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Ministry of Agriculture

OPERATIONAL PROGRAMME FOR FISHERIES OF THE REPUBLIC OF CROATIA FOR THE PROGRAMMING PERIOD 2007-2013



2013

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LIST OF ABBREVIATIONS

AA	Audit Authority
ARPA	Agency for the Audit of EU Programmes Implementation System
ASSC	Area of Special State Concern
CA	Certifying Authority
CNB	Croatian National Bank
CBS	Croatian Bureau of Statistics
CF	Cohesion Fund
CFP	Common Fisheries Policy
CFR	Community Fleet register (number)
COM	Common Organisation of Markets
DCF	Data Collection Framework
DoF	Directorate of Fisheries
EAFRD	European Agriculture Fund for Rural Development
EC	European Commission
EFF	European Fisheries Fund
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
EUR	Euro
FLAG	Fisheries Local Action Group
FMC	Fishing Monitoring Centre
GDP/GNP	Gross Domestic/National Product
GT	Gross tonnage
GVA	Gross Value Added
HRK	Croatian Kuna
IB	Intermediate Body
ICCAT	International Commission for Conservation of Atlantic Tunas
ICZM	Integrated Coastal Zone Management
IFAC	International Federation of Accountants
IOF	Institute of Oceanography and Fisheries
IPARD	Instrument for Pre-Accession Assistance for Rural Development
kg	Kilogramme
kW	Kilowatt
MA	Managing Authority
MINAGRI	Ministry of Agriculture
MC	Monitoring Committee

MCS	Management and Control System
MENP	Ministry of Environmental and Nature Protection
MFIN	Ministry of Finance
MMATI	Ministry of Maritime Affairs, Transport and Infrastructure
MRDEUF	Ministry of Regional Development and EU Funds
NGO	Non-governmental Organisation
NSP	National Strategic Plan
NUTS	Nomenclature of Units for Territorial Statistics
OG	Official Gazette of Republic of Croatia
OJ	Official Journal of EU
OP	Operational Programme
PAAFRD	Paying Agency for Agriculture, Fisheries and Rural Development
PEFZ	Protected Ecological and Fisheries Zone
RoC	Republic of Croatia
SEA	Strategic Environmental Assessment
SWOT	Strengths, Weaknesses, Opportunities, Threats
t	Ton
VMS	(Satellite) Vessel Monitoring System

1 INTRODUCTION

This document represents the Operational Programme for fisheries of Republic of Croatia for the programming period 2007-2013 (hereinafter: OP).

The OP has been prepared for the period 2007-2013 in line with the provisions of the Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (hereinafter: the EFF Regulation) (OJ L 223, 15.08.2006.) and of the Commission Regulation (EC) No 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 120, 10.05.2007.) (hereinafter: the Implementing Regulation) including as well the Commission Regulation (EU) No 1249/2010 of 22 December 2010 amending Regulation (EC) No 498/2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 341, 23.12.2010.).

The draft OP was prepared by the Managing Authority (hereinafter: MA) on the basis of consultations with all relevant fisheries sector representatives¹, and other stakeholders including state and public institutions such as ministries, scientific community, local authorities as well as Non-governmental organisations.

The OP is based on the National Strategic Plan (hereinafter: NSP) in accordance with Article 15 of the EFF Regulation. NSP gives an overview of the current state of fisheries sector based on which, its strengths, weaknesses, opportunities and threats were identified and translated into priorities and objectives. In addition, the NSP contains the estimation of financial resources required.

2 GEOGRAPHICAL ELIGIBILITY

In 2012 new National classification of territorial units was defined (OG 96/12 and 102/12)² according to which Croatia is classified as a NUTS I region, and it is divided into two NUTS II regions – Continental and Adriatic. NUTS II regions are non-administrative units which are composed of administrative units of the NUTS III level – counties (20 + City of Zagreb). The entire area of the Republic of Croatia falls under the “convergence objective” in line with the provisions of the Council Regulation (EC) No 1083/2006 of 11 July 2006 on the common provisions for the European Regional Development Fund, European Social Fund, and Cohesion Fund (OJ L 210, 31.07.2006.). The new classification entered into force on the 1 July 2013. Figure 1-1 in Appendix 1 shows the national classification of territorial units.

Having in mind the afore mentioned, OP is applicable to the entire territory of Croatia which falls under the “convergence objective” of the Cohesion policy currently in force as well as on subjects registered in Croatia.

By way of Act on Areas of Special State Concern (hereinafter: ASSC) (OG 86/08 and 57/11), Croatia recognises certain areas of the country lagging behind in terms of economic development due to specific development problems and as such require special attention.

As a result, three levels of the classification are applied:

1. Category I: ASSC areas of cities and municipalities occupied during the Homeland War situated near the border where city/municipality centre is within the radius of 15 km from

¹ Consistent with EFF Regulation “fisheries sector” includes all activities in the catching, production, processing and marketing of fisheries and aquaculture products.

² In line with the Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.06.2003.)

the border, with less than 5,000 inhabitants according to 1991 census; as well as other occupied cities/municipalities/communities of Croatian Danube region area

2. Category II: ASSC areas of cities/municipalities/communities occupied during Homeland war not falling under the Category I
3. Category III: ASSC areas of cities/municipalities lagging behind in terms of development under the following development criteria: economic, structural and demographic.

There are ten counties in which more than 50% of the territory is classified as an ASSC area, and their GDP is below the national average (Appendix 1, Figure 1-2), and those are: Ličko-senjska, Vukovarsko-srijemska, Zadarska, Šibensko-kninska, Sisačko-moslavačka, Požeško-slavonska, Karlovačka, Virovitičko-podravska, Brodsko-posavska, Osječko-baranjska. It is worth mentioning that 4 of these counties show significant activity in fisheries sector – three of them in Adriatic region (Ličko-senjska, Zadarska, Šibensko-kninska) and one in Continental region (Osječko-baranjska).

3 ANALYSIS

3.1 General description of the Republic of Croatia

The surface of the Croatia is 87,661 km² and it comprises 56,594 km² (64.5%) of land area and 31,067 km² (35.5%) of territorial sea. With a total population of 4,284,889 (census 2011) the average density in Croatia is 75.7 inhabitants/km². Around 60% of the population inhabits urban areas, and almost a quarter of the entire population lives in the capital, Zagreb. Other important cities are Split, Rijeka, Osijek, Zadar, Slavonski Brod, Karlovac and Dubrovnik.

According to the data of the State geodetic directorate and Croatian hydrographical institute which are based on geodetic and hydrographical data available at the moment, the total length of the Croatian border is 3,318.58 km. The length of the continental border is 2,370.5 km: with Slovenia (659.1 km till the finalisation of the ongoing arbitration procedure) to the north, Hungary (355.2 km of border line defined by the Contract) to the north-east, and Bosnia and Herzegovina (1,010.9 km), Serbia (325.8 km) and Montenegro (19.5 km) to the south-east. The total length of the Croatian territorial sea border, including the existing lateral borders, amounts to 511.9 nautical miles (948.08 km): 8.2 nautical miles (15.19 km) with Slovenia till the finalisation of the ongoing arbitration procedure, 14.1 nautical miles (26.14 km) of border dividing territorial seas as well as 356.8 nautical miles (660.73 km) of border dividing the epicontinental areas with the Republic of Italy, 8.1 nautical miles (15.04 km) with Bosnia and Herzegovina which is a temporary border applied as of 1999 when the Contract on the state border was signed, and 14 nautical miles (25.98 km) of temporary border with Montenegro which is a border between the territorial seas (established in 2002) along with the 39.5 nautical miles of temporary south lateral border of the Protected ecological and fisheries zone (hereinafter: PEFZ).

The total length of the coastline is 5,835 (mainland 1,777 km and islands 4,058 km). Total number of islands is 1,246, whereof 48 are inhabited (according to data from Statistical annual for 2011, based on census from 2001).

Croatian GDP is EUR 45,897 million (2011) and the GDP/capita, EUR 10,697 (2011).

3.2 General description of the Fisheries sector in Croatia

Estimates of direct share of fisheries in GDP vary between 0.2% and 0.7%. However, the contribution of fisheries has to be analysed taking into account the share of GDP of all activities from certain aspect related to the sector. In addition to the direct production value of the sector of capture fisheries, fish farming, and processing, the assessment of the share of fisheries on the whole in GDP should also include the construction and servicing of vessels, production of fishing gears and equipment, transportation, storage and related logistics, port activities related to fisheries and to a certain extent some forms of tourism. Furthermore, in general assessments of importance of the fisheries sector one should include the element of supply of high quality food, a contribution to the positive foreign trade balance, and the significance of employment on the coast and the islands, where fishery is one of the rare activities which provide a source of income throughout the year.

As in most Mediterranean countries, indicators on the national level point towards a low significance of this sector for national economy, as GVA of fishing sector in 2007 was 0.24% of total GVA and 5.16% of total natural resources in GVA (agriculture, forestry, hunting and fishing).

Also, it is estimated that the sectors' real contribution is underrated and that, if the value of accompanying activities is included, the contribution to national GDP exceeds 1%.

According to the data from Ministry of Agriculture (hereinafter: MINAGRI), Directorate of Fisheries (hereinafter: DoF), Croatia's catching and aquaculture production in 2011 was 84,073 tons (a 22% increase over 2009), of which 70,585 from capture fisheries (70,535 from marine capture fisheries and only 50 tons from freshwater fisheries) and 13,488 tons from aquaculture (7,205 tons from marine aquaculture and 6,283 from freshwater aquaculture).

The fisheries sector (including processing industry) significantly participates in the export of the Republic of Croatia's food products with the value of total export in 2011 amounting to USD 178,503,695 (38,493 tons). Five most significant products by the export value in 2011 were bluefin tuna (total export value was USD 67,674,780, out of which USD 67,631,851 exported on Japanese market), salted anchovies (total export value USD 23,001,574, out of which USD 17,389,622 exported on Italian market), canned sardines (total export value USD 19,622,286), farmed fresh sea bass (total export value USD 10,781,900), and fresh anchovies (total export value USD 6,526,864). At the same time, value of the import in 2011 was USD 123,676,657 (38,417 tons) which shows that the positive trade balance of the sector was maintained. Croatia imports significant quantities of relatively inexpensive products (herring), and exports high-value species. Herring is imported almost exclusively for the needs of tuna farming. Due to the drop of the price of tuna on the global market, as well as the drop of prices of sea bass and sea bream on the European market by 2011, a positive balance was decreasing equally by value and by quantity. Values and quantities of import and export in the last 10 years are shown in Appendix 2, Table 2-9.

The consumption of fish products in Croatia was estimated to be around 8.5 kg per capita, 36.5% of the EU average, but this estimation should be taken with due reserve, as there is a lack of systematic market and consumption related surveys and research. Some estimates show that every tenth Croat does not eat fresh fish or seafood at all, and every twentieth does not eat frozen fish or seafood. Only 3% of Croats eats fish every day and 33% once a week. Tourism sector also participates in the consumption of fish on the domestic market, being thus a significant marketing channel for fish products in the summer. Large retail stores and hotel chains usually get supplied by fish farms, and preliminary data show that there are significant differences in consumption (in quantity and species) in different regions of Croatia. Although habits of consumers and life style have certain influence on consumption of fish, the high retail market price of fish products is the most important reason for the low consumption per capita.

Data on the number of employees in the sector are currently being estimated by taking into account data from crafts and trade registers, data on number of crew members and number of licences (vessels) in the fishing fleet of Croatia, as well as the data from the register of fish farms. It is estimated that approximately 14,000 people (fishermen, employees in fishing companies, farming and processing) are directly employed in the sector. In addition to permanently employed, there is a significant number of seasonal workers, especially in the segment of employees on fishing vessels. It is estimated that around 25,000 people are involved in the sector, directly and indirectly. More precise data on employees in the fisheries sector will be available after the implementation of the National Fisheries Data Collection Programme whereas its socio-economic component starts during 2013.

Table 1. Key context indicators for the description of the fisheries sector

<p>Gross domestic product (2011)</p> <ul style="list-style-type: none"> • GDP: EUR 45,897 million • Share of the fisheries in the GDP: 0.2 to 0.7% <p><i>Source: CBS</i></p>
<p>Employment estimations (2011)</p> <ul style="list-style-type: none"> • About 14,000 people directly employed and 25,000 (when including also indirectly employed) <p>Estimations of employment in individual segments (e.g. different fishing gears, size of vessels, aquaculture types) with indication of trends (decreasing, increasing) are not available at present. However, socio-economic data should be systematically collected within the National Fisheries Data Collection Programme which starts in 2013.</p> <p><i>Source: MINAGRI-DoF</i></p>
<p>Croatian fishing fleet (2013)</p> <ul style="list-style-type: none"> • 7,770 vessels (9.37% of EU fleet) • Total tonnage: 53,452 GT (3.14% of EU fleet) (average of 6.9 GT/vessel) • Total power: 426,064 kW (6.64% of EU fleet) (average of 55 kW/vessel) <p><i>Source: MINAGRI-DoF</i></p>
<p>Catches (2011) – from commercial capture fisheries</p> <ul style="list-style-type: none"> • Marine: 70,535 tons • Inland: 50 tons <p><i>Source: MINAGRI-DoF</i></p>
<p>Aquaculture (2011)</p> <ul style="list-style-type: none"> • Freshwater aquaculture: <ul style="list-style-type: none"> ○ <u>Total water area used</u>: 9,721 ha of ponds and 61,361 m² of raceways ○ <u>Number of farms registered</u>: 28 warm water farms and 27 cold-water farms ○ <u>Production</u>: 6,283 tons of freshwater fishes • Marine aquaculture: <ul style="list-style-type: none"> ○ <u>Number of farms</u>: marine fishes = 64 , marine hatcheries = 3, shellfish = 254 ○ <u>Production</u>: 6,845 tons of marine fish 438 tons of mussels and oysters <p><i>Source: MINAGRI-DoF</i></p>
<p>Consumption (2011)</p> <ul style="list-style-type: none"> • Estimated average individual consumption in kg per capita: 8,5 kg, 36.5% of EU average <p><i>Source: MINAGRI-DoF</i></p>
<p>Foreign trade balance</p> <ul style="list-style-type: none"> • Imports: 38,417 t – USD 123,676,657 (2011) • Export: 38,493 t - USD 178,503,695 (2011) <p><i>Source: MFIN and MINAGRI-DoF</i></p>

3.2.1 Marine fisheries

The Marine Fisheries Act (OG No 81/13) recognises the following categories of fishing: commercial, sports and recreational and fishing for scientific and educational purposes including fishing for public aquariums.

Marine commercial fishing has economic significance. It includes commercial fishing *sensu stricto* and a special subcategory of small scale coastal fishing. Small scale coastal fishing represents the form of fishing which has developed from the former category of subsistence fishery for personal needs. Namely, pursuant to the provisions of the Council Regulation (EC) No 1967/2006 of 21 December 2006 concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea (OJ L 409, 30.12.2006.) (hereinafter: Council Regulation (EC) No 1967/2006), the usage of commercial gears such as nets is not allowed in non-commercial fishery, so it was necessary to recognise the specific situation existing in Croatia in an adequate manner and find mechanisms for transition of the former non-commercial category into a strictly limited sub-category of commercial fishing. The subsistence fishery for personal needs, as it was defined by earlier legal framework, ceases to exist on 1 January 2015.

The total catch in 2008 was 49,011 tons, in 2009 – 55,364 tons, in 2010 – 52,395 tons, and in 2011 – 70,535 tons, a 44% increase over 2008. The reason for this increase partially lies in the improvement of the catch registry and control of catches. Over the years, more than 80% of total catch consists of small pelagics (sardine and anchovy). In 2011, the share of demersal and pelagic fish species in the catches is around 97%, cephalopods 1.50%, crabs and shellfish around 1%.

Table 2-1 of Appendix 2 demonstrates the number of vessels over the period 2001-2011. Increasing trend can be explained by changes in the methodology and the data validation process. Upon the establishment of the Fishing fleet register in 2001, the process of entering and validation of data lasted till 2004. Only data from 2005 onwards can be considered validated. The increase of fishing fleet in the period from 2005 to 2009 is the result of the development of the fisheries sector and support programmes which were implemented during that period. As of 2010 the increase of the number of fishing vessels is a result of the process of transfer of vessels from the non-commercial category of subsistence fisheries into the commercial category. By accession of Croatia into the EU on 1 July 2013 and in line with the provisions agreed in the process, 3,500 vessels was transferred from the non-commercial category of subsistence fishery for personal needs into the commercial one. Since in 2011 there were around 11,000 fishing units engaged in subsistence fisheries for personal needs, and since this category ceases to exist as from 1 January 2015, the total number of participants in fisheries using commercial gears are about to decrease. Number of vessels which are at the moment registered in the Croatian Fishing fleet register is 7,770.

All the commercial fishing vessels are registered, regardless of their size. In 2011 the total number of fishing vessels was 4,136, including 3,484 vessels less than 12 m, and 652 above this size. The total power was 326,987 kW, of which about one third was the power of trawlers (about 155 kW per vessel on average), and one fifth, the power of purse seiners (about 206 kW per vessel on average).

The average age of Croatian fishing fleet is more than 30 years, but it is not equally distributed among all the segments. Average active trawlers are older than active purse seiners, while the trawlers are among the oldest active vessels. In addition to the age composition of the Croatian fishing fleet, it needs to be highlighted that most of the vessels are poorly equipped in terms of energy efficiency (old engines with high fuel consumption), product quality (lack of ice machines and adequate storage and cooling facilities on board) as well as equipment related to improvement of working conditions and safety on board.

The largest number of vessels is registered as multi-purpose (45.24% of the fleet). These vessels are typical for Mediterranean fisheries where there are no clearly defined target species and in which fishermen change gear during the year. In 2011, 226 vessels were active purse seiners, catching total of 64,389 tons of fish. In the same year, 562 vessels were active in bottom trawling, catching a total of 4,275 tons of fish. In 2011, catches of purse seine nets made 91.29% of total Croatian catches. At the same time 6.10% of the catch was caught using trawl nets while gillnetting achieved around 2% (24% of fleet registered for this gear). Percentages of other fishing gears are each represented with less than 1% of the total catch.

Due to geographical conditions of Croatian coast, characteristics of the national fishing fleet (mainly small, aged and insufficiently equipped vessels), inadequate capacity of the existing infrastructure, and under the circumstances of highly pronounced competition for the existing port infrastructure (particularly with nautical tourism), at the moment there is large number of landing places in Croatia. These fall under two main categories – landing places for vessels smaller than 15m (107) and those for vessels above 15m (139). Although there is an obligation to ensure berth for fishing vessels within each of the listed landing places, majority of landing places do not have sufficient capacity in terms of operational port area and auxiliary services. According to the Feasibility study on the development of the fisheries infrastructure according to the *acquis* implemented in 2006, it is estimated that Croatian fishermen utilise a total of around 15km of port area, while there is a need for providing of additional 3-7km of operational port area. Apart from the lack of space, the important element is also insufficiently equipped existing landing places in terms of ability to provide auxiliary services such as fuel, repair and maintenance, cooling and storage facilities, vicinity of roads (accession roads), etc. Improvement of port infrastructure is considered as one of the basic prerequisites for successful further development of the fisheries sector. In addition, development of the coastal infrastructure is one of the key elements in the process of the implementation of the landing obligation, which represents one of the basic elements of the Common fisheries policy (hereinafter: CFP) reform.

Global economic crisis which started in 2008 has affected all segments of economy and society on the national level. Unfavourable economic trends on the global level were followed by significant increase of fuel prices on global market. Fishery, as a particularly sensitive segment of economy, also was affected by negative economic developments. Production costs of economic operators in marine fishing have suddenly increased and became too high in comparison with the first sale prices which remained on the same level. The cost of fuel represents the largest individual cost in business activity of the economic entities engaged in marine fishing and it is estimated that between 50% and 60% of total income is spent on fuel. This represents the most significant barrier in achieving sufficient level of profitability.

3.2.2 Fishing management and control

The fishing sea of Croatia is administratively divided into eleven (11) fishing zones and thirty-seven (37) fishing subzones. Out of eleven (11) fishing zones, four in the inner fishing sea of Croatia are parts of zone A and zones E, F and G, while in outer fishing sea is part of zone A and zones B, C, D, H, I, J and K (Figure 1.).

Administrative division of the fishing sea is used for the purposes of management and data collection. Croatian fishing sea is the sea area governed by Croatia, where it exercises its sovereign rights and jurisdiction in issues related to fishing, and from the spatial aspect, it includes territorial sea of Croatia as well as the PEFZ (i.e., area over which RH exercises its sovereign rights and jurisdiction).

Figure 1. Fishing zones of Croatia



Pursuant to the national legislation in force, a diverse set of fisheries management measures is in place in Croatia, including: temporal and spatial restrictions for certain fishing gears; engine power restrictions in certain areas and temporal and spatial restrictions and closures for certain species during their spawning periods. Restrictions are permanent in some areas, and some restrictions cover significant parts of internal waters and territorial sea. In line with scientific advice, trawling is under strict temporal and spatial restriction regime, particularly in internal waters.

Quotas are in place only for Atlantic bluefin tuna (*Thunnus thynnus*) in accordance with the measures adopted by the International Commission for Conservation of Atlantic Tunas (hereinafter: ICCAT).

Croatian vessels operate almost exclusively in GSA 17 (as it is defined by the General Fisheries Commission for the Mediterranean – hereinafter: GFCM).

Only commercial fishing licence holders can be engaged in commercial fishing at sea by using vessels and fishing gears in fishing zones as stipulated in the respective licences. Commercial fishing licences are issued by Field offices of the DoF for each and every vessel marked by the unique CFR number. The information contained within the licence is the licence owner (vessel owner), licence holder (the person authorised for fishing) and basic data of the vessel (its CFR, registration number for boats smaller than 12 meters, or, a name for vessels over 12 meters in length, its length, tonnage and engine power). Furthermore, data contained within the licence are: type of fishing gear, auxiliary vessels and fishing zones where licence holder is allowed to perform fishing activities.

Once issued, certain elements contained within the licence cannot be subject to changes. This refers to introducing additional fishing zones in particular. Furthermore, it is not possible to issue new licences for marine commercial fishing. The transfer of full rights stemming from the licence from one legal or physical person to another is possible under certain conditions.

Catch data must be sent to MINAGRI-DoF where they are entered into the corresponding register. As of 2012 the electronic logbook system has been introduced onto vessels above 15 meters in length. For sports and recreational fishing specific permits are issued. It is estimated that around 20,000 permits for sports fishing and around 135,000 permits for recreational fishing are issued on annual basis. It is estimated as well that the average annual catch in these segments is around 1,000 tones.

For the purpose of managing of resources in line with the provisions of the Council Regulation (EC) No 1967/2006, management plans are currently being developed for purse seines, trawl nets, shore seines and dredges. These documents are being prepared by a Committee for drafting of management plans, which includes members coming from the administration, advisory service and representatives of the sector organised in chambers – Croatian Chamber of Economy (hereinafter: CCE) and Croatian Chamber of Trades and Crafts (hereinafter: CCTC) and fisheries scientists.

General assessment

Management of fisheries in the Mediterranean is significantly different from the management in the Atlantic and North Sea, as due to the diversity of fishing activities and catches, fishing quotas do not apply (except for Atlantic bluefin tuna). Scientific assessments of the status of stocks indicate the need for regulation of total fishing effort with the aim of decreasing the fishing mortality or ensuring its long term balance with the status of the biological resources.

General recommendations on the level of GSA 17 are to decrease or at least to maintain the current level of fishing effort or fishing mortality. As Croatia shares resources in GSA 17 with other countries around the basin, it recognises the need to participate in the restriction of the fishing effort proportionally to state of resources in part of the fishing sea for which it holds exclusive responsibility, with a view to achieving maximum sustainable yield as provided for in the reformed CFP. Furthermore, to the extent possible, Croatia intends to contribute to an overall decrease of fishing mortality or maintaining it at levels which would provide the maximum sustainable yield, in areas outside its territorial sea, where its vessels operate alongside other participants in the Adriatic.

To ensure the level of sustainability in capture fisheries and reduce the impact on the environment, the capacity of the fleet should be aligned with long-term opportunities and availability of resources. Croatia will continue to monitor the balance between its fishing capacity and the status of the resources and, if necessary, undertake appropriate interventions.

Over the past years, a decrease of catch per unit effort in trawl fishery was noted. On the other hand, in pelagic fishery (targeting small pelagics) indicators show that the structure of catches over the past years does not result in sufficient level of profitability (small landing sizes). These indicators suggest that in these types of fishing there is a need to consider the possibility of additional regulation of fishing effort in order to ensure long-term sustainability of stocks and ecosystems.

Over the past years in the entire Adriatic, as well as in Croatian territorial waters, a decrease of the biomass index for large number of demersal species was noted along with the decrease of quantity of catches of commercially important species. Unfavourable conditions of demersal resources are the result of the high intensity of exploitation in connection with the unfavourable hydrographical conditions. Spawning and nursery areas are considered particularly sensitive areas for exploitation. Exploitation of these areas results in decreased recruitment and consequently lower biomass of targeted resources in trawl fisheries. One of such areas is Jabuka pit and its exploitation negatively affects the state of the resources in the entire Adriatic.

The largest number of commercially important species in Adriatic are biologically shared stocks which are exploited by fleets of different countries with different intensity. As Croatian fishing effort in trawl fishery contributes with share of 14% in the total fishing effort exercised in GSA 17, it is not expected that measures only undertaken by Croatia would have a significant positive effect on stocks, particularly due to the migration of species and the effect of diffusion of stocks from the area of higher density (low fishing effort) to area of low density (high fishing effort). General assessment of status of demersal resources in GSA 17 shows that the status of stocks is better in Croatian territorial waters

then in the rest of the GSA 17. However, the status of the stocks is not equal in all fishing zones within the territorial waters, which is why it is estimated that the measure of decreasing the fishing effort should be applied to those areas where the scientific indicators suggest the urgent need for implementation of such measures, or where the status of the stocks is less favourable than in the rest of the fishing sea.

Considering the general status of the resources in GSA 17, it is possible to contribute to the overall fishing effort reduction by way of implementing the measure of permanent cessation of fishing activity.

Regarding the small pelagic fishery, Croatia mainly targets stocks of sardine and anchovy. Pelagic fishery in Croatia is at the moment regulated by the set of technical measures (characteristics of the gear, light limitations, closed seasons), while additional element limiting the fishing effort is the lunar cycle, which dictates the fishing dynamics and limits the maximum amount of fishing days per year. The scientific indicators of the biomass demonstrate that the fishing mortality is on the very limit of the F-MSY which is a positive sign. However, in order to secure the long term sustainability of stocks and maintain these values, it is considered necessary to apply additional measures of fishing effort control. In addition, a management plan for small pelagic resources in GSA 17 and GSA 18 was adopted in May 2013 on the level of the GFCM. It is considered that a contribution to achievement of the goals set by this management plans could be made by way of implementing measures foreseen by this document.

The pelagic fishery targeting small pelagic resources has a prominent socio-economic significance and is therefore very important for the sustainability of rural areas and delicate island communities.

In addition to the status of the resources, the current economic performance of the fishermen involved in this type of fishery is at the very edge of a cost-effectiveness balance. The unfavourable structure of the catches has a negative effect on their prices and it does not allow for optimal utilisation of the resource from the socio-economic aspect. To this end, additional effort control measures shall contribute to lower competition on the fishing grounds which would result with the possibility to search for a more economically valuable catch. The increase of the cost benefit ratio of the vessel could provide for possibility to implement the additional measures for conservation of stocks without jeopardising the survival of the activity.

