

Memorandum of Understanding between The Faroe Islands & Greenland, respectively, and the International Council for the Exploration of the Sea

RECOGNISING that the Governments of The Faroe Islands & Greenland respectively within the Kingdom of Denmark

- a) are ICES Observers as established in the Agreement between the Governments of the Faroe Islands and Greenland of 1989, jointly contributing with one (1) share of ICES membership;^{4,5}
- b) are coastal states with sovereign rights for the conservation, management and exploitation of living marine resources in waters under their jurisdiction and with rights and duties with respect to the management of fish stocks in the North Atlantic and perform their functions in the interests of the conservation and optimum utilisation of the fisheries resources under their jurisdictions and will take into account the best scientific evidence available whilst so doing;
- c) have a responsibility for the protection of the marine environment and exclusive competence for the conservation, management, and exploitation of living marine resources in waters under their jurisdiction;
- d) that Greenland has enacted Act No. 18 of 31 October 1996 on Fisheries issued by the Government of Greenland, which encompasses wild living marine resources, with the purpose of ensuring sustainable and economically profitable management and promoting employment and settlement in coastal communities;
- e) that the Faroe Islands has enacted Act No. 152 of 23 December 2019 on Marine Resources, which emphasizes the importance of biological, economical and sustainable conservation and management in order to achieve maximum socioeconomic yield from the fisheries resources;
- f) aim to ensure that exploitation of the resources secure biodiversity and restores and maintains marine populations of economically important harvested species above levels consistent with the precautionary approach, as appropriate;
- g) services and scientific advisory deliverables from ICES for scientific advice and information on conservation, protection and sustainable use of the marine environment, fisheries and marine data and issues regarding marine science, and marine research;
- h) seek services and scientific advisory deliverables from ICES for scientific advice and information on sustainable aquaculture.

RECOGNISING that the International Council for the Exploration of the Sea ("ICES")

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- a) has the mission to advance and share scientific understanding of marine ecosystems and the services they provide and to use this knowledge to generate state-of-the-art advice for meeting conservation, management, and sustainability goals;
- b) is a science community that is able to address issues of relevance to the exploitation of living marine resources;
- c) exists to promote and encourage research and investigations for the study of the sea, to advance the scientific understanding of marine ecosystems, including its living resources;
- d) draws up the necessary programmes and organises such research and investigations as may appear necessary and publishes and disseminates the results of this work;
- e) provides scientific information and advice to ICES Member Countries and Advice Requesters holding an MoU, and the regulatory commissions with which cooperative relationships have been established;
- f) seeks to establish and maintain working arrangements with other international organizations and arrangements having related objectives;
- g) does not engage in the collection of primary data, and only conducts scientific research through the associated network of data providers. ICES has no authority to manage or direct the work of the data providing entities. ICES Advice is based on data inputs from relevant data providers, these data inputs are provided through a data call process or agreed published data provision timetable and made available through the ICES databases.
- h) ICES advisory process relies on active participation of ICES experts with relevant and necessary expertise from ICES member countries. ICES only conducts scientific research through the associated network of research institutes. ICES has no authority to manage or direct the work of the research institutes.

The Governments of the Faroe Islands and Greenland respectively and ICES (the Parties) have therefore reached the following understanding:

Provision of Scientific Information and Advice

1. ICES, in accordance with this Memorandum of Understanding will provide The Governments of the Faroe Islands and Greenland respectively with scientific information and advice, which is independent and free from political influence and subject to international scientific standards for research and evidence-based advice. The basis for the advice is subject to an open and transparent process that includes independent peer review. The geographical scope of the Memorandum of

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Understanding is the North Atlantic, with emphasis on the areas around the Faroe Islands and Greenland respectively;

2. ICES and The Governments of the Faroe Islands and Greenland respectively will consult on ways in which cooperation between them can be further improved and extended. To this end the Parties will exchange documents and reports of mutual interest. Further improvements may include joint activities, e.g. seminars, symposia, or other meetings;

3. The Governments of the Faroe Islands and Greenland respectively will provide ICES with all relevant data for the scientific analysis required for ICES to provide the Governments of the Faroe Islands and Greenland respectively with advice deliverables as listed in paragraph 4 and detailed in Annex 4 and 5. Data will be treated in accordance with the ICES Data Policy (as set out on the ICES Data Policy web page¹ and in specific ICES policies^{2,3} and the Participants further note that:

