

NORTH EAST ATLANTIC FISHERIES COMMISSION

SEVENTEENTH ANNUAL MEETING: 17-20 NOVEMBER 1998

SUMMARY REPORT OF MEETING

Item 1: Address of Welcome by the President

1. The President delivered the address attached at **Annex A**. Opening statements were made by all Contracting Parties. (Those from Denmark (for Faroes and Greenland), Iceland and Russia were also issued as documents numbered FC 17/29, 17/18, and 17/24 respectively). The President also invited statements from Observers; ICES (FC 17/17) and the US (FC 17/15) both made opening statements.

Item 2: Adoption of the Agenda

2. Norway noted that it would wish to discuss specific proposals on mackerel regulation under item 6.4. Denmark (for Faroes and Greenland) requested a discussion, under item 6.1, on conversion factors and transfer of quotas in relation to redfish. Iceland requested a presentation by their scientists, on redfish stocks in the Irminger Sea, be included under item 4. The President suggested a discussion on transparency under item 16 (any other business). These points were all noted. The meeting adopted the agenda at **Annex B**.

3. It was agreed that for future years the establishment of a Scientific Committee would be a regular point on the agenda.

Item 3: Establishment and Arrangements for the Finance and Administration Committee

4. Norway, supported by Iceland, proposed that Mr Thomson (EC) be elected Chairman of the F&A Committee. The President noted that the F&A Committee had a significant number of issues to address this year. In addition to discussing the draft budget for 1999 and the budget estimate for 2000, the F&A Committee would have to consider the financial aspects of the draft MOU with ICES, the report of the ad-hoc group on confidentiality and security, the Secretary's remuneration and also the costs of an opening ceremony.

Item 4: Report by the Advisory Committee on Fisheries Management (ACFM)

5. Dr J. J Maguire, Chairman of ACFM, presented the latest advice on stocks of interest to NEAFC (FC 17/14). He referred Contracting Parties to the "Introduction" to the May 1998 advice which discussed the form of ICES advice, and the framework for advice taking into account the precautionary approach. (The May ACFM advice was circulated to Contracting Parties at the Extraordinary Meeting on 30 June).

6. There was some discussion over the ACFM advice concerning deep water species. Dr Maguire referred to page 29 of the May advice where it was stated that *'most deep water species are, at present, considered to be harvested outside safe biological limits'*. He recalled that, under the precautionary approach, one needed to be able to show that stocks were sustainable. He noted that page 53 of the same report gave stock-by-stock advice on deep water species. The EC asked how long it took for a deep water stock to recover from exploitation; and whether the fact that deep water catches were stable indicated that the stocks could maintain current exploitation levels. Dr Maguire stated that deep water stocks tended to be slow growing and therefore needed about 15 years to recover. He stated that he did not think that stable catches indicated a sustainable fishery for deep water stocks at current exploitation rates.

7. Denmark (on behalf of Faroes and Greenland) mentioned that latest information indicated that blue whiting catches were approximately one million tonnes, and asked how the advice given in May would have differed if ACFM had had this information. Dr Maguire replied that an increase in catches indicated an increase in mortality and, if one accepted a precautionary fishing mortality of 0.32, one could calculate the effect on the stock of increased exploitation. The President noted that the reference points for this stock were proposals and the scientists should scrutinise the reference points.

8. Iceland gave a scientific presentation, based on research they had conducted, which suggested that there was a strong indication of genetic differences between the oceanic and deep-sea *Sebastes mentella* in the Irminger Sea. But Iceland noted that it was difficult to find differences in morphology. A number of Contracting Parties asked questions, and sought clarifications, on the work of the Icelandic scientists.

Item 5: Report by the Working Group on Mackerel and Blue Whiting

9. A report (FC 17/20) was presented by the Working Group's Chairman, Mr Lobach (Norway). He mentioned that the report contained three recommendations: that appropriate actions needed to be taken to introduce management measures for the mackerel fishery in areas beyond the jurisdiction of Contracting Parties; revised terms of reference had been prepared under which the Working Group should continue its work; and that terms of reference had been prepared for a proposed Workshop to be held before the first meeting of the Working Group in 1999.

