

SUMMARY REPORT

NORTH EAST ATLANTIC FISHERIES COMMISSION

NINETEENTH ANNUAL MEETING: 21-24 NOVEMBER 2000

Item 1: Address of welcome by the President

In his opening address, the President outlined the important events since the last Annual Meeting. In particular, he remarked upon the progress made in implementing of the NEAFC Control and Enforcement Scheme. He stressed that all elements of the automatic reporting scheme have now been tested and shown to work. It is now for those Contracting Parties that have not already done so to implement their part of the Scheme.

The President regretted that NEAFC had not been able to manage blue whiting fisheries this year. He also acknowledged that his intention to invite the Presidents and Secretaries of NAFO, NASCO, IBSFC and ICCAT to a meeting in NEAFC's offices to increase co-operation among regional fisheries management organisations in the North Atlantic region had not happened and must be left for the new President to follow up.

Opening statements were made by the EU, Norway, Russian Federation, Iceland and Poland. Greetings were presented by the Secretaries of ICES and IBSFC. Of particular interest was new information about the timing of ICES's advice: in 2001 the second annual meeting of ACFM will take place around mid October and the advice will be available about one month earlier than normal. Those statements that are available in writing are included in Annex A.

Item 2: Adoption of the agenda

The President suggested that the circulated provisional agenda should be amended as follows: Item 3 should include the election of Vice Presidents and, under item 4, the 'establishment of a group to formulate NEAFC's requests to ICES' should be added. Finally under item 18: Any Other Business – opportunity should be given to discuss 'Towards the 21st Century, A Strategic Plan for ICES'. The amended Agenda at Annex B was adopted.

Under this agenda item, the EU informed the other Contracting Parties that with reference to rule 30, Chapter 7: Order of business in the Rules of Procedure, it would reserve its position and not accept decisive items of business unless the subject matter had been included in the provisional agenda for the meeting.

Finally, it was agreed that reports from other international organisations would be presented earlier so that Contracting Parties would benefit from these during subsequent discussion in the Commission.

Item 3: Election of President and Vice President

The second and final term of the Presidency of Ole Tougaard (EU) has expired. The EU suggested the current 1st Vice President, Einar Lemche (Denmark in respect of the Faroe Islands and Greenland) as the new President of the Commission. The proposal was supported by all Contracting Parties. Vladimir Sokolov (Russian Federation) was elected the new 1st Vice President and Thórdur Ásgeirsson (Iceland) was elected the new 2nd Vice President.

Norway, EU and Denmark (in respect of the Faroe Islands and Greenland) thanked the outgoing President for his contribution to revitalise the Commission. Under his Presidency, regulatory measures for the most important stocks in the NEAFC Regulatory Area have been established and, thanks to his driving force, the organisation has a Headquarters Agreement with the UK Government and an independent Secretariat has been established. Also during his Presidency the Control and Enforcement Scheme and the non-Contracting Party Scheme have been adopted, and NEAFC has concluded a Memorandum of Understanding with ICES. All Contracting Parties agreed that Mr Tougaard has served the Commission well during his Presidency. At this stage, Mr Einar Lemche took over as President.

Item 4: Establishment and arrangements for the Finance and Administration Committee and a group to formulate NEAFC's requests to ICES for scientific advice.

The President noted that the Finance and Administration Committee (FAC) had to discuss the budget for 2001 and the budget estimate for 2002. Delegations were asked to appoint representatives to the Committee so that it could constitute itself and start work as soon as possible.

An informal group was convened to prepare NEAFC's request for scientific advice from ICES. Jesper Boye Denmark (in respect of the Faroe Islands and Greenland) agreed to coordinate this work.

Item 5: Report by the Advisory Committee on Fisheries Management (ACFM)

The President suggested splitting this agenda item into a general part, and then into sections dealing specifically with stocks under the different agenda items. Following this suggestion Mr Tore Jakobsen, Chair of ACFM, made a general presentation of work in ICES. He informed the Commission of the planned meeting on the Precautionary Approach at which ICES will look at experience to date and, in particular, at the use of the Precautionary Approach in relation to data poor species. A new Advisory Committee on Ecosystems in ICES, ACE, has been established to deal with ecosystem management. This group will also consider the ecosystem effects of fisheries for deep-sea species. Finally, Mr Jakobsen considered the different concepts of reference points that are under development. The EU stressed the importance of close co-operation between ICES and the scientific body of NAFO in order to develop the same concepts and to harmonise terminology on both sides of the Atlantic in connection with the Precautionary Approach. Copies of Tore Jakobsen's overhead transparencies covering his general presentation, as well as specific stocks, are attached as Annex C.

Item 6: Report by the Working Group on Blue Whiting

The Chairman of the Working Group on Blue Whiting, Mr Terje Løbach (Norway), presented the report from the Working Group. He reported that the Working Group had met only once during the last 12 months, on 5–6 April. A second meeting had been scheduled for the day before the 19th Annual Meeting but had been postponed. The reason the Working Group had not completed its mandate to propose a comprehensive management regime for blue whiting in all areas of distribution is that a two pillar system for the management of this stock has been agreed. This requires that the relevant Coastal States are able to come up with an agreed regime for NEAFC to build on, and the relevant Coastal States have not yet been able to find a solution among themselves. The report from the Chairman of the Working Group is attached as Annex D.