- a) Data provided to ICES are generally made publicly available but exclusions to unrestricted public access are listed on the ICES Data Policy web page and in specific ICES policies (as per footnotes 1 and 2). In consideration of these exclusions and ICES specific policies, the Governments of the Faroe Islands and Greenland respectively may specify access restrictions to their data submissions that it wishes ICES to uphold.
- b) The ICES Data Policy states that the quality assurance of data is the responsibility of the data provider. ICES may perform additional quality control of the aggregated data used in assessments and will decide which data are considered a useful basis for advice.
- c) ICES will in the background documentation for the advice describe which data were used and qualitatively describe sources of uncertainty affecting the assessment. ICES will also explain both the internal and external quality control procedures used for all advice.

4. ICES agrees to provide The Governments of the Faroe Islands and Greenland respectively with:

- a) annual “recurring” advice in the context of overviews of ecosystems, fisheries and aquaculture, and fishing opportunities as outlined in Annex 1 and 2 and with the schedule as outlined in Annex 3;
- b) “non-recurring advice” as agreed separately between The Governments of the Faroe Islands and Greenland respectively and ICES in response to requests from The Governments of the Faroe Islands and Greenland respectively and with the schedule as outlined in Annex 3;

¹ <https://www.ices.dk/data/guidelines-and-policy/Pages/ICES-data-policy.aspx>

² https://www.ices.dk/data/Documents/Data_Policy_RDB.pdf

³ https://www.ices.dk/data/Documents/VME_DataAccess_ICES_2016.pdf

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- c) The information on which the advice is based (*inter alia*, Expert Group Reports including peer review reports). This information shall be publicly available following the ICES review process.
5. If requested by The Governments of the Faroe Islands and Greenland respectively, the Chair or designate of the ICES Advisory Committee will present the scientific information and advice as detailed in Annex 1 to the Governments of the Faroe Islands and Greenland respectively. An ICES professional officer will also be invited to the meetings;
6. ICES will notify The Governments of the Faroe Islands and Greenland respectively when the advice is released on the ICES website;
7. In the event that necessary data is not provided or scientific work is not completed and as a result ICES can not fulfil its obligations under this Agreement, ICES shall inform The Governments of the Faroe Islands and Greenland, respectively, of the nature, detail, and consequences of such shortfalls. The Governments of the Faroe Islands and Greenland respectively understand that ICES will be unable to fulfil the Agreement should this occur.

Finance

8. The Governments of the Faroe Islands and Greenland respectively accept ICES policy of achieving 100% cost recovery from Member Countries and international client commissions that request ICES to provide information, advice, and services. The components upon which the ICES costs are calculated are stated in Annex 4. When assessing the contributions to be paid by The Governments of the Faroe Islands and Greenland respectively, due account will be taken of contributions made by ICES Member Countries or international client commissions of ICES with interests in the same issues and in the same geographical area. The Governments of the Faroe Islands and Greenland, respectively, agree to share on an equal basis the costs of annual recurring advice under this Memorandum of Understanding whereas the costs regarding non-recurring advice will be held exclusively by the Government of the Faroe Islands where such request is directed from the Government of the Faroe Islands, and exclusively by the Government of Greenland, where such a request is directed from the Government of Greenland.

Against this background, the Parties will consult and agree:

- a. Based on the MoU's total stock share of recurrent advice requesters, a fixed annual price for the recurring advice for the period of the MoU is agreed and regulated in accordance with the official rate of inflation in Denmark;
- b. to revise Annex 1 when appropriate;

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c. to determine the cost for evaluation of stocks that The Governments of the Faroe Islands and Greenland respectively shares with other ICES Member Countries or other international client commissions of ICES;

9. The Governments of the Faroe Islands and Greenland respectively agree to:

a. follow the procedure in Annex 3 in so far concerns the payment of "recurring" advice as outlined in Annex 1 and Annex 2, establishing a fixed amount as agreed upon with ICES in Annex 4.

b. pay 100% of the costs for non-recurring advice on the basis of the costs agreed upon with ICES in accordance with procedures established in Annex 3 and cost components as identified in Annex 4.