10. The President thanked Mr Lobach for his hard work and the report and recommendations were adopted by the Commission.

Item 6.1: Conservation and Management Measures for Oceanic-type Redfish

11. Iceland expressed concern that the ACFM advice did not provide enough information on whether *Sebastes mentella* in the Irminger Sea consisted of one or two stock components. Iceland said that fishermen had started to target fish in the lower level (below 500m). Preliminary results from Icelandic scientific work had suggested that there were two stocks present. Iceland suggested that NEAFC had an obligation to regulate and manage *S. mentella* as two separate stocks. Iceland had noted the comments in the ACFM report on redfish and proposed a scientific data collection programme (FC 17/19). Denmark (for Faroes and Greenland) agreed with Iceland that there was a problem with the lower layer *S. mentella* fish being targeted, when the information available was on the upper layer fish, and supported Iceland's proposal about scientific research.

12. Dr Maguire said that - in the context of the precautionary approach - even if one was unsure about whether there were two stock components, the fishery should be dealt with as if it consisted of two components.

13. Russia said it saw no grounds to justify reducing next year's TAC especially as this year's had not been fished in full; the scientific evidence was inconclusive and more research was needed.

14. Norway said it would be difficult to regulate stocks separately from the upper and lower layer as it would be impossible to implement a control and monitoring system for different depths. Furthermore, Norway noted that when the TAC was originally agreed in 1996, it was agreed on the basis of 100,000 tonnes from the upper layer and 50,000 tonnes from the lower layer.

15. The EC noted that the scientific advice was similar to last year which suggested a roll-over of the 1998 TAC of 153,000 for 1999. The EC stated that it believed that this would be a cautious approach. Iceland disagreed with the EC. Denmark (on behalf of Faroes and Greenland) said it was particularly concerned to have a recommendation on this stock which was agreeable to Russia.

16. Iceland recalled discussion from the sixteenth Annual Meeting about reporting catches including the depths at which redfish were caught. It appeared that not all Contracting Parties were reporting depth information. The Secretary reported that all information supplied by Contracting Parties on redfish catches was circulated. The President reminded Contracting Parties that it was the responsibility of the flag state to report all catch information to the Secretary and to ensure that all the relevant information was supplied. The President suggested that reports were made to one decimal place.

17. The President then invited the meeting to consider a proposal (FC 17/43) rolling over the arrangements agreed at the sixteenth Annual Meeting for Regulatory Measures for Oceanic Redfish. The proposal was agreed by qualified majority, with Russia voting against. The recommendation on regulatory measures for redfish in 1999 is at **annex C**.

18. Denmark (for Faroes and Greenland) said that it had worked hard at this Annual Meeting to find a recommendation acceptable to all Contracting Parties, especially to Russia, and regretted that no consensus had been reached. Denmark (on behalf of Faroes and Greenland) stated that it was highly concerned about the consequences of not having a solution that everybody could accept.

19. Russia reminded the meeting of its opening statement where it had expressed willingness to work constructively and positively so as not to prejudice the position of any Contracting Party. Russia stated that the failure to reach consensus was because a constructive approach had not been adopted by the

Commission to the distribution of the redfish TAC. Russia said that the recommendation was not objective because there was no appropriate allocation key for redfish. Russia claimed that historically it was entitled to 33% of the TAC and therefore it would formally object to the recommendation.

20. Furthermore, Russia expressed the view that it doubted the capability of NEAFC to resolve difficult issues and said it believed this was partly due to the present Convention being outdated. Russia urged all Contracting Parties to consider this issue further as it adversely affected the functioning of the Commission in general. Russia noted that it was the third consecutive year that a recommendation on redfish had been reached by qualified majority rather than by consensus.

21. The EC expressed regret that consensus was not reached on this stock, and explained that it had voted in favour because of the overriding considerations pertaining to stock conservation. The EC stated that it was attached to the principle of consensus.

22. Norway said it was regrettable that, despite the work done to achieve consensus, no unanimous solution had been reached. Norway added that the failure to reach an agreement acceptable to all reflected badly on NEAFC.

23. The President said it was indeed regrettable that NEAFC had not been able to reach a solution for redfish which attracted the support of all Contracting Parties. He reminded Contracting Parties that they all shouldered responsibility for ensuring that NEAFC was an effective organisation which commanded wide support.