The President thanked Mr Løbach for his report. The EU, Denmark (in respect of the Faroe Islands and Greenland) and Norway, whilst congratulating the Chairman, regretted that the second meeting of the Working Group had been postponed. They underlined the urgency of establishing effective regulatory measures for blue whiting, and emphasised that this process must be given priority. The EU reported that four meetings have been held between the Coastal States to complete the work on the first pillar, in particular the allocation exercise. The number of meetings in itself indicates that this is a complicated process. In order to make progress, scientists from the Coastal States had met informally the previous day. The President suggested that further discussion under this agenda item should take place under Agenda Item 7 (ii) - Conservation and Management Measures for Blue Whiting.

Item 7: Conservation and management measures for:

(i) Redfish stocks/stock components in the Irminger Sea and NAFO area.

The Chair of ACFM gave an overview of the distribution of the different types of redfish stocks relative to the continental shelf, explaining that there are two types of *Sebastes marinus*, the typical and the giant. *Sebastes mentella* is also divided into two types, the oceanic and the deep-sea. Finally, the deep-sea redfish is again divided into demersal and pelagic.

Genetic research suggests that oceanic and deep-sea *mentella* are separate stocks. There is less, but still significant, genetic difference between pelagic and demersal deep-sea *mentella*, indicating that they could be separate stocks. However, new observations indicate that successful recruitment and good year classes show up in all types of stocks. This suggests that there may be a mixture between the various types. Mr Jakobsen pointed out that there is no clear definition of a stock, and concluded that the stock concept was still open to subjective interpretation.

Mr Jakobsen then described the history of fisheries in the area, elaborated on the state of the various stocks and outlined the ACFM advice for *Sebastes marinus*, deep-sea *mentella* on the continental shelf, and the pelagic fisheries for *mentella* in the Irminger Sea, which covers both oceanic and pelagic deep-sea *mentella*. As far as *marinus* is concerned, ACFM advises that effort must not be increased beyond the 1999 level, that no direct fishery should take place in ICES Sub-area XIV, and measures to reduce by-catch of juveniles in the shrimp fishery should be continued. Advice for the deep-sea *mentella* on the continental shelf is that effort in all areas should be reduced by 25% compared to 1998 and, in the longer term, be reduced

to the 1986-90 level when the stock was stable. For the pelagic fishery for mentella ICES advises that the TAC in 2001 should be less than 85 000 t, which is 75% of the 1997-99 average. Management measures applicable to individual stock components are required.

Iceland made reference to new research that indicates close links between the pelagic deep-sea mentella and the component on the Icelandic continental shelf.

The President pointed out that redfish is the first stock under regulation that straddles the Regulatory Area of NEAFC and its sister organisation, NAFO.

In response to questions from the Russian Federation and the EU, Mr Jakobsen explained that the advice for the pelagic components covered the fishery in ICES Sub-areas XII, Va and XIV, but not the NAFO area. Iceland pointed out that their understanding was that recent surveys had underestimated the abundance, and that the assessment Working Group was dealing with the whole area of distribution of the stock, including the part that is within the NAFO area. Mr Jakobsen stressed that the advice is based on a survey of the total stock, which is partly in the NAFO area. Clearly the advice is given on a stock basis, but ICES cannot give advice on fisheries in the NAFO area. Earlier there was little activity in the NAFO area so the impact of this fishery was negligible. The recent expansion indicates that this has to be considered differently.

The EU requested Mr Jakobsen to estimate the share of the stock in NAFO waters. Based on acoustic observations given in a research document circulated, the minimum rough estimate was that 30% of the pelagic stock was in NAFO waters.

The EU asked the Chair of ACFM to consider the effect of a catch of 20 000 t in the NAFO area. Iceland questioned whether catches in the NAFO area only affect the 'upper layer'. The President asked ICES to consider the effects of overlap between ICES and NAFO areas.

Iceland emphasised the scientific recommendation that the different components be managed separately, and that NEAFC should establish a TAC of 60 000 t for the oceanic and 25 000 t for the deep-sea stock. The EU held that the advice should be read as recommending a total outtake of less than 85 000 t of all types of redfish, in the entire area of distribution, i.e. also in the NAFO area.

The Chair of ACFM indicated that exact management of the different stocks/stock components would require accurate logbook data and extensive sampling, possibly combined

with observers. The EU pointed out that the lack of information about the distribution of redfish, spawning areas, the ratio of distribution in the deep-seas and on the continental shelf, forced the Commission to conclude that there is not adequate information to manage different types of redfish separately.