Assessment of the status of the resources and scientific advice

Demersal resources

Having in mind the characteristic of the bottom trawl fleet in HR (small, old and poorly equipped vessels), it is expected that most of the catches are made in coastal areas, while the catches outside the territorial seas (zones H, I, J and K) are negligible and make up only 0.6% of total catches. Majority of the catches are made in the open middle Adriatic – wider area of Jabuka Pit (zone C), and these make up some 38% of total bottom trawl catches. The most important species in the catches in the area are hake, Norwegian lobster and musky octopus. The next most important zone in terms of catches is the zone A (15%), where the catch composition depends on the season, but is dominated by musky octopus, squid, mullet and sole. Similar participation in the total catches is observed in zone B (14.5%) with the most important species being mullet, hake and musky octopus. Catches in channel areas of the northern Adriatic (zones F and E) make up 11.5%, and the dominant species are hake, mullet, Norway lobster and musky octopus. Channels of the mid-Adriatic (zone G) make up some 10% of the catches, and the dominant species are hake and mullet, including monkfish, musky octopus and the like. The least portion of the catches is realised in zone D (open southern Adriatic), given that this is the deep-seas area where only a small number of vessels are active. Only 8% of bottom trawl catches are made in this zone, and the main species are hake, mullet and shrimps.

Comparison of the total biomass (according to the MEDITS data) and the total catch in each of the zones indicates that there is a non-balanced exploitation rate of the resources. The highest exploitation rates are observed in zones C and A, and the most favourable situation may be observed in channel

areas (zones E, F and G). Bottom trawl activities in Croatia are of seasonal character, and the total catches and catch composition depend on the season when the catches were made. The highest values are realized in autumn. During the winter the catches fall due to bad weather conditions and a small number of fishing days. Increases in catches during the spring are the result of the increased catches of hake, musky octopus and Norway lobster.

Croatian fishing seas make up some 61% of the surface of GSA 17, but it needs to be pointed out that the Croatian fleet exploits the resources mostly in the inner fishing seas and territorial seas (which both make up 34% of the surface area of GSA 17).

Out of the total number of bottom trawlers in GSA 17, Croatian vessels make up some 40%, while Croatian bottom trawl fleet makes up some 31% of the total kW in GSA 17 and some 27% of total GT. Croatian bottom trawl catches make up only 14% of the total bottom trawl catches in GSA 17. Having the aforementioned in mind, it is obvious that there is a disproportion in fishing effort, exploitation rate and catches in GSA 17, which results in a different state of resources. However, since most stocks are biologically single populations prone to migrations, over-exploitation in one area is soon reflected in other areas.

According to the available data (project DemMon), the largest part of the bottom trawl catches is composed of bony fishes (72%), followed by cephalopods (13%), crustaceans (8%), cartilaginous fishes (6%) and shellfish (1%), while in 2011 the majority of the catches were composed of mullet (24%), hake (15%) and musky octopus (9%).

As classical stock assessments were not conducted for demersal resources in GSA 17, the assessment of the status of resources in Croatian fishing sea may be undertaken based on the trends of the biomass index calculated on the basis of the MEDITS expedition. MEDITS is the single longest data series on the status of the resources in the Adriatic, whereby the data have been collected using a unified method, which is why it is considered to present a realistic picture of the status of the resources. Keeping in mind that almost all commercially important stocks of bottom trawl fisheries in the Adriatic are biologically shared (single populations) exploited by fleets of different countries, the overall assessment of the status of the stocks may only be achieved if the whole area is considered.

When describing the status of the stocks, the biomass index is used – namely, the biomass of the species of assemblages per unit area (kg/km^2), and the percentage of distribution of biomass of some species in Croatian fishing seas and the rest of the Adriatic.

Biomass index of species caught during the MEDITS indicates prominent fluctuations during the research period, noting two periods of prominent negative trends – the first one by the end of the 1990s and the second during the last years. The prominent decline of biomass index over the last years is noticeable in Croatian territorial seas as well as in the other parts of the GSA 17. The mid-value of the biomass index in Croatian territorial seas was $625 \text{ kg}/\text{km}^2$, and in the other areas of the Adriatic $386 \text{ kg}/\text{km}^2$, indicating that the relation was 1.62 : 1. During the research period, 50% of the biomass was noted in Croatian territorial waters, whereby this figure varied between 40 and 60% over the years.

An even better picture of the status of demersal resources may be obtained if the MEDITS target species biomass index is observed – the biomass index of commercially important species. As in the previous case, inter-annual variations in biomass index may be observed, with a pronounced negative trend in the last years. The mid-values of biomass index in Croatian territorial seas was $435 \text{ kg}/\text{km}^2$, and in the rest of the Adriatic $169 \text{ kg}/\text{km}^2$, showing the relation to be 2,57:1. During the research, majority of the biomass of the target species was observed in the Croatian territorial seas (on the average 60% of total biomass in GSA 17 as a whole).

As an indicator of the status of demersal stocks the so-called BOI species are most often used – the species which live at the bottom or next to it. The density of population of such species is significantly higher in Croatian territorial seas than in the rest of the Adriatic, and the mid-value was $88 \text{ kg}/\text{km}^2$ in

Croatian territorial seas as compared to 21 kg/km² in the rest of the Adriatic. The relation was 4.13:1, and almost 70% of the total BOI species biomass was noted in Croatian territorial seas.

In addition to the distribution of demersal species, joint researches in GSA 17 indicate possible critical areas for certain species in the Adriatic seas. One of such areas is the open middle Adriatic – the wider area of Jabuka Pit, which is a nursery and a spawning area for a high number of commercially important species (hake, monkfish, musky octopus, Norway lobster etc.). The major part of this area is located beyond territorial waters in Adriatic (PEFZ of Croatia and epicontinental zone of Italy), which is why the measures to protect the resources in this area require significant coordination of activities of different flags exploiting these resources.

Stock assessments were made for some important species in bottom trawl (demersal in general) fisheries.

The assessment of mullet shows that the SSB has been stable over the last four years and is at the level of 6,000 tons. The analysis shows that the recruitment was stable in the same period, and the highest values were noted in 2011. It can be considered that the stock is sustainable, but with certain caveats. It is important to note that the exploitation rates differ in Croatia and Italy, and that Italian fleets exploit mostly juveniles while Croatian fleets target adult specimen. The assessment for hake indicates that the SSB is declining over the last years. The current value of fishing mortality is higher than F0.1 and indicates overfishing. The advice is to lower the fishing effort, but here as in the case of sole it should be noted that the exploitation rates differ between the fleets. Preliminary assessment for Norway lobster was made for the stock in the open middle Adriatic (Jabuka Pit). It shows a strong decline in SSB, a strong decline in recruitment and an increase in fishing mortality. Current value of fishing mortality is far above F0.1 and the population is over-exploited. The advice indicates the necessity for urgent decrease in fishing mortality. The assessment of common pandora shows the increase of SSB. Recruitment over the last years has decreased. Fishing mortality is also decreasing, but the present rate is above F0.1, so the stock is considered exploited and decrease in fishing mortality is advised. However, the stable SSB indicates that the decrease of recruitment may be a result of environmental factors.

Having in mind the decrease of the biomass index for a larger number of demersal species in some years in the whole Adriatic, including in Croatian territorial seas, and well as the overall decrease of catches of commercially important species in Croatian bottom trawl fisheries, the goal of the management plan for this fishery in Croatia is to align the exploitation rate with the state of the resources, and thus create conditions for a long-term sustainability and protection of renewable resources.

The responsibility for the recent status of resources in GSA 17 is on all the flags participating in the fishery, and their responsibility is not of equal level and is proportional to the effort and catches of their fleet over single and shared biological resources.

Resources of small pelagics

Although the catches of purse seine „srdelara“ are made in all Croatian fishing zones, four zones dominate in the catches. The largest proportion of the catches are made in the zone B (outer north Adriatic), where 41% of the Croatian catches of small pelagics using this gear are made. The lowest percentage of catches realised using the purse seines are made in zone H, while almost no catches are made in zone K. The catches of small pelagics make up 84.5% (2008) to 91.6% (2011) of total Croatian catches. Based on data available, it has been noted that the catches of sardine and anchovy (the most important species in the catches) alternate over the years and during the year as well.

Biomass assessment methods for small pelagics in the Adriatic include a direct eco-sounding method, statistical data on catches as well as biological population parameters and inclusion of these in indirect methods such as Virtual Population Analyses (VPA) and Integrated Catch Analyses (ICA). VPA and ICA methods reconstruct the biomass of the exploited stock using data on catches and data on biological parameters (length frequency, age structure, maturity, natural mortality). Biomass

assessment of sardine and anchovy include data of all states participating in the fishery, and the biomass values are obtained on the level of the GSA 17 – the stock exploited by IT, SLO and HR. It is not possible to define the biomass for any of the specific country.

The total biomass of sardine in the Adriatic has shown significant variations over the years. Generally the fluctuations in biomass of small pelagics are expected, since these are short-lived species with high natural mortality and whose recruitment depends on environmental factors. Over the last 10 years, sardine biomass in the Adriatic is increasing although it is still below the one recorded in the 1980s. However, it should be taken into account that the data collection has changed over the years as well. In 2011 the catches on both sides of the Adriatic were high. Current biomass of this stock in the Adriatic is considered intermediate.

Biomass of anchovy has fluctuated over the last 10 years. From 2000 to 2005, the biomass grew significantly, after which time it dropped, but over the last 3 years indicates growth again. Overall, biomass of anchovy grew from 2000 to 2011. The stock is considered sustainable.

In May 2013 GFCM adopted the Multiannual management plan for small pelagics in GSA 17. This plan points out that at present no reference limit values related to MSY have been determined, so the proxy values shall be used. The exploitation rate is foreseen to be maintained at the level of 0.4 annually on relevant age categories, while the SSB is estimated at 109,200 tons for sardine and 250,600 tons for anchovy. These values are foreseen to be maintained. The fishing effort and capacity is limited at the one exerted in 2011, with some other limitations. These measures aim at maintaining the stable status of populations of the species exploited. Given the necessity of securing the maintenance of the agreed SSB values over a longer period, and having in mind the social and the economical dimension of this fishery, measures reducing the fishing effort and capacity in this segment have direct link with the overall aim of this internationally adopted management plan.

3.2.3 Freshwater fisheries

Freshwater fisheries segment includes commercial and sports fishing and it is regulated by provisions of the Freshwater Fisheries Act, as well as by implementing regulations based upon it. Zones, gears and equipment, fishing fees, catch quotas, reporting of catches, as well as protection measures for the conservation of fish stocks are defined for both commercial and sports fishing. Total catches in freshwater fisheries in 2011 (commercial and sports and recreational) amounted to 646 tons.

Commercial freshwater fishing in Croatia takes place on the rivers Danube (within the borders of the Republic of Croatia), and Sava (downstream from Jasenovac within the borders of the Republic of Croatia). Number of fisherman, catch quantities and availability of markets in commercial capture freshwater fishery have decreased more than 10 times in comparison to the pre-war years. The data from 2011 show a total of 33 licences for commercial freshwater fishing; 25 of them are registered for commercial fishing on the Danube and 8 on the Sava river. Total catch in commercial freshwater fishery in 2011 was 51 tons, out of which some 90% was caught in Danube and 10% in Sava.

There are some 38,500 anglers engaged in sports freshwater fishing in Croatia. These are grouped in 130 fishing right holders. Holders of fishing rights have the obligation to manage the resources based on the annual management plans. Managing of this segment of freshwater fisheries is done through sports and recreational fishing associations, and in 2011, the total catch in this segment was 595 tons.

Commercial fishing can contribute to supply and to overall touristic offer through provision of species and products that go beyond the offer of the farming sector. Furthermore, sports fishery can contribute to enrichment of touristic offer. Both aspects can contribute to development of rural areas by providing employment in fishing, processing, tourism and by contributing to the preservation of traditional, cultural, ecological and ethnological values. As different interest groups are concerned, there is a traditional conflict between the commercial and sports fishermen.

3.2.4 Aquaculture

Farming of aquatic organisms in Republic of Croatia comprises marine aquaculture and freshwater aquaculture.

Marine aquaculture

Marine aquaculture includes farming of finfish and shellfish. Finfish farming is dominated by European seabass (*Dicentrarchus labrax*), gilthead seabream (*Sparus aurata*), and Atlantic bluefin tuna (*Thunnus thynnus*). Farming activities are wide-spread along the entire coast, in all Croatian coastal counties, however, the most significant activity takes place in Zadar County. Seabass and seabream farming involves a closed farming cycle, where the first phases take place in a hatchery, and afterwards in the floating cages at sea. Production of these two species reaches some 4,500-5,000 tons annually. Major part of the production is placed on the domestic market and the EU-market (Italy). The fish farmer register maintained by the DoF contains 32 companies that have seabass and seabream farming facilities on a total of 50 locations at sea. Three hatcheries are registered for production of seabass and seabream fry with the annual production between 15,000,000 and 20,000,000 pieces. Production of juveniles is far below the real need of the existing farming capacities which is why a large part of juveniles is imported from France and Italy.

Farming of Atlantic bluefin tuna (*Thunnus thynnus*) is based on capture of wild tunas and their subsequent farming to the market size. Farming takes place in floating cages at sea, in Split-Dalmatia County and dominantly in Zadar County. Annual production of Atlantic bluefin tuna amounts around 3,000 tons and is exported almost entirely to the Japanese market. The fish farmer register maintained by the DoF contains 4 companies having tuna farming facilities on a total of 14 locations.

Shellfish farming comprises farming of Mediterranean mussel (*Mytilus galloprovincialis*) and European flat oyster (*Ostrea edulis*) in floating parks in production areas under monitoring, such as those on the western coast of Istria, Novigrad Sea, Krka river mouth, Bay of Mali Ston and Malo more. The production is based on collection of fry from nature and reaches some 2,000 tons of mussels and 1 million pieces of oysters (i.e. 50t) annually.

Statistical data for 2010 show a decrease of production as compared to 2009, due to the decrease of Atlantic bluefin tuna (hereinafter: BFT) production. As farming of BFT is capture based, decreased production is the result of BFT fishing restrictions. Furthermore, the decrease of total production in 2011 is caused by several other reasons. BFT production continues to decrease, but the most significant decrease is noted for shellfish, partly as the result of the insufficient availability of shellfish fry from the nature, and increased number of predators. Additionally, decreasing production is partially a result of the poor quality of data reported by stakeholders. Namely, in 2011 new data collection system was introduced and DoF organised numerous educational workshops with stakeholders to explain all technical data, but the response was rather poor, resulting in unrealistic production data. Slight decrease in production of finfish other than BFT is also a result of poorer quality of data.

Freshwater aquaculture

Freshwater aquaculture in Croatia includes production of warm-water (cyprinid or carp-like) species and cold-water (salmonid, trout-like) species. Cyprinid aquaculture mainly involves farming of common carp (*Cyprinus carpio*) either in monoculture or in poly-culture with other species, predominantly grass carp (*Ctenopharyngodon idellus*), bighead carp (*Hypophthalmichthys nobilis*), silver carp (*Hypophthalmichthys molitrix*), European (Wels) catfish (*Silurus glanis*), pike perch (*Stizostedion lucioperca*), pike (*Esox lucius*) and tench (*Tinca tinca*). The production is mainly semi-intensive, and a production cycle generally takes three years.

Cold-water species farming mainly involves farming of rainbow trout (*Oncorhynchus mykiss*).

Annual freshwater aquaculture production in 2011 amounted to some 6,300 tonnes, out of which the production of common carp was about 2,900 t, and the production of rainbow trout about 2,500 t.

Decrease of production in 2010 is to be perceived in the context of new statistical data collection framework. Namely, the new data gathering method implies collection of data on quantities of produced fish placed on the market while the previous system (till 2009) implied collection data on production included also 1-year and 2-years old juveniles (without specification on the quantity placed on the market), which is now considered as a production category for further on-growing, and not as a final product.

In 2012 DoF farmer register contained 49 freshwater farmers with 55 farming facilities licensed for freshwater fish farming (28 cyprinid, and 27 salmonid). Total production area of warm-water ponds in 2011 amounted to 9,721 ha, and race ways to 61,361 m²³.

General assessment

Marine aquaculture in Croatia is still far below its natural potential. Recognising marine aquaculture as highly promising activity for the overall development of Croatian economy, significant effort has been undertaken in order to complete an overall legal framework that should organise and encourage further development of this activity. The licencing procedure has been simplified, potential sites have been evaluated and included in physical planning. All sites for marine aquaculture have to be defined based on the criteria prescribed by specific bylaw (at the present by Ordinance on the criteria of maritime domain suitability for marine aquaculture, OG 59/12). This bylaw is defining different criteria for different species, including water temperature, salinity, depth, bottom configuration, wave activity, etc. Based on the specific legislation related to the protection of nature and environment all farms are obliged to undergo an environmental impact assessment (EIA procedure, depending on the specific site conditions, species farmed and planned production quantity. Farms with production over the capacity limits specified by legislation are obliged to present EIA Study. All such farms must be equipped with appropriate technology aimed at minimising the environmental impact. Majority of farms are obliged to provide continuous monitoring, while all shellfish production areas are under national monitoring and control.

Integrated Coastal Zone Management (hereinafter: ICZM) has been applied for coastal zone planning in areas where marine aquaculture is dominating. As Croatia is primarily a tourist country, competition for space exists between these two activities, but by using integrated planning all potential conflicts could be avoided. The development of tourism is increasing domestic demand for fish beyond what capture fisheries can supply. As aquaculture can offer fresh fish of the same size and quality all year around, this offer is very important for tourist demand. Croatia is planning to establish new farms in the long term and to support future development of existing farms, in terms of increased production, diversification of production, higher sanitary standards, all accompanied by environment friendly technologies in short term. It is difficult to make any forecasts for tuna farming production, as this activity is regulated by fishing restrictions. Some optimistic results have been obtained in the research of tuna spawning in captivity at Croatian farms, but these are very preliminary.

Shellfish farming is still small scale and very traditional. There are no hatcheries, nor big shellfish farms in Croatia. The average production amounts to less than 50 tons per farm annually and further development of this sector is foreseen within the forth-coming period.

In terms of future development, the most promising activity within marine aquaculture is finfish farming (excluding Atlantic bluefin tuna farming, which is capture based), where the largest investments have been made recently. Geographical and climatological conditions are optimal for European seabass and gilthead seabream farming, there is a long tradition in this activity, the level of experience and knowledge is rather high, and there are scientific institutions that are closely following this activity. It is expected that this activity will continue growing.

³ Croatia is going to change data collection system starting with 2013 data

Croatia has sufficient natural resources for freshwater aquaculture, but these resources have not been used in the most economically efficient way. The Homeland war has seriously affected this activity which is mostly situated in rural areas, especially carp production. The consequence was a significant decline in total freshwater fish production over the 16,000 tons that were produced before the war.

In addition, carp farming in open ponds suffers from heavy predation by fish eating birds, some of them protected species. This is due to the fact that fish ponds are mainly situated in lowland swamp areas which represent significant habitats for wading and migratory birds. Birds are attracted by the abundance of food and variety of nesting grounds. Numerous scientific researches prove high abundance of bird species on fish ponds which makes them a significant reservoir of biodiversity and habitats. Single or unified mechanisms of population management for cormorants and protection of fish stocks against their predation are still not established on the EU level. One model implies the financial compensation for difficulties encountered during the production process which is a way to neutralise the negative influence of birds to the economic activity and directly fosters the protection of fish ponds as important habitats and biodiversity reservoirs. To that end national schemes for stabilising freshwater fisheries have introduced a special budget line 'maintenance of fish farm ecosystem' in the State budget, so as to assist fish farmers dealing with predatory birds and also to help protect biological and environmental diversity of fish ponds.

The importance of this sector for food production, but also for maintaining of biological diversity, is shown by the fact that many fish ponds are introduced into the Directive on ecological network. DoF has put additional efforts to support this activity, by suggesting mechanisms for decreasing of high water usage taxes, as well as for simplifying the complicated licensing procedure. Newly adopted legislative framework governing agricultural land and inland waters usage for freshwater aquaculture purposes defines unique procedure for regulating the usage of both land and water for the majority of cyprinid farms, which was previously regulated through different procedures at different administrative bodies.

3.2.5 Processing and marketing

The processing sector includes a relatively small number of processors, especially when it comes to demersal fish species where most of this catch is placed on the market as fresh. Small pelagic fish is the predominant raw material in the traditional processing industry which was once based mainly on canning. Over the past 5 years canning has been decreasing, compensated by an increase in production of salted fish (anchovies) and frozen fish.

As per the National Classification of Activities (NCA) (DA 152), in 2011 there were 76 companies in Croatia, out of which 70 were active. It needs to be emphasized that this data includes neither crafts, nor the companies that have registered some other type of activity as their primary activity – most commonly trade, production or fisheries.

Difficulties in modernisation of production in this segment during the pre-accession period occurred due to the fact that only companies and crafts without an export number (hence not listed on the EU approved establishment list) could apply for pre-accession funds, thus completely preventing the financing of production modernization from these funds.

Trade system in fisheries in Croatia is based on fishing cooperatives and registered first buyers (retailers and wholesalers). First sale can only be made to registered first buyers. In 2012, 1,039 first buyers were registered in the corresponding Register of the MINAGRI – DoF. Development of fishing ports, buy off stations and whole sale markets additionally contributes to better organisation of market in fisheries and provides preconditions for surveillance and control, primarily for fishing segment.

Trade channels and market organization are different for demersal species and pelagics. The largest part of demersal catches (trawler fishing, gillnets fishing, etc.) is exported after the first sale, while the catch of small pelagics represents raw material for canning and salting industry and feed in tuna farming. Due to natural fluctuations in the volume and the composition of the catch, in some months

during the year market gets saturated. The lack of storage facilities, as well as the lack of possibilities of withdrawal, represents significant shortcomings in that respect.

During the last few years, significant changes in trade channels for farmed fish have been recorded, so that more is being sold through big retail chains and less through the fish market. Farmed shellfish are placed on the market exclusively through registered distribution centres.

3.2.6 Trade exchange

The Croatian fishing industry is export oriented, which resulted in a foreign trade surplus for several years now. The export of tuna accounted for more than 60% of total fresh and frozen fish exports in 2011. Trade exchange is characterised by the import of higher fish quantities having lower market value and by the export of high-value products. The most important markets for canned fish are Serbia, Bosnia and Herzegovina, Montenegro, Slovenia and FYROM, and Italy and Spain for salted fish. Farmed finfish is mainly exported to Italy, while virtually all farmed tuna is exported to Japan. With the accession of Croatia to the EU, the trade balance will change since a significant part of external trade will become intra-Union trade.

3.3 Inspection, control and data collection

The Sector for monitoring and control of fisheries of the MINAGRI-DoF is the administrative unit in charge for the inspection and control pursuant to the Marine Fisheries Act and Freshwater Fisheries Act. These activities are being implemented by 26 fishing inspectors and 6 skippers. This number of employees is considered insufficient, and it is planned to hire 11 new inspectors.

In addition to the fisheries inspection, there is a coordination between different bodies pursuant to the Marine Fisheries Act which are authorised for conducting the tasks of inspection and control. The most significant bodies authorised for inspection and control pursuant to the Marine Fisheries Act are ministry in charge for interior affairs, ministry in charge for maritime affairs and the Coast Guard.

The Sector for monitoring and control of fisheries of the DoF drafts an annual and multi-annual plan of fisheries inspections and controls and is responsible for coordination and integration of reports. Additionally, this Sector is also responsible for creation of appropriate plans for inspections and controls over marine fisheries for the fisheries inspection and other bodies authorised pursuant to the relevant act.

With regard to monitoring and control, the Fisheries Monitoring Centre (hereinafter: FMC) was established within DoF and it is in charge of receipt of the data from the satellite-based vessel monitoring system (hereinafter: VMS). The FMC is also responsible for receipt and transmission of all electronic data stemming from different obligations of electronic data recording and reporting.

Sport and recreational fishing for tuna and tuna like species is regulated by the national quota (under the annual quota for Croatia) and recreational and sports fishing permit system. Competitions are organized by Croatian Sports Fishing Association and each participant must have a sports fishing permit. Fisheries inspector is present at each event, while the sampling of tuna (size, weight, etc.) is conducted by the Institute of Oceanography and Fisheries (hereinafter: IOF). All recreational fishing licenses are issued electronically, and all authorized persons acting under the Marine Fisheries Act have access to the database of licenses issued. The frequency of controls at sea (all forms of fishing including recreational) are listed in the annual Plan of fisheries inspection.

Over the past years, data on fisheries are gathered through numerous annual monitoring schemes and data collection programmes. These were conducted by the DoF and the IOF, and were drawn on an annual basis. The implementation of the National plan for collection of data in fisheries started in 2012, while it has been fully harmonised with the provisions of the *acquis* as from 2013. National plan

for collection of data in fisheries shall replace all individual programmes and research listed and described within the chapter Research and surveys 3.3.1.

In accordance with the provisions of the Regulation (EC) No 1921/2006 of the European Parliament and of the Council of 18 December 2006 on the submission of statistical data on landings of fishery products in Member States and repealing Council Regulation (EEC) No 1382/91 (OJ L 403, 30.12.2006.), the Republic of Croatia has established links between responsible authorities (Croatian Bureau of Statistics and the MINAGRI) in order to meet the relevant requirement and secure the delivery of statistical data in a unified manner. Since 2000 Croatia has been implementing the obligation of all license holders to keep and submit the logbooks on fishing activities. According to the provisions of the national regulation, all license holders operating with fishing vessels equal to or longer than 10 m have to keep and submit the logbook. The logbook has to be kept on board during the fishing activities, in order to enable inspection and control at any point in time. Logbook contains the data on catch and landing per species and quantity. Data to be entered are: name or registration of the vessel, CFR, info on license holder, date/hour/port of departure, date/hour and port of return, date/hour and port of landing, gear type and quantity, time spent fishing, areas where fish was caught, data on catch, data on discards, data on landing – landing declaration. In addition to the obligation stipulated in Article 23 of the Council Regulation (EC) No 1967/2006, data on catches over 10 kg has to be entered into the logbook for all species. Species caught in quantities of less than 10 kg are registered as *other catch* in the logbook. Exceptionally, there are 16 species that have to be entered into the logbook regardless of the quantity caught. These are the following: *Spicara sp.*, *Lophius sp.*, *Homarus gammarus*, *Engraulis encrasicolus*, *Palinurus elaphas*, *Zeus faber*, *Arca noae*, *Eledone sp.*, *Merluccius merluccius*, *Sprattus sprattus*, *Maja squinado*, *Sardina pilchardus*, *Mullus barbatus*, *Mullus surmuletus*, *Nephrops norvegicus* and *Scorpaena sp.* Each license holder is obliged to submit the logbook to the MINAGRI no later than 48 hours upon landing. MINAGRI staff (in field offices of the DoF) has to enter all logbook data in the database. Database is kept per license holder and per vessel (linked with the fleet register).

License holders operating a vessel over 10 m are obliged to fill in the landing declaration upon each landing, and to submit the copy to the MINAGRI no later than 48 hours upon landing, and all originals have to be submitted to the MINAGRI by the 15-th of the month after the month in which the catch was landed.

License holders operating a vessel less than 10 m have the obligation to submit a catch report. The data entered in the catch report include name and registration of the vessel, serial number of the license, data on license holder and the vessel, port of operation, date/hour of departure, date/hour of return, gear used, zones where catch was realized, catch data (per species and quantity). The catch report is kept in a form of a book with numbered pages, and each page is produced in 2 copies. The report has to be submitted to MINAGRI each month, and data has to be entered on a daily basis. All species have to be entered regardless of the quantity caught. If the total catch of a vessel is over 300 kg of small pelagics or over 50 kg of demersal species, it has to keep the logbook regardless of the length.