Conversion Factors

24. The President recalled that conversion factors had been discussed at the last Annual Meeting when a paper FC16/20 had been tabled. Denmark (for Faroes and Greenland) noted that this issue had also been mentioned in the advice from ACFM. Denmark (on behalf of Faroes and Greenland) suggested that there should be a two-stage exercise: first, Contracting Parties should publish their conversion factors; and second, Contracting Parties should harmonise their conversion factors. It was agreed that control experts needed to address this important issue. The President proposed that Denmark (on behalf of Faroes and Greenland) should organise control experts to come forward with conclusions in time for next year's Annual Meeting.

Transfer of Quotas

25. Denmark (for Faroes and Greenland) presented paper FC 16/43. It had been agreed at the last Annual Meeting that Contracting Parties should give further consideration to the transfer of quotas. Iceland expressed sympathy with the proposal. Nevertheless, Iceland said it could not agree on it because of the uncertain and complex situation related to the redfish stocks in question.

26. Norway said that it considered that it would be unwise to transfer quotas because it was beneficial to the stock if a quota was not fully utilised. Russia suggested that there would be difficulties in agreeing transfers in view of the earlier discussion on upper and lower layer components of the redfish stock. The EC explained that, under current year-to-year management of EC fisheries, transfer of under-utilised quotas was allowed for some specific stocks where there was sufficient scientific information and advice. However, the EC said that, because of the uncertainties with redfish, transfers should not be allowed.

27. Summing up, the President said a decision could not be taken as there were currently too many uncertainties surrounding the stock. He suggested a further report and discussion when more information was available.

Item 6.2: Northern Blue Whiting

28. The President recalled that there was currently an unallocated TAC of 650,000 tonnes for this stock. Dr Maguire said that there were a number of uncertainties with this widely distributed stock and more information was still required on stock size.

29. Norway noted that the ICES advice was not to exceed 650,000 tonnes next year until more information became available and that the stock was not in

imminent danger in the years up to 2001. Norway said there appeared to be no reason to change the present TAC next year. Norway noted that there had been a general increase in effort this year and that all Contracting Parties had increased their catches but this had been the first year such substantial overfishing had taken place. Norway stated that it attached great importance to the regulation of blue whiting.

30. Denmark (for Faroes and Greenland) said that blue whiting was of great importance to their fishing fleets and expressed concern at fishing on the stock outside its jurisdiction: 1 million tonnes had been caught against a TAC of 650,000. Denmark (on behalf of Faroes and Greenland) offered to host a meeting of the relevant Working Group to discuss blue whiting.

31. The EC said that the process of moving towards full regulation of this stock had been very slow over the years and the Working Group needed to produce firm proposals for this stock soon. The EC noted that catches by Contracting Parties were significantly higher than the 650,000 TAC for NEAFC regions 1 and 2 and expressed concern over the increased effort. The EC pointed out that some EC catches fell within region 3 and therefore did not fall under the TAC set by NEAFC.

32. Iceland said there was a growing interest in this stock: 65,000 tonnes had been caught by Icelandic fishermen this year. Iceland shared the concern shown by the EC and Denmark (for Faroes and Greenland) over the increased fishing in international waters.

33. The EC proposed that the unallocated TAC of 650,000 be rolled over for a further year; that the Working Group on Mackerel and Blue Whiting should continue its work in 1999; and that a Workshop to prepare a blue whiting database should precede the first Working Group meeting. The Working Group should

come forward with recommendations for the next Annual Meeting. The EC proposed that Mr Lobach (Norway) should continue to Chair the Group.

34. Denmark (for Faroes and Greenland) supported the EC and urged all Contracting Parties to submit data on blue whiting prior to the workshop.

35. Norway said that they were happy to agree to the EC's proposal and work towards a recommendation for the next Annual Meeting. Mr Lobach agreed to continue as Chairman of the Working Group. He thanked the Faroe Islands for agreeing to host the Workshop and said that he would be inviting all Contracting Parties to attend the Workshop prior to the Working Group.