The President highlighted two issues in connection with establishing separate TACs for different stock components: firstly it is necessary to agree on how to record a haul when the gear has not in its entirety been either above or below a given depth. Denmark (in respect of the Faroe Islands and Greenland) has proposed a practical solution, but this will still be an approximation and not an accurate measurement. The other issue is related to control. Quotas are allocated on geographic areas, not on depth. Likewise, the NEAFC Control and Enforcement Scheme relates to geographical positions and does not require information on the depth. It would therefore be difficult to ensure that catches of the correct type of redfish are monitored. In particular, it would be difficult to ensure that catches of the pelagic deep sea component are reported as such (and not as catches of the oceanic component).

Iceland explained that its national management regime establishes individual quotas for the two different types of redfish. The problems highlighted by the President are recognised and unfortunately the outtake of the deep-sea stock in 2000 was in excess of the unilaterally established quota. (Iceland had established a quota of 32 000 t to be fished by Icelandic vessels below 500 metres while the reported catch below 500 metres is more than 41,300 t). However, Iceland do feel it is preferable to have a quota system that reflects scientific advice, even though it is somewhat imperfect, rather than having no system at all. Verification of recorded catches is currently both via genetic sampling of landed catches, and observers. The Icelandic fishery was stopped when 45 000 t was reached.

Iceland also explained that if a two TAC system, as recommended by ICES was adopted, it would request that discussion of quota allocation be reopened on the pelagic deep sea component of which Iceland has historically had a larger share.

Iceland was disturbed that catch statistics from some Contracting Parties were missing, and suggested improving the form of presentation of data received by the Secretariat. The President suggested that experts from the Contracting Parties meet to provide updated figures for their catch of redfish in 2000 and present these in an agreed format. The President asked those non-Contracting Parties that were present to contribute information about their redfish catches in 2000 for inclusion in the table of catch statistics. Updated catch statistics are presented in Annex E.

The EU expressed dissatisfaction in receiving information about the unilateral Icelandic regulatory measures late in the year. From the information received, Iceland had established an allocation for themselves at the same level as in previous years. By doing so, they did not, unlike all other Contracting Parties, decrease their outtake in line with what was recommended by ICES and thereby reserved a larger share of the recommended TAC for themselves. In addition, the major part of these unilateral regulatory measures (32,000 tonnes) was, contrary to the recommendation made by ICES, fixed for deep water fishing.

ICES recommends that catches of pelagic deep-sea *Sebastes mentella* do not exceed 25 000 t and that catches of oceanic *Sebastes mentella* do not exceed 60 0000 t in the year 2001. Discussion revealed uncertainties about the various recommended exploitation rates for the different types of redfish. Russia concluded that these issues should be dealt with by ICES, not by NEAFC, and that Iceland should continue its good work by inviting scientists from other Contracting Parties to take part in this research. Iceland informed the meeting that a survey planned for June-July 2001 included scientists from Iceland, Russia, Norway and Germany.

Denmark (in respect of the Faroe Islands and Greenland) in principle supported the Icelandic approach for the split management of redfish with a two TAC system, while Norway agreed with those Contracting Parties that were not convinced that it would be possible practically to manage different redfish stocks separately.

The President emphasised the increased complexity of redfish management due to overlap with the NAFO area. There are two alternatives for NEAFC: either to establish a total catch level irrespective of what was taken in the NAFO area, or to agree that possible catches by Contracting Parties within the NAFO area should count against quotas established in NEAFC. It was agreed that discussion of these issues should be postponed until an Extraordinary Meeting. The Contracting Parties did, however, agree to inform each other of possible catches in the NAFO area in 2001.

Under this agenda item, there was discussion about the forthcoming NEAFC/NAFO Working Group meeting in Reykjavik scheduled for 13–14 February 2001. It was recognised that discussion will concern both legal and management issues. One issue to address is the question of mesh sizes: NAFO has established a mesh size of 130 mm in the redfish fishery in 3M. Iceland and Greenland have mesh sizes of 100-110 mm in their waters, while NEAFC does not have mesh size regulation in the redfish fishery. Another issue that will emerge in

connection with NEAFC/NAFO co-operation is the requirement in NAFO to have observers onboard. It was agreed to arrange a preparatory meeting in Copenhagen on 30 January 2001 and the President undertook to prepare a document with a list of concerns and issues to be dealt with in the joint NEAFC/NAFO meeting. It was also agreed that Contracting Parties should meet for half a day in advance of the Reykjavik meeting.

The Commission adopted a proposal presented by Denmark (in respect of the Faroe Islands and Greenland) on the basis of a TAC of 95 000 t for all pelagic fisheries of redfish in the convention area. The proposal was based on a proportional allocation of the agreement for 2000 totalling the share of the five Contracting Parties involved, reserving a proportional share for Iceland. It also included a prohibition on fishing redfish with a trawl of less than 100 mm (Annex F).

Iceland stated that the proposal to establish a TAC of 95 0000 t was a step in the right direction, but it was not regarded as an adequate management measure. Iceland would, however, include information about this in the report to the Minister of Fisheries and expects that the NEAFC recommendation would be given consideration when adopting unilateral Icelandic regulatory measures.