General Administrative Arrangements

10. This Memorandum of Understanding will apply following signature by both Parties, and enters into force 1st of November 2023;

11. The Parties will meet annually, preferable in the beginning of the year to consult on the deliverables and discuss other issues of relevance for this MoU. ICES is responsible for arranging this annual meeting;

12. Either Party may propose amendments to this MoU. Any such proposal will be made in due time before the annual meeting;

13. Every third year after entering in to force the MoU shall be reviewed by the Parties, and if necessary revised. The Parties will meet well in advance to carry out a full review of its terms and operation, and to agree any necessary amendments;

14. If any dispute should arise between the Parties on the interpretation and application of the MoU, both sides will make their best endeavour to resolve it, if necessary by the involvement of a mutually agreeable arbiter acting in advisory capacity only;

15. The MoU may be terminated by either Party with a one-year written notification.

16. All the correspondence concerning the present MoU shall be in written form and shall be forwarded to the following addresses:

a. For The Government of the Faroe Islands:

Ministry of Foreign Affairs, Industry & Trade

b. For The Government of Greenland:

Ministry of Fisheries and Hunting

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3900 Nuuk

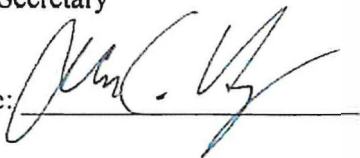
c. For ICES:

International Council for the Exploration of the Sea,
H.C. Andersens Boulevard 44-46,
DK-1553 Copenhagen V,
Denmark

Signed on behalf of the International
Council for the Exploration of the Sea and
The Governments of the Faroe Islands and
Greenland respectively:

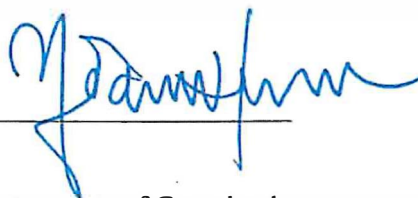
For ICES,
Alan Haynie
General Secretary

signature:



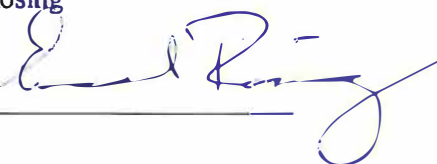
For The Government of the Faroe Islands,
Jóannes Vitalis Hansen

signature:



For The Government of Greenland,
Emanuel Rosing

signature:



Done at Copenhagen, *31. October*....., in duplicate in English

Annex 1: Recurring advice required from ICES

Policy basis for advice

With respect to the policy context of the advisory deliverables ICES' approach to advice on fishing opportunities integrates ecosystem-based management with the objective of achieving maximum sustainable yield (MSY) following Annex 2 of the UN Fish Stocks Agreement (UN, 1995). The advice rule applied by ICES in developing the advice on fishing possibilities depends on management strategies agreed by relevant management bodies and the information and knowledge available for the concerned stocks. If the relevant management authorities have agreed on a management plan or strategy and the plan/strategy has been evaluated by ICES to be consistent with the precautionary approach, ICES will provide advice in accordance with the plan/strategy. If no management plan/strategy has been agreed by all relevant management parties or the agreed plan/strategy has been evaluated by ICES not to be consistent with the precautionary approach, ICES will provide advice applying the ICES MSY advice rule if possible or the precautionary approach if the information on the stocks is insufficient to support the MSY rule.

ICES MSY advice rule requires a relative high level of data and knowledge on the dynamics of the stocks concerned. If the data and knowledge requirements are not fulfilled, ICES cannot provide advice consistent with MSY; instead ICES applies an advice rule that is only based on precautionary considerations.

For stocks that are shared between The Governments of the Faroe Islands and Greenland respectively and other Clients the standard ICES advice rules are followed for the headline advice, except in cases of an agreed management strategy between Coastal States.

The advisory deliverables have to take into account the legal management framework adopted by The Governments of the Faroe Islands and Greenland respectively.

If ICES is aware of implementation problems regarding agreed management plans/strategies the advice should highlight this and consider these issues in its advice on short term implications of these management plans and seek to inform The Governments of the Faroe Islands and Greenland, respectively, at the earliest convenience.

Ecosystem and Fisheries advice

ICES will develop a process to incorporate the following advice into overviews:

- a) Assess the extent to which fishing disturbs the marine ecosystems and, where reference levels have been established, compare the impact to the reference level chosen.