36. **The President concluded that the EC's proposal to roll-forward the unallocated TAC for blue whiting of 650, 000 for 1999 had been adopted.**

Item 6.3: Norwegian Spring Spawning (Atlanto-Scandian) Herring

37. The President recalled that a copy of the five coastal state agreement had been circulated to all Contracting Parties on 28 October. A recommendation (FC 17/44) on regulatory measures for the Norwegian Spring Spawning (Atlanto-Scandian) Herring stock for 1999 was tabled. Norway proposed that the recommendation be adopted and all Contracting Parties supported. FC17/44 was adopted unanimously (**see annex D**).

Item 6.4: Others

38. The EC said that the ACFM advice was worrying and several deep-sea stocks gave cause for concern. The EC planned to convene a meeting in 1999 with the intention of gathering all interested parties (scientists and others) to compile data and exchange knowledge on the different stocks in preparation for next year's Annual Meeting. The EC said that it would send out invitations to the meeting next year.

39. Document FC17/39 was tabled by Denmark (for Faroes and Greenland), the EC and Norway on multi-annual management measures for mackerel. Norway stated that a lot of work had been done to find a solution that would be acceptable to all parties but regrettably, as no conclusion had been reached, the proposal should not be put to a vote at this meeting.

40. Iceland said that the proposal was unacceptable because it did not recognise Iceland as a coastal state. Iceland stated that, according to scientific advice, mackerel had been found in its waters and therefore it should be regarded as a coastal state.

41. The EC expressed deep regret that it had not been possible to reach a solution to regulate the mackerel fishery in international waters. The EC noted that mackerel had been put on the 'fast track' at the last meeting of the Mackerel and Blue Whiting Working Group with a view to a recommendation being approved at the 17th Annual Meeting.

42. Denmark (for Faroes and Greenland) also expressed regret that no agreement had been reached and said it hoped that a solution could be found in the near future.

43. Russia voiced concern about this issue and outlined its position in document FC17/32. Russia said that it believed there was presently insufficient scientific evidence available to regulate mackerel and that a transition period was needed in order to expand and intensify information on the stock.

44. The EC took note of Russia's concerns but recalled that, applying the precautionary approach, one should not use the lack of information as a reason for delaying action. Prompt action on regulatory measures was needed and so the EC proposed an Extraordinary Meeting of NEAFC in Brussels on 8-9 February 1999. The President noted that all Contracting Parties agreed to an Extraordinary Meeting being held to take this matter forward.

Item 7: Working Group on Control and Enforcement: Implementation of Scheme, Confidentiality and Security

45. A report (FC17/10) was presented by the Group's Chairman, Mr Verborgh. He mentioned that the Working Group had prepared some draft provisions on confidentiality and security for adoption by the Annual Meeting.

46. Iceland sought clarification on paragraphs 1.2. Mr Verborgh responded and confirmed that paragraph 1.2 would not prevent the Secretariat applying UK data protection law. He also confirmed that there was not a requirement for the Secretariat to keep information for longer than a month as it would not be carrying out inspections. Norway said it supported the report's recommendations but sought clarification of paragraph 1.2 and whether the NEAFC Secretariat, as an International Organisation, would be subject to UK law. The President thought that NEAFC should have immunity and that paragraph 1.2 could be removed; this was agreed.

47. The EC drew Contracting Parties attention to the table of reports and messages to be handled by the Secretary and noted it as a useful tool. The EC

endorsed the report and recommendations, subject to a decision on whether the provisions were as a separate recommendation, under article 8, or whether they were attached as an annex to the Control and Enforcement Scheme. The EC stated that it believed the practical solution would be to attach the security provisions to the main body of the scheme.

48. The EC proposed that the Working Group be continued with revised terms of reference, to assist the Secretary with the implementation of the Scheme; this was agreed. The President invited Mr Verborgh to continue as Chairman under the revised terms of reference (**see annex E**).

49. The President invited the meeting to consider six proposals:

- FC17/36 - Provisions on Secure and Confidential Treatment of Electronic Reports and Messages;
- FC17/40 - Amendments to Annex VIII, Part E;
- FC17/41 Rev 2 - Annex 1: Regulated Resources in the sense of Article 1(c) of the Scheme;
- FC17/42 Rev 1 - Revised Terms of Reference;
- FC17/45 - Recommendation Relating to Notification and Reporting Requirements etc. by Vessels Fishing in the Convention Area Applicable for 1999; and
- FC17/46 - Entry into Force on 1 July 1999.

