



Extract from the report to the  
Public Accounts Committee on  
the grant to Danish fisheries  
(FIFG programme 2000-2006)

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## Introduction and Results

1. This report is about the Ministry of Food, Agriculture and Fisheries' management of the grants provided for the development of the fisheries sector which is in part refunded by the EU Structural Fund "Financial Instrument for Fisheries Guidance" (FIFG).
2. The Ministry of Food, Agriculture and Fisheries (Ministry of Food) provides grants within the framework of the Danish FIFG programme. The Danish government will be eligible for EU grants if the programme is developed in compliance with the EU rules and regulations governing the area, and authorised by the EU Commission. In August 2000, the EU Commission authorised the Danish FIFG programme.
3. The Danish programme establishes three strategic objectives on sustainability, quality and efficiency in the sector. The programme includes several schemes under which grants may be applied for, i.e. decommissioning, modernisation of fishing vessels, fishing port development, projects related to aquaculture, processing and marketing of fishery and aquaculture products.
4. Rigsrevisionen launched the examination on its own initiative in the spring of 2007 due to the significant size of the programme. In 2000-2006, the FIFG programme provided grants in the amount of around DKK 1.6 billion (approximately EURO 214.7 million). Of this amount, the EU has refunded around DKK 1.1 billion (approximately EURO 147.7 million) to the Danish government. Moreover, the examination was also motivated by the fact that a mid-year evaluation of the programme performed in 2003, in spite of an overall positive rating, also revealed weaknesses in the Ministry of Food's administration of the area.
5. The objective of the examination is to assess whether the Ministry of Food has managed the Danish FIFG programme in a satisfactory manner and has focused on the three strategic objectives laid down by the programme. The objective of the examination is broken down into three subobjectives:
  - Has the Ministry of Food established an appropriate platform for management of the FIFG programme?
  - Has the grant administration carried out by the Directorate for Food, Fisheries and Agri Business been satisfactory?
  - Has the Ministry of Food followed up on the implementation of the programme regularly?
6. As part of the examination, Rigsrevisionen visited Sweden and United Kingdom which have similar EU programmes for development of their fisheries sectors. Rigsrevisionen has in the report included the experience gained by these countries concerning financial management, impact measurements and evaluation of applications. The examination does not include any overall comparison of how the three countries manage the EU programmes, and the highlighted examples in the report are only included to inspire possible improvement in specific areas.

7. The draft report has been submitted to the Ministry of Food and its comments have been incorporated into the report to the widest possible extent.

## RESULTS OF THE EXAMINATION

Generally, the Ministry of Food's management of the FIFG programme has been satisfactory, but it has not been adequately focused on achievement of the strategic objectives set for the programme. Rigsrevisionen recommends the ministry to focus more on the objectives when managing future programmes.

Rigsrevisionen's overall assessment is based on:

**A formal management platform for the FIFG programme has been established. However, it is not based entirely on the strategic objectives of the programme. In consequence, it is not clear how the individual grant schemes contribute to achievement of the objectives.**

- The Danish FIFG programme is authorised by the EU Commission. The three strategic objectives of the programme are in compliance with the national political priorities set for the fisheries sector.
- The Ministry of Food has not made the strategic objectives in the programme operational. The strategic objectives have not been prioritised which may result in a conflict between the objectives of achieving increased sustainability and efficiency, respectively.
- The management platform is provided by the programme which is translated into consolidated acts on the individual grant schemes. However, the three levels of objectives in the programme are not clearly correlated which would serve to clarify how the individual grant schemes contribute to achievement of the strategic objectives.
- The objectives of the grant schemes should be more accurately formulated and the wording of the programme objectives and the consolidated acts should be consistent. The criteria for allocation of grant funds according to the consolidated acts are generally consistent with the objectives of the individual grant schemes.

**Management of the FIFG programme concerning handling of applications is generally satisfactory. Grant accounts are correct. However, the guidelines for disbursement of grants have not been observed in all cases.**

- Applications are evaluated in compliance with the relevant consolidated acts. In one instance, the extent of the consolidated acts has not been determined which in this case has had the effect that applications have not been handled in a uniform manner.
- The information provided by the Directorate for Food, Fisheries and Agri Business on the grant programme has been satisfactory and the administrative requirements concerning application have been reduced to the strictly necessary. The Directorate for Food, Fisheries and Agri Business will for the forthcoming programme period set goals for the time used on administrative case handling, and this is considered satisfactory by Rigsrevisionen.

- The applications should be evaluated and given priority based on the objectives of the programme. The Directorate for Food, Fisheries and Agri Business may be inspired by the system applied in United Kingdom where the strategic objectives are taken into consideration when applications are evaluated.
- The Directorate for Food, Fisheries and Agri Business uses external specialists to evaluate applications under certain schemes. However, all complex applications should be subjected to independent evaluation by specialists to ensure that priority is given to the best projects.
- The FIFG accounts are correct. However, material errors were identified within administration of grants, e.g. disbursement of grants. The Directorate for Food, Fisheries and Agri Business has corrected these errors. Moreover, the eligibility rules have, without authorisation in the consolidated act, been deviated from in two instances.
- Rigsrevisionen is of the opinion that the Ministry of Food would benefit from ensuring a higher uptake of programme funds in order to minimise the risk of EU funds lapsing. In the forthcoming programme period, the Ministry of Food will look into the possibilities of increasing the uptake even further.

**The Ministry of Food has followed up on the implementation of the FIFG programme through annual progress reports and evaluations. However, the basis of evaluations should be improved through regular collection of data on achievement of programme objectives.**

- The Ministry of Food has carried out three evaluations of the programme in accordance with EU regulations. However, the Ministry of Food should endeavour to make it easier to evaluate the programme through systematic collection of data on achievement of the strategic objectives. Today, only data on the immediate production of projects are collected and reported to the EU in annual progress reports. Inspiration may be found in Sweden where effect data are collected regularly and stored digitally in an administrative case handling system.
- The Ministry of Food has largely implemented the changes which were recommended in the above-mentioned evaluations. Major changes will be implemented in the course of the next programme period 2007-2013.
- Rigsrevisionen agrees with the recommendation of the mid-term evaluation to conduct a national analysis of the Danish fishing port capacity. Such an analysis could provide the Directorate for Food, Fisheries and Agri Business with a platform for evaluation of the capacity needs in Danish fishing ports.