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- b) Provide any new information regarding the impact of fisheries on other components of the ecosystem including marine mammals, sea birds, and sensitive habitats.
- c) Inform The Governments of the Faroe Islands and Greenland respectively of any notable impact of other factors on and imbalances in ecosystem structure that may prejudice the stocks of commercially valuable species and its long term exploitation.
- d) Propose reference points as guidance for management purposes in an ecosystem context.
- e) ICES will in addition give warnings of any serious and/or potential environmental impacts from fishing activities alone or in conjunction with any other relevant activity to local ecosystems or species as soon as they are detected.

The advice shall be based on an ecosystem approach. This will be implemented incrementally so that any information on interactions between fisheries, fish stocks, and marine ecosystem is considered and incorporated in the advice as it becomes available.

When providing its advice, ICES shall take account of all available information and the context of fisheries management including information from the fishing industry, ecosystem considerations, environment and hydrographical conditions, regulations in force that affect fisheries, factors affecting fishing operations and information about the fisheries, development of fisheries technology and relevant performance changes and other relevant factors that affect fishing or fish stocks.

Advice and evaluation of strategies for fishing opportunities, catch, and effort
Recurring advice shall be given in the context of:

- a) Ecosystems;
- b) Fisheries;
- c) Fishing opportunities, catch, and effort.

The Governments of the Faroe Islands and Greenland respectively will receive management advice on fishing opportunities for the commercial fishery and, where relevant, for recreational catches or fisheries, for the stocks and areas in Table 1, Annex 2 with reference to the policy basis for that advice.

The Governments of the Faroe Islands and Greenland respectively should be consulted about any changes to the format of the advice or changes in the stock composition/area definition in Annex 2.

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If a Client Commission of ICES to which The Governments of the Faroe Islands and Greenland respectively is not a party, makes requests or demands that may influence the content or format of presentation of the recurrent advice for stocks in Annex 2, ICES shall inform and consult with The Governments of the Faroe Islands and Greenland respectively.

ICES will for each stock listed in Table 1 in Annex 2 in addition to the advice on fishing opportunities provide information on:

- a) The historical developments in spawning stock biomass, total stock biomass, fishing mortality, and catches.
- b) The state of the stocks and fisheries relative to agreed reference points.

In support of its advice ICES shall provide the Governments of the Faroe Islands and Greenland respectively with:

- c) A full methodological description of the assessment and advisory procedure for each stock, updated whenever a significant change is made;
- d) Estimates of landings, fishing mortality, recruitment and spawning stock together with information or estimates of the uncertainty with which these parameters are estimated. These data shall be provided electronically;
- e) Estimates of relevant reference points for management;
- f) On request, complete records of data used for assessment purposes shall be provided. These data shall be provided electronically;
- g) Evaluation of management plans as non-recurrent requests.

Such information should be provided whenever significant changes are made or can be detected, but not normally more frequently than implied by the schedule in Annex 3. However, the Governments of the Faroe Islands and Greenland respectively should be informed immediately of any new information indicating a previously unforeseen biological emergency.

For species/stocks for which agreed management plan exist, the recurring advice regarding fishing opportunities should be based on such plan if they are considered precautionary by ICES and all authorities with competence regarding fisheries on the stocks concerned agrees that the management plan should be the basis for advice.

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For species/stocks where an agreed management plan does not exist or such plans / strategies are not considered precautionary by ICES, the recurring advice regarding fishing opportunities should be based on;

- i) The ICES MSY approach,
- ii) The Precautionary Approach, in the lack of defined MSY reference points.

When possible, ICES will present a set of options in the catch scenario table, including the highest level of fishing that may be considered precautionary. If requested, ICES will present catch scenarios resulting from applying management plans from the Governments of the Faroe Islands and Greenland respectively.

Advice from ICES shall in all cases take account of the accuracy and precision of the available assessments and forecasts. Information about the accuracy and precision of assessments and forecasts shall be presented and considered in the advice.

ICES shall present short term implications of variable management options, when adequate data are available, expressed as quantified consequences of the management measures currently implemented for that stock or fishery. For the management year (or years in the case of multi-annual management regimes), the short-term consequences of relevant management measures should be given for relevant intervals of action while reflecting the uncertainties regarding expected outcomes. In those cases where the uncertainties in the evaluation of outcomes are such that a quantitative distinction between management measures is not possible ICES shall provide quantitative or qualitative information regarding expected outcomes of relevant management measures over intervals of action that reflect the uncertainty in the evaluation. In cases where data are insufficient to provide the basis for quantitative advice ICES shall provide information on the reasons for this deficiency and advice on management measures which, given the uncertainties, are considered consistent with the Precautionary Approach.