All proposals were adopted subject to “Attachment V” being inserted at the top of the page in FC17/36. The EC suggested that a full, revised copy of the control and enforcement scheme should be issued to all Contracting Parties.

**Item 8: Recommendations of the Working Group on the Future of NEAFC:
Staff Rules and Non-Contracting Parties**

50. The Chairman of the Working Group on the Future of NEAFC, Mr Wieland, presented a report of the Group's discussion on Staff Rules for the new Secretariat (FC17/13). He recalled that the Group had had an inconclusive discussion on staff rules but had concluded that expert financial advice was needed on the social security and taxation aspects of the new Secretariat. This point was now referred to the Finance and Administration Committee.

51. Mr Wieland also presented the Working Group's report and recommendations concerning a scheme to promote compliance by Non-Contracting Party Vessel with recommendations established by NEAFC (FC17/11). The report and recommendations, including the Scheme to promote compliance by Non-Contracting Party vessels, was adopted (see **Annex F**). The EC remarked that thought now need to be given to inter-regional co-operation.

Item 9: Future of NEAFC: Report Back by President/Secretary on Progress with the Headquarters Agreement/Lease, and Other Matters

52. The Secretary recalled that, following the agreement of the Extraordinary Meeting to the draft Headquarters Agreement, she had notified the UK Government in July that NEAFC accepted the terms of the Headquarters Agreement. The Headquarters Agreement now needed to be approved by the UK Parliament and the Secretary had been advised that this process would take some time to complete. The UK Government had suggested that the Agreement should be ready for signature by mid-February; a signing ceremony had yet to be arranged.

53. Following the decision at the Extraordinary Meeting, the Secretary had informed the International Coffee Organisation (ICO) that NEAFC was interested in negotiating a lease at the ICO's headquarters at 22, Berners Street. Property agents were now conducting negotiations with the ICO, on NEAFC's behalf, and a copy of the latest draft Heads of Terms was circulated as document FC 17/7.

54. The Secretary mentioned that other practical matters concerning arrangements for the transfer of the Secretariat were being pursued. Directions from the Commission on future accountants, auditors and banking arrangements were needed. The President asked the F&A Committee to consider these points and report back during the Annual Meeting. The President also noted that the salary level of the new Secretary needed to be fixed at this meeting and requested the F&A Committee to advise on this point.

Item 10: Formulation of Request to ICES for Scientific Advice

55. The President asked the co-ordinator of the Scientific Group to present paper FC17/34 Rev 1. This paper was presented and adopted (**Annex G**).

56. The President also drew the Commission's attention to papers FC 17/35 and FC 17/38. It was agreed that both papers would be considered by the Extraordinary Meeting in 1999.

Item 11: Financial Contributions to ICES

Item 11.1: Report Back from the ICES Client Meeting

57. The President invited the Secretary to report on the meeting with ICES. The Secretary noted that a report of the ICES client meeting had been circulated (document FC 17/12) and suggested that one of the main points of interest to Contracting Parties would be the agreement with ICES on the cost of standard advice, which would be adjusted each year to take account of inflation.

Item 11.2: Agreement of the Financial Contribution to ICES

58. The Secretary reported that under the terms of the MOU and given the current exchange rates between the UK and Denmark (on behalf of Faroes and Greenland) the 1999 NEAFC contribution to ICES would be approximately £113,000. This had been discussed by the F&A Committee and agreed.

Item 11.3: Agreement of MOU Between ICES and NEAFC

59. The President invited the Meeting to consider the draft Memorandum of Understanding between NEAFC and ICES (document FC17/21 rev.1). He reported that the paper had been scrutinised by NEAFC's ad-hoc Scientific Committee, especially annexes 1 and 2, and some amendments had been made. The F&A Committee had also considered it, in view of the financial implications and had also approved it. ICES had also indicated that it was content with the document. All Contracting Parties expressed their satisfaction with the MOU and agreed that the President should sign the MOU on behalf of NEAFC.