The first sales of catches have to be made at places designated as points of first sales. Exceptionally, first sales may take place in a place that is not a designated point of first sales, but only under the condition that the first buyer is a recognized first buyer and submits the information within 48 hours. A possibility that landing could be realized in a port state that is not the flag state (Croatia) has been foreseen, but this situation has not been registered yet. Licensed and designated points of first sales have the obligation to submit the data on first sales to the MINAGRI within 48 hours. In cases where the first sales take place in a non-designated place, the first buyer has to submit these information to the MINAGRI before placing the goods into further circulation and by no means later than 48 hours upon first sales.

The fishing fleet activity, catch, landing and marketing of the fishery products in Croatia is monitored using a number of mechanisms including the electronic communication. Introduction of electronic

system and links between the data bases on licenses, fleet, catches and landings, first buyers, first sales and VMS system, enabled efficient data cross check.

Considering the geographical characteristics and tradition in Croatia, a rather large number of landing places has been identified. This complicates the physical control of catches/landings/sales data and solution to that problem represents one of the priorities. As to facilitate the on-the-spot control and increase coverage of the inspection activities on site, Croatia has adopted the electronic system for detection of the discrepancies between the data and potential irregularities. On-site inspection is planned and implemented based on risk analysis and potential number of infringements in relation to landed quantities and/or number of vessels operation within a certain port.

Croatia has started the installation of the equipment for implementation of the electronic logbook system (including the landing declarations and transshipment declaration) on vessels over 15 meters. The fleet segment above 15 meters is equipped with VMS equipment.

Croatia has not systematically gathered socio-economic data so far. Gathering of socio-economic data such as employment, gender specific data, income and expenditures, were sporadic and mainly within scope of certain projects and as such cannot be used for systematic analysis. Data to be gathered by the end of 2013 within the framework of the socio-economic component of the National plan for collection of data in fisheries shall be available for systematic socio-economic analysis in 2014.

3.3.1 Research and surveys

The most significant scientific institution for Croatian fisheries is the IOF.

The state of the demersal fishery resources was monitored via the project *DemMon*, the state of the pelagic fishery resources via the project *PeriMon*, state of coastal fishery resources by the project *PRIMO*, and there is also the tuna catches and farming monitoring programme. As of 2012 all the mentioned monitoring programmes became a part of the National Fisheries Data Collection Programme which is harmonised with the EU methodology.

Along with the listed research and monitoring programmes of commercial fisheries resources, there are permanent scientific surveys at sea monitoring the status of renewable marine resources and include *MEDITS* (international bottom trawl survey) and *MEDIAS* (pelagic survey by echo detection). Both surveys are of international character.

DemMon, project for monitoring of demersal resources along the eastern Adriatic coast was established in 2002. It has been initiated for the purpose of describing the status of demersal resources and giving recommendations for establishing the long term sustainable management. Demersal monitoring includes gathering of the fishery, biological and to a certain part socio-economic data related to bottom trawling fishery in Croatia. Sampling is done on commercial fishing vessels in whole of the fishing seas of Croatia. Data gathered were used as a scientific basis for the management measures of the regulation of fishery and protection of renewable fishing resources within the Croatian fishing sea.

PeriMon, project for monitoring of pelagic resources along the eastern coast of the Adriatic Sea – Croatian territorial waters, was initialised in 2008 as a follow up of project *PelMon VPA* which was established in 2006. The main goal of the project was to describe quantitative and qualitative composition of the catches within the commercial pelagic fisheries in Croatia, to describe the basic socio-economic elements of this type of fisheries, describe the population structure of the most important commercial species (sardine and anchovy), which includes composition of populations by length and weight, to describe the selectivity of purse seine net from the aspect of by catch in pelagic catches and to provide the recommendation for future management and protection of renewable pelagic resources in Croatian fishing sea.

MEDIAS, former *PELMON*, has been implemented continuously as of 2002 and includes a survey of the entire Croatian fishing sea, whereas Italy implements a parallel research along the western

Adriatic coast. The basic goal of this programme is gathering important data on pelagic ecosystems with a particular focus on commercially important small pelagic species.

Permanent monitoring programme in coastal areas where fishing with traditional fishing techniques are allowed has been implemented since 2007. The main objective of the research is to gain a thorough insight into the state of the biological resources with the focus on commercially important species along the eastern Adriatic coast. The research is done by way of analysing the commercial catches in particular areas and in cooperation for professional fishermen. During the research, catches mostly made by gillnets are analysed.

MEDITS represents a systematic and permanent survey of demersal resources at the Mediterranean and Adriatic Sea. The project is of international character. It was initialised in 1993 and Croatia joined the project team in 1996. *MEDITS* among other things provides for mapping the distribution of species, estimation of biomass, locating nurseries and growth areas, which all results with the assessment of the status of demersal resources of the most important commercial species in the Mediterranean and Adriatic Sea and for development of the national and international management plans for demersal resources.

All the above mentioned researches are included within the National programme for collection of data in fisheries as from 2013.

Apart from these, it is important to mention other international surveys such as the *UWTV Survey* and *Deep Sea Survey*. The *UWTV Survey* represents the research of the open middle Adriatic by using underwater cameras with the final goal of describing the Norwegian lobster population. Participants of this project are the IOF and Consiglio Nazionale delle Ricerche (National research Committee) from Ancona. Furthermore, these two Institutes participate in the *SOLEMON* expedition, which aims at gathering sufficient data on status of sole species in the Adriatic Sea. In addition, the FAO *AdriaMed* project (*Scientific collaboration to support responsible fisheries in the Adriatic*) has been implemented as of 1999 and implies collaboration of scientists of all Adriatic countries. Within the framework of this project numerous research programmes are being implemented with unifying methodologies, training on new methods applied in fishery sciences joint data analysis, etc.

The international survey titled *Deep Sea Survey*, represents the research of the deepest parts of the Adriatic Sea (deeper than 1,000 m), and it is implemented with an aim of describing the deep sea populations and research of the possibility for their eventual exploitation. During the implementation of the research, bottom trawl nets and pelagic trawl nets are used as well as longlines and traps. All relevant scientific institutes of the Adriatic countries take place in this research all under the umbrella of the *FAO AdriaMed* project.

Additional scientific research programmes are implemented with the purpose of proposing management measures in mariculture.

3.4 Lessons Learnt

3.4.1 National support schemes to fisheries sector

Various support models were implemented in Croatia over the past decade. The budget for fisheries was stable at an average of EUR 13,500,000.00 (HRK 100,000,000.00) per year. It included various schemes for stakeholders, market mechanisms as well as budget for resource research, survey and monitoring programmes, strengthening of data collection system and strengthening of inspection and control services.

Among support schemes for stakeholders, the most significant are structural support schemes similar to EFF measures and some state aid schemes. As for the state aid schemes, the most important are the aid to establishing and functioning of fisheries cooperatives (HRK 5,341,592.63 or EUR 733,735.25

paid in 2012) and the aid aimed at maintenance of the fish pond eco systems (HRK 9,841,027.01 or EUR 1,351,789.42 paid in 2012).

A legal basis for the national structural support schemes was the Act on structural support and organisation of market in fisheries (OG No 153/09, 127/10 and 50/12) adopted in 2009⁴. Based on this act, MINAGRI – DoF has for the first time introduced the structural support measures in 2010 by way of set of measure-specific Ordinances. The main idea behind this was to promote the structural support as a new model of support in Croatian fisheries, both at stakeholder and administrative level. To this end, the DoF took the managing role and was responsible for definition of measures and related eligibility and selection criteria, while the Paying Agency for Agriculture, Fisheries and Rural Development (hereinafter: PAAFRD) took the role of a technical body responsible for the technical elements of implementation for each of the measures. The engagement of the PAAFRD in implementation of the structural support scheme included thus set of steps starting from the publishing of public call for proposals to the final payments to beneficiaries. Having such an institutional set up, DoF and PAAFRD have in close cooperation developed procedures which resulted in gaining relevant knowledge and experience which represents one of the most valuable assets for the future implementation of the OP fisheries.

Another important lesson from the 2010-2012 national structural support implementation period is related to stakeholders. Croatia considers that the primary goal – familiarising the sector stakeholders to measures and implementation mechanisms – was successfully achieved and this can be confirmed by the number of applicants, beneficiaries and money spent shown by the figures in Table 2. The same table presents the “evolution” of structural support measures over the period of three years. These figures and the related analysis demonstrate several key issues:

General conclusions

- There is an evidence of economic crisis and limited investment potential of beneficiaries, particularly small scale investors, in 2012 compared to previous years. This fact is particularly visible in the decrease of total amount paid to beneficiaries as well as the decrease of the average value of projects in almost all measures (except the measure related to development of mariculture);
- A relatively high share of applications meet the measure-specific requirements which demonstrates good level of preparation of projects. This share is higher in measure “Investments on board of fishing vessels in marine fisheries” (80% on the average) and slightly lower in aquaculture and mariculture related measure(s) (70% on the average).
- Due to limitations of the national budget, maximum support amounts per project were fixed. Analysis shows that this represented rather restrictive and non-stimulating factor for potential beneficiaries particularly since the investments first had to be realised and support was paid upon the finalisation of investment. It is also evident that the absorption capacity, particularly in mariculture and aquaculture, was significantly higher than the aid intensity and co-financing rate which can be demonstrated by the fact that there were certain projects several times larger (for example – HRK 6,500,000.00 or approximately EUR 900,000.00) than the maximum support available (HRK 1,400,000.00 or EUR 200,000.00);

Measure specific conclusions

Investments on board of fishing vessels in marine fisheries

- The increase in the number of beneficiaries over the three years period shows the interest by fishermen in these measures;

⁴ Act on structural support and organisation of market in fisheries (OG No 153, 127/10 and 50/12) has been ceased and replaced by the Act on marine fisheries (OG No 81/13)

- Total number of beneficiaries (<300) accounts for over 50% of total catches in Croatia, but represent just between 10 and 15% of licence holders. This fact proves that the beneficiaries of the measure were those fishermen who fully depend on the fisheries activities which was precisely the targeted population;
- The average amount of the support paid per beneficiary within the measure was rather low but stable. It amounted to HRK 29,750.58 (EUR 4,083.17) in 2010, and afterwards increased to HRK 34,328.43 (EUR 4,617.63) in 2011 and then decreased to HRK 30,683.18 (EUR 4,081.65) in 2012.

Investments on board of fishing vessels in freshwater fisheries

- There has been a very low interest by potential beneficiaries for this measure. This fact, together with the very small number of potential beneficiaries (33) meant that support for this measure was discontinued in the structural measures package for 2012.

Investments in development of mariculture and freshwater aquaculture

- There has been a decrease in the total number of beneficiaries from measure(s) related to freshwater and marine aquaculture, which can be explained by economic crisis which reduced the investment potential of small farms in particular;
- The average amount of support paid per beneficiary in 2010 was HRK 176,668.00 (EUR 24,246.83), increased to HRK 405,449.24 (EUR 54,538.35) in 2011. In 2012 measures targeting at development of mariculture and freshwater aquaculture were separately implemented and the average amount of support paid per beneficiary, in comparison to total amount of support paid for both of the subject measures, was HRK 305,441.14 (EUR 40,631.55).

Investments in fish processing industry

- A decrease in the number of beneficiaries can be noted. In addition, overall support is quite low which can be explained by the fact that similar measure is implemented through the IPARD measure 103 (see later in the text). The national measure was envisaged to supplement IPARD and to provide support to those beneficiaries which are not eligible under IPARD;
- Also, when compared to IPARD, national support for processing is significantly smaller than under IPARD, which indicates that it was probably less attractive to potential beneficiaries (maximum support amount within the national support measures was HRK 500,000.00 – EUR 68,681.32 while the IPARD allows for maximum support amounting to HRK 10,095,000.00 – EUR 1,500,000.00).

Table 2. Implementation of the national structural support measures during the period 2010-2012

STRUCTURAL MEASURE	APPLICATION FOR SUPPORT			TOTAL AMOUNT OF SUPPORT PAID (HRK)	TOTAL AMOUNT OF SUPPORT PAID (EUR)**
	APPLIED	APPROVED	PAID		
2010					
Implementation of regional observer programme on tuna farms and tuna fishing vessels	11	11	11	1,347,551.85	184,945.01
Investments on board of fishing vessels in marine fisheries	225	192	177	5,265,906.14	722,720.27
Development of aquaculture	26	19	18	3,180,023.94	436,442.98
Investments on board of fishing vessels in freshwater fisheries	1	0	0	0.00	0.00
TOTAL	263	222	206	9,793,481.93	1,344,108.26
2011					
Investments on board of fishing vessels in marine fisheries	286	252	239	8,204,494.76	1,103,614.42
Development of aquaculture	25	16	16	6,487,187.78	872,613.64
Development of fish processing industry	15	13	13	2,367,732.52	318,491.73
Investments on board of fishing vessels in freshwater fisheries	1	1	1	46,762.36	6,290.16
TOTAL	327	282	269	17,106,177.42	2,301,009.95
2012 (21 August 2013)					
Investments on board of fishing vessels in marine fisheries	299	258	246	7,548,063.56	1,004,087.02
Development of freshwater aquaculture	6	3+1	3+1*	1,789,791.64 + 135,823.44*= 1,925,615.08	238,088.42 +18,068.02= 256,156.44
Development of mariculture	12	9+1	9+1*	2,242,460.77 + 108,100.10*=2,350,560.87	298,305.09 +14,380.10= 312,685.19
Development of fish processing industry	10	10	10	1,571,386.92	209,034.97
TOTAL	327	280+2*	268+2*	13,151,702.89 + 243,923.54*= 13,395,626.43	1,749,515.50 +32,448.12=1,781,963.62

* provisionally approved but not paid yet

** according to annual averages of the central currency rates of the Croatian National Bank

3.4.2 Pre-accession programmes

Pre-accession support to sector stakeholders

Unlike most of the other sectors in Croatia, fisheries sector did not benefit from a sector specific pre-accession programme which would represent a pre-accession exercise in structural approach. Instead, IPARD, as a pre-accession programme for rural development for the period 2007-2013, included some measures which were targeting fisheries stakeholders as well. Namely, this refers to measure 103 “Investments in processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards” and measure 302 “Diversification and development of rural economic activities”.

Up to April 2013, a total of 8 public calls for proposals for measure 103 “Investments in processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards” were issued. A total of 51 projects were selected, whereof 13 within the fisheries sector (25.5% of beneficiaries). Total value of investments on fisheries’ projects was HRK 152.696.892,68, including public support of HRK 76.348.446,34 making thus 29.4% of total support approved as from the beginning of implementation of this measure (total support approved: HRK 259.854.944,87). At the time of writing of this document there was no beneficiary utilising the support within the measure 302 which could be recognised as the fisheries sector stakeholder, or where the project would cover the fisheries specific activities.

Regarding the amounts of support actually paid, till April 2013, a total of HRK 88.813.201,77 was paid to beneficiaries whereof HRK 40.878.427,48 or 46% to beneficiaries from the fisheries sector.

The above data prove the level of interest as well as the absorption capacity of the fish processing industry, even under the very demanding and strict IPARD implementation rules. It is important to stress also the fact that the measure 103 is available also to other agricultural and food sectors such as: dairy, meat processing, fruit and vegetables processing, wine production and olive oil production – which, including fisheries, totals 6 sectors.

Croatia considers that IPARD played an important but a rather limited role in preparation for the structural support upon accession. The experience gained during this pre-accession period shall withhold its value over the long term period.

Table 3. Implementation of IPARD programme in sector of fisheries (state on 4 April 2013)

Number of contracted projects	Total amount of investments (HRK)	Total amount of support approved (HRK)	EU share (HRK)
Measure 103			
51	519,712,786.56	259,854,944.87	194,891,208.60
Fisheries sector (within the Measure 103)			
13	152,696,892.68	76,348,446.34	57,261,334.75

Institutional strengthening

As of 2001 Croatia has been building its institutional system through EU pre-accession programmes – CARDS programme over the period 2001-2004, replaced by its successors PHARE, ISPA and SAPARD from 2005-2006 and finally a single “Instrument for pre-accession assistance” (IPA) as from 2007. Over the observed period, the Croatian fisheries administration benefitted from a number of pre-accession projects (list of projects given in Appendix 4) which contributed to significant strengthening of its administrative capacity. The benefits of participation in these projects go far beyond their financial value. Apart from the obvious institutional strengthening of the administration in charge for fisheries sector which was clearly noted upon finalisation of each project, the Croatian fisheries administration gained invaluable experience in programming, drafting of technical documentation and implementing various types of contracts for procurement of services (Twinning and Technical Assistance projects), goods (Supply contracts) and works (Works contracts). This has made the fisheries administration one of the most successful sector-specific administrations within the agro complex – not only by the percentage of approved projects, but by their number and value. Moreover, pre-accession projects programmed and implemented by the fisheries administration represented a first encounter with the “structural” approach. By way of participation in the pre-accession projects, the fisheries administration gained insight into the main elements of the functioning of structural instruments as well as the practical experience, thorough knowledge and skills in project cycle management which most certainly represent some of the most important assets for the post-accession period and the actual implementation of structural policy in fisheries.

3.5 Administrative framework

A new organizational scheme of MINAGRI-DoF has been established in June 2013, with the aim to increase efficiency and functionality. DoF now consists of two (2) Sectors and two (2) Independent Services (Appendix 3 Figure 3-2.) whose scope of work covers all segments of the Common Fisheries Policy, and these are:

- Service for management of EU Funds;
- Service for legal affairs
- Sector for management, planning and development of fisheries
- Sector for monitoring and control of fisheries.

All employees of the DoF are employed on the basis of specific work contract issued for every individual working post, while the job description and duties for each position are defined by the Regulation on internal rules of the MINAGRI.

DoF has its headquarters in Zagreb and Field offices in each of the seven (7) coastal counties (Pula, Rijeka, Senj, Zadar, Šibenik, Split and Dubrovnik). In addition, fishery inspection has six (6) offices in the counties in the continental part of Croatia (Vukovar, Vinkovci, Osijek, Slavonski Brod, Čakovec and Koprivnica). DoF managed by Assistant Minister.

3.5.1 Service for management of EU Funds

Main duties of the Service for management of EU Funds are:

- developing strategic, programming and technical framework for the implementation of EU funds in fisheries;
- cooperating in creation of a Common strategic framework for the utilisation of EU funds within its scope of competence;
- coordination and development of a management and control system for implementation of the OP fisheries;
- implementing the functions of the Managing Authority (hereinafter: MA).

Given that the Service performs the functions of the MA for the OP fisheries, it undertakes all functions as per its definition. However, given that the possibility to delegate certain tasks to the Intermediate body (hereinafter: IB) exists, some of them shall be delegated to the PAAFRD acting as IB of the MA which is further elaborated in the relevant chapters of this document.

Table 4. *Service for management of EU funds – administrative capacities*

Unit	Foreseen number of employees	Current number of employees
Service for management of EU Funds	5	4+1''
TOTAL	5	4+1''

'' Employees employed for limited period of time

3.5.2 Service for legal affairs

The main duties of the Service for legal affairs are:

- following and coordinating the harmonisation of the Croatian legislation in the field of fishery with the EU *acquis*;
- providing technical legal assistance to other services in the DoF in administrative proceedings, and if necessary, implementing the administrative criminal and infringement procedures, and participating in the preparation of procedures' related laws and legislation in the field of fishery;
- ensuring compliance with the requirements of the courts and the prosecutor's office, preparing responses to the claims in administrative disputes;

Table 5. *Service for legal affairs – administrative capacities*

Unit	Foreseen number of employees	Current number of employees
Service for legal affairs	5	4
TOTAL	5	4

3.5.3 Sector for management, planning and development of fisheries

The main duties of the Sector for management, planning and development of fisheries are:

- carrying out activities in the field of marine and fresh water resources, aquaculture, fleet management, market organization and state aid;
- proposing appropriate measures to ensure the sustainable management of resources in accordance with the principles of the CFP, and coordinating the development and implementation of Management plans;
- establishing and implementing market organization measures in accordance with the provisions of the EU market policy;
- proposing, coordinating and implementing activities related to the implementation of state aid in fisheries
- keeping registers and ensuring their continuous improvement and upgrading in accordance with the relevant part of EU *acquis*;
- participating in the development and implementation of strategic and programming documents for the implementation of EU funds within its scope of competence.

The Sector consists of three (3) services:

- Service for aquaculture;

- Service for management of capture fisheries;
- Service for cooperation, state aid and market organization in fisheries.

Service for aquaculture is responsible for aquaculture (freshwater and marine). Within this Service all activities related to aquaculture are carried out, such as the license issuing as well as collecting, monitoring and analysis of data related to aquaculture. To that end, Service is also responsible for the coordination of development and implementation of Multi-annual national strategic plan for aquaculture in collaboration with all the relevant stakeholders.

Within that Service two (2) units are established:

- Unit for freshwater aquaculture;
- Unit for mariculture.

Service for management of capture fisheries is responsible for the management of marine and freshwater resources, including commercial and non-commercial fisheries. The Service is responsible for the maintenance of the Fishing fleet register and implements measures related to fleet management. Also, the Service is responsible for collecting and analysing data on the overall statistics and economics of the entire fisheries sector.

Within that Service three (3) units are established:

- Unit for marine capture fisheries;
- Unit for freshwater capture fisheries;
- Unit for Fishing fleet register, statistics and economics in fisheries.

Service for cooperation, state aid and market organization in fisheries is responsible for the international and institutional cooperation, implementation of state aid and measures of market policy in fisheries. It is responsible for proposing measures for the implementation of the common market standards in fisheries and the collection and analysis of prices. Important element of work of the Service relates to the activities regarding associations in fisheries, especially the associations such as fisheries cooperatives and producer organizations. Also, the Service is responsible for the establishment and enforcement of state aid in fisheries.

Within that Service two (2) units are established:

- Unit for international, institutional and economic cooperation;
- Unit for state aid and organization of market in fisheries.

Table 6. *Sector for management, planning and development of fisheries – administrative capacities*

Unit	Foreseen number of employees	Current number of employees
Sector for management, planning and development of fisheries	1	1
<i>Service for aquaculture</i>	1	1
Unit for freshwater aquaculture	5	1
Unit for mariculture	5	2
<i>Service for management of capture fisheries</i>	1	1
Unit for marine capture fisheries	15	15
Unit for freshwater capture fisheries	3	2+1"
Unit for Fishing fleet register, statistics and economics in fisheries	7	6+1"
<i>Service for cooperation, state aid and market organization in fisheries</i>	1	1
Unit for international, institutional and economic cooperation	6	3+1"
Unit for state aid and organization of market in fisheries	6	4
TOTAL	51	37+3"

" Employees employed for defined period of time

3.5.4 Sector for monitoring and control of fisheries

The main duties of the Sector for monitoring and control of fisheries are:

- organising and implementing inspection and control activities in accordance with the relevant acts and subordinate legislation;
- drafting the annual reports on the inspection activities (including compiling reports of other authorised services for performing inspection activities in fisheries sector);
- developing the inspection related operating procedures;
- developing an inspection and control plan as well as a plan of necessary means for implementation of the inspection activities;
- organizing and implementing occupational trainings for the inspectors from other institutions authorised for inspection activities in fisheries;
- managing the Fisheries monitoring centre – managing and maintaining the satellite vessels monitoring system; collecting, storing, updating and processing of all the data on fishing vessels; communicating and exchanging data with other monitoring centres and the European Commission;
- development and coordination of the National Fisheries Data Collection Programme.

The sector is comprised of two (2) services:

- Service for fisheries inspection;
- Service for monitoring and geo information system in fisheries.

Service for fisheries inspection undertakes the inspection activities over the implementation of the acts and subordinate legislation regulating fisheries and participates in the work of the Coordination body for the control at sea. It develops standard operating procedures for implementation of inspection

activities and it also drafts plans of inspection activities. In line with the *acquis* it develops the plan of the necessary means for implementation of inspection and control activities.

Within this service four (4) units are established:

- Unit Zagreb;
- Unit Pula;
- Unit Zadar;
- Unit Split.

Service for monitoring and geo information system in fishery is responsible for geo information system in fishery and functional FMC. FMC is responsible for the management and coordination of satellite vessel monitoring system, communication with other fisheries monitoring centres and the maintenance and improvement of the GIS. Also, this Service is responsible for implementation of the National data collection programme.

Within this Service two (2) units are established:

- Unit for monitoring centre;
- Unit for geo information system in fisheries and information.

Table 7. *Sector for monitoring and control of fisheries – administrative capacities*

Unit	Foreseen number of employees	Current number of employees
Sector for monitoring and control of fisheries	1	1
<i>Service for fisheries inspection</i>	1	1
Unit Zagreb;	11	8
Unit Pula	11	4+2 [“]
Unit Zadar	8	4+2 [“]
Unit Split	12	7+3 [“]
<i>Service for monitoring and geo information system in fisheries</i>	1	1
Unit for monitoring centre	5	1+1 [”]
Unit for geo information system in fisheries and information	5	1+1 [”]
TOTAL	55	28+9[”]

[“] Employees employed for defined period of time

3.6 Education and training

There is a general training programme for sea-farers under the competence of the ministry in charge of maritime affairs. In addition to the basic requirements for gaining the certificate of the ability to work on board a fishing vessel, the legal framework asks for additional requirement which relate to basic capabilities in fisheries (certification gained upon the exam organised and held by the DoF – Field offices). The legal framework defines which crew members, must also fulfil requirements and provisions from the scope of fisheries legislation.

Technical, undergraduate and postgraduate training courses provided in Croatia include:

- Nautical High School in Split: vocational technical training in fisheries
- University of Split within which Maritime faculty and University department for marine studies are established. Within the Maritime faculty there are undergraduate and graduate studies of maritime nautics, ship engineering, maritime electro technical and information technology and Technology related to marinas and yachts and maritime management. Apart from the mentioned, within the graduate studies there is one additional study – study on maritime systems and processes. Within the University department for marine studies there are also undergraduate and graduate studies for marine biology and ecology and study of marine fisheries, as well as the interuniversity postgraduate study – applied marine sciences.
- University of Zagreb: MA in Fisheries and Management, University Specialist in Fisheries and PhD in Agricultural Sciences
- University of Dubrovnik: PhD studies in Applied Marine Sciences

3.7 Equality between women and men

The Croatian Constitution (Article 3, 14 and 17) and other national legislation guarantee gender equality. The fisheries sector seems to be very much a traditional male activity, but women are mostly present in the processing industry and in marketing. Women are also engaged in administrative, research and education institutions.

The Union Strategy for the equality of genders has five objectives: economic equality; equal participation at the decision process; social equality; civil equality; change of the traditional roles and overcoming gender stereotypes.

The OP fisheries will seek to promote gender equality and equal opportunities between men and women according to the Union Strategy for the equality of chances between men and women and in line with the basic objectives of structural policy in fisheries (Article 4 of the EFF Regulation).

3.8 SWOT analysis

The SWOT analysis is based on the evaluation of different factors of Croatian fisheries which present either constraints (internal – weaknesses and external – threat) or factors favourable for the sector (internal – strength and external – opportunities).

The SWOT analysis for the OP took advantages of the one carried out for the NSP, but taking into account only the factors important for the selected measures.