Iceland underlined that the proposal was not in line with scientific advice on a two TAC management regime and voted against this recommendation and announced that a formal objection from the Icelandic Government will follow. The other Contracting Parties reminded Iceland that 'due regard' of Iceland's interest had been taken by leaving a proportion of the TAC unallocated.

Item 7: Conservation and management measures for:

(ii) Blue Whiting

The Chair of ACFM reported on the state of the stock, explaining that difficulties in defining clear borders between the different components of blue whiting had led ICES to assess the combined stock. This combined stock is now harvested outside safe biological limits. There has been a sharp increase in mortality since 1997 when it was at the F_{pa} level. The influence of the two strong year classes 1995 and 1996 on the catch and the biomass is now rapidly declining. There is no management plan for the stock except that NEAFC has recommended a constant TAC based on earlier ICES advice.

There was a steep increase in landings in 1998 and 1999 and a decline in the spawning stock biomass has been observed. Short-term advice is to establish a F below $F_{pa} = 0.28$. This will correspond to a TAC of 628 000 t in 2001. The long-term advice is to reduce F to half the current level, to $F=0.22$. Catches are likely to decline over the next few years .

A special request has been made about the distribution of blue whiting in the Barents Sea. ICES has considered a number of sources, and juvenile blue whiting has been observed as far east as 45°E. There is uncertainty about the origin of these juveniles, and ICES has difficulty establishing the importance of the Barents Sea as a nursery area for blue whiting. It seems clear, however, that the increased abundance in the Barents Sea is linked to strong year classes.

Further to discussion under Agenda Item 6, the EU requested further elaboration of the medium term projections of the stock, an evaluation of the risk level involved in the estimates and elaboration of the connection between the Southern and Northern component of blue whiting, and whether the substantially lower SSB will influence the area of its distribution. Russia wanted to know if there are alternative calculations of TAC to those presented in the advice. Mr Jakobsen explained that the medium term projection for $F=0.22$ showed a 5% risk of SSB falling below B_{pa} (2.25 mill. t) in the next 10 years and that, as the links between distribution and recruitment are not fully known, there is no firm basis for an alternative calculation of TAC.

After receiving the report from the Chairman of the Working Group on Blue Whiting and being informed of the status of the work of the relevant Coastal States, the President concluded that the management measures for blue whiting in NEAFC are linked with the Coastal State process. The Coastal States have to work out management measures for national zones, and NEAFC should develop regulatory measures for international waters. These two processes should be merged, and a possible way forward would be for NEAFC to meet concurrently to discuss management in the Regulatory Area with the Coastal State meeting to decide management measures inside national zones. Discussion will probably take place between many of the same participants, but in different fora with different Chairmen. At this stage, NEAFC should at least agree upon a TAC. The EU underlined the how important it is for the Commission to establish a management regime for 2001, and suggested a roll-over of the unallocated precautionary TAC of 650 000 t as a temporary measure, until allocation can be agreed at an Extraordinary NEAFC meeting. Russia could agree to the precautionary TAC but would have to reserve its position with regard to the procedure. Russia claims to be a Coastal State for blue whiting and should be included as such. The Contracting Parties agreed

to the roll-over of the arrangement in 2000, and that the allocation should be discussed in NEAFC again in conjunction with a meeting of the Coastal States in March 2001.

Finally it was agreed to maintain the Working Group on blue whiting, and to revitalise it if necessary.

Item 7: Conservation and management measures for:

(iii) Norwegian Spring Spawning (Atlanto Scandian) Herring

The Chair of ACFM summarised the status of the stock: as within safe biological limits, harvested at close to F_{pa} which is 0.15 and the SSB is declining. The spawning stock biomass may fall below B_{pa} which is 5 000 000 t, in the medium term. The 1998 year class has been observed to have half the strength of the 1991–92 year classes, and there are indications that the 1999 year class might be better, but this has yet to be confirmed.

The agreed management plan implies an F little below F_{pa} as indicated by ICES. The stock history is characterised by large fluctuations of bio mass and recruitment, and there has been a relatively stable low level of mortality in recent years.

ACFM advice on this stock is a TAC in 2001 of 753 000 t while the Coastal States have agreed on a TAC of slightly above 850 000 t.

Norway reported on the agreement reached amongst the Coastal States. The Coastal States have decided to take the reduction of TAC in two steps, and agreed to quotas amongst themselves of 850 000 t. The agreement implies a pro rata reduction of 32% of the TAC and all elements in the agreement. The Coastal States have further agreed to implement a management strategy of $F=0.125$ from 2002. The Coastal States foresee a further reduction in the TAC after that point. The EU highlighted the unfortunate wide fluctuations of the recommended TAC within the normal level of uncertainty. The fact that the Parties have agreed upon a long term management arrangement consistent with the Precautionary Approach policy is hopeful. Based on a request from Poland, the President confirmed that there has been no change in the procedure with which NEAFC deals with that part of the stock that occurs in international waters.

All Contracting Parties, with the exception of Poland, voted in favour of the proposal in Annex G. Poland could not support a proposal for a further reduction in quota, based on an

agreement between the five other Contracting Parties, and abstained. The statement given by Poland after the vote is attached as Annex H.