ICES shall provide advice on fishing opportunities and information as outlined above for the stocks listed below. In the case of stocks for which a Client Commission, to which the Governments of the Faroe Islands and Greenland respectively is a party, has specific responsibility, the primary request to ICES shall be made through that Client Commission.

Advice shall be provided for each calendar year or fishing year (1 September – 31 August). However, for stocks where measurements such as surveys are not conducted on an annual basis,

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stock size advice may be provided at intervals greater than each year. For short-lived species and highly seasonal fisheries, the timing of the advice shall be adapted as appropriate.

In-year re-assessments for stocks and fisheries will be carried out following procedures adopted by ICES, including updates when ICES will consider that new data becoming available will significantly change conclusions of the stock size according to criteria defined by ICES.

Quality assurance of advice deliverables

ICES quality assurance of advisory products covers the entire chain from data collection to publication of advice. ICES has taken a large number of initiatives to quality assure the advisory products. In recent years, focus has been on data quality, transparency, and enhancement of the advisory framework, mainly through the development of guidelines.

The Stock Assessment Graph Database and Stock Information Database online portals provide a comprehensive publicly accessible status of approximately 300 assessed stocks, including their historical performance, confidence intervals and with all supporting meta-data that ensure consistency and a means to generate new data calls based upon the most current available information.

A full methodological description of the assessment, data used and advisory procedure for each stock, updated whenever significant changes are made, including reference to new methods will be made available in the Transparent Assessment Framework (TAF). Documentation of each assessment, with information on the lineage of data used in assessment, will be adequate to allow recalculation of any assessment or catch projection by an external expert, with reference to publicly available web-based data as required.

ICES will provide a description of the benchmarking process including an overview of the different benchmark exercises foreseen in the coming 24 months by end of each calendar year. This submission includes a timeline and planning of the benchmark exercises listed.

Annex 2

The table below shows the gross list of stocks for which ICES provides advice to The Governments of the Faroe Islands and Greenland respectively. The list of species for which the Governments of the Faroe Islands and Greenland respectively request recurrent advice shall be defined on an annual

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basis - either by a written procedure or at the annual consultations with ICES. This table provides the gross list of stocks for which ICES provides advice to the Governments of the Faroe Islands and Greenland respectively.

SPECIES	STOCK
Greater silver smelt	Greater silver smelt (<i>Argentina silus</i>) in divisions 5.b and 6.a (Faroes grounds and west of Scotland)
Ling	Ling (<i>Molva molva</i>) in Division 5.b (Faroes grounds)
Tusk	Tusk (<i>Brosme brosme</i>) in subareas 4 and 7-9 and divisions 3.a, 5.b, 6.a, and 12.b (Northeast Atlantic)
Cod – Faroe Plateau	Cod (<i>Gadus morhua</i>) in Subdivision 5.b.1 (Faroe Plateau)
Cod – Faroe Bank	Cod (<i>Gadus morhua</i>) in Subdivision 5.b.2 (Faroe Bank)
Cod	Cod (<i>Gadus morhua</i>) in NAFO Subarea 1, inshore (West Greenland)
Cod	Cod (<i>Gadus morhua</i>) in NAFO divisions I.A-E, offshore (West Greenland)
Cod	Cod (<i>Gadus morhua</i>) in ICES Subarea 14 and NAFO Division 1.F (East Greenland, South Greenland)
Capelin	Capelin (<i>Mallotus villosus</i>) in subareas 5 and 14 and Division 2.a west of 5°W (Iceland and East Greenland, Jan Mayen area)
Haddock	Haddock (<i>Melanogrammus aeglefinus</i>) in Division 5.b (Faroes grounds)
Saithe	Saithe (<i>Pollachius virens</i>) in Division 5.b (Faroes grounds)
Greenland Halibut	Greenland halibut (<i>Reinhardtius hippoglossoides</i>) in subareas 5, 6, 12, and 14