Marine fisheries

Strengths	Weaknesses
<ul style="list-style-type: none"> • Great biodiversity of commercially important species (multispecies fishery) and of fisheries techniques (multigear fishery) • Existence of resources monitoring system (scientific monitoring and capture fisheries related data gathering system) • Information system in fisheries and fleet monitoring established and operational • Existing fisheries cooperatives as a good platform for Pos • Tradition in fisheries and linkage with other sectors (e.g. tourism, ship building, etc.) • Favourable environmental conditions, quality of sea and diversity of marine habitats which all affect quality of fishery products 	<ul style="list-style-type: none"> • Total fishing capacity in GSA 17 (exercised by all participants) exceeding the available resources in demersal fishing due to negative impact of the exploitation of resources in the spawning and nursery areas for some commercially important species • Absence of a common management plan for Adriatic, particularly, the GSA 17 (eg. Jabuka pit joint management plan) • Level of exploitation of small pelagic resources is on the limit of sustainability and fishing mortality should be controlled in order to ensure the long term sustainability • Low level of profitability due to unfavourable composition of catches in purse seine fisheries leads to increase of fishing pressure • Aged and insufficiently equipped fleet, particularly in terms of safety on board, working conditions, hygiene, product quality and energy efficiency • Limited fishing infrastructure and inadequate port facilities and insufficient national funds for its restructuring
Opportunities	Threats
<ul style="list-style-type: none"> • Adjustment of fishing capacity with available resources using EFF funds • Developing marketing, both in Croatia and outside • Utilisation of EU funds for development of infrastructure (in fishing ports and landing sites) • Development of activities through Pos, fisheries local action groups, and networks • Further strengthening of cooperation within the sector (enabling cooperatives to provide consistent technical and administrative support to their members in terms of facilitating participation in implementation of CFP and related structural policy) 	<ul style="list-style-type: none"> • Decrease of fish resources in the Adriatic Sea (Croatian catches from trawling fishery represent only 14% of the total catches in GSA 17) • Competition from other activities and use of the coastal zone (nautical tourism, sports and small ports) • Increase of running cost (fuel in particular) in combination with low first sale price of fishery products • Competition of other countries' fishing fleet

Aquaculture

Strengths	Weaknesses
<ul style="list-style-type: none"> • Extremely favourable environmental conditions and quality of water • Tradition in fish farming and in cooperation with industry and science • Production of food of high nutritional value • All fish farms meet the environmental and nature protection standards • Information system in fisheries and aquaculture established • Freshwater fish farms represent significant habitats and contribute to preservation of biodiversity • Possibility of permanent supply of market with steady quantity and quality of products • Contribution to the development of island communities and rural areas providing main or alternative source of income and contributing to decrease of depopulation trends noted on Croatian islands • Contribution to environment protection and biodiversity conservation (especially with freshwater farming) 	<ul style="list-style-type: none"> • Insufficient capacity of existing hatcheries • Outdated technology in freshwater fish farming • Equipment, fry and fish feed import • Poor diversification of species and products • Poorly developed coastal infrastructure • Unspecified minimum standards for products quality • Insufficient organization within the sector • Lack of long term development strategy • Lack of marketing strategy • Lack of cooperation with consumers • High fixed costs for freshwater aquaculture • Lack of private investments and available resources • Insufficiently explored domestic market • Uneven quality and insufficient quantity of water available in certain periods of production cycle in freshwater aquaculture
Opportunities	Threats
<ul style="list-style-type: none"> • Sufficient space for further development applying Integrated Coastal Zone Management • Availability of EU funds • Possibilities of professional staff education • Production of new species and development of new products and technologies, and linkages with processing sector • Development of organic and eco-fish farming • Possibility to increase production of shellfish farming which is currently far below its natural potential • New markets (including development of the domestic market) • Low per capita consumption • Applying quality management techniques • Promotion of high nutritional value of fish and shellfish • Increase of production by introduction of small fish ponds into the system resulting in development of rural area through additional activities and traceability up to the final product 	<ul style="list-style-type: none"> • Competitive conflicts in relation of space (especially with coastal tourism) • Increasing cost of production which includes increasing costs of equipment, inputs (fish feed, etc.) and fuel • Damage done by predator species • Tuna catch restrictions which results in decrease of tuna farming activities, causing negative socio economic effects • Lack of institutions for business development and insufficient funding • Increased production costs due to the increasingly strict environmental, hygiene and safety requirements • Transmission and outbreak of diseases • Low selling price

4 STRATEGY AT OPERATIONAL PROGRAMME LEVEL

The strategy proposed for the OP of Croatia has been developed on the basis of two elements:

- The objectives of the National Strategic Plan
- The objectives laid down in Article 4 of the EFF Regulation

The ex-ante evaluation presented in Chapter 5 assessed the coherence between the objectives established at the level of OP with the NSP and the EFF Regulation.

4.1 Strategy chosen to meet strengths and weaknesses including overall objective of the OP fisheries using impact indicators

As laid down in the NSP the strategic vision of the development of the sector is based on the principle of sustainability. Therefore, the overall objective of the OP is to contribute to achieving of a competitive, modern and dynamic fisheries and aquaculture sector through a sustainable exploitation of resources.

The following impact indicators could measure the achievement of this strategic vision:

- Decrease of fishing capacity
- Increase of production capacity in aquaculture

Due to the short duration of the present programming period and the limitation of funds from EFF, it is expected that the impacts are going to be rather limited. Moreover, due to the limited scope and time of implementation of the OP it is not possible to use more appropriate impact indicator which would indicate the status of the stocks, or those including socio-economic data which are currently lacking (due to the earlier explained reasons). However, the proposed impact indicators and their baseline and target values are as follows:

Decrease of fishing capacity

Quantification of the indicator:

<i>Decrease of tonnage and power of purse seine and trawl fleet</i>	
Reference value (date)	Target value (date)
181,808.99 kW (1 September 2013)	172,718.54 kW (31 December 2015)
36,394.82 GT (1 September 2013)	34,575.08 GT (31 December 2015)

Increase of production capacity in aquaculture

Quantification of the indicator:

<i>Increase of production of fish and shellfish</i>	
Reference value (date)	Target value (date)
Freshwater fish production 6,283 t (31 December 2011)	Freshwater fish production 6,597.15 t (31 December 2015)
Marine fish production (excluding Atlantic bluefin tuna) 4,494 t (31 December 2011)	Marine fish production (excluding Atlantic bluefin tuna) 4,718 t (31 December 2015)
Shellfish production 438 t (31 December 2011)	Shellfish production 460 t (31 December 2015)
<i>Increase of production of juveniles in marine fish farming</i>	
Reference value (date)	Target value (date)
Marine fish juveniles production 14,824,990 pcs (31 December 2011)	Marine fish juveniles production 15,566,240 pcs (31 December 2015)

4.2 Strategy chosen to meet strengths and weaknesses including specific objective which the OP fisheries priority axes aim to achieve, using result indicators

Given the short duration of the OP, it is envisaged that in this period, Croatia will use the funds from the EFF alongside the national co-funding for achieving of the following objectives:

SPECIFIC OBJECTIVE

- **To adjust and adapt the Croatian fleet in order to contribute to achievement of a sustainable balance between fishing capacity and available resources.**

RESULT INDICATORS TO MONITOR THE ACHIEVEMENT OF SECIFIC OBJECTIVES

INDICATOR	BASELINE VALUE (date)	TARGET VALUE (date)
Decrease of tonnage of purse seine and trawl fleet	36,394.82 GT (1 September 2013)	34,575.08 GT (31 December 2015)
Decrease of power of purse seine and trawl fleet	181,808.99 kW (1 September 2013)	172,718.54 kW (31 December 2015)
Area under the temporary cessation	Entire fishing sea of Croatia or in some specific situations certain fishing zone	Entire fishing sea of Croatia or in some specific situations certain fishing zone
Decrease of the number of fishing days of trawlers and purse seiners under the temporary cessation scheme	Average numbers of fishing days of trawlers 36,532 (2012) Average number of fishing days of purse seiners 41,763 (2012)	Average numbers of fishing days of trawlers 32,488 Average number of fishing days of purse seiners 39,273

SPECIFIC OBJECTIVE

- **Modernisation of existing aquaculture facilities so as to contribute to increase of production and increase of competitiveness of the aquaculture sector:** the main objective of investing in the development of the aquaculture sector is the increase in production for species with good market prospects, with specific focus on production of fish and shellfish hatcheries, and strengthening the competitiveness of the sector through modernization of existing farming capacity, diversification of production while meeting the standards in terms of food safety, environmental protection, public health and animal health and welfare.

RESULT INDICATORS TO MONITOR THE ACHIEVEMENT OF SECIFIC OBJECTIVES

INDICATOR	BASELINE VALUE (date)	TARGET VALUE (date)
Increase of aquaculture production	Freshwater fish production 6,283 t (31 December 2011) Marine fish and shellfish production (excluding Atlantic bluefin tuna) 4,932 t (31 December 2011)	Freshwater fish production 6,597.15 t (31 December 2015) Marine fish and shellfish production (excluding Atlantic bluefin tuna) 5,178 t (31 December 2015)
Increase of production of juveniles	Production of juveniles of marine fish species 14,824,990 pcs (31 December 2011)	Production of juveniles of marine fish species 15,566,240 pcs (31 December 2015)

Diversifying production in fish farming	Species in production (31 December 2011)	New specie(s) introduced into the production (31 December 2015)
Increase of added value of aquaculture production	Added value of aquaculture production (31 December 2011)	Increase of added value of aquaculture production (31 December 2015)
Reduction of environmental impact	Number of environmentally friendly projects - 0 (1 July 2013)	Number of environmentally friendly projects - 1 (31 December 2015)

SPECIFIC OBJECTIVE

- **Upgrading the system of support of administration and the sector for using structural support:** for a successful implementation of the OP an adequate system for management and control of the OP in fisheries should be in place. In addition, information and publicity activities make for other important element guaranteeing the delivery of the set objectives.

RESULT INDICATORS TO MONITOR THE ACHIEVEMENT OF SECIFIC OBJECTIVES

INDICATOR	BASELINE VALUE (date)	TARGET VALUE (date)
Number of staff involved in training under the TA. Education foresees study trips for the purpose of exchange of knowledge and experience, seminars, workshops, expert meetings, etc.	Staff of the MA - 5 (1 July 2013) Staff of the PAAFRD - 8 (central office) (1 July 2013) Staff of CA – 3 (1 July 2013)	50% of operating staff trained (31 December 2015)
Number of publicity activities supported by the TA	0 (1 July 2013)	5 operations related to creation publicity materials (for instance: brochures, leaflets, web sites, etc.) and dissemination of information (for instance: information campaigns, workshops, seminars, trips, etc.) (31 December 2015)

5 SUMMARY OF THE EX ANTE EVALUATION AND SEA

5.1 Summary of the Ex Ante Evaluation⁵

The main **conclusions** of the Ex-ante Evaluation are presented below:

Conclusion 1. The OP for fisheries is a specific OP document in terms of its limited implementation period and scope of financial allocation. As a result of the postponed accession to the EU, the pragmatic decision has been adopted to prepare OP Fisheries 2007-2013 with a limited scope both in terms of number of objectives and Priorities as well as with a limited total financial allocation from the EFF. Thus the OP 2007-2013 does not cover all objectives specified under Article 4 of the EFF Regulation and priorities specified under the National Strategic Plan for the Fisheries sector. Instead, it focuses only on limited set of objectives avoiding the overlaps with interventions to the fisheries sector implemented concurrently under the IPARD 2007-2013 (investment in processing and distribution facilities in fisheries sector). It is important to acknowledge that the total financial allocation for the OP Fisheries 2007-2013 is relatively small – it amounts EUR 11 600 000 (EUR 8 700 000 is EFF contribution, EUR 2 900 000 national contribution). Along with the limited timespan of the Programme, it is another factor influencing the character of the OP, which clearly cannot have ambitions to systematically address all pressing problems identified by NSP and introduce wide variety of measures eligible for funding from EFF.

Conclusion 2. In the context of other Croatian EU Structural Funds OPs for the period 2007-2013, the OP Fisheries has a distinctive position, because it is not designed as an extension (or modification) of already existing and operational OPs financed from the IPA. On the contrary, the OP Fisheries 2007-2013 is designed to introduce policies and measures in line with the CFP, that so far has not been systematically implemented in Croatia (e.g. fleet and fishing effort adjustment measures), or have been supported by the state aid or other measures in a manner not fully consistent with EU acquis (e.g. aqua-environmental measures). It is anticipated, that the new OP Fisheries for the period 2014-2020 will bring together measures corresponding with full range of the objectives of CFP, that until the beginning of the programming period 2014-2020 will stay apart, partly under the IPARD 207-2013 (e.g. investment in processing capacities), and partly within the currently prepared EFF OP 2007-2013 (e.g. fishing effort adjustment measures).

Conclusion 3. The current status of the OP draft is influenced by the fact that the preparation of the National Strategic Plan envisaged by the EFF Regulation (Article 15) as a key background document for the preparation of the EFF OP has not been yet completed. As of March 2013, there is advanced draft of the NSP available, however, it is still subject of pending consultations between Croatia and the European Commission. Similarly, the key associated documents – Management Plans prepared in line with the Council Regulation (EC) No 1967/2006, including the corresponding Fishing Effort Adjustment Plans, are not finalised yet. Consequently, the key component of the OP – the allocation of the financial resources among the individual Priority Axes and Measures has not yet been decided upon in the time of ex-ante evaluation. Even though, the limited total EFF allocation and small number of adopted measures allows for estimation of OPs effects.

⁵ Note: Ex ante evaluation of the OP was implemented in parallel with the development of the NSP. NSP was adopted on the session of Croatian Government held on 26 September 2013.

Conclusion 4. Notwithstanding the unavailable outline of financial allocations for all Priority Axes, the January 2013 draft of the OP Fisheries may be considered - with certain caveats, as a document that meets the EU standards:

- It contains a baseline analysis on the Croatian fisheries sector providing necessary background for formulation of the Strategy, the analytical part should be however improved to allow more rigorous justification of the adopted Strategy.
- The strategy is translated into a proposed set of Priority Axes and Measures, which will tackle selected issues, the limited scope of proposed interventions as compared with identified needs that can be adequately justified.
- The strategy and interventions are coherent with EU and national policies, including complementarity with the other Operational Programmes, namely with IPARD 2007-2013 that during the transition to the new 2014-2020 Programming period continues to support measures that would have been under different circumstances included under the EFF OP.
- The system of indicators is in general terms adequate to the needs and expected outputs and overall impact of the Programme, though some improvements are still necessary.
- The OP Fisheries also contains the main outlines of the implementation.

Conclusion 5. Due to the limited time and financial scale of the Program (EUR 11 600 000, including 8 700 000 from EFF and 2 900 000 of the national contribution) it cannot deliver significant progress in addressing all needs identified by the NSP and have significant measurable impact in the Croatian Fisheries sector as far as its main characteristics in terms of economic performance, technological composition, employment, or sustainability of exploitation of resources. The proposed interventions should be rather understood as the initial phase of policies that in the future programming period will need substantive higher concentration of resources in order to achieve strategic goals formulated by the NSP.

On the basis of the above conclusions, the Evaluation Team proposed the **recommendations** which are presented in the table below along with the actions undertaken:

Table 8. *Ex ante* evaluation recommendations

EX ANTE EVALUATION RECOMMENDATIONS	COMMENTS
GENERAL RECOMMENDATIONS	
<p>In order to avoid risk of further delay in OP Fisheries preparation, a concentrated effort is necessary in order to effectively complete adoption of the NSP and Management plans and translation of their conclusion to the final draft of the OP. The responsible Managing Authority should be given full political support particularly in terms of staff and technical assistance to be able to ensure timely finalization of all relevant documents in line with the EC requirements</p>	<p>In order to meet this requirement the DoF underwent a structural change aiming at securing the full independency and support necessary to the MA. However, it should be noted that given the austerity measures in place at the restructuring certain difficulties were encountered. Croatia recognises the need to strengthen the MA, and this concern has been taken into account in drafting of this document.</p>
<p>In order to minimize risk of delay associated with performing Strategic Environmental Assessment (SEA) of the Programme, it is recommended to undertake consultations with the national SEA-responsible authority in order to facilitate adoption of SEA Scoping Decision that reflects the likely magnitude of potential environmental impacts of Programme interventions. In opinion of the ex-ante evaluator, the SEA should focus namely on the OP Measure 2.1 supporting the development of the aquaculture, where the individual investment projects can have potential of significant local environmental impacts. Note, that only development of already existing facilities is planned under the current OP. The SEA should also propose environmental criteria that could be included in the OP implementation mechanism for the selection of the supported aquaculture projects. On the other hand, extensive baseline analysis and assessment effort spend on evaluation of other Programme segments should be minimized in line with the Proportionality principle.</p>	<p>It should be noted that the MA is in contact with the Ministry of Environmental and nature protection as of the very beginning of the SEA related procedure. SEA has been implemented and the study on strategic environmental assessment is available at the web page of the DoF www.mps.hr/ribarstvo/</p>

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<p>Further capacity building in terms of staffing and skills enhancement is recommended for both the Managing Authority in particular, and the staff of the regional offices of the Intermediate Body (PAAFRD).</p>	<p>The MA recognises the need for further strengthening of its current administrative capacity. On the other hand, it also needs to improve its management capacity, which is one of the objectives of the present twinning project IPA 2009. Finally, the proposed approach regarding the processing of applications for support includes the engagement of regional and central offices of PAAFRD as well as field offices of the DoF. All the institutions involved shall pay due attention to addressing this prior to start of the implementation of the OP.</p>
<h3>3 ANALYSIS</h3>	
<p>Presentation of employment and other socio-economic data should be given more prominent position in the baseline analysis structure – It would be beneficial to introduce, in addition to total employment figures for the fisheries sector, also estimations of employment in individual segments (e.g. different fishing gears, size of vessels, aquaculture types) with indication of trends (decreasing, increasing). The improved baseline analysis should be able to inform the decision on design of particular measures of the OP so that the management and monitoring structures were in the future able to detect currently unforeseen social impacts (e.g. to address risks of loss of employment in disadvantaged coastal and island communities as a side-effect of fleet adjustment measures).</p>	<p>This recommendation at the moment cannot be taken into account. Namely, Croatia has not systematically gathered socio-economic data so far. Gathering of socio-economic data such as employment, gender specific data, income and expenditures, were sporadic and mainly within scope of certain projects and as such cannot be used for systematic analysis. Due to the above mentioned it can be concluded that the socio-economic data available at the moment are incomplete and thus it is impossible to develop comprehensive socio-economic analysis of the fisheries sector. Yet, Croatia recognises this deficiency and is determined to resolve this issue by way of implementing the National programme for collection of data in fisheries. Data resulting from first comprehensive socio-economic data gathering scheme should be available in 2014.</p>
<h4>3.2.1 Marine fisheries</h4>	
<p>The analytical section dedicated to the marine commercial fishing would benefit from introducing more focused description of recent trends in economic performance of individual fleet segments (levels of profitability) especially in the light of the statistical trend indicating the fleet increase from 2729 vessels to 4136 vessels in the last 10 years. The very fact of increase in numbers of commercial fishing vessels should also be discussed. The analysis should be clear as to what extent the observed trend is a result of changes in the system of ship registration (as suggested by some interviewed stakeholders during the ex-ante evaluation) or can be attributed to other factors.</p>	<p>The explanation is provided in Chapter 3.2.1. Marine fisheries where it is explained that the trend of increase of number of fishing vessels can be explained by changes in methodology and the data validation process. Upon the establishment of the Fishing fleet register in 2001, the process of entering and validation of data lasted till the 2004. Only data from 2005 onwards can be considered validated. The increase of fishing fleet in the period from 2005 to 2009 is the result of the development of the fisheries sector and support programmes which were implemented during that period. As of 2010 the increase of the number of fishing vessels is a result of the process of transfer of vessels from the non-commercial category of subsistence fisheries into the commercial category. By accession of</p>

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	Croatia into the EU on 1 July 2013, 3,500 vessels were transferred from the non-commercial category of subsistence fishery into the commercial one. Since in 2011 there were around 11,000 fishing units engaged in subsistence fisheries for personal needs, and since this category ceases to exist as from 1 January 2015, the total number of participants in fisheries using commercial gears are about to decrease. Number of vessels which are at the moment registered in Croatian Fishing fleet register is 7,770.
The analysis should also provide clear indication of the status of fishing stocks and highlight segments at risk from over exploitation. The current formulations are somewhat vague in this respect. It is recommended to introduce main conclusions from the analyses conducted in the process of preparations of the Management Plans in line with the Council Regulation (EC) No 1967/2006.	The scientific assessments used during the process of development of management plans are incorporated in the OP and the OP is amended in line with the recommendation. It is important to highlight that the STECF has confirmed the assessments of the status of demersal stocks, while for the small pelagics in GSA 17, a management plan has been adopted at the level of GFCM.
3.2.4 Aquaculture – Freshwater aquaculture	
In the section on freshwater aquaculture, the more detailed description of support of aqua-environmental measures existing under the current state aid scheme and information on its scale of application would contribute to the quality of the analysis as a baseline for justification of OP interventions.	Operational Programme has been updated accordingly, however, it was decided in the mean while to maintain the aqua-environmental measure as a state aid scheme under the category of the existing aid (in line with the possibility provided for by the Annex VI, title 4. and related to Article 16 of the Treaty on accession of the Republic of Croatia to the EU
3.6 SWOT analysis	
Consider revising the SWOT analysis in order to clearly distinguish between internal and external factors and explain links between the SWOT presented in the OP and the one of NSP.	Operational Programme has been updated accordingly

4 STRATEGY AT OPERATIONAL PROGRAMME LEVEL	
<p>Review and revision of impact indicators to measure the achievement of the Programme strategic objective is required.</p> <ul style="list-style-type: none"> - Indicator Adjustment of the fishing capacity as a contribution to the sustainability of the sector (percentage of economically important resources in good conditions) does not relate to the effects of the fleet reduction on the state of the resources. Under standard circumstances, such an indicator is necessary tool for monitoring the efficiency and effectiveness of the implemented measures, and as such shall be considered as crucial part of any EFF Programme monitoring. However, the impact of the OP Fisheries 2007-2013, with its limited funding and implementation period, will probably not be detectable when monitoring actual condition of the exploited resources. Thus, invoking the Principle of Proportionality the Ex-ante evaluators do not recommend including full-fledged impact indicator corresponding with the Programme objective of achievement of a sustainable balance between fishing capacity and available resources, if such indicator is not currently available. Instead, a complementary indicator monitoring the evolution of the profitability of the fishing fleet should be considered. In any case, the text OP should provide justification for not including a true impact indicator measuring the effects of the OP interventions on the fish stocks; - The impact indicator proposed for monitoring the competitiveness of the aquaculture sector should take in consideration both the production and value added components of the economic performance of the sector; 	<p>This recommendation was partially taken into account.</p> <p>Due to the short duration of the present programming period and the limitation of funds from EFF, impacts of the present Operational Programme will probably not be detectable when monitoring actual condition of the exploited resources.</p> <p>Due to the fact that there were very few socio-economic data available (i.e. on employment, economic performance of the fleet segments, economic situation of the aquaculture enterprises) and lack of true baseline, impact indicators for measures which have a middle-long term impact (on fish stocks, on profitability of aquaculture enterprises, on the employment) cannot be quantified during this short programming period so the present Operational Programme will be monitored and evaluated based on the output and results indicators, which could be quantified.</p> <p>However, the baseline for their use during the following programme for EMFF will be established, thanks to the management plans presently under elaboration.</p>
6 PRIORITY AXES OF THE PROGRAMME	
Typology of all indicators needs to be specified (output, result, and impact).	Operational Programme has been updated accordingly
Wherever possible the indicators should specify a measurement unit, initial and target values, source of verification, and also indication of review frequency.	Operational Programme has been updated accordingly

5.2 Strategic Environmental Assessment (SEA) Procedure

The strategic environmental assessment (hereinafter: SEA) creates a basis for fostering sustainable development through integration of environmental considerations into plans and programmes in a certain area. By doing so, there is an assurance that the relevant decisions on acceptance of a plan or a programme are made while knowing the possible important impacts on the environment which could occur during the implementation of the plan or the programme and, at the same time, the actors are provided with an action framework and a possibility to include relevant environmental protection elements into the decision making process.

The SEA procedure is implemented according to the provisions of the Environmental protection Act (OG No 80/13)⁶, Directive on the strategic environmental assessment of plans and programmes (OG No 64/08) and the Directive on information and participation of public regarding the environmental protection related issues (OG No 64/08) which are all harmonised with the Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.07.2001.).

5.2.1 The SEA procedure related to this OP

According to relevant provisions of the legislative package governing the SEA, the plans and programmes within the sector of fisheries are obliged to undergo the SEA procedure. Ministry of agriculture as the authority in charge for the development of the NSP and OP was also the authority in charge for implementing the SEA procedure. To this end, the SEA procedure started in March 2013 by way of a Ministerial Decision on implementation of the SEA for the fisheries programming documents. The SEA procedure was afterwards continued by scoping procedure which implied the cooperation with relevant state authorities in charge for particular components of the environment, as well as with regional and local authorities, other relevant bodies and public, in order to define the scope of the study on the strategic environmental assessment (hereinafter: SEA study).

According to the scope of the programming documents in fisheries, the following institutions/authorities took part in the SEA procedure:

- Ministry of economy
- Ministry of construction and spatial planning – Directorate for spatial planning
- Ministry of maritime affairs, transport and infrastructure
- Ministry of regional development and EU funds
- Ministry of tourism
- Ministry of health,
- Ministry of environmental and nature protection – Directorate for environmental protection and sustainable development and Directorate for nature protection,
- Ministry of agriculture – Directorate of water management,
- All 20 counties and City of Zagreb.

In line with the relevant provisions, all the bodies involved in the scoping procedure were required to give an opinion on the scope of the SEA study. At the same time, the information on implementation of the procedure was published on the web page of the Ministry of agriculture where the public was also invited to contribute to the process of defining the scope of the SEA

⁶ The SEA procedure for the NSP and the OP in fisheries is implemented according to the Environmental protection Act (OG No 110/07) as the procedure started before the new Act entered into force in 2013.

study. MINAGRI – DoF gathered all the opinions and proposals and duly considered them. Apart from the opinions given by the institutions involved in the procedure, no other opinions and proposals regarding the scope of the SEA study were received.

On 11 July a Decision on the scope of the SEA study was adopted. The body in charge for nature protection decided that the subject SEA study does not need to include the Main assessment of the programming documents in fisheries on ecological network and, to that end, that the SEA study does not need to include the relevant chapter. The Decision on the scope of the SEA study was published on the web page of the Directorate of fisheries with the purpose of informing public.

According to the rules of the public procurement, MINAGRI has contracted legal person certified for developing the SEA study – Dvokut Ecro d.o.o. In line with the defined scope of the SEA study, the Contractor has began the drafting of a SEA study.

Upon closing the contract with Dvokut Ecro d.o.o., Minister established the Committee for assessment of the strategic assessment of the likely significant effects of the programming documents in fisheries on the environment by way of ministerial decision (hereinafter Committee). Main task of the Committee was to assess the completeness and expert basis of the SEA study, i.e. the assessment of the likely effect of the programming documents on the environment.

At the beginning of September the study was presented to the Committee on its first session held on 11 September 2013. According to the opinion of the Committee on this session, the study needed to be further amended. After taking under consideration the recommendations on the members of the Committee, the Contractor amended the SEA study and presented the amended draft to the Committee on its second session held on 17 September 2013 when it was decided that the SEA study is complete and expert based and that the public debate procedure could start. Taking into account the opinion of the Committee, MINAGRI adopted a decision on the public debate in duration of 30 calendar days – in the period from 27 September to 28 October 2013 and which included access to documents and public presentation.