Item 7: Conservation and management measures for:

(iv) Mackerel

According to the Chair of ACFM, mackerel is assessed as a combined stock. The stock complex is harvested within safe biological limits, there is an increase in SSB, current mortality is just below F_{pa} and there is stable recruitment. In general, the stock situation is good.

Looking at the different components: the western component is increasing, the North Sea component remains severely depleted, while the southern component appears to be on the increase. The North Sea component still needs maximum protection. There should be no fishing in ICES Sub areas IIIa and IVb,c at any time of the year, and no fishery in IVa from February to July. Also the minimum landing size of 30 cm should be maintained. ICES considers the existing management plan consistent with the Precautionary Approach: the plan specifies the B_{pa} on a range of mortalities, and contains an agreement to ensure rapid recovery if SSB falls below B_{pa} .

The ICES advice is to fish at $F_{pa}=0.17$ of the combined stock. This corresponds to a TAC of 665 000 t and should cover all areas where mackerel is fished. ICES also stressed the discard problem, and recommends that observers are employed to avoid serious underestimation of the catch in mackerel fishery.

The President stressed NEAFC's task to establish compatible measures for areas outside national jurisdiction but, before doing so, the Commission should be aware of the agreement reached among the Coastal States.

The EU reported on the agreement reached among the Coastal States to a reference TAC of 574 000 t in 2001. This is in accordance with the agreed long term management regime establishing a mortality rate of $F(0.17)$ which is consistent with scientific advice. NEAFC was called upon to create the second pillar to the mackerel management regime in the Regulatory Area.

Iceland expressed disappointment that it still is not considered a Coastal State with regard to mackerel, and had to object to the procedure followed when establishing the mackerel management regime. Referring to Article 63, para.1 of UNCLOS, the EU pointed out that the basis for claiming to be a Coastal State is the 'occurrence of the stock' in national waters. This occurrence has a quantitative and a qualitative element, and there is not much basis for the Icelandic claim. The Russian scientist, Sergei Belikov, presented a report on Russian airborne research and assessment of mackerel biomass in the Norwegian Sea in 2000. Norway, supported by the EU, appreciated this work and looked forward to increased international co-operation in mackerel research. The EU presented a joint proposed recommendation on behalf of Denmark (in respect of the Faroe Islands and Greenland), the EU, Norway and Russia (Annex I). As Iceland regards itself as a Coastal State, it disagreed with the procedure and voted against this proposal; the other Contracting Parties voted for the proposal. Norway expressed its sincere gratitude for the flexibility and cooperation shown by the Faroe Islands and particularly Russia in this connection.

Item 7: Conservation and management measures for:

(v) Others

Under this agenda item, the EU announced that it would address the fishery for haddock in the Rockall area. This ongoing escalating unregulated fishery just outside the EU waters jeopardises the management measures taken on the same stock by the Coastal State in its national waters. According to scientific advice, this stock is outside safe biological limits. The EU tabled a declaration, as a reminder of the obligation to regulate haddock, and indicated that it will present management proposals for 2001 at the Extraordinary Meeting. The declaration in Annex J was agreed by all Contracting Parties.

Item 8: Deep-sea Species

(i) Discussion of the mechanisms in possible management measures

Mr Tore Jakobsen stated that most deep-sea species are harvested outside safe biological limits. Stocks can be depleted quickly and recovery is slow. There is however frustration within ICES due to the lack of catch and sampling data. A general recommendation is that there should be an immediate reduction in those fisheries that cannot be shown to be sustainable and any new development must progress slowly and be accompanied by programmes for data collection that allow for the evaluation of the stock status. ICES does

not consider the establishment of TACs, area closures and gear restriction as effective management measures. Experience from other areas has shown that no management measure implemented alone can provide an effective protection for deep-sea stocks. ICES also informed the meeting that it would co-sponsor a workshop with NAFO on deep-sea fisheries between 12–14 September 2001.

ICES in particular considered 10 deep-sea species and Mr Jakobsen agreed to update a table describing the stock situation and ICES advice for these species. This is included in Annex K.

The EU stressed the vulnerability of these stocks and the importance for NEAFC to take responsibility. It suggested that the Commission should be open for discussion of different regulatory measures, such as effort limitations, closed areas, gear limitations or any combination of these. According to the EU, scientific advice on some of these species is somewhat inconsistent and contradictory. To make progress, more information is required for managers to be able to fully comprehend the advice needed and transparency must be increased.

The EU further informed the meeting that it regarded the management of deep-sea fisheries as the next major issue for NEAFC to solve, and that it may introduce regulations in fisheries for these species in 2001.

(ii) Adoption of a reporting scheme

Ideally, ICES would need catches from logbooks, specified on positions. ICES areas specification is too aggregate when dealing with these deep-sea species since they often have a rather local distribution.

The President pointed out that NEAFC already has a data collecting regime in place in the Control and Enforcement Scheme. Contracting Parties are required to report all catches taken in the NEAFC Regulatory Area to the Secretariat on a monthly basis. The first step must be for Contracting Parties to fulfil this obligation. The next step might be to require Contracting Parties to report catches of these species in national waters as well.