60. **The signed copy of the MOU is at annex H.**

Item 12: Report of the Finance and Administration Committee

(i) adoption of budget for year ending 31 December 1999

61. The F&A Committee's report (FC 17/37 - **Annex I**) was presented by the Committee's Chairman, Mr Thomson (EC). The Committee recommended that Contracting Parties adopt the recommendations summarised at the end of the report including the budget for 1999, and the application of Article 17(4)c. The F&A Committee also examined the remuneration of the Secretary-designate, Mr Sigmund Engesaeter. It was agreed that he should be paid an annual remuneration of £80,000, net of withholding tax, but covering salary, pension contributions, health care insurance and all other agreed social security provisions. The initial period of appointment will be for a period of two years from 1 March 1999 to 28

February 2001 and the total amount payable for 1999 would reflect the fact that he would only be employed for 10 months of that year.

62. Iceland confirmed its willingness to pay extra funds in 1999 in view of the exceptional circumstances involved in establishing an independent Secretariat. Denmark (for Faroes and Greenland) also stated that it recognised the financial difficulties facing NEAFC next year and was willing to pay more than 5% in an effort to assist. The EC agreed that NEAFC faced a difficult situation and said it would report to its relevant authorities in the hope of providing more funds. With reference to the national budgetary processes, Norway emphasised the need for NEAFC to elaborate realistic budget estimates as early as possible in the first half of the year. This would make it possible to allocate the necessary funds in the national budgets to ensure payment of Contracting Parties' contributions to NEAFC. Norway proposed that the Finance Committee meet in early May 1999 to elaborate a budget estimate for 2000. The President agreed.

63. It was agreed that the third sentence of paragraph 8 (which recommended engaging computer consultants before the end of 1998) should be deleted. With this one amendment the F&A Committee report and the budget for 1999 was agreed.

Item 13: Arrangements for Future Meetings

13.1 Third Week of November in 1999

13.2 Third Week of November 2000

64. The President proposed that the eighteenth Annual Meeting be held from 22-25 November 1999 in London, and that a decision on the dates for the Annual Meeting in 2000 be taken next year. This was agreed by all Contracting Parties.

Item 14: Relationships with other International Organisations

65. Russia presented a report from IBSFC's Annual Meeting (FC17/30).
66. The EC presented the report from NAFO (FC17/33).
67. Iceland presented a report from ICES.
68. Norway presented a report from NAMMCO.
69. Poland presented a report on the Conference on conservation and management of the pollock resources in the Central Bering Sea.
70. All parties agreed to provide the reports for the same respective organisations in 1999 with the exception of NAFO, which would be reported on by Denmark (for Faroes and Greenland).
71. The EC noted that an invitation to a proposed FAO meeting on 11-12 February had not been received by NEAFC. The Secretary said she would contact FAO and inform them of NEAFC's wish to participate. It was agreed that the Secretary-designate (Mr Engesaeter) and the President (Mr Tougaard) should attend.

Item 15: Press Statement and other Reports of the Commission's Activities

72. The press statement at **annex J** was issued.

Item 16: Any Other Business

73. The President mentioned that the question of the transparency of NEAFC's work had arisen this year, as a few environmental organisations and universities had sought the right to attend the NEAFC Annual Meeting. The

President recalled that non-Contracting Parties and international scientific bodies were already routinely invited to the Annual Meeting. But consideration needed to be given to the question of how open NEAFC wished to become and, in particular, what rules needed to be established about the meetings/papers that observers could have access to.

74. Norway agreed that this was an extremely important issue and noted transparency was being addressed in other international fora. Moreover, Norway suggested that this issue fell within the terms of reference for the Future of NEAFC Working Group. Iceland and Denmark (for Faroes and Greenland) agreed.

75. The President noted that this was the last Annual Meeting for the Secretary, Susan Whitehead, and thanked her on behalf of all Contracting Parties for the hard work and contribution she had made to NEAFC. The President also noted that it was Dag Stai's (Norway) last NEAFC Annual Meeting and thanked him, on behalf of all Contracting Parties, for his constructive approach towards discussions over the years.

Signed in Brussels,
on

Mr O Tougaard
President of the Commission