With the purpose of informing public, MINAGRI announced the start up of a public debate in a daily newspaper “Jutarnji list”. During the public debate the public had the access to the programming documents (NSP and OP) and the SEA study within the premises of the DoF while at the same time these documents were available also on the web page of the MINAGRI – DoF: www.mps.hr/ribarstvo/. During this period, comment regarding the NSP/OP was received from public and it is presented in Table 9. Furthermore, the public presentation was organised on 11 October 2013 and no additional opinions and proposals regarding the NSP, OP and SEA study were received. Simultaneously with the launching of the public debate procedure, MINAGRI has requested the relevant authorities involved in the SEA procedure for the opinion on the NSP, OP and SEA study. Comments and request received from relevant authorities are presented in table below.

Table 9. *Comments and suggestions received during the public consultations*

DOCUMENT	COMMENT/SUGGESTION	DECISION ON THE COMMENT/SUGGESTION AND EXPLANATION
Ministry of environmental and nature protection-Directorate for nature protection		
SEA Study	In the part of the SEA Study which describes ecological network and NATURA2000 area, it is needed to update the data according to the new regulation regarding these issues.	Suggestion was taken into account and SEA study was updated accordingly.
	In SEA Study possible significant impact of the NSP and OP implementation on ecological network and NATURA2000 areas was examined. As the body in charge for nature protection decided that the subject SEA study does not need to include the Main assessment of the programming documents in fisheries on ecological network, it is suggested to exclude parts of the SEA study which cover this issues.	Suggestion was taken into account and SEA study was updated accordingly.
	In the part of the SEA Study which describes biodiversity – land ecosystems, it is considered that the analysis of the possible impact of the production increase on carp farms on the ornithofauna is not sufficiently represented as this farms are areas of international importance, especially for wading birds. Furthermore, mitigation measures should be proposed accordingly.	Suggestion was taken into account and SEA study was updated accordingly.
Dubrovačko-neretvanska county		
SEA Study	In the part of the SEA study which covers the relations between NSP and OP with physical planning documentation of Croatian counties, it is requested to correct the administrative and territorial classification of Lastovo island which is part of Dubrovačko-neretvanska county, not Splitsko-dalmatinska county, as stated in the SEA study.	Suggestion was taken into account and SEA study was updated accordingly.
	In the part of the SEA study which describes possible environmental impact caused by waste, it is stated that activity to be implemented within the framework of the NSP and OP which is likely to produce largest quantity of waste is certainly the OP Measure 1.1. Permanent cessation of fishing activity. It is suggested to include the description of possible environmental impact caused by waste generated by cage farming which leads to a significant input of organic substance and nutrients in marine environment. Consequently, appropriate mitigation measure should be proposed.	Suggestion was not taken into account, as waste disposal on farms and hatcheries is regulated by Ordinance on the animal by-products not intended for human consumption (OG 87/09) prescribing animal health requirements for the collection, transportation, storing, handling, processing and usage or disposal of animal by-products. According to this, it is concluded that the activities within the implementation of the productive investment in aquaculture measure will not generate high amount of waste to be considered to have a significant impact.
	It is suggested to update the list of legislation and references and add main environmental regulations governing SEA procedure.	Suggestion was taken into account and SEA study was updated accordingly.

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	In Appendix 2 of the SEA study, it is requested to correct the statements related to Mali Ston Bay, regarding the category of protected area, which are incorrect in the SEA study. It is needed to adjust it according to the Decision on proclaiming areas of Mali Ston Bay and Little Sea as strict nature reserves, including its all amendments (Official Gazette of Dubrovačko-neretvanska county No 4/1998 and No 9/2002)	Suggestion was taken into account and SEA study was updated accordingly.
	It is suggested to add the list of abbreviations used in the SEA study.	Suggestion was taken into account and SEA study was updated accordingly.
Splitsko-dalmatinska county		
SEA Study	It is suggested to analyse negative environmental impacts caused by illegal fishing of the Croatian fishing fleet and neighbour countries fishing fleet in the SEA Study. Furthermore, it is suggested to analyse possible impacts of the other neighbouring countries economies on the sea as an environmental component.	Suggestion was not taken into account as the scope of this SEA Study is possible environmental impacts of the implementation of the NSP and OP.
Virovitičko-podravka county		
OP	It is suggested not to implement the size of the enterprise as selection criteria, meaning not to give priority to micro and small enterprises.	<p>Suggestion was not taken into account.</p> <p>Eligibility criteria regarding the size of the enterprises is defined with the provisions of Article 29 (2) of the EFF Regulation, prescribing that investment aid shall be limited to micro, small and medium-sized enterprises, and enterprises that are not covered by the definition in Article 3(f) of the same Regulation, with less than 750 employees or with a turnover of less than EUR 200 million.</p> <p>Furthermore, in line with the Article 29 (4) of the same Regulation, member state has to ensure that priority is given to micro and small-sized enterprises.</p>
SUNCE – Association for nature, environment and sustainable development		
NSP	In the part of the NSP which describes the process of consultations during the process of drafting the documents it is stated that civil society organizations were included. As this is not stated in the same chapter in the OP, it is suggested to align the documents accordingly	Suggestion was taken into account and documents were adjusted accordingly.
	In the part of the NSP which describes the short-term objectives, it is suggested to set up the indicators for all the measures presented.	<p>Suggestion was not taken into account.</p> <p>According to ex ante evaluation of the OP 2007-2013 which is to deliver the short term strategic priorities and goals as defined by this document, due to the limited time and financial scale of the Program, it cannot deliver significant progress in addressing all needs identified</p>

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		<p>by the NSP and have significant measurable impact in the Croatian fisheries sector as far as its main characteristics in terms of economic performance, technological composition, employment, or sustainability of exploitation of resources.</p> <p>Moreover, due to the earlier explained situation concerning the lack of socio economic data, as well due to the short implementation period, the socio economic indicators are not considered appropriate for monitoring of the NSP implementation.</p> <p>Indicators presented in the NSP are impact indicators on the strategy level and on the level of the Operational Programme(s), indicators for each of the goals, specific goals and measures are elaborated and quantified to the extent possible.</p>
	In the part of the NSP which describes the objective „ <i>Establishing a sustainable balance between fishing capacity and available resources</i> ”, Measure 1.1. <i>Permanent cessation of fishing activities</i> , it is suggested to rename the measure concerned and to use more specific title, i.e. excluding vessels from fishing.	Suggestion was not taken into account as all the measure and activities within the measures are prescribed in the EFF Regulation.
	In the part of the NSP which describes the objective „ <i>Establishing a sustainable balance between fishing capacity and available resources</i> ”, Measure 1.1. <i>Permanent cessation of fishing activities</i> , it is considered that small-scale fisheries should be included in the implementation of the measure.	Measure 1.1. shall be implemented according to the management plans and shall include fleet segments in which the need for reducing capacity was identified. In case of this OP, trawlers and purse seiners shall be included.
	In the part of the NSP which describes the objective “ <i>Increase of Production and Strengthening the Competitiveness of Aquaculture</i> ”, it is needed to be cautious, especially when establishing new aquaculture capacities.	Due to the limited implementation period, within this OP, only investments in existing capacities are planned.
	In the part of the NSP which describes the objective “ <i>Increase of Production and Strengthening the Competitiveness of Aquaculture</i> ”, in the part describing aqua-environmental measure, it is suggested to use different title for this group of measures (i.e. Environmental and nature protection measures)	Suggestion was taken into account and NSP was adjusted accordingly.
	In the part of the NSP which describes the objective “ <i>Increase of Production and Strengthening the Competitiveness of Aquaculture</i> ”, in the part describing aqua-environmental measure, it is suggested to explain the measure`s contents regarding the compensation for damage done by predators.	As stated in the NSP, this particular measure concerning compensation for damage done by predators, Croatia will implement as an existing state aid, not from EFF.
	It is suggested to expand and complement a description of long-term objectives set in the NSP.	As stated in the NSP, description of the long-term objectives represents a projection. Croatia will be guided by the general strategic guidelines defined by a comprehensive Europe 2020 Strategy

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		<p>and in accordance with the provisions of the new CFP reform package.</p> <p>In this sense, Croatia plans the interventions in the form of structural aid to all segments of fisheries in line with the <i>acquis</i> concerning the structural support in fisheries within the period 2014-2020, currently in the process of adoption.</p>
OP	It is needed to clarify links between objectives and measures defined in the NSP and those set up in the OP, as all the measures from the NSP are not included in the OP.	Scope of the OP, namely priority axes, objectives and measures are defined with the part of the <i>acquis</i> concerning EFF implementation. Furthermore, due to the limited implementation period and financial resources, not all the measures defined in the NSP are included in the OP for the current programming period.
	In the part of the OP which describes Measure 2.1. Productive investments in aquaculture, it is needed to clarify the exception of not implementing the eligibility criteria regarding the size of the enterprises on island: Mljet, Vis, Lastovo and Dugi Otok.	Mljet, Vis, Lastovo and Dugi Otok, according to the Treaty, are outlying islands and are subject of the provisions of Article 29 (3) of EFF Regulation prescribing that in the case of granting support for enterprises located on these islands, it may be granted to all enterprises.
SEA Study	In the part of the SEA Study which describes biodiversity – land ecosystems, it is considered that the analysis of the possible impact of the production increase on carp farms on the ornithofauna is not sufficiently represented and mitigation measures should be proposed accordingly.	Suggestion was taken into account and SEA Study was adjusted accordingly.
	In the part of the SEA Study which describes biodiversity-land ecosystems, it is considered that the analysis of the possible impact of allochthonous species escaping from ponds into the wild. According to that, additional measures for fostering the introduction of technical solutions which could decrease the escape into the wild should be proposed.	SEA study specially highlights the impact of possible expansion of allochthonous species which could lead to jeopardizing autochthonous species. As modernization implies, among other, introduction of technical solutions for this issue if necessary, measures proposed are focused on the improvement of the environmental and nature protection, or maintaining good condition of the water.
	In the part of the SEA study which describes biodiversity-sea ecosystems, possible impact of production increase on population of wild species, in the sense of input of wild species on the farms, using wild species as food and changing the genetic structure of wild species due to the escape of individuals from the farms.	During the initial phase of the SEA study, possible impact of the production increase on the wild tunas was analysed, but due to the limited implementation period, as well as low increase planned by the implementation of this OP, it is concluded that this impact would not be significant and it was not analysed in the SEA study.
	In the part of the SEA study which describes biodiversity-sea ecosystems, it is considered that, along with the implementation of the measure 1.2. , also permanent cessation of fishing activities on specific areas should be implemented (not referring to measure 1.1.)	All the measure and activities within the measures are prescribed in the EFF Regulation. Measure 1.1. is implemented according to the management plans for specific fishing gear. In case of this OP, trawlers and purse seiners shall be included.

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	In the part of the SEA Study which presents measures concerning protected areas, it is suggested to include the measure for prioritizing operations which are not implemented in protected areas.	Implementation of the foreseen activities within the OP measures would need to comply with the conditions of the conservation of the values for which these areas are protected or recognised in the first place and should by no way jeopardise the objectives of the conservation or the integrity of these areas. Furthermore, it is suggested to give priority to those operations which imply the introduction of new technologies contributing to the environmental and nature protection.
	In the part of the SEA Study which describes monitoring programme proposed, as well as the part which describes recommendations for the next programming period, it is considered that, due to the possible impact of aquaculture, monitoring programmes and research should be extended on species and habitats (land and marine) covered by the impact of the farms.	The implementation of Measure 2.1. implies investments only in existing capacities which shall stay within the limits of maximum production capacity and area as defined by the farming license. Also, as the monitoring mechanisms of environmental status have already been established by way of implementing procedures of environmental impact assessments of each intervention as well as by way of issuing the water management permits, the SEA study does not foresee the implementation of additional programmes for monitoring of the environmental status.
Gordan Vlasisavljević, Rijeka (physical person)		
NSP/OP	It is suggested to include drafting of studies on artificial reefs, as well as the activity of creating artificial reefs in the NSP and OP.	Suggestion was not taken into account. Although the reassignment of fishing vessels for the purpose of the creation of artificial reefs is foreseen by the EFF Regulation, due to the limited implementation period of the OP (procedure for creating artificial reefs takes lot of time), Croatia shall implement scrapping and reassignment in other activities outside fishing.

After receiving comments and suggestions, all the documents were adjusted according to the decisions presented in the Table 9. Report on strategic environmental assessment conducted shall be published on the web page of the MINAGRI – DoF, in accordance with the regulation on SEA procedure.

5.2.2 Abstract of the SEA study

The study provides additional criteria from the aspect of the environmental protection which shall in further steps of implementation of the NSP and OP provide the possibility that the co-financing is directed to those operations which contribute to reaching better quality of each of the environmental components, and in particular of inland waters, sea, biodiversity, and decrease of pressure on environment through creating waste.

During the initial phase of the assessment of likely effects on the environment the analysis of the existing problems in Croatian fisheries sector has been undertaken. Having made the initial assessment it was concluded that the SEA study should focus on those environmental components in which some problems related to fisheries sector are already evident, as well as on those where likely effects on environment of the implementation of the NSP and OP are recognised, which are: climate change, inland waters, sea, biodiversity and protected areas, cultural heritage and population from the aspect of involvement in fisheries and public health. The problems relate to air quality, agriculture land, scenery, transport and waste, were not considered significant and therefore were not addressed in SEA study unless a need occurred in relation to effects.

The final assessment of likely effects on the environment of the NSP and OP states that by way of the implementation of the NSP and OP, mainly positive effects are expected and measures proposed aim to further strengthen the positive effects on particular components of the environment on which fisheries and aquaculture activities have influence.

The NSP and OP for the current programming period envisage development of aquaculture sector in terms of co-financing investments in existing aquaculture facilities. These documents do not foresee establishment of new aquaculture facilities during the current programming period. In relation to the fishing segment, the NSP and the OP during the current programming period foresee the implementation of the measure for permanent and temporary cessation of fishing activities. To this end, the geographical scope of the SEA study is limited to the existing locations of freshwater and marine aquaculture facilities and zones of fishing activities at sea.

Likely effects on the environment components and mitigation measures proposed

Inland water

The effects of the aquaculture on inland water is evident through the element implying the usage of waters, and eventually, through pollution with organic substance. The pollution caused by nutrients can occur in cases when the quantity of feed is not adjusted to the metabolic efficiency of fish. In this case part of the feed is unused, it is settled precipitated on the bottom and represents possible additional organic load for water and water environment.

As a result of climate changes, the draught seasons are longer and more frequent and they lead to unfavourable hydrological conditions resulting in deficiency of water supply in freshwater aquaculture.

In general, the implementation of the OP measure 2.1. is expected to trigger positive influence on water quality. Having the fact that the OP foresees the modernisation of a limited number of aquaculture facilities, implementation of this activity is not expected to lead to significant change of the state of the freshwater. However, locally, the quality of water can partially improve, depending on the overall influence of the aquaculture on the general state of the water.

Having in mind all the aforementioned, the following environmental protection measures are proposed:

1. It is necessary to ensure that the beneficiaries of the public aid respect the requirements concerning the good condition of waters.

2. In implementing the productive investment in freshwater aquaculture it is necessary to provide advantage to those projects which contribute to improvement of the environmental and nature protection, or at least maintain good condition of the water.

Sea

In the process of farming of fish and shellfish at sea, the most significant effect on the environment occurs during the phase of cage farming (during feeding). Cage farming leads to a significant input of organic substance and nutrients in marine environment, which can have a similar effect as the eutrophication. The effect on the environment depends on the farmed species (fish and shellfish), farming method, quantity of the farmed stock, type of feed, hydrographical characteristics of the location and practical ability of the farmer. With the aim of decreasing the effect on the marine environment it is recommended the following:

3. Ensure that the beneficiaries of the public aid provided within the framework of the NSP and OP stay within the limits of maximum production capacity and area as defined by the farming license.

4. In implementing the productive investment in mariculture it is necessary to provide advantage to those projects which include application of technologies contributing to the environmental and nature protection.

Biodiversity – land ecosystems

The increase of the total area of freshwater farms leads to the increase of influence on surrounding habitats as it implies their reallocation to a different purpose. The expansion of the production area could lead to reallocation of natural habitats (such as wet land areas near the existing fish ponds - these are often very delicate and endangered habitat types) or of habitats under the anthropogenic influence (agricultural land). To this end it is necessary that the beneficiaries of the public aid respect the conditions defined by the farming licence concerning the area and the maximum water supply.

One of the most serious anthropogenic influences on fish, excluding the physical and chemical modifications of the habitats, is definitely the introduction of allochthonous species to a certain area. The introduction of allochthonous species, alongside the degradation of natural habitats, is among the main reasons of the extinction of the autochthonous fish species over the past hundred years. Concerning that diversification of production implies the diversification of the production assortment with new species, the implementation of this activity is likely to have moderate effect on the biodiversity of freshwater ecosystems. Having the afore mentioned, the activities to be implemented should comply with the requirements regarding the conservation of autochthonous organisms which is why the following measure is proposed:

5. In implementing the productive investment in freshwater aquaculture it is necessary to provide advantage to those projects which contribute to improvement of the environmental and nature protection, especially to preservation of ornithological value.

6. Within the diversification of production activities implemented in the productive investment in freshwater aquaculture, it is recommended to give advantage to those operations which imply diversification with new autochthonous species.

Biodiversity – marine ecosystems

The influence of fishing on ecosystems is manifested through a physical damage on habitats and effect on benthic communities, and primarily by way of using specific fishing gears (trawl net, dredges, shore seines, etc.). Physical damage is more prominent when towed gears are used in infralittoral area (coastal fishing), then in those cases where fishing activity is done using trawl nets in deeper sea with sandy and muddy sea bottom with no benthic flora. Having the afore mentioned, the permanent cessation of fishing activities is expected to have a positive effect in certain areas of the Croatian fishing sea .on the status of the fishing resources as well as other non commercial species, and generally on the biodiversity of the marine ecosystems (regardless of the activity – scrapping or the reassignment).

The pressure on the Posidonia beds is present also by the marine aquaculture activities. The effect can be of physical nature, where the anchorage system of farms may physically damage the habitat. Shadow crated by the farming facility and the decrease of the transparency of sea water which often occurs in vicinity of farms can have a negative influence on the process of photosynthesis also in the deepest areas of the bed. Due to the increased quantity of nutrients along the water column, the ecological factors are modified and enable development of non typical communities for the area. Possible impact of cage farming is local and reversible (not permanent). With the aim to decrease the pressure on marine environment it is proposed that beneficiaries of the public aid respect the limits of the maximum capacity defined by the farming licence (see measure 3) as well as the following:

7. Limiting the fishing activity in those fishing zones and areas where intensive fishing is evident, as well as in important nursery and growth areas of fish and other marine organisms. The restriction of fishing activities needs to be implemented based on the management plans.

Protected areas

The existing marine aquaculture locations are mostly situated outside the nature protected areas. However, some of them are situated within the protected areas and there is a likely effect on environment, particularly in those farming locations situated within the special reserves. By implementing the OP measure 2.1., the most endangered are the areas within small and closed bays which often have specific flora and fauna adjusted to particular ecological conditions present in the area (specific biotic and abiotic factors that determine them).

Having the fact that most of the freshwater farms are situated outside nature protected areas it can be concluded that by way of implementing OP measure 2.1. no negative impact on the nature protected land areas will occur. However, the locations of fish ponds in the protected areas and in their vicinity (ornithological reserve Crna Mlaka and Natural park Lonjsko polje which are also listed as the Ramsar convection areas) leaves the possibility of negative impact on these areas through introduction of allochthonous species (particularly in the activity of diversification of production).

In the north-east and east of Croatia the neglect of fish ponds as important cultural and significant landscapes has been noted due to low level of maintenance. This has led to modification of the basic characteristics of the cultural and significant landscapes. Having the afore mentioned, the investments into the revitalisation and modernisation of freshwater fish ponds in these locations can have a positive effect on cultural and significant landscape areas.

Implementation of the foreseen activities within the OP measures would need to comply with the conditions of the conservation of the values for which these areas are protected or recognised in the first place and should by no way jeopardise the objectives of the conservation or the integrity of these areas. Having the afore mentioned in mind it is recommended the following:

8. While implementing the measure of productive investments in aquaculture within the NSP and OP, in investments in aquaculture sites located within the protected areas, it is necessary to provide advantage to those operations which imply the introduction of new technologies contributing to the environmental and nature protection.

Cultural heritage

The fishing activity could damage the unregistered marine archaeological sites and artefacts. Permanent cessation of fishing activity could decrease pressure to such sites in Croatian fishing sea so that the implementation of this OP measure is considered moderately positive with local effect with respect to this issue. Regarding the fact that this issue is not recognised as important and having the fact that Marine fisheries act already regulates (bans) fishing activity in areas of marine archaeological sites, this study does not foresee any recommendation with regards to this issue.

Population and public health

Implementing the activities within the OP Measure 1.1. a direct local effect is expected regarding the decrease of employment in fisheries sector. By way of permanent cessation of fishing activity the negative effect on employment can be expected. This does not refer to the activity of reassignment to activities outside fishing which could have mild to moderate positive effect on local economy, depending on the reassigned activity. Within this measure it is recommended the following:

9. In implementing the permanent cessation of fishing activity it is necessary to provide advantage to the activity of reassignment of fishing vessels.

By implementing the activities within the OP measure 2.1. a positive effect on the local area is expected. This can be demonstrated through increase of supply of market, increase of competitiveness and increased demand for employment.

Croatia is lagging behind the world trends in eco farming where also consumers show high interest for eco farmed products. With respect to activity of diversification of production it is recommended the following:

10. It is necessary to encourage investments into the eco farming of aquaculture organisms.

Waste

Activity to be implemented within the framework of the NSP and OP which is likely to produce largest quantity of waste is certainly the OP Measure 1.1. Permanent cessation of fishing activity. Most of vessels contains substantial quantities of dangerous waste such as asbest (particularly vessels constructed before 1989), oils, greases, PCBs, heavy metals in paint and equipment which must be adequately managed upon scrapping. Part of the waste resulting in scrapping can be recycled. Scrapping should be done by using the available modern technologies with highest consideration of environmental protection standards. It is suggested to provide advantage to the activity of reassignment so as to avoid the pressure made by large quantities of waste (see measure 9). In case of scrapping it is recommended the following:

11. While implementing the permanent cessation of fishing activity by scrapping, waste management requirements in line with the legislative framework must be met.

Monitoring programme related to status of the environment

In Croatia the monitoring mechanisms of environmental status have already been established by way of implementing procedures of environmental impact assessments of each intervention as well as by way of issuing the water management permits. With regards to the implementation of

the NSP and OP, only positive effects on the environment are expected which is why the SEA study does not foresee the implementation of a special programme for monitoring of the environmental status.

Table 10. *Total impact assessment with regard to certain aspects of the environment*

	Measure 1.1.		Measure 1.2.		Measure 2.1.					
COMPONENTS OF THE ENVIRONMENT	Scrapping	Reassignme nt	Temporary cessation for stock conservation reasons	Temporary cessation due to unforeseen circumstances	Freshwater aquaculture		Mariculture		Purchase of equipment for farms and hatcheries	Production diversification
					Increase of production capacity	Modernisation of existing farms	Increase of production capacity	Modernisation of existing farms		
INLAND WATERS	N/A	N/A	N/A	N/A	-1	+1	N/A	N/A	The same as the modernisation of the existing farming facilities	N/A
SEA	+1	N/A	N/A	N/A	N/A	N/A	-1	+1		N/A
BIODIVERSITY	+2	+1	+1	+1	N/A	N/A	-1	+1		-2
PROTECTED AREAS	+1	N/A	+1	+1	N/A	N/A	-1	+1		-2
CULTURAL HERITAGE	+1	+1	+1	+1	N/A	+1	N/A	N/A		N/A
POPLULATION – ECONOMY AND PUBLIC HEALTH	-1 +1	+1 do +2	N/A	N/A	+2	N/A	+2	N/A		+2
WASTE	-1	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A

6 PRIORITY AXES OF THE PROGRAMME

The state of the fisheries sector described in Chapter 3 of the OP requires implementation of measures within priorities axes based on indications of strategic objectives given in NSP, which will aim to contribute to the achievement of the sustainable development of Croatian fisheries and lead to the fulfilment of general objectives set out in Chapter 4 of the OP. Croatia intends to provisionally implement 4 measures from 3 priority axes of the OP including technical assistance as described below.

EFF Axis 1 provides funds for adaptation of the fishing fleet. Croatia intends to implement the measures related to permanent and temporary cessation of fishing activities.

EFF Axis 2 funds are primarily aimed at aquaculture, processing and marketing of fisheries and aquaculture products. Due to the fact that processing and marketing of products are partially covered by another funding source (IPARD), only the measure of productive investments in aquaculture is intended to be implemented.

EFF Axis 3 provides funds for measures of common interest, especially for the structuring of the sector of fishing and aquaculture and the preservation of resources and support for a sustainable fishing and aquaculture. Due to the short duration of the present programme, this axis shall not be implemented. This is so due to the fact that there is no time for their activation and integration of actors concerned.

EFF Axis 4: one of the specific objectives of this axis is to allow for structuring of fisheries local action groups. The implementation of measures within this axis requires a comprehensive and systematic approach which goes beyond the limitations in terms of time and resources in the current programming period.

EFF Axis 5: within this axis it is foreseen to implement the technical assistance measure by way of utilisation of public aid for facilitating the functioning of the management and control system for implementation of the OP as well as those activities which aim at increasing awareness and enhancing education with final goal of increasing the level of knowledge on the structural policy in fisheries. Among other activities, it is envisaged to utilise funds foreseen under this measure for preparatory activities related to next programming period 2014-2020.

The set of measures was selected on the basis of the current analysis of the state of the fisheries sector, SWOT analysis, consultations with partners and other state authorities, on the basis of the results of different surveys, and the objectives and priorities of the CFP and NSP, as presented above.

Guiding principles of the Article 19 of the EFF Regulation have been taken into consideration as well:

- consistency with the principles of the CFP and NSP;
- enhancement of sustainable development of economic activities, jobs and human resources, as well as protection and the improvement of the environment;
- an appropriate allocation of the available financial resources between the priority axes, and
- promotion of the operations contributing to the implementation of the Europe 2020 – Strategy for smart, sustainable and inclusive growth⁷.

Within all three axes to be implemented within the framework of OP fisheries, specific objectives have been set that will be measured with result indicators as set in this chapter. Successful delivery of NSP shall be measured by impact indicators in relation to baseline data (initial state).

⁷ COM(2010) 2020 final

6.1 Priority axis 1: Measures for the adaptation of the Croatian fishing fleet

Specific objective: to adjust and adapt the Croatian fleet in order to achieve a sustainable balance between fishing capacity and resources available.

The measures contributing to the achievement of the objective are:

Measure 1.1. Public aid for permanent cessation of fishing activities

Measure 1.2. Public aid for temporary cessation of fishing activities

6.1.1 - Measure 1.1. (Article 23): “Permanent cessation of fishing activities”

Rationale for the measure

Basic objective of the CFP is sustainable exploitation of living marine resources. Therefore, the objective of this measure is to adapt Croatian fishing fleet to available resources by way of:

- reducing overcapacity in those fisheries segments where the status of the stocks in comparison to the exploitation rate would require such an approach;
- management of fishing capacity and effort in a way so as to ensure the achievement of the objectives of the management plans adopted on international level (GFCM);
- implementing short and medium term (1-2 years) effort adjustment plans by precisely targeting those fisheries segments within which increased exploitation is present;
- promoting a collaborative approach to defining the objectives of fishing effort control and capacity reduction;

Basic prerequisite for the implementation of the measure

In accordance with article 21 (a) (v) of the EFF, public aid will be granted to owners of fishing vessels affected by fishing effort adjustment plans where they are part of national management plans prepared in line with the Council Regulation (EC) No 1967/2006. At the time of drafting of this document, the concerned management plans are still under preparation, namely:

1. Management plan for purse seines
2. Management plan for trawl nets

Public aid will be granted only after the adoption by the Croatian authorities and the entry into force of the management plans following the procedure referred to in Article 19 (7) of the Council Regulation (EC) No 1967/2006.