The EU pointed out the danger of overburdening the Secretariat with new reporting requirements and underlined the need for utilisation of the schemes already in place.

Item 9: Conversion factors for species regulated by NEAFC

The President emphasised the importance of conversion factors as they trigger the economic outcome of the quota uptake. If Contracting Parties use very different conversion factors, problems may arise.

The Secretariat reminded the meeting that the 18th Annual Meeting in 1999 had decided that Contracting Parties should appoint a designated expert on conversion factors and inform the Secretariat of their expert/contact person. These experts should analyse existing conversion factors with a view to harmonising their use as far as possible. All Contracting Parties, except the EU, have informed the Secretariat about their appointed expert, and a contact list has been circulated.

Mr Mads Nedergaard (Denmark in respect of the Faroe Islands and Greenland), who was appointed at the 17th Annual Meeting in 1998 to co-ordinate the collection of conversion factors, informed the Commission that these had still not been received by some Contracting Parties. A report was presented at the 18th Annual Meeting but no further mandate had been given to follow up this issue.

Contracting Parties agreed that the Secretariat should be responsible for collecting those conversion factors in use and circulating them to all Contracting Parties. Contracting Parties will then decide on a suitable way of following up this matter.

Item 10: The NEAFC Scheme of Control and Enforcement

(i) Implementation of the Scheme

The Secretariat presented a document, which pointed, out the different levels of the status of implementation of the Control and Enforcement Scheme by Contracting Parties. The Secretariat has been fully operational for almost a year, and all the different technical aspects of the Scheme have been tested successfully.

The Ad Hoc Working Group established to assist the Secretariat in the implementation of the Scheme met twice in 2000. A report of the last meeting, held in Reykjavik on 19 October, was

presented as document AM 19/16 and the report by the Chairman of the Working Group to the Annual Meeting was presented as document AM 19/17.

The EU reported that implementation has been steady in the first year of operation but the 'learning process' will continue for some time. It was stressed that the important issue was that the Scheme worked on all levels; Contracting Parties should appreciate the importance of establishing a fully automatic control and enforcement scheme that is already being regarded as a frame for possible similar developments by other regional organisations.

The EU in particular stressed that Article 8 covering the monthly communication of landed catches was neglected by some Contracting Parties. The EU also pointed out anomalies in the reporting procedures in the Secretariat and announced that this would be taken up bilaterally with the Secretariat.

Poland informed the meeting that a FMC with automatic reporting has not yet been established, and that messages from Poland will continue to be faxed until the system is in place.

Greenland informed the meeting that automatic reporting is expected to be in place from the beginning of January 2001 and the Faroe Islands announced that the monthly reports (REP and JUR) will be forwarded in the near future.

(ii) Establishment of a Standing Committee for Control and Enforcement

The President referred to the Norwegian opening statement, which indicated that the creation of a Standing Committee for Control and Enforcement would be formally proposed. Contracting Parties were invited to give their views on the need for such a committee.

The EU felt this would be a logical development of the organisation and that such a committee should, *inter alia*, review the implementation of the Scheme, report on compliance by Contracting Parties, issue technical advice, and monitor implementation of the non-Contracting Parties Scheme.

All Contracting Parties agreed to the establishment of such a committee. It was stressed that the mandate of the committee should be limited to discussing practical implementation, rather than whether things should be done or not.

A joint proposal for the establishment and Terms of Reference for a Permanent Committee on Control and Enforcement (PECCOE) was made by the EU, Denmark (in respect of the Faroe Islands and Greenland) and Norway (see Annex L); this was approved unanimously.

This committee should normally meet during Annual Meetings and it should be for the Annual Meeting to decide upon possible inter sessional meetings. Harry Koster of the EU was asked to convene the first meeting of PECCOE.

All Contracting Parties agreed that the Ad Hoc Working Group on Computerisation of the Secretariat had performed well and it was agreed that the Working Group will be maintained. However, it was left for the Group to decide upon a date for the next meeting.

(iii) Revisions and possible amendments to the NEAFC Scheme and, as appropriate, to the non-Contracting Party Scheme

Denmark (in respect of the Faroe Islands and Greenland) presented a proposal to amend the Scheme on catch reporting on the two redfish components. It was agreed to request PECCOE to look into this proposal at its first meeting.

Norway stressed the need to amend the Scheme regarding frequency of reporting and the rules for reporting before entering and leaving the Regulatory Area, and proposed that a new correction/cancellation message, not foreseen in the Scheme, should be introduced. Since these changes are needed prior to the next fishing season, it was suggested that Contracting Parties agree that they will be discussed either at the Extraordinary Meeting or during the present meeting.

Norway and Iceland presented a joint detailed proposal giving the background and suggested changes.

The EU announced that it has a number of proposals for amendments but indicated that the technical implications of the proposed amendments required them to be examined by experts in PECCOE. It was agreed that Contracting Parties would address issues regarding implementation and possible amendments to the Scheme during the next Extraordinary Meeting after PECCOE had considered the issues at its first meeting.

