects in the aquaculture area as well as in fishing ports were implemented without regard to regional reasoning and anticipation of the future developments resulting from these investments such as overproduction (case for some aquaculture species). Effective planning and control of each sector's development should be encouraged provided they involve all relevant players, i.e. main stakeholders (institutions, professional organisations, experts, etc.) but also other players (experts and researchers).