Apart from the national management plans in line with the EU legislation, GFCM has adopted the multiannual management plan for small pelagic stocks in GSA 17 in May 2013. The objective of this plan is the same as the objective of the national management plan for purse seines and it implies the conservation of the biomass of the stocks above the long term sustainable level. The measures envisaged by both the national and the GFCM-adopted management plans include the limitation of fishing capacity and fishing effort. The management plan for trawl nets has been evaluated as positive on behalf of the STECF and it foresees the decrease of fishing mortality in this fishery segment.

The permanent cessation of fishing activities shall be programmed in the form of national decommissioning schemes which shall not exceed two years from the date of their entry into force within the meaning of Article 23(2) of the EFF Regulation.

Indicative list of planned activities

Only the types of permanent cessation referred under Article 23 (1) of the EFF Regulation are eligible for the public aid. Within this OP, the following activities are planned: permanent cessation of fishing activities by scrapping
permanent cessation of fishing activities by reassignment into activities outside fisheries

Beneficiaries

Physical or legal persons who are owners of the commercial fishing licences for marine commercial fisheries can be the beneficiaries of this measure.

Aid intensity

Share of public aid is 100%. In the total amount of public aid for implementation of this measure, EFF contribution shall be maximum 75%, and national contribution minimum 25%.

Indication of eligibility criteria applicable to both actions

- Commercial fishing licence for marine fisheries must be valid at the moment of submission of application for the premium
- Fishing vessel for which the application for the premium is made must be registered within the Croatian fishing fleet register for a period of time not less than 5 years
- Fishing vessel for which the application for the premium is made should prove sufficient fishing activity during the period of two calendar years preceding the year of submission of application

Indication of eligibility criteria applicable to action of permanent cessation of fishing activities by scrapping

- Fishing vessel for which the application for the premium is made must be at least 5 years of age
- Vessels must be active in segments of trawl and/or purse seine fishery

These criteria shall be submitted duly to the Monitoring Committee for discussion. Prior to implementation of the Measure 1.1. Monitoring Committee must approve selection criteria to be proposed by Managing Authority.

In conformity with Article 4 (1) of the Implementing Regulation, upon approval of the public aid for permanent cessation of fishing activity under this measure, the fishing vessel shall be permanently deleted from Croatian fishing fleet register and shall never be reintroduced into Croatian or Union fishing fleet register again.

Calculation of premium

The amount of public aid will be established taking into account the best cost-effectiveness ratio based on objective criteria: the age of the vessel, its tonnage expressed in GT or engine power expressed in kW and the market price of fishing vessel in the RoC. The Monitoring Committee will approve a maximum amount of aid to be granted per application.

Premium shall be calculated as follows:

Vessel category by GT	EUR
0 < 10	11,000/GT + 2 000
10 < 25	5,000/GT + 62 000
25 < 100	4,200/GT + 82 000

100 < 300	2,700/GT + 232 000
300 < 500	2,200/GT + 382 000
≥500	1,200/GT + 882 000

In the case of reassignment, the calculation used for the scrapping shall be multiplied with a specific coefficient to be confirmed by the Monitoring Committee which shall decrease the amount of the premium that a vessel would be entitled to if it were scrapped. In accordance with Article 4 (3) of the Implementing Regulation, where the permanent cessation of fishing activities is achieved by its reassignment, the level of the premium shall be adjusted accordingly, taking into account criteria such as the market value of the fishing license for the vessel and the residual value of the vessel.

Measurable indicators

CATEGORY	OUTPUT INDICATOR
<i>Indicator:</i>	Number of vessels engaged in purse seine and trawl fisheries permanently deleted from the fishing fleet during the implementation of the OP
<i>Definition:</i>	Number of vessels engaged in purse seine and trawl fisheries permanently deleted from the fishing fleet throughout the duration of the implementation of measures under this OP, by both actions – scrapping and reassignment
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	943 (Date 1 September 2013)
<i>Target value:</i>	903 (Date 31 December 2015)
<i>Source of data:</i>	Fishing Fleet Register kept by the Directorate of Fisheries (Union fleet register)
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Decrease of tonnage in purse seine and trawl fleet
<i>Definition:</i>	Decrease of tonnage as a result of permanent cessation of fishing activity by both - scrapping or reassignment
<i>Unit of measure:</i>	GT
<i>Reference value:</i>	36,394.82 GT (Date 1 September 2013)
<i>Target value:</i>	34,575.08 GT (Date 31 December 2015)
<i>Decrease:</i>	-5%
<i>Source of data:</i>	Fishing Fleet Register kept by the Directorate of Fisheries (Union fleet register)
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base

<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Decrease of power in purse seine and trawl fleet
<i>Definition:</i>	Decrease of power as a result of permanent cessation of fishing activity by both - scrapping or reassignment
<i>Unit of measure:</i>	kW
<i>Reference value:</i>	181,808.99 kW (Date 1 September 2013)
<i>Target value:</i>	172,718.54 kW (Date 31 December 2015)
<i>Decrease:</i>	-5%
<i>Source of data:</i>	Fishing Fleet Register kept by the directorate of fisheries (Union fleet register)
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP

6.1.2 - Measure 1.2 (Article 24): “Temporary cessation of fishing activities”

Rationale for the measure

In addition to permanent cessation of fishing activities (measure 1.1.) the aid may be required for the temporary cessation of fishing activities in the circumstances provided for in Article 21(a)(v) of the EFF Regulation. The rationale for this measure is the sustainable utilisation of fisheries resources and the purpose of the measure would be to provide the financial compensation to fishermen for temporary cessation schemes introduced for stock conservation reasons.

Temporary cessation will also be used 1) in the event of emergency measures as referred to in Articles 7 and 8 of the Council Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy (OJ L 358, 31.12.2002), and 2) in the context of the fishing effort adjustment plans referred to in Article 21(a)(ii) or natural disaster, closures of fisheries decided by Member States for reasons of public health or other exceptional occurrence which is not the result of resource conservation measures in line with Article 24(1)(vii) of the EFF Regulation.

The length of such a measure would depend on the nature of the temporary cessation scheme enumerated above and shall by no means be of permanent character. Should the need for introduction of temporary cessation scheme occur, time limits defined in Article 24 (a) of the EFF Regulation shall be respected.

It should be noted that the nature of this measure does not allow for a complete planning in particular in the event of implementation of actions following a natural disaster and emergency measures.

Measure 1.2. shall aim, to:

- temporary cease fishing activity for stocks/areas under particular circumstances which call for such management measures (for stock conservation reasons or in cases of unforeseen circumstances);
- ensure financial compensation to fishermen and holders of fishing licence for commercial marine fishery.

The main characteristic of fishing resources in the Adriatic Sea is that the fishing targets are small and short-lived organisms and most of the catch consists 0, 1 and 2 years of age. Their biomass is mainly affected by the present intensity of fishing and level of recruitment. In the seasons with unfavourable hydrographic conditions (resulting with poor recruitment), high fishing effort may result in the decline of population biomass and overfishing. Therefore the main goal is to establish measures to ensure effective and sufficient recruitment and this is one of the key measures for the protection of livestock and establishment of long-term sustainable fisheries.

Bearing this in mind, the management plans, among other measures, provide the introduction of temporary measures prohibiting fishing during the spawning of key species in conditions where there is a decline in biomass and poor recruitment. Therefore, the evaluation of status of spawning stock and recruitment levels is planned through the monitoring of catches (DCF and additional research methods), and in case of predictable negative changes introduction of temporary fishing bans throughout the entire fishing sea of Croatia.

In the management plan for bottom trawling, among other measures, as an additional measure, is the possibility for potential short temporary prohibition of trawl fishing (i.e. 15 days per year - depending of species that are protected and their spawning time). Specificity for trawl fishing is multispecies fishery, and it is necessary to harmonize and synchronize control measures involving different species, which have different sensitivity and vulnerability to exploitation.

Management plans for purse seine for small pelagic provide a number of measures to regulate fishing and protection of resources. In addition to the existing ban in the winter season (in order to protect spawning sardines - as the main commercial species of pelagic fish in the Adriatic), the plan provides potential additional temporary ban for a period of two weeks during the warmer months (anchovy spawning season), depending of evaluation and status of the anchovy stock.

Temporary suspension of fishing in both mentioned cases is planned for implementation in the entire fishing sea of Croatia and on all concerned fleet segments, and in some specific situations in certain fishing zone and fleet authorized for fishing in this zone. It is important to emphasize that, for the implementation of these measures, close cooperation and coordination of measures with other countries whose fleets targeting shared fish stocks in the Adriatic is extremely important, as well as cooperation with key international scientific, administrative and stockholder organizations engaged in fisheries at the level of the EU, the Mediterranean and Adriatic sea (SGMED, STECF, GFCM, FAO - AdriaMed).

Bearing in mind the expected results as foreseen in the management plans for bottom trawlers through authorisation, gradual phasing out from trawling fleet vessels less than 10 m, implementation of VMS and e-logbook on all trawl fleet, excluding the possibility of fishing effort transferring from one to another fishing zone, and additionally through reduction of the potential number of working days for trawlers for 100-150 days per year (as a result of two days a week fishing ban and 30 days of closed season during the year), and thereby significantly reduce the actual number of working days, establishment of additional areas in which trawling will be banned or highly restrictive (proposal for protected fishing areas in the open sea – Jabuka pit approximately 10.000 km², with non-take zones of approximately 2-3.000 km²), already established and increased prohibition for trawling to the zones depths shallower than 50 meters, as well as the trawling ban 1.5 NM along the Istrian coast (instead of former 1 NM) which is about 1.000 km² of additional area together with the total trawling ban and increasing areas where trawling will be prohibited at depths greater than 500 meters, and finally cessation of coastal trawl net – „tartan” as fishing method, any additional temporary cease of trawling will significantly reduce fishing effort.

Bearing in mind the general goals and indicators of the implementation of the plan for purse seiners for small pelagic, an emergency temporary cessation of fishing is envisaged in special situations affecting the biomass, i.e. the sustainable development of target species. Measure such as prohibition of fishing for small pelagic (in entire fishing sea of the Republic of Croatia, or limiting the prohibition to spawning and maturation areas) for one month during the cold seasons of the year, would protect the sardine during its most intense spawning period, as well as juvenile specimens of anchovy; and a shorter closed season during the warm seasons of the year, would protect the anchovy during its most intense spawning period, as well as juvenile specimens of the sardine.

The measures foreseen in the temporary cessation scheme and mentioned before, will certainly encourage the ship owners for permanent cessation of fishing or to choose fishing methods with more selective fishing technique, and thus will contribute to the gradual reduction of fishing effort.

Basic prerequisite for the implementation of the measure

Basic prerequisite for activation of this measure will be the adoption of fishing effort adjustment plan either in the context of management plans adopted at national level within the framework of Community conservation measures in line with Article 24(a)(v) EFF or emergency measures adopted on the national level, or posed by the EU in line with Article 24(a)(ii) EFF. In addition, activation of the measure 1.2. can be triggered in the event of a natural disaster, closures of fisheries decided by Member States for reasons of public health or other exceptional occurrence which is not the result of resource conservation measures in line with Article 24(1)(vii) EFF..

Eligible action

The eligible action foreseen by this measure is the cessation of fishing effort/activities according to temporary cessation scheme imposed by the relevant authority for the purpose of recovery of stocks, or temporary cessation due to natural disaster, public health reasons or any other exceptional occurrences.

Measurable indicators

CATEGORY	OUTPUT INDICATOR
<i>Indicator:</i>	Number of vessels affected by the temporary cessation scheme
<i>Definition:</i>	Number of vessels to be included in the obligation of temporary cessation of fishing activities.
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	943 vessels engaged in purse seine and trawl fisheries
<i>Target value:</i>	100%
<i>Source of data:</i>	Fishing Fleet Register kept by the Directorate of Fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	OUTPUT INDICATOR
<i>Indicator:</i>	Number of beneficiaries of this scheme
<i>Definition:</i>	Number of persons gaining the right to compensation based on the implementation of this measure (both license holders and crew members), namely, personnel working on the fleet segment eligible for compensation under this scheme.

<i>Unit of measure:</i>	Number
<i>Reference value:</i>	Average number of personnel working on trawlers 1,310 Average number of personnel working on purse seiners 1,272
<i>Target value:</i>	100 %
<i>Source of data:</i>	Fishing Fleet Register kept by the Directorate of Fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Area under the temporary cessation
<i>Definition:</i>	Area under temporary cessation.
<i>Unit of measure:</i>	km ²
<i>Reference value:</i>	Entire fishing sea of Croatia or in some specific situations certain fishing zone
<i>Target value:</i>	Entire fishing sea of Croatia or in some specific situations certain fishing zone
<i>Source of data:</i>	Scientific studies and reports; subordinate legislation
<i>Manager of data:</i>	IOF, Directorate of fisheries
<i>Method of obtaining:</i>	Extract from the relevant scientific studies and reports
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Fishing days of trawlers and purse seiners decreased by temporary cessation
<i>Definition:</i>	Average number of fishing days of trawlers and purse seiners affected by the temporary cessation, active and with sufficient fishing activity
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	Trawlers 36,532 (2012) Purse seiners 41,763 (2012)
<i>Target value:</i>	Trawlers 32,488 Purse seiners 39,273
<i>Source of data:</i>	Fishing Fleet Register kept by the Directorate of Fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP

Beneficiaries

Physical or legal persons who are holders of the fishing licences for marine commercial fisheries and crew members can benefit from the implementation of the measure 1.2.

Aid intensity

Share of public aid is 100%. In the total amount of public aid for implementation of this measure, EFF contribution is maximum 75%, and national contribution minimum 25%.

In the context of the Croatian OP the threshold of the total EFF contribution for this measure can go up to EUR 1,000,000. These resources are allocated taking into account estimation of the resources needed based on the calculation of compensation on the basis of the targets set and bearing in mind the maximum limit set in the Article 24 (2) of the EFF Regulation.

Indication of eligibility criteria

- Fishing licence for commercial marine fisheries must be valid at the moment of submission of application for the premium;
- Fishing vessel for which the application for the premium is made must be registered within the Croatian fishing fleet register.

Calculation of compensation

The calculation of the compensation shall take into account factors such as capacity of the vessel and shall be calculated as follows:

Amount paid to licence holders shall be calculated as follows:

Category of vessels per GT	Maximum amount per vessel per day (EUR)
<25	5.16xGT +36
≥25 and <50	3.84xGT+66
≥50 and <100	3.00xGT+108
≥100 and <250	2.40xGT+168
≥250	1.80xGT+318

The Monitoring Committee shall decide upon the minimum amount of the compensation per vessel in case when vessel falls under the category <25 GT.

Each crew member shall be entitled to EUR 36 (gross value) per each calendar day during the temporary cessation. Given the lack of socio-economic data, this amount is estimated based on the average monthly salary in fisheries sector which amounted around EUR 1,000 in July 2013 (according to CBS).

During the temporary cessation all recipients must not receive any other grant for the same purpose from other private, public, national, EU or international authorities.

6.2 Priority axis 2: Aquaculture, inland fishing, processing and marketing of fisheries and aquaculture products

6.2.1 - Measure 2.1 (Article 29): "Productive investments in aquaculture"

Objective of the measure

Objective of the measure is modernisation of existing aquaculture facilities so as to contribute to increase of production and increase of competitiveness and sustainability of the aquaculture sector.

Rationale for the measure

Bearing in mind the growing need for supply of fish and other aquatic organisms to the market, given the current overall status of the fisheries resources worldwide, the development of this activity is extremely important. The implementation of this measure therefore targets modernisation and increase of production along with the increase of competitiveness and sustainability of the aquaculture sector. Croatia is mainly seeking to modernise the existing aquaculture facilities in a way to improve the profitability of the sector at the same time meeting the requirements of environmental protection.

Particular attention shall be paid to the need to increase the hatcheries' capacity in order to further increase overall viability and self-sustainability of the sector and significantly reduce the risk of transmission of unwanted organisms (pathogens and others) as well as to preserve, to the maximum extent possible, the genetic authenticity of the farmed lines. In addition, one of the key elements is the diversification of production a primarily from the aspect of introduction of new species into the production cycle which are currently not farmed but show marketing potential. In addition, Croatia recognizes the need to introduce new technologies.

Nature of the measure

This measure targets fish and shellfish farming in both freshwater and marine aquaculture. This measure should contribute to:

- Developing production (expansion of businesses), particularly for species with good market prospects, supporting the modernization (e.g. through the renewal and equipping of aquaculture facilities), fostering innovation (new technologies and materials) and technology development companies to enhance the sustainability of businesses;
- Encouraging the development of sustainable aquaculture and integration of the farms in their environment, in particular from the aspect of meeting the objectives of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000.) (Water Framework Directive);
- Diversification of production and developing the quality of process;
- Supporting traditional activities and improving the protection of aquaculture against wild predators.

This measure foresees support to investments in commercial production enterprises of aquatic organisms for human consumption.

Indicative list of potentially supported actions:

- extending/restoring/modernising the existing farms
- extending/restoring/modernising the existing hatcheries
- purchase of equipment for farms and hatcheries

- diversification of production

Measurable indicators:

CATEGORY	OUTPUT INDICATOR
<i>Indicator:</i>	Number of modernised farms/hatcheries
<i>Definition:</i>	Number of modernised production facilities including farms and hatcheries.
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	Number of freshwater water farms and hatcheries 62 (Date 31 December 2012) Number of marine fish and shellfish farms and hatcheries 321 (Date 31 December 2012)
<i>Target value:</i>	Number of modernised freshwater water farms and hatcheries 5 (Date 31 December 2015) Number of modernised marine fish and shellfish farms and hatcheries 7 (Date 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Increase of aquaculture production
<i>Definition:</i>	Increase of production in each of production segments – freshwater and marine (fish and shellfish). The increase of production is going to be measured in comparison to baseline values of production in 2011 and shall be measured in tonnes.
<i>Unit of measure:</i>	Tonnes
<i>Reference value:</i>	Freshwater fish production 6,283 t (Date 31 December 2011) Marine fish and shellfish production (excluding Atlantic bluefin tuna) 4,932 t (Date 31 December 2011)
<i>Increase</i>	+5%
<i>Target value:</i>	Freshwater fish production 6,597.15 t (Date 31 December 2015) Marine fish and shellfish production (excluding Atlantic bluefin tuna) 5,178 t (Date 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Increase of production of juveniles
<i>Definition:</i>	Indicator refers to increase of production of juveniles in marine fish farming. The increase of production is going to be measured in comparison to baseline

	values of production of juveniles in 2011
<i>Unit of measure:</i>	Pieces
<i>Reference value:</i>	Production of juveniles of marine fish species 14,824,990 pcs (Date 31 December 2011)
<i>Increase</i>	+5%
<i>Target value:</i>	Production of juveniles of marine fish species 15,566,240 pcs (Date 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Diversification of production
<i>Definition:</i>	Indicator refers to introduction of new fish species with good market prospective into the commercial production process.
<i>Unit of measure:</i>	Number of new species
<i>Reference value:</i>	Major fish species produced in 2011
<i>Target value:</i>	Increase of number of produced species (Date: 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Increase of added value of aquaculture production
<i>Definition:</i>	Indicator refers to introduction of new added value aquaculture production.
<i>Unit of measure:</i>	Number of added value of aquaculture production
<i>Reference value:</i>	Added value of aquaculture production in 2011
<i>Target value:</i>	Increase of added value of aquaculture production (Date: 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Reduction of environmental impact

<i>Definition:</i>	Indicator refers to introduction of new technologies/equipment resulting in improving environmental conditions
<i>Unit of measure:</i>	Number of new environmentally friendly projects
<i>Reference value:</i>	0 (Date: 1 July 2013)
<i>Target value:</i>	1 (Date: 31 December 2015)
<i>Source of data:</i>	Aquaculture register kept by the Directorate of fisheries
<i>Manager of data:</i>	Head of organisational unit in charge for data collection and management and head of organisational unit in charge for aquaculture
<i>Method of obtaining:</i>	Extract from the data base
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP

Beneficiaries

Physical or legal persons which are holders of a licence for aquaculture (marine or freshwater) according to national legal framework can become beneficiaries of this measure.

Aid can be granted to micro, small and medium enterprises as well as those enterprises that are not covered by the definition in Article 3(f) of EFF Regulation, with less than 750 employees or with a turnover of less than EUR 200 million. However, aid may be granted to all enterprises regardless of their size if they are situated on the islands of Dugi Otok, Vis, Mljet and Lastovo.

Aid intensity

Public contribution can go up to 60 % of total eligible investments.

In the total amount of public contribution EFF will contribute with maximum 75% and national budget with minimum 25%. Exceptionally, in accordance with the Annex III. Chapter 5. Paragraph 2 (d) of the Treaty concerning the accession of the Republic of Croatia to the European Union, operations on islands Dugi Otok, Vis, Mljet and Lastovo may be co-financed by public aid where maximum 85% would be EFF contribution and minimum 15% national.

Indication of eligibility criteria

- applicant must be a holder of a valid licence for mariculture and/or freshwater aquaculture
- operation is in conformity with relevant legislation governing environmental and nature protection, spatial planning and construction
- operation must be sustainable from economic, technical and financial aspect

Indication of selection criteria

- size of the enterprise – micro and small enterprises shall have priority.
- specific location of investment (islands, ASSC areas) could be awarded with extra points

These criteria shall be submitted duly to the Monitoring Committee for discussion. Prior to implementation of the Measure 2.1. Monitoring Committee must approve selection criteria to be proposed by Managing Authority.

Specificities of the measure

Selected projects must be compliant with provisions of different regulations existing at the EU or national level, especially in areas of environment, public health and animal health and welfare.

Projects implying diversification of production into new species should be accompanied by a market study.

Regarding the assessment of environmental impacts, projects must meet the requirements of Annex IV of the Council Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment (OJ L 175, 05.07.1985.) and the provisions of the national legislation governing environmental protection.

6.3 Priority axis 5: Technical assistance

Objective of the technical assistance is to improve the administrative capacities and stakeholders' awareness.

6.3.1 - Measure 5.1 (Article 46): "Technical assistance"

Description of the measure

In order to ensure the proper implementation of the structural policy in fisheries, including by the implementation of this OP as well as of the preparation for the next programming period, additional targeted administrative capacity building is required. The capacity building necessary primarily relates to the bodies directly involved in the process of management and control of implementation of the operational programmes in fisheries. Additionally, it is necessary to assure the appropriate level of information and awareness of the potential beneficiaries and the public on the possibilities provided through the EFF and the EMFF, as well as their respective contribution. This measure should as well provide for support to implement evaluations of the OP.

Indicative list of potentially supported actions:

- 1) Actions related to improving the management and control system for the implementation of this OP through reinforcement of human resources, providing technical and operational preconditions for the effective and efficient functioning of the management and control system;
- 2) Communication actions⁸ which will provide for:
 - continuous dissemination of information to potential beneficiaries on funding opportunities under various measures in line with the Article 51 of the EFF Regulation;
 - informing the general public on the role played by the EU in the programme and on the programme's impact.
- 3) Actions regarding the implementation of the evaluations expert reports, statistics and studies, including those of a general nature concerning the operation of the EFF;
- 4) Measures to disseminate information, networking, awareness raise, cooperation promotion and exchange of knowledge and experiences throughout the Union, all related to implementation of the structural policy in fisheries.

Beneficiaries

⁸ It should be noted that Croatia will take into consideration the existing chamber system within the fisheries sector, as well as the cooperative system, and shall employ them according to need to the extent possible in disseminating information. However, it is not envisaged that the Chambers and Fishery Cooperatives can become beneficiaries of this measure.

Beneficiary of the technical assistance measures is the administration responsible for the management and control of the implementation of the OP, i.e. the Managing Authority, the Certifying Authority, the Audit Authority and the Intermediate bodies of the MA and the CA.

Financial provisions

The eligible expenses occurred are co-financed by the EFF, up to maximum 75%.

Indicators

CATEGORY	OUTPUT INDICATOR
<i>Indicator:</i>	Number of operations for facilitating the implementation of the OP
<i>Definition:</i>	Indicator refers to number of operations meant for facilitating the implementation of the OP within the current programming period and those facilitating preparation for the next programming period, including all other relevant activities as foreseen by the <i>acquis</i> or deemed necessary along the process of implementation of this OP
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	0 (Date: 1 July 2013)
<i>Target value:</i>	5 operations (Date: 31 December 2015)
<i>Source of data:</i>	Directorate of fisheries / MA
<i>Manager of data:</i>	Head of MA
<i>Method of obtaining:</i>	OP implementation system
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Number of staff involved in training under the TA
<i>Definition:</i>	Number of staff involved in training activities throughout the duration of the OP. This includes the number of staff in all relevant institutions (designated authorities and intermediate bodies). Education foresees study trips for the purpose of exchange of knowledge and experience, seminars, workshops, expert meetings, etc.
<i>Unit of measure:</i>	Number
<i>Reference value:</i>	Staff of the MA - 5 (Date: 1 July 2013) Staff of the PAAFRD - 8 (central office) (Date: 1 July 2013) Staff of CA – 3 (Date: 1 July 2013)
<i>Target value:</i>	50% of operating staff of each institution within the management and control system trained (Date: 31 December 2015)
<i>Source of data:</i>	Directorate of fisheries / MA
<i>Manager of data:</i>	Head of Managing Authority
<i>Method of obtaining:</i>	OP implementation system; application documentation (attendance lists, travel reports, etc.)
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP
CATEGORY	RESULT INDICATOR
<i>Indicator:</i>	Number of publicity activities supported by the TA
<i>Definition:</i>	Number of publicity activities which took place during the implementation of the OP

<i>Unit of measure:</i>	Number
<i>Reference value:</i>	0 (Date: 1 July 2013)
<i>Target value:</i>	5 operations related to creation publicity materials (for instance: brochures, leaflets, web sites, etc.) and dissemination of information (for instance: information campaigns, workshops, seminars, trips, etc.) (Date: 31 December 2015)
<i>Source of data:</i>	Archive of the Managing Authority
<i>Manager of data:</i>	Head of Managing Authority
<i>Method of obtaining:</i>	Insight into the documentation within the archive
<i>Review frequency:</i>	Upon finalisation of tender procedure and during the process of closing the OP

6.4 Other EU Funds

6.4.1 Coordination with the IPARD

For the 2007-2013 programming period, the IPARD provides support to agriculture and rural areas.

Under the CFP, the EFF is focused on the sustainable development of fishing and aquaculture.

If EFF and IPARD both contribute to strengthening economic competitiveness in their respective sectors and sustainable development, fields of intervention are differentiated by the nature of sectors and policy objectives.

Regarding the possible overlap, the following principles are noted:

- Professionals with the status of professional fisherman are beneficiaries solely under the EFF;
- With regard to the processing industry, it is not intended to use EFF funding for these activities;
- There is a possibility of overlapping between the two funds, for local sustainable development of fisheries areas. Axis 4 of the EFF and the approach LEADER objectives have similar methodologies. However, the axis 4 is not planned for implementation by Croatia based on this OP.

6.4.2 Coordination with the ERDF

The mission of the ERDF is to financially contribute to strengthening economic, social and territorial cohesion by reducing regional disparities and supporting the development and structural adjustment of regional economies, including the conversion of declining industrial regions. The Fund's action is focusing on a number of thematic priorities, in particular competitiveness, innovation, job creation and sustainable growth that respects the environment. This fund helps to finance productive investment, infrastructure, technical assistance and other development initiatives such as business services or the guarantee fund. It will co-finance actions in the three objectives of regional policy: "Convergence", "Regional Competitiveness and Employment" and "European Territorial Cooperation". Fisheries sector in general is not included within measures foreseen by ERDF in current programming period, thus the overlapping is not possible.