(iv) Co-ordination of work on the NAF Format

The Secretariat informed the meeting that the North Atlantic Format (NAF) is a standard way of communication used, not only by NEAFC, but also in Contracting Parties' bilateral agreements, and by NAFO. Other regional organisations, including FAO, have shown some interest in this simple communication format. To establish clear procedures on how to create new NAF codes when needed, the Secretariat would like a mandate from Contracting Parties to act as 'guardian' of the NAF standard.

Norway indicated that NEAFC should aim for uniform utilisation with NAFO and other users in the North Atlantic area, but regarded it as premature to think of NAF as a global standard.

The EU felt that PECCOE, together with the Secretariat, should examine the possibility of harmonisation of the NAF and, at a later stage, the Secretariat could be given other tasks related to the maintenance of the NAF standard.

All Contracting Parties agreed that PECCOE should address the NAF issue at its first meeting.

(v) Reporting requirements for non-Contracting Parties fishing with cooperation quotas

The Secretariat reported that neither the non-Contracting Parties Scheme, nor the Control and Enforcement Scheme, referred to procedures for co-operating NCPs fishing under 'co-operation quotas'. It was recalled that Latvia had formally requested to be informed of reporting procedures to comply with the reporting rules in NEAFC.

The position of the Norwegian and EU delegations was that, in order to be considered 'co-operating', NCPs should comply fully with all the requirements of the Control and Enforcement Scheme.

The President enquired whether Contracting Parties agreed that NCPs should also have surveillance/inspection responsibilities. The Secretary asked if Contracting Parties were in favour of NCPs communicating automatically with the Secretariat's database.

Contracting Parties felt that surveillance/inspection duties should be excluded from NCP compliance, but were not against the suggestion that NCPs could have automatic data communication with the Secretariat

The observer from Japan reported that no Japanese fishing vessels targeting regulated resources had operated in the NEAFC Regulatory Area in 2000, but two Japanese vessels are expected to target redfish in 2001. Japan would send the required reports to the Secretariat and expects that NEAFC will establish an appropriate level of quota for redfish for cooperating non-Contracting Parties. The Japanese statement is attached as Annex M.

Other non-Contracting Party delegations, present as observers, informed the meeting that changes in national law had been made to allow the authorities to take action against vessels fishing in the Regulatory Area without national licenses.

Contracting Parties agreed that the President should send letters to co-operating non-Contracting Parties whose vessels have been observed in the area, informing them of the conditions of co-operation which are to apply the Control and Enforcement Scheme to the fullest extent possible. Those conditions will include VMS installation, all reporting duties, and inspection by NEAFC inspectors.

Item 11: Working Group on the Future of NEAFC

(i) Development in other regional fisheries management organisations

(ii) Future developments

The President suggested that the two sub points under this agenda item be dealt with simultaneously.

Mr Friedrich Wieland, the Chairman of the Working Group on the Future of NEAFC, reported that the Control and Enforcement Scheme established by NEAFC has served as a blueprint for the development of control regimes to be established in other regional organisations, in particular SEAFO. As far as the Precautionary Approach is concerned, ICES has held a meeting on harmonisation of the use of the Precautionary Approach, and a special joint ICES/NAFO meeting on it is scheduled for next year. Other topics of common interest between the management organisations is the discussion on 'quota allocations' where there is a Working Group in ICCAT and one in NAFO which will meet in 2001 to discuss the allocation of shrimp quotas. In NEAFC, the allocation discussion has been connected to the

sharing of each species separately. Transparency rules have been developed in NAFO, and similar rules have been adopted in ICCAT and IBSFC.

All Contracting Parties agree that it is timely for NEAFC to move forward on the issues of presence and status of observers at Commission meetings. However, while Norway wanted to table a proposal for NEAFC to adopt rules on observers similar to those adopted by NAFO, Iceland felt that this was premature and wanted the Working Group on the Future of NEAFC to deal with this question. Other delegations supported the approach that the observer issue should first be dealt with in the expert Working Group.

As far as dispute settlements are concerned, NAFO has had a Working Group on this subject for three years and NEAFC can hopefully benefit from this.

Mr Friedrich Wieland was asked to continue as chairman of the Working Group on the Future of NEAFC and it was agreed to arrange a meeting of this Working Group to discuss the role of NGO observers and dispute settlement to be held in Brussels 26–28 June 2001.

Item 12: Appointment of new Secretary

Seven candidates had met with Heads of Delegations for interviews in connection with the position as new NEAFC Secretary. As there were many qualified candidates, the election process had been difficult. The Heads of Delegations agreed to offer Kjartan Hoydal of the Faroe Islands the position for a term of three years, with the possibility of extension. The Commission formally adopted the recommendation made by Heads of Delegation.

Item 13: Formulation of request to ICES for scientific advice

Scientific experts from all Contracting Parties met during the Annual Meeting, under the chair of Mr Jesper Boje (Denmark in respect of the Faroe Islands and Greenland). The group highlighted points of special interest within the framework of the Memorandum of Understanding between NEAFC and ICES. In addition to the standard advice, NEAFC is particularly concerned over redfish, blue whiting, Rockall haddock and deep-sea species and requires further advice.