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	(West of Scotland, North of Azores, East of Greenland)
Beaked redfish	Beaked redfish (<i>Sebastes mentella</i>) in Subarea 14 and Division 5.a, Icelandic slope stock (East of Greenland)
Beaked redfish	Demersal beaked redfish (<i>Sebastes mentella</i>) on the East Greenland continental shelf in Subarea 14b
Golden redfish	Golden redfish (<i>Sebastes norvegicus</i>) in subareas 5, 6, 12 and 14 (Iceland and Faroe grounds, West of Scotland, North of Azores, East of Greenland)
Mackerel	Mackerel (<i>Scomber scombrus</i>) in subarea 1-8 and 14 and division 9.a (the North Atlantic and adjacent waters)
Queen scallops	Queen scallops (<i>Chlamys opercularis</i>) in 5.b (Faroe Plateau). Not currently assessed by ICES.

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Annex 3: Schedule of key annual administrative procedures for The Governments of the Faroe Islands and Greenland respectively and ICES

A. Schedule for the advice planning, budgeting and payment

November: The Governments of the Faroe Islands and Greenland respectively formally communicate to ICES an update of its views and priorities with respect to the contents and timing of recurrent advice concerning the next calendar year to ICES.

Mid December: ICES proposes a budget for the delivery of recurrent advice for the next calendar year to be agreed at the annual meeting.

January – February: Annual meeting.

March: Payment by the Governments of the Faroe Islands and Greenland, respectively, for recurrent advice in current calendar year.

B. Schedule for the Provision of Non-recurring Advice

The table specifies the procedures to be undertaken by both Parties when arranging the provision of non-recurring advice, including advice on sustainable aquaculture.

The Faroe Islands / Greenland	ICES
1. Requests for advice to be sent by letter or e-mail to ICES specifying the desired advice and the timescale within which advice is desired. In case of e-mail correspondence, the address should be advice@ices.dk	2. ICES will respond as soon as possible and within 21 working days specifying: <ul style="list-style-type: none"> • The nature and extent of the work that can be completed within the specified timeframe; • The extent to which the questions posed can be answered; • The extent to which the work is of mutual interest and in such case proposal for cost sharing; • The additional costs to be recovered from the Governments of the Faroe Islands and Greenland respectively.
3. The Governments of the Faroe Islands and Greenland respectively will respond within 7 days confirming whether the work is to be undertaken.	4. If so agreed, ICES will deliver the advice according to the agreed timescale.

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Annex 4: Components upon which ICES costs are calculated

The text below should be read in conjunction with the principles of “Calculations for costs for providing advice”, see further below.

The Parties agree that the payment is based on the following;

- i. the costs of databases and analyses that are needed in order to prepare advice, but generally would not occur otherwise;
- ii. the preparation, quality assurance and delivery of the advice;
- iii. stipend/travel costs incurred for the leadership of the Advisory Committee;
- iv. salary/travel costs incurred for the ICES Secretariat Advisory programme.

On the basis of this recognition, the following cost components are relevant;

1. Costs incurred by ICES (i.e. travel and *per diem*) related to meetings of its Advisory groups in proportion to the time of these meetings spent on advice related to The Governments of the Faroe Islands and Greenland respectively;
2. Secretariat staff salaries, including superannuating (with an indication of the number and grades of staff to be involved in the work), regarding preparation for, work during and follow-up after:
 - 2.1 the ICES Advisory Committee Meetings(*), in proportion to the agreed The Governments of the Faroe Islands and Greenland respectively share; and
 - 2.2 and other recurring needs associated with ICES Experts Group Meetings, in proportion to the agreed The Governments of the Faroe Islands and Greenland respectively share;
3. Travel and *per diem* costs for the Chair of the Advisory Committee (or a designate) or other scientifically-qualified personnel in attending meetings with The Governments of the Faroe Islands and Greenland respectively, as stipulated in paragraph 5 of the agreement. The number of these meetings at which ICES shall be represented will be mutually agreed beforehand.
4. Databases, web portal systems and data processing software relevant to the collection, processing and dissemination of data and information products that will be used in the provision of scientific information and advice (*);
5. Computing costs (*);
6. Cost of any work where ICES proposes to employ a consultant or contractor (*);
7. Other current expenditure (*);
8. A stipend for the chair and vice chairs of the ICES Advisory Committee, in proportion to the agreed The Governments of the Faroe Islands and Greenland respectively share;
9. A contribution to the Advisory Programme, including the use of external reviewers, in proportion to the share agreed by The Governments of the Faroe Islands and Greenland; and

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10. Overhead (**). The overhead costs will be calculated by means of a fixed overhead percentage of 7 % which is applied to the total costs of each different activity mentioned in the ICES Work Programme. Overheads are based on the documented annual costs (e.g. invoices and payments) of running ICES headquarters so that the Secretariat staff may carry out their duties.