Collective actions (Article 37 of the EFF measures) and pilot projects (Article 41 of the EFF measure) integrating all industry players may have strong innovative components, on questions of

production and processing techniques, on energy and economic issues and dissemination of knowledge. EFF will not support such projects, which may be directed to the ERDF.

ERDF and EFF could also support fishing development and equipping ports. In the present OP it is not intended to use EFF fund for this purpose.

6.4.3 Coordination with ESF

Overlaps may occur between the EFF and ESF, which covers different aspects of economic and social development and the development of fisheries areas (coast, lakes, rivers and estuaries) in the area of maritime commercial fishing, aquaculture (fish marine and continental shellfish, inland fisheries) under Axis 4 of the EFF and the ESF intervention which also aim to support the social and economic development of the territories and improve employability. As Axis 4 of EFF will not be used, there is no risk of overlapping.

7 FINANCIAL PROVISIONS

The total EFF contribution for OP, under Convergence objective, is EUR 8.7 million. This contribution will be used as hereunder:

Priority	Share (%)	Total public (EUR)	EFF Contribution (EUR)	National Contribution (EUR)	EFF co-financing rate (%)
		$a = b + c$	b	c	$d = (b/a) \times 100$
Axis 1	51.81	6,010,000	4,507,500	1,502,500	75
Axis 2	43.19	5,010,000	3,757,500	1,252,500	75
Axis 5	5.00	580,000	435,000	145,000	75
TOTAL	100	11,600,000	8,700,000	2,900,000	75

8 IMPLEMENTING PROVISIONS

8.1 Designation by the Republic of Croatia of the entities provided for in Article 58 of Regulation (EC) 1198/2006

This chapter deals with the description of the main elements of the Management and control system for implementation of the OP (hereinafter: MCS). The MCS is set up according to the provisions contained within the Articles 57 to 61 of the EFF Regulation.

The MCS consists of the Managing Authority (hereinafter: MA), Certifying Authority (hereinafter: CA) and Audit Authority (hereinafter: AA). For the purpose of legal recognition and appointment of their respective functions, Government of the Republic of Croatia has designated these Authorities by virtue of the Governmental Decision on designation of authorities within the Management and control system for the implementation of the OP fisheries of 18 March 2010.

By way of this Decision, MINAGRI is designated, on the level of its organizational units, as the MA and the CA where the DoF is designated as MA, and, Independent Service for Accreditation of the Paying Agency in Agriculture, Fisheries and Rural Development and Certification of Fisheries Programme Support, as CA. The Agency for the Audit of the European Union Programmes Implementation System (ARPA) is designated as the AA.

The principle of separation of functions was fully applied on the level of designated bodies. The DoF – MA and Independent Service for accreditation of Paying Agency for agriculture, fisheries and rural development and certification of support programmes in fisheries (hereinafter: Independent Service) – a CA, are separate organisational units within the MINAGRI which are completely independent of one another and each has its own head fully responsible for the scope of work of each of the two organizational units. With regards to the functions allocated in the context of MCS for the EFF, the reporting line within the MA ends with Head of the DoF and within the Independent Service the reporting line ends with the Head of Service (Appendix 3, Figure 3-1). As for the AA, ARPA is entirely independent body of the state administration, which ensures its complete independency from other institutions involved in the MCS.

Since Croatia foresees channelling all payments for agriculture, rural development and fisheries through the Paying Agency for Agriculture, Fisheries and Rural Development (hereinafter: PAAFRD), and in accordance with the possibility given by the Article 58(2) of the EFF Regulation and in line with article 38 (1) of the Implementing Regulation, some of the MA's tasks shall be delegated to the Intermediate body (hereinafter: IB) – the PAAFRD whereby the designated authority (MA in this case) withholds the full responsibility for implementing all the functions under its scope of competence.

Furthermore, some of the tasks from the scope of work of the CA shall be delegated to the PAAFRD as well whereby the designated authority (CA in this case) withholds the full responsibility for implementing all the functions under its scope of competence.

Due attention shall be paid to clear separation of MA and CA functions on the level of the IB – the PAAFRD and segregation of tasks and duties shall be ensured by clear definition of different functions and job description of each of the employees within the IB involved in carrying out functions delegated by the MA or CA.

Internal organisation of the PAAFRD guarantees the segregation of duties in a manner that management officers responsible for relevant designated Departments within the PAAFRD are functionally independent taking into account different delegated tasks from the MA and CA level.

Delegation of tasks from both MA and CA to the IB will be in compliance with the general principles of the separation of functions and shall be made by virtue of the Agreement on cooperation between the MINAGRI and PAAFRD.

8.1.1 Managing Authority

MA for the OP fisheries is designated on the level of the MINAGRI-DoF. Minister of agriculture shall by way of a Ministerial Decree authorize a Directorate of fisheries and its head official for overtaking full responsibility of the implementation of MA functions (see Appendix 3).

MA is fully responsible for all MA functions as stipulated in Article 59 of the EFF Regulation, and these are:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the OP and that they comply with applicable Union and national rules, for the whole of their implementation period;
- verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries has actually been incurred and complies with Union and national rules;
- ensuring that there is a system for recording and storing in computerised form accounting records of each operation under the OP and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation is collected;
- ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- ensuring that the ex ante, interim and ex post evaluations of OP are carried out in accordance with provisions set by the EFF Regulation;
- setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held according to relevant provisions of the EFF Regulation;
- ensuring that the CA and the AA receive all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification and audit respectively;
- guiding the work of the monitoring committee and providing it with the documents required to permit the quality of the implementation of the OP to be monitored in the light of its specific goals;
- drawing up and, after approval by the monitoring committee, submitting to the Commission the annual and final reports on implementation;
- ensuring compliance with the information and publicity requirements meaning, ensuring publicity and dissemination of information to potential beneficiaries and beneficiaries about the OP and informing the general public about the role of EU in the OP.

In addition, MA shall be responsible for following tasks:

- setting up of necessary legal basis for implementing structural policy in fisheries
- preparation of the NSP

- preparation of the OP, in compliance with the *acquis*, national legislation and NSP priorities,
- preparation of the Description of the MCS and submission to the EC;
- planning the budget for implementation of the OP on annual basis;
- preparation of the proposal of selection criteria for the projects and ensuring its presentation to the MC,

Functions of the MA shall be partially delegated to the IB – PAAFRD. The delegation of functions shall be determined and confirmed officially by way of Agreement on cooperation between MINAGRI and IB. The Agreement on cooperation shall contain definition and description of tasks, mutual relations as well as reporting system and main elements regarding supervision over the delegated tasks. As to ensure transparency of procedures Manual of procedures shall be developed. Delegation of the tasks from MA to IB shall be in compliance with the general principles of the separation of functions.

Address (MA):

Ministry of Agriculture
Directorate of Fisheries
Ulica grada Vukovara 78
HR-10000 Zagreb

Intermediate Body of the MA

According to the possibility given by the Article 58(2) of the EFF Regulation, it is envisaged to delegate certain tasks from MA to the Intermediate body – PAAFRD. Detailed list of tasks to be delegated to the intermediate body of the MA shall be agreed upon by way of the Agreement on cooperation between the Ministry of agriculture and PAAFRD. Tasks provisionally decided to be delegated are those specified in Article 59 (a), (b), (c), (d), (f), (g) and to certain extent (j), of the EFF Regulation, as follows:

- ensuring that operations are selected for funding in accordance with the criteria applicable to the OP and that they comply with applicable Union and national rules which implies:
 - publishing public calls for proposals in accordance with the subordinate measure specific legislation drafted by the MA (containing criteria approved by the Monitoring Committee)
 - processing applications for support and approving/rejecting applications;
- verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries has actually been incurred and complies with Union and national rules;
 - processing payment claims and approving/rejecting payment claims;
- taking into account the results of the on-the-spot controls⁹.
- giving information, within its sphere of competence and in coordination with MA, on the possibilities of receiving assistance;
- publishing overviews regarding the provision and use of assistance; preparing guidelines and other information materials for applicants in cooperation with the MA;

⁹ OTS are decided to be undertaken by the DoF

- ensuring the existence of a system for recording and storing data in computerized form, including accounting records, on each operation under the OP;
- ensuring the existence of a separate accounting system for expenses incurred out of the contribution of the EFF at the level of the intermediate body and as regards the beneficiaries;
- ensuring that documents regarding expenditure and audits are kept available for the European Commission and the European Court of Auditors at least for the period laid down in Article 87 of EFF Regulation;
- ensuring the existence and availability of the data necessary for certification and audit;
- submitting the data necessary for reporting on the provision and use of assistance.

In addition, IB shall be responsible for making payments to beneficiaries as soon as possible and in full.

For the purpose of implementing the OP measures, the IB of the MA shall use the SW support. The mentioned SW consists of the AGRONET (interface for beneficiaries) and ISSA (application for administration). The AGRONET represents the interface for the beneficiaries by way of which beneficiaries shall submit their applications and payment claims. The ISSA is envisaged to serve as a tool for administrative processing of applications and payment claims on the level of the IB, ensuring as well the adequate access level to all other institutions within the MCS (i.e. MA, CA and AA). Complete description of the SW support and references to operating procedures shall be presented within the Description of the MCS which shall be submitted to the EC in due time.

Within the PAAFRDs ISA system, there is a subsystem ISRiF for implementations of tasks regarding payments and accounting. Financial application for execution of payments is on Microsoft SQL Server. For accounting tasks, the SAP software is installed (Oracle database). Application for reporting is on the subsystem ISPU.

The system is available to employees of the PAAFRD in accordance with rules laid down for each employee. MA will have read-only access to the PAAFRDs system during the implementation of tasks regarding EFF also in accordance with predetermined rules.

Address (IB):

Paying Agency for Agriculture, Fisheries and Rural Development
Ulica grada Vukovara 269d
HR-10000 Zagreb

8.1.2 Certifying Authority

The CA is the Independent Service for Accreditation of PAAFRD and Certification of Support Programmes in Fisheries (see Appendix 3) within the MINAGRI.

According to Article 58(4) of the EFF Regulation, the MA and CA may be part of the same body but should be functionally independent from each other. This principle of separation of functions was taken into account and the Head of the CA is the head of the Independent Service.

The Certifying Authority is responsible for functions as stipulated in Article 60 of the EFF Regulation which implies the following:

- drawing up and submitting to the EC certified statements of expenditure and applications for payment;
- certifying that:

- the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents,
- the expenditure declared complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the OP and complying with the applicable Union and national rules;
- satisfying itself that the information received on the procedures and verifications carried out in relation to expenditure included in statements of expenditure provide an adequate basis for certification;
- taking account for the certification purposes of the results of all audits carried out by or under the responsibility of the AA;
- maintaining accounting records in computerised form of expenditure declared to the EC;
- keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation.

According to possibility given by the Article 58(2) of the EFF Regulation, the CA may delegate some functions to intermediate body. Intermediate body for executing delegated functions of the CA shall be PAAFRD and functions shall be delegated by way of Agreement on cooperation between the MINAGRI and PAAFRD. The mutual relation between the CA and its intermediate body shall be defined by way of Cooperation Agreement and elaborated in detail by way of Manual of Procedures.

The following tasks are decided to be delegated on behalf of the CA to the IB:

1. maintaining accounting records in computerised form of expenditure declared to EC;
2. keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation.

Address (CA):

Ministry of Agriculture
Independent Service for Accreditation of PAAFRD and Certification of Fisheries Programme Support
Ulica grada Vukovara 78
HR-10000 Zagreb

8.1.3 Audit Authority

AA is ARPA. The functions of the AA are separated fully from the functions of the MA and CA. The head of the AA is the head of ARPA. The AA is functionally independent of all participants in the MCS, and the audit work will be performed in accordance with international standards (IFAC) and relevant EU guidelines

The functions of the AA are detailed in Article 61 of the EFF Regulation. According to this, AA will be responsible for:

- ensuring that audits are carried out to verify the effective functioning of the management and control system of the OP;
- ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;

- ensuring that the MA and the CA receive all necessary information on the audits and controls carried out;
- by 31 December of 2014 and 2015:
 - submitting to the EC an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned in accordance with the audit strategy of the OP and reporting any shortcomings found in the MCS. The information concerning the audits carried out in the period after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point;
 - issuing an opinion based on the controls and audits that have been carried out under its responsibility as to whether the MCS functions effectively, so as to provide reasonable assurance that statements of expenditure presented to the EC are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular;
 - submitting, where applicable under Article 85, a declaration for partial closure assessing the legality and the regularity of the expenditure concerned;
- submitting to the EC at the latest by 31 March 2017, a closure declaration assessing the validity of the application for payment of the balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.

Address (AA):

Agency for the Audit of EU Programmes Implementation System
Koturaška 53/1
HR-10000 Zagreb

8.1.4 The body responsible for receiving payments made by the Commission and the body responsible for making payments to the beneficiaries

Ministry of Finance is the owner of the account to which EFF contribution shall be received. The EFF account is opened at the Croatian National Bank (hereinafter: CNB), and shall be communicated to the EC. Therefore, the body responsible for receiving payments made by the EC is the Ministry of Finance.

The PAAFRD (IB) is the body responsible for the payments towards the beneficiaries. PAAFRD shall for the purpose of implementation of the OP open account at the CNB for receiving payments from the State treasury. Upon approval of decisions on payments to beneficiaries, PAAFRD applies for financial means directly to the system of the State Treasury. Upon receiving requested payment from the State treasury, PAAFRD shall execute payments to beneficiaries accounts via the Financial Agency (hereinafter: FINA).

PAAFRD is as well the body executing recoveries.

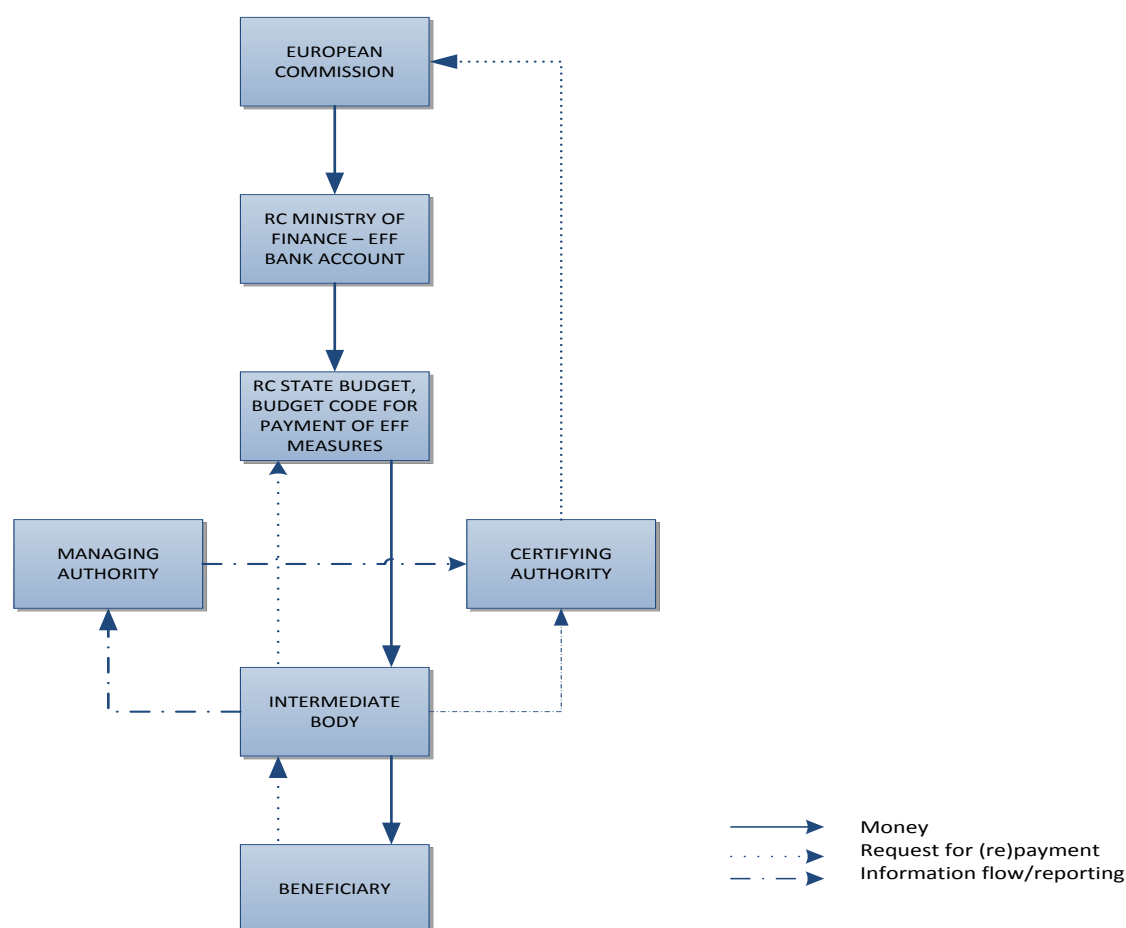
Organisational unit in charge of making payments and book keeping (accountancy) of executed payments as well as of recoveries is the Sector for finances within the PAAFRD. It is comprised of three departments: Financial Affairs Department, Accounting Department and Reporting Department. Accounting department within the Sector for Finance of the PAAFRD uses SAP system. MINAGRI shall receive necessary financial-accountant information from PAAFRD.

The organisational structure of the Sector for Finances of the PAAFRD and the units in charge of the financial implementation of the OP are given in Appendix 3.

The Sector for Finances of the PAAFRD is responsible for:

- opening of necessary bank accounts in order to receive payments from the State Treasury and executing payments to the beneficiaries;
- bank transfers to the beneficiaries based on the approved payment claims;
- recovery of amounts unduly paid from the beneficiaries;
- setting-up and operating of the accounting system which registers the expenditure based on verifiable supporting documents;
- summarising payments to the beneficiaries and the recoveries by the beneficiaries and sending the summaries to the CA. The summaries are a basis for the certified statements of expenditure and summary payment applications;
- managing and maintaining accountancy system and its security.

Figure 2. Money flow



Address:

Paying Agency for Agriculture, Fisheries and Rural Development Agency (PAAFRD)
Ulica grada Vukovara 269/d
HR-10000 Zagreb

8.2 Monitoring of the OP

Monitoring and evaluation activity of the OP is set up according to the specifications of the EFF Regulation and all related implementing provisions. The indicators used in the OP are based on the above-mentioned to the highest extent.

8.2.1 Monitoring Committee

To supervise and monitor the implementation of the OP fisheries, a Monitoring Committee shall be set up. MA is responsible for setting up the Monitoring Committee and for guiding its work.

The Monitoring Committee is the most important coordinating and decision-making body related to the implementation of the OP and it is responsible for the quantity of the realization of the program.

Its main activities are:

- considering and approving the selection criteria for the operations and approving any revision of those criteria according to programming needs;
- periodically reviewing progress made toward the achievement of specific objectives of the OP on the basis of documents submitted by the MA;
- regularly examining results of implementation particularly achievement of targets set for each priority axis;
- examining and approving the annual and final reports before those are submitted to the EC,
- keeping track of the annual control reports and of any relevant comments the Commission may make after examining that report;
- giving suggestions to the MA on revision or examination of the OP in order to achieve the objectives set up;
- considering and approving the proposals to amend the content of the Commission decision on the contributions from the EFF.

MA and the Monitoring Committee monitor the fisheries programs by using indicators defined in the OP.

As for the membership of the Monitoring Committee due attention shall be paid so as to involve all relevant stakeholders such as relevant ministries, regional and local authorities, representatives of the fisheries sector, economic and social partners, civil organisations, non-governmental organisations scientific institutions as well as representatives of the designated authorities and intermediate bodies within the MCS.

Representatives of the European Commission shall participate in the work of the monitoring committee. Purpose of the monitoring is to obtain and give information to those interested in the quality of execution of the OP and its present status, and also about to what extent the execution has assisted in achieving of the common objectives of the CFP.

8.2.2 Annual report on the implementation

MA will submit an annual report on the implementation of the OP to the European Commission - first in 2014, and then in 2015, not later than 30 June. The final report shall be sent as the closing report of the Program's implementation by 31 March 2017. The main elements of the annual report are shall be as stipulated in Article 67 of the EFF regulation.

8.3 Description of procedures for mobilisation and circulation of financial flows in order to ensure their transparency

An Agreement of Cooperation will be signed to define the relations between MFIN, MINAGRI and PAAFRD related to the implementation of the EFF. This agreement shall establish the responsibilities and main functions of signatories in planning income and expenditures, approval of payments, executing payments, record keeping on payments and reporting in accordance with the criteria stipulated by national regulations and provisions of the relevant part of the *acquis*.

Advance payment, interim payments and payment of the balance coming from the EU budget shall be made to the separate EFF bank account (programme account), denominated in EUR, opened and managed by the Ministry of Finance. Financial means received on the EFF account shall constitute income of the state budget. The means are allocated for financing operations under the OP.

As per Accession Treaty (signed on 9 December 2011) advance payment of 25% of the total EFF contribution for the implementation of the OP (total EFF contribution is EUR 8.7 million) is expected. Croatia shall duly notify Commission on the exact number and other necessary details related to the account to which it shall receive the said payment.

MA is in charge of annual forecasts of expenditure in accordance with the national provisions on the state budget and relevant national legal framework. PAAFRD is body responsible for making payments to the beneficiaries.

Upon the payments to the beneficiaries are made, and according to the dynamics of the certification, IB provides information necessary for drawing up statements of expenditure and submits them to the CA.

Based on the information received, CA draws up and certifies the Statement of Expenditure, fills up Application for payment and submits them to the Commission. These documents provide a basis for transferring the funds by the European Commission (Figure 2).

8.4 Procedures for data exchange between the European Commission and Croatia in electronic form

For the 2007-2013 programming period, the European Commission has set up an information system (SFC2007) – a web-based application – to collect data on programme implementation by Member States. The application is intended to ensure the secure exchange of data in the common interest between the Commission and individual Member States. The EC has produced the application to standardise and speed up reporting procedures and reduce the possibility of error. The system will support electronic exchange of data between the Commission and Croatia on Operational Programmes for all EU funds, as well as manually inputting of data via the web application.

SFC2007 will primarily be used to support the exchange of the following document types:

- National strategic plans and their updates,
- Operational programmes and their updates,
- Summary reports,
- Annual progress reports,
- Reimbursement claims,
- Commission decisions and other relevant documents.

8.5 Partnership

Consultation process related to the development of the NSP

Initial stage of the process – formulating the strategic priorities and goals

The entire process of definition of strategic priorities and goals in fisheries started in October 2008 with a number of internal consultations between the various heads of sectors and units in the MINAGRI-DoF to ensure that adequate preparations were made for the drafting of the NSP.

Following the initial stage of the process and in line with the Article 8 of the EFF Regulation, the process continued in December 2008 with the aim of establishing the general objectives and priorities of Croatia's NSP for the period 2007 to 2013 within the framework of the PHARE 2005 programme (Appendix 4) – Technical Assistance project (Contract No 2005 – 0505 – 020201) and Twinning project (Contract No 2005 – 0505 – 020101). Within these two project the first workshop was organised which lasted for two days and included more than 40 participants. The scope of the workshop was to provide basic information on tools and mechanisms for implementation of the EU structural policy in fisheries and the possibilities provided by the EFF. Participants on this workshop were sector stakeholders, namely the representatives of the following institutions and organisations:

- ministry in charge for agriculture, fisheries and rural development (10 representatives)
- project staff and experts (9)
- ministry in charge for environmental protection, spatial planning and construction (2 representatives)
- ministry in charge of culture heritage and nature protection (1 representative)
- ministry in charge of regional development, forestry and water management (3 representatives)
- ministry in charge of economy (1 representative) of environmental and nature
- ministry in charge of maritime affairs, transport and infrastructure (1 representative)
- ministry in charge of finances (1 representative)
- ministry in charge of foreign affairs (1 representative)
- Croatian Agriculture Extension Service (2 representatives)
- Directorate for payments (future Paying agency) (1 representative)
- scientific institutions (2 representatives)
- CCE (3 representatives)
- CCTC (2 representatives)
- fisheries cooperatives (3 representatives)
- IPA institutional support (2 representatives)

Consultations were afterwards continued with the Croatian Agriculture Extension Service, CCE and CCTC, as well as with scientific community and fishermen guild representatives, and the first draft of the NSP including the priorities and goals for fisheries was made in February 2009.

It should be noted that at the time of the initiation of the consultations the accession of Croatia to the EU was expected to happen in 2011 or 2012 the latest, meaning that the envisaged scope of the NSP and the OP was somewhat different. Given the delays in the process, the consultations were then held at a slower rate and changes into the initial ideas of the possible investments and priorities had to be made.

Advanced stage of the process – preparing the final draft

After a number of rounds of modifications which needed to take place given the dynamics of the accession process, the final draft of the NSP was formulated and formally presented to the sector

stakeholders at the annual event organised by the CCTC – Fishermen Guild in October 2012 (more than 300 fishermen, members of the CCTC were present at the event).

After this public presentation, and under the national rules and procedures, this draft was then sent to formal consultations and opinions in November 2012 to the following institutions:

- Ministry of maritime affairs, transport and infrastructure (MMATI)
- Ministry of environmental and nature protection (MENP)
- Ministry of regional development and EU funds (MRDFEU)
- PAAFRD
- ARPA
- CA
- CCE
- CCTC

All the feedbacks were gathered by the end of the year, duly taken into consideration and based on it, NSP was amended accordingly.

Moreover, the NSP was presented on series of one-day workshops held in several coastal counties, namely, Pula, Rijeka, Zadar and Split, which took place in January 2013. Workshops were organised by the CCE and MINAGRI. More than 200 sector and civil society representatives participated at the events.

New draft version of the document which was finalised in January 2013 was then published on the official web site of the Directorate of fisheries (<http://www.mps.hr/ribarstvo/>) and submitted to the Commission for comments. The feedback from the EC was received at the end of January/beginning of February. Next draft was prepared in June 2013 and informally re-submitted to the Commission for yet another round of informal consultations. Second round of comments on the draft NSP was received by the EC in July 2013.

Summary of consultations during the stage of preparation of final draft

MMATI provided only technical comments related to inclusion and precise reference to the legal framework governing the issuing of concessions for aquaculture farms into the annex listing the legislative framework governing fisheries. However, after due consideration, it was decided not to adopt the recommendation due to the fact that the list only included legislative package directly under the scope of competence of the MINAGRI.

MENP provided a number of suggestions for technical modifications of the document from its scope of competence, suggestions oriented towards reaching the long term sustainability from environmental and nature protection aspect (i.e. planning of the marine protected areas, improvements of the resource management and suggesting better links with the environmental and nature protection administration) and some comments regarding the sustainable aquaculture, particularly within the potential NATURA 2000 areas. Comments provided were well elaborated and supported with solid arguments based on which most of them were accepted or decided to be reconsidered on the OP level and on the level of developing selection criteria.

MRDFEU provided a number of comments and suggestion mainly focusing on the proposal to include the overview of the support mechanisms implemented in fisheries sector, more descriptive presentation of potential links between fisheries with other sectors (namely, tourism), suggestions for modification of SWOT analysis and strategic goals with regards to resource management issues. After taking all the comments under consideration, it was found that some of the comments (particularly those referring to resource management issues) required further consultation with the scientific community, and finally it was decided to disregard them as there were no scientific evidence for supporting the suggested amendments. However, the proposal to consider the

possibility to include a pilot project of temporary cessation around the Jabuka island is going to be considered in due time, when preparing the supporting documentation for implementation of this particular measure. As for the comments to include a brief overview over the support mechanisms in the pre-accession period, it was accepted and included in the final version of the NSP, and subsequently the OP.

PAAFRD provided number of comments regarding the technical details to be amended in the text which were all accepted. Furthermore, number of comments were related to suggestions for further elaboration of the IPARD programme and possibilities provided within its framework for fisheries stakeholders. These sets of comments were considered and suggestions duly incorporated. Some of the comments provided by the PAAFRD led to further consultations with fisheries experts and upon closer examination were deemed to be not substantiated and hence were disregarded. This refers to some suggestions related to fisheries policy issues and fleet and resource management, which were assessed as of interest in the broader framework of discussions but not on the elements pertaining to the scope of the NSP.

ARPA and CA did not have any substantial comments, while sector (CCE and CCTC) provided only informal verbal comments which were mainly focusing on financial framework. The request was made as to equally distribute the total financial allocation between the two axes planned to be implemented under the OP, as stakeholders showed reasonably high interest for all the foreseen measures.

Consultation process related to the development of the OP

With respect to the drafting of the OP, similar consultations were also held. More specifically, consultations took place prior and during the drafting of the OP. As the process of drafting of the OP started before the public presentation of the NSP as explained earlier, basic information about the measures to be included into the OP were provided to the sector stakeholders at the same time as the NSP (namely, during workshops in Pula, Rijeka, Zadar and Split). During these events the targeted audience were members of CCE and CCTC in all three sectors – capture fisheries, aquaculture and processing industry. In addition, one information event took place in Vukovar in the beginning of May 2013 where the targeted audience were freshwater aquaculture farmers and again in Zadar in the beginning of June 2013 where the targeted audience were marine aquaculture farmers.

Apart from the fact that the OP was developed with the assistance of the IPA 2008 FPP RAC project (Contract No 2008-0404-011101), the IPA 2009 Twinning project (Contract No 2009-0404-0110), which is being implemented in parallel, also contributed to the consultation process by way of providing comments and advice from Spanish and Estonian experts. The experts' assistance provided through the framework of both projects was also utilised for facilitating the communication process with sector stakeholders.

In addition to the public consultation process with the sector stakeholders, the first draft document of the OP was sent for first round of consultations with the relevant institutions, which were invited to give comments in February 2013. The following institutions were consulted:

- MMATI
- MENP
- MRDFEU
- PAAFRD
- ARPA
- CA
- CCE
- CCTC

- In addition, OP was sent to the informal consultation with the EC in June 2013 and respective informal comments were received in July 2013.

Summary of consultations

Most sector representatives consulted provided mostly verbal and informal comments. Written comments were received from MRDEUF, MENP and PAAFRD. All the comments were duly considered and the overview of the main results is given below.

MRDFEU provided a suggestion for the amendments in the Chapter Geographical eligibility where they proposed to include a reference to the Act on regional development as well. Also, the MRDFEU suggested to use the EUR and USD for respective currencies as well as to make a reference to the Strategy 2020 instead of the Lisbon and Göteborg strategy. All the comments were considered and accepted.

MENP suggested to use the ecosystem based approach as part of the integral marine resource management when formulating the strategic goals for the fisheries sector, so as to establish long term sustainable management of marine resources. Equally, MENP considers that is extremely important to establish comprehensive and transparent system for monitoring catches and by-catches, particularly with regards to the monitoring of catches of the accidental catches of endangered species. Also, MENP stresses the need to undertake precautionary approach when it comes to danger of introduction of allochthonous species. All the comments were taken under consideration and some were accepted while some of them, given that they go beyond the time frame of the OP, shall be duly considered for the future OP.

PAAFRD provided suggestions for improvement of the system of indicators so as to reflect the SMART approach. This comment was duly taken under consideration and indicator system was amended accordingly. Moreover, the PAAFRD provided a suggestion for more balanced approach when choosing the measures for implementation under the OP, proposing thus the inclusion of the measure “Socio-economic compensation to fishermen”. However, this measure was considered not necessary due to existence of the national scheme of financial compensations for unemployed, during different period of time (depending on different factors such as age and employment period preceding the loss of job). The introduction of the suggested measure would therefore represent potential risk of overlapping with the existing compensation schemes which would represent an extremely challenging task from the aspect of control.

Partnership beyond the adoption of strategic and programming documents

In line with Article 8, the element of Partnership will be maintained throughout the duration of the implementation of this OP, as well as during the ex-post evaluation. A formal structure of consultation headed by the Assistant Minister for fisheries will be set up. This will involve all relevant authorities, the fishers’ cooperatives, the Chambers’ representative and the relevant representatives of local communities and the NGO sector. The coordination is scheduled to take place every six to nine months, and during these consultation meetings an overview of how the OP is being implemented and the planned activities for the next period will be given and the feedback of the participating stakeholders will be sought. Given the short duration of the implementation period, it is envisaged to have a maximum of 3 to 4 meetings until the end of 2015. This feedback will be officially recorded, but since the scope of the OP is limited they will serve mostly for the implementation of the OP to be prepared for the next coming programming period. The consultation partners will also be asked to contribute towards ex post evaluations.

8.6 Information and Publicity

In accordance with Article 51 of the EFF Regulation and Chapter V (Articles 28 to 33) of the Implementing Regulation, the MA has the responsibility for the content of the information and publicity of the FOP.

Target groups and key messages

The MA will inform the **potential beneficiaries and beneficiaries** about:

- (a) the conditions of eligibility to be met in order to qualify for financing under the operational programme;
- (b) a description of the procedures for examining applications for funding and of the time periods involved;
- (c) the criteria for selecting the operations to be financed;
- (d) the contacts at national, regional or local level who can provide information on the operational programme.

The MA will inform the **stakeholders** of the sector about the FOP and collaborate closely with them for assuring the best possible distribution of information to the potential beneficiaries and the beneficiaries. The relevant stakeholders are:

- Croatian Chamber of Trades and Crafts (CCTC)
- Croatian Chamber of Economy (CCE)
- Agricultural Extension Service (AES)

The MA will inform the general public about the role of the EU and the impact of the EFF on Croatia.

Target Group	Communication Objectives
Potential Beneficiaries	To create awareness of availability of support through the EFF To ensure transparency of and accessibility to the Funds
Beneficiaries	To assure that they are fully informed about application and implementation procedures To assure that they are aware of their obligation to communicate to the general public
Stakeholders	To inform them fully about the EFF To involve them to communicate about EFF and financing opportunities to their members and target groups
General Public	To increasing visibility and awareness of the role of the European Union and the positive impact of EFF on Croatia

Publication of the list of beneficiaries

The MA will publish on the DoF website the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations.

Information and Publicity Measures

The MA will coordinate and assure the preparation of the following information and publicity measures:

- Visibility event to launch the FOP
- Dedicated section of DoF website with information about FOP
- Publishing of information about FOP on websites of IB and stakeholders
- Set of printed products (leaflet/brochure, poster, banner, roll up banner, specific manuals/guides)
- Organisation of a series of information meetings
- Distribution of information through publications of CCTC and CEC

The MA will organise a major information activity publicising the launch of the operational programme (Article 31 of the Implementing Regulation)

Arrangements for implementation of information and publicity

The MA will agree with the **IB** (PAAFRD) about details of implementing the information and publicity measures.

The MA will provide information about the measures of this FOP of more general nature – FOP in the context of fishery policy and the medium and long term strategic sector development and how the proposed measures contribute to this strategy and vision.

The IB shall focus on communicating detailed information and guidance about application, approval, implementation, payment and monitoring and control procedures.

Full responsibility for implementation of information and publicity related to the OP lies with MA.

Indicative Budget

The costs for information and publicity measures can be covered by technical assistance funds which make up 5 % of the present FOP budget. (see chapter 6.3 for more details)

Target Group	Indicative Budget (EURO)
Potential Beneficiaries	10,800
General Public	2,000

More details about information and publicity activities and products are presented in “Information and Publicity Strategy” which is a supporting document to this OP and can be found on the DoF’s web page www.mps.hr/ribarstvo.

9 APPENDICIES

Appendix 1. Maps

Figure 1-1. NUTS regions in Croatia

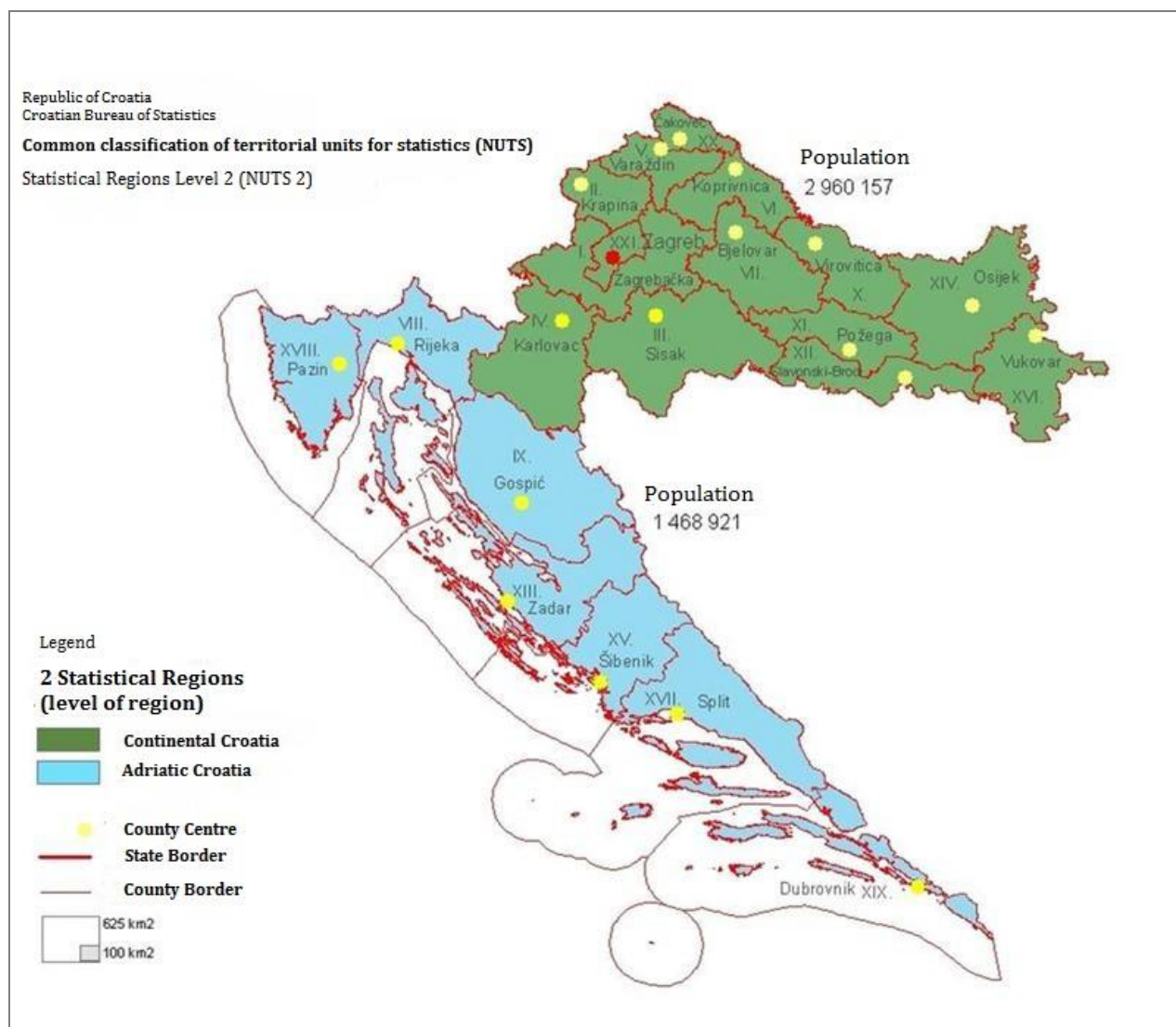
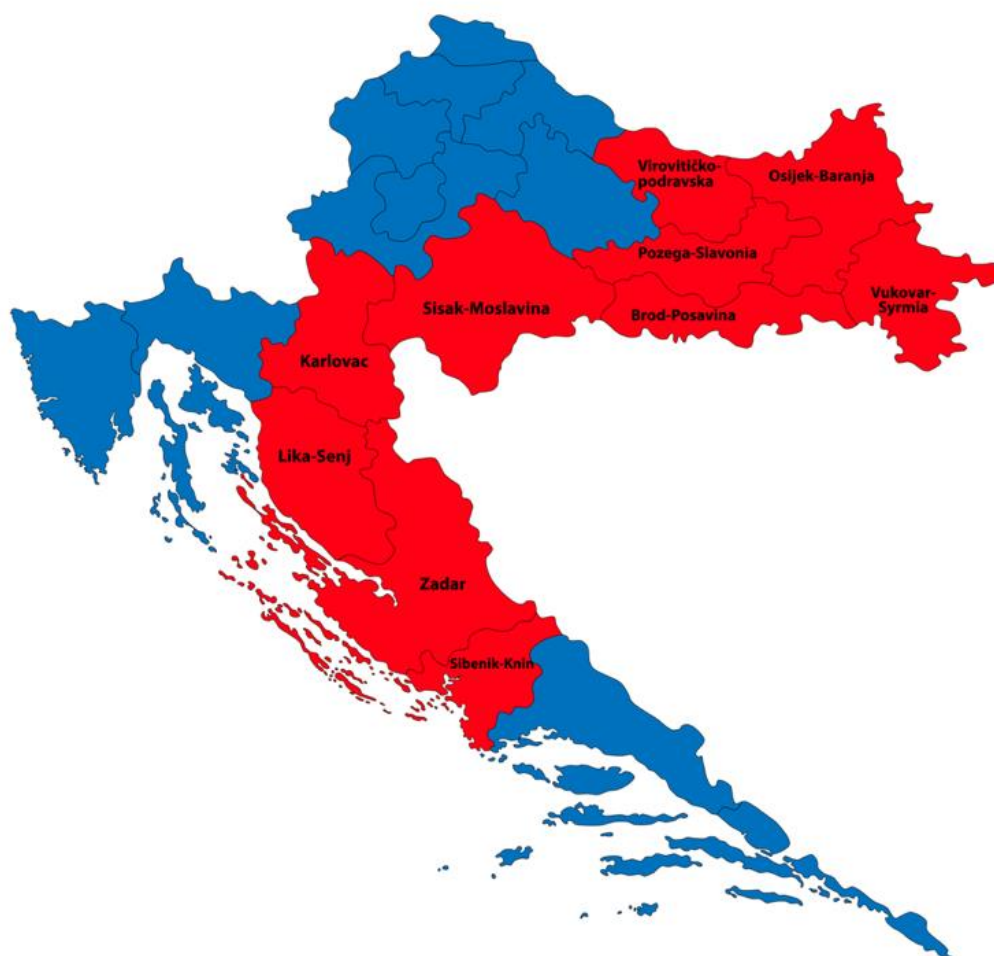


Figure 1-2. Areas falling under ASSC category



* In red : ASSC

Appendix 2. Fisheries and Aquaculture statistics

Commercial marine fishing

Table 2-1. *Number of vessels for commercial marine fishing from 2000 to 2011*

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number	2.729	2.998	3.150	3.682	3.684	3.692	3.710	3.716	3.718	3.886	4.029	4.136

Source: MINAGRI-DoF

Table 2-2. *Types of vessels for commercial marine fishing from 2000 to 2011*

	Vessels	GT	kW
Vessel (15 m<)	420	32.299,99	130.206,55
Boat (<15 m)	3.716	12.699,00	196.780,45
TOTAL	4.136	44.998,99	326.987,00

Source: MINAGRI-DoF

Table 2-3. *Segmentation of vessels for commercial marine fishing by lenght and by type in 2011*

TYPE OF VESSEL	≥ 12m	< 12m	TOTAL
Dredgers	2	4	6
Trawlers	348	214	562
Other*	1	5	6
Purse seiners	192	34	226
Vessels using beach seines	1	40	41
Gillnetters	25	1009	1.034
Vessels using hook and line gears	4	133	137
Long liners	1	50	51
Trap setters	0	69	69
Marine life harvesting vessels	2	131	133
Multipurpose vessels	76	1.795	1.869
TOTAL:	652	3.484	4.136

* Refers to vessels which use only one fishing gear (spear) which is not listed according to existing categories

** Refers to vessels which use fishing gears for collecting of marine organisms, which is not listed according to existing categories

Source: MINAGRI-DoF

Table 2-4. *Fish and other marine organisms catch from 2000 to 2011 (t)*

Year	Pelagic fish	Demersal species	Other	TOTAL
2000	17.082	2.365	1.524	20.971
2001	13.372	2.149	1.448	16.969
2002	18.733	1.624	847	21.204
2003	24.369	3.556	1.166	29.091
2004	26.381	4.325	1.231	31.937
2005	28.621	4.573	1.467	34.661
2006	31.646	4.857	1.353	37.856
2007	33.041	4.893	2.228	40.162
2008	42.688	4.831	1.492	49.011
2009	49.433	4.307	1.788	55.547
2010	46.703	4.098	1.594	52.395
2011	64.306	4.493	1.736	70.535

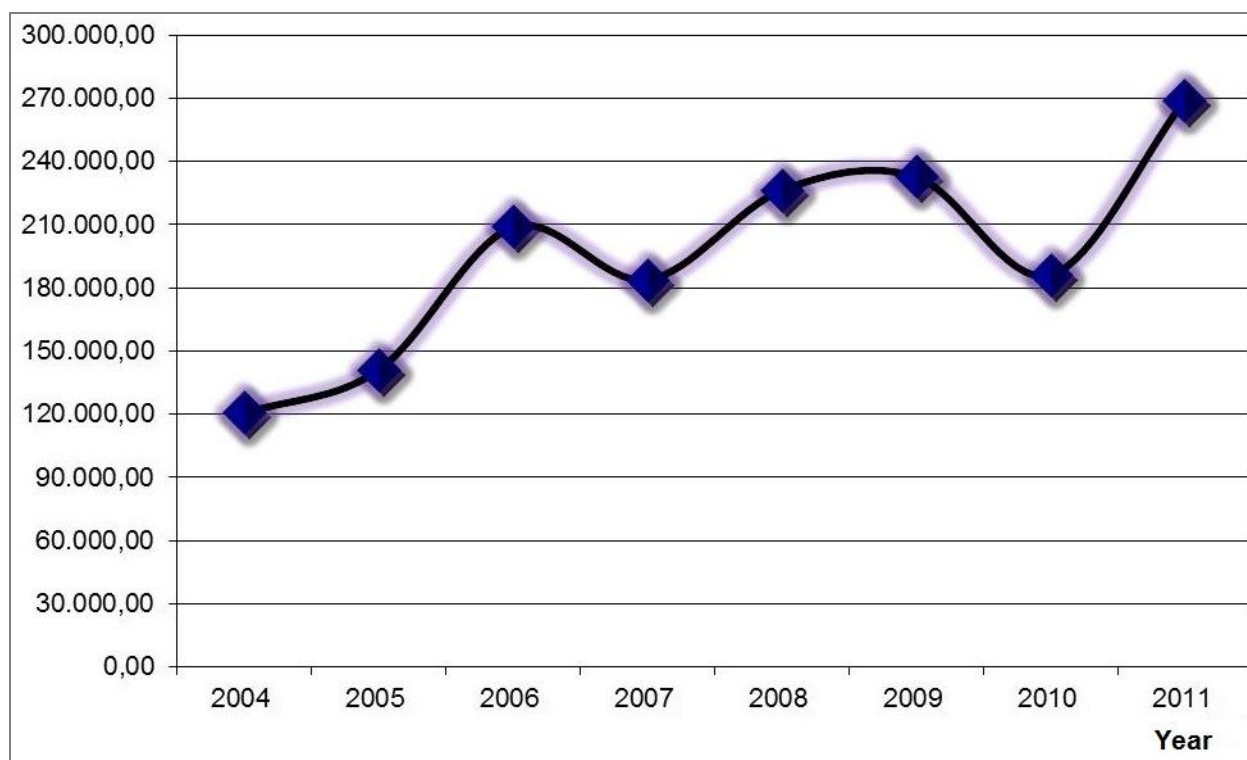
Source: MINAGRI-DoF

Table 2-5. *Some significant fish and marine organisms catch by fishing zones in 2011 (t)*

Zone	Sardine	European anchovy	Mixed small pelagic species	Striped mullet	European hake	Musky octopus	Norway lobster	Adriatic sole	Other	TOTAL
A	6.134	489	213	91	5	229	1	244	985	8.391
B	20.780	4.993	1.126	384	56	62	4	9	611	28.025
C	1.823	1.611	141	283	265	74	213	22	927	5.359
D	154	865	44	45	55	5	14	8	287	1.477
E	8.006	4.973	517	38	259	40	45	16	891	14.785
F	3.202	410	110	50	21	10	1	2	418	4.224
G	5.847	759	181	208	103	29	2	3	574	7.706
H	0	0	1	2	0	2	0	14	7	26
I	0	282	0	1	0	1	0	0	140	424
J	0	0	0	0	12	0	3	0	97	112
K	0	0	0	0	1	0	1	0	4	6
TOTAL	45.946	14.382	2.333	1.102	777	452	284	318	4.941	70.535

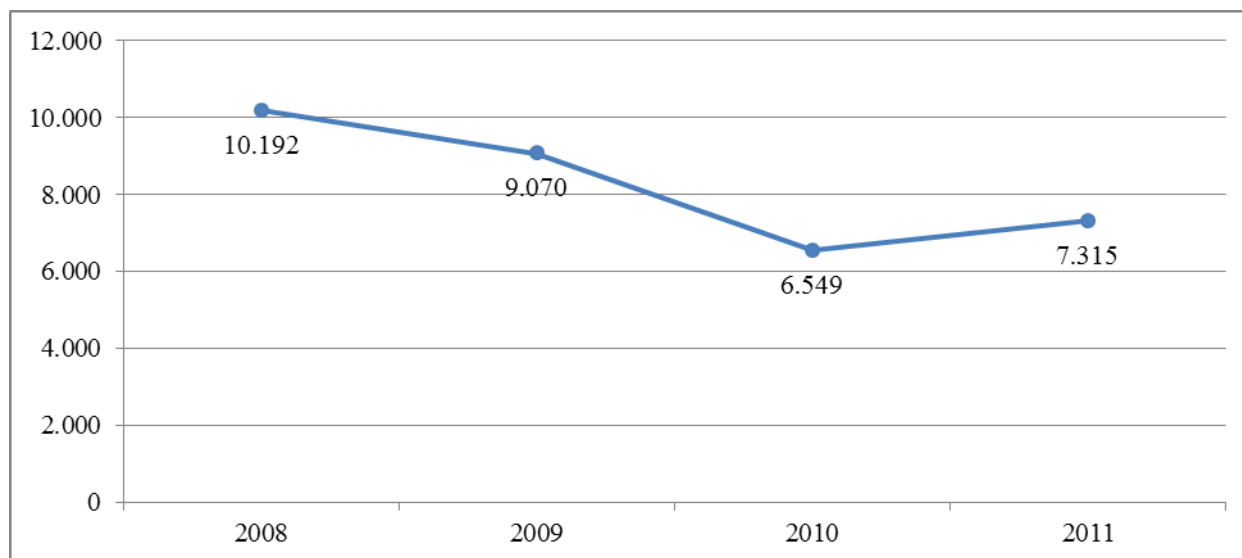
Source: MINAGRI-DoF

Figure 2-1. Purse seiners catch by vessel from 2004 to 2011 (kg)



Source: MINAGRI-DoF

Figure 2-2. Trawlers catch by vessel from 2008 to 2011 (kg)



Source: MINAGRI-DoF

Freshwater and marine aquaculture

Table 2-6. *Marine aquaculture production by species from 2000 to 2011*

Species	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
European sea Bass	1.800	1.800	1.800	1.702	2.100	2.000	2.400	2.800	2.500	2.800	2.800	2.775
Gilthead sea bream	700	700	700	808	800	1.000	1.050	1.150	2.000	2.200	2.400	1.719
Mediterranean mussel	1.200	2.000	2.400	2.800	2.400	2.500	3.500	3.000	3.000	2.000	2.000	399
European flat oyster	50	50	50	40	40	50	50	50	50	50	55	16
Atlantic bluefin tuna	1.200	2.500	3.971	4.679	3.777	3.425	6.700	4.180	3.711	4.200	3.592	2.312
Meagre											2	39
Sharpsnout sea bream	100	40	50								0,65	
TOTAL	5.050	7.090	8.791	10.029	9.117	8.975	13.700	11.180	11.261	11.250	10.849,65	7.260

Source: CBS and MINAGRI-DoF

Table 2-7. *Freshwater aquaculture production by species from 2000 to 2011 (t)*

Species	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Common carp	3.952	3.705	2.872	2.617	3.298	3.716	3.481	2.868	3.201	4.088	1.816	2.891
Grass carp	333	304	334	442	413	492	371	377	206	307	231	158
Bighead carp	292	82	103	18	10	64	110	207	149	157	73	95
Silver carp	109	253	358	433	379	325	480	455	547	599	309	522
Tench	8	4	9	12	9	29	30	14	8	4	1	1
Catfish	58	38	58	72	71	40	29	38	52	67	29	24
Zander	9	8	10	7	8	10	18	17	10	7	7	8
Pike	21	12	13	2	10	5	5	8	11	14	8	11
Trout	1.162	1.080	1.666	1.400	1.359	1.423	1.729	1.646	2.752	2.071	2.492	2.489
Other	85	63	77	73	61	95	75	165	191	174	82	84
TOTAL	6.029	5.549	5.500	5.076	5.618	6.199	6.328	5.795	7.127	7.488	5.048	6.283

Source: CBS and MINAGRI-DoF

Table 2-8. *Total aquaculture production from 2000 to 2011 (t)*

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Marine	5.050	7.090	8.791	10.029	9.117	8.975	13.700	11.180	11.261	11.250	10.849,65	7.260
Freshwater	6.029	5.549	5.500	5.076	5.618	6.199	6.328	5.795	7.127	7.488	5.048	6.283
TOTAL	11.079	12.639	14.291	15.105	14.735	15.174	20.028	16.975	18.388	18.738	15.897,65	13.543

Source: CBS and MINAGRI-DoF

Fisheries products import and export

Table 2-9. *Fisheries products balance from 2000 to 2011*

Year	IMPORT		EXPORT		BALANCE	
	Tons	USD	Tons	USD	Tons	USD
2000	25.545	33.098.275	18.247	43.977.357	-7.298	10.879.082
2001	42.631	56.569.965	21.686	64.080.711	-20.945	7.510.746
2002	56.284	75.898.070	22.370	79.869.814	-33.914	3.971.744
2003	57.316	82.741.215	22.687	114.881.084	-34.629	32.139.869
2004	38.579	70.777.929	23.429	104.010.263	-15.150	33.232.334
2005	53.687	98.416.794	24.424	97.361.226	-29.263	-1.055.568
2006	51.974	105.372.955	29.496	159.847.033	-22.478	54.474.078
2007	47.847	120.613.368	30.603	152.428.359	-17.244	31.814.991
2008	54.055	138.990.532	29.444	149.577.014	-24.611	10.586.482
2009	44.385	102.228.762	32.721	164.115.420	-11.664	61.886.658
2010	41.211	102.400.654	33.950	135.395.280	-7.261	32.994.626
2011	38.417	123.676.657	38.493	178.503.695	-76	54.827.038

Source: MFIN - Customs administration

Analysis: MINAGRI-DoF

Appendix 3. Organizational schemes of the institutions involved in the process of management and control of implementation of the OP

Figure 3-1. Organizational scheme of the MINAGRI

