

Too high support granted for equipment not improving selectivity

Pages 38-41 of the English translation. Pages 35-37 of the Danish original.

91. According to regulations, the Ministry of Foreign Affairs can grant support to projects that includes investments in technologies on the so-called technology-list, which aims to:

- reduce the impact of fisheries on the marine environment, promote a gradual elimination of discards and ease the transition to a sustainable exploitation of living marine biological resources (article 38)
- increase the added value of fishery products (article 42)
- or increase the quality of fishery products (article 42).

The Ministry of Foreign Affairs has in a decree established that technologies, which are covered by article 38, and relates to the landing obligation, can be supported with 50% in 2015 and with 40% in 2016 and 2017. Investments covered by article 42 can throughout the entire funding period be supported by 30%.

Further to this, it is evident from the regulation that large corporations (corporations above the SME-threshold) can maximally be supported with 30% , regardless of the purpose of the investment, just as the support scheme for Investments in aquaculture. This rule was first introduced by the Ministry of Foreign Affairs in a decree in 2017, that is 2 years after the scheme came into force.

Box 9

Example of financial support for combined technologies which fall under separate financial support levels.

In 2015, a vessel applied for support for, among other things, topless trawl, ice machines and weighing equipment in the same application. The topless trawl is a selective tool, covered by article 38, whereas the ice machines and weighing equipment are covered by article 42. The Ministry of Foreign Affairs supported the above investments with 50% even though it was only the topless trawl that was eligible for this support rate, according to the ministry's rules. The ice machines and weighing equipment can only be supported by 30%.

The example shows that the Ministry of Foreign Affairs in this specific case has provided financial aid 20 percentage points above what is permitted under the rules for certain technologies.

Intermixed figures and information reported to the European Commission with regard to projects to reduce unwanted catches

Box 10**The Ministry of Foreign Affairs report to the European Commission**

The Ministry of Foreign Affairs has in the annual programme reports for 2014 and 2015 reported that in 2015, commitments were given to 127 projects relating to article 38, and to 24 projects which relates to article 42. The ministry has in the annual report for 2016 informed the European Commission that commitments have been given to 111 projects related to selectiveness (article 38) with a total framework of EUR 4.2 million and to 39 projects relating to quality (article 42) with a total framework of EUR 1 million in 2016. The ministry has informed the European Commission that there has been very large interest from applicants to complete projects that will contribute to reducing unwanted catches.

101. The Public Accounts Committee assesses that because the Ministry of Foreign Affairs has had the practise in its grant management to combine support to technologies which fall under different articles 38 and 42, that the ministry has reported intermixed figures and information in its annual reports to the European Commission.

Support to equipment, which is not eligible for support

102. According to the regulation, then equipment being supported pursuant to article 38 must be demonstrably better than the standard equipment otherwise used in the fishing industry. The examination shows that the Ministry of Foreign Affairs has granted support to equipment that was not demonstrably better than the standard equipment.