(*) In proportion to all the advice provided under this MoU divided by the total advice provided by ICES in the preceding year.

(**) The overhead percentage covers the following types of indirect costs, and the share of these that cannot be allocated directly to specific tasks, such as:

- a) capital cost of computing and other capital equipment;
- b) computer system support and maintenance;
- c) rent of premises (excluding ICES headquarters);
- d) office expenses including electricity, heating, watchmen, safety and security, cleaning costs, maintenance costs (e.g. photocopier), consumables, postage, telephone and fax, office equipment, insurance, general office maintenance (e.g. painting) and staff education and training.

Calculations for costs for providing advice

Below is an explanation of the basis for calculations of costs for providing advice to The Governments of the Faroe Islands and Greenland respectively under the MoU with ICES.

“Without prejudice” Clause

The text below constitutes the basis for the calculations that ICES has made to cost the advice to The Governments of the Faroe Islands and Greenland respectively under the MoU, according to its agreed cost-sharing key.

Transparency and equal processes

The costing is based on the same procedures and processes for all advice requesters, including:

- a. 7% overhead;
- b. Transforming previously indirect costs into direct costs.

No attempt has been made to make a comprehensive costing of required Research and Development underpinning the Advice.

Basis for the costing

We have listed all stocks for which we give advice, and have indicated the advice requesters for each stock. In cases where a stock is shared (i.e. being requested by several clients), we have shared the stock equally between the clients e.g. in case of three advice requesters being interested in a stock, the costs are shared between them in the magnitude of 0.33.

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We have then divided the total costs of the advisory services with the total number of stocks, and multiplied this with the weighted number of stocks for each of the advice requester, to find the costs applicable to them.

Minimum charge independent of number of stocks for which recurrent advice is requested

ICES charges a minimum fee for maintaining, and developing the capacity to provide recurrent advice, independent of the number of stocks for which advice is being requested. Advice requesters paying the minimum charge will be exempted from the averaged 5-year equity investment charge.

The Parties agree that the above-described basis for costs of ICES Advice is XXXXXXXXX, shared between The Government of the Faroe Islands and The Government of Greenland according to equitable criteria.

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Annex 5 Data Collection Arrangement

ICES emphasis on databases, data submission standards and procedures, and data processing is crucial for the quality assurance for provision of the advice deliverables. As a contracting party to ICES, The Governments of the Faroe Islands and Greenland respectively has made a commitment under Article 1(b) of the Convention for the International Council for the Exploration of the Sea to organise programmes of research and investigation as may appear necessary to support investigations into the living resources of the sea.

For all stocks specified in table 1 of Annex 2, and for any additional non-recurrent advice, as well any data collection that are coordinated at the regional level, the scope of relevant data includes:

1. Fisheries independent survey data, details of which are specified in annual data calls. Research surveys at sea are an important method for collecting biological data. In view of their importance in marine regions where stocks are shared, it is appropriate for a sufficient number of research surveys at sea to be carried out. The Governments of the Faroe Islands and Greenland respectively will determine the appropriate level of survey effort in consultation with ICES.
2. Fisheries dependent data, details of which are specified in annual data calls. Including:
 - i. biological data on all stocks caught or by-caught in commercial and, where appropriate, recreational fisheries including eels and salmon in relevant inland waters, as well as other diadromous fish
 - ii. data to assess the impact of fisheries on the marine ecosystem including by-catch of non-target species, in particular species protected under international law, data on impacts of fisheries on marine habitats, including vulnerable marine areas, and data on impacts of fisheries on food webs;
 - iii. data on the activity of fishing vessels in and outside The Governments of the Faroe Islands and Greenland respectively waters, including levels of fishing, and on effort and capacity of the fleet;
3. Other data that supports the Ecosystem Approach and the Fisheries and Ecosystem overviews that are part of the ICES advice deliverables to The Governments of the Faroe Islands and Greenland respectively.

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