The President proposed the adoption of the document containing the request to ICES and this was agreed (Annex N). The Secretariat was asked to send this to ICES as soon as possible so that the AFCFM could contribute before the Extraordinary Meeting.

Item 14. Report of the Finance and Administration Committee

The Chairman of the Finance and Administration Committee (FAC), Mr Andrew Thomson of the EU, presented the report of the Committee's work. This report is attached as Annex O. The FAC stressed the importance of all Contracting Parties paying their contribution on time. The FAC had taken note of the audited accounts for 1999 and the expected outturn for 2000 and found the economic situation of the organisation satisfactory. It was noted that the target of achieving a General Fund of approximately 50 per cent of the year's annual budget had been achieved more rapidly than anticipated. The Chairman of FAC recommended the adoption of the draft budget for 2000 and the budget estimate for 2001.

The Commission took note of the comments made by the Chairman of the FAC, particularly with regard to the likely increase in office rental and allowances for the outgoing and incoming Secretaries, and adopted the budget for 2001 and the budget estimate for 2002.

Two methods of calculating the apportionment of contributions between Contracting Parties were presented. There was discussion in the Commission on whether a continued application of the formula contained in Article 17(4) c) of the Convention was still appropriate under the current prevailing circumstances. The contributions due from each Contracting Party under the budget for 2001 were eventually determined on the basis of the said formula. Iceland volunteered to pay an additional contribution outside the budget also in 2001. The Chairman of the FAC reminded Contracting Parties that contributions for 2001 should be paid as soon as possible and certainly no later than 1 May 2001.

The Commission agreed to the recommendation that NEAFC change from their present accountants to the in house accountant services of the International Coffee Organization.

The Commission did not see a need to establish an Audit Committee at this stage. It was agreed to discuss this proposal again, based on the experience of a further year of operation, and no proposals to amend the staff rules were made.

Given the expected increase in rent from 1 April 2001, the Secretary was asked to investigate a number of options with regard to offices for the Secretariat in the future, and to report back to Contracting Parties before the Extraordinary Meeting of NEAFC to be held in March 2001.

The Commission adopted the report of the FAC unanimously.

Item 15: Arrangements for Future Meetings

Based on the information that ICES will move its meetings forward, and its advice would become available earlier, there was some discussion about moving the Annual Meeting in 2002 forward by one week. It was, however, agreed to maintain the timing of the Annual Meetings at the third week of November.

The President proposed that the **Twentieth Annual Meeting be held from 20-23 November 2001** in London, and that the Annual Meeting in 2002 be during the third full week of November. The following NEAFC meetings were also agreed for 2001:

Joint NEAFC/NAFO Working Group on Redfish, Reykjavik, 13 - 14 February
PECCOE, London, 27 February–1 March (redfish reporting, proposals by Iceland/Norway, EU, NAF, follow up of the Ad Hoc Technical Working Group)

Extraordinary Meeting, London 19–23 March (to consider blue whiting, follow up of PECCOE, NEAFC/NAFO Working Group, Rockall Haddock, accommodation for the NEAFC Secretariat)

Future of NEAFC, Brussels 26–28 June

The Ad-Hoc Working Group on computerisation of the Secretariat will be maintained, but it was left for the group to decide upon a date for the next meeting.

Item 16: Relationships with Other International Organisations

- Poland reported on IBSFC's Annual Meeting
- Denmark (in respect of the Faroe Islands and Greenland) presented a report from NAFO.
- Iceland presented a report from ICES
- Norway presented a report from NAMMCO
- Russia reported from the Conference on Pollock in the Bering Sea.

All Contracting Parties undertook to report from the same respective organisations in 2001.

It was agreed that Kjartan Hoydal, the incoming NEAFC Secretary, should be asked to represent NEAFC at the FAO meetings, in particular the meeting of regional management organisations to be held in Rome 19-20 February 2001. Representation at the IUU Fishing meeting and COFI must be considered in relation to the need for overlap with the outgoing Secretary and the meeting of PECCOE in London.

Item 17: Press statement and other reports of the Commission's activities

The press statement, prepared by the Secretariat in co-operation with the President attached as Annex Q was issued after the meeting.

Item 18: Any Other Business

Under this agenda item, the Strategic Plan for ICES was discussed. The EU found the Plan extremely ambitious and all embracing. It covers ecology and biodiversity to a 'worrying degree'. It is important that ICES recognises that giving management advice is a core activity. The EU feels that there is a potential danger in moving in too many directions in a short period of time, given limited human and financial resources.

The EU considers it most important that ICES remains flexible and can provide timely advice. Shareholders should ensure that ICES is given sufficient financial backing to provide this.

Norway supported the views expressed by the EU and encouraged other Contracting Parties to examine the Plan and to be prepared to discuss this before its adoption in 2002.

Signed in Copenhagen, on

Mr Einar Lemche

President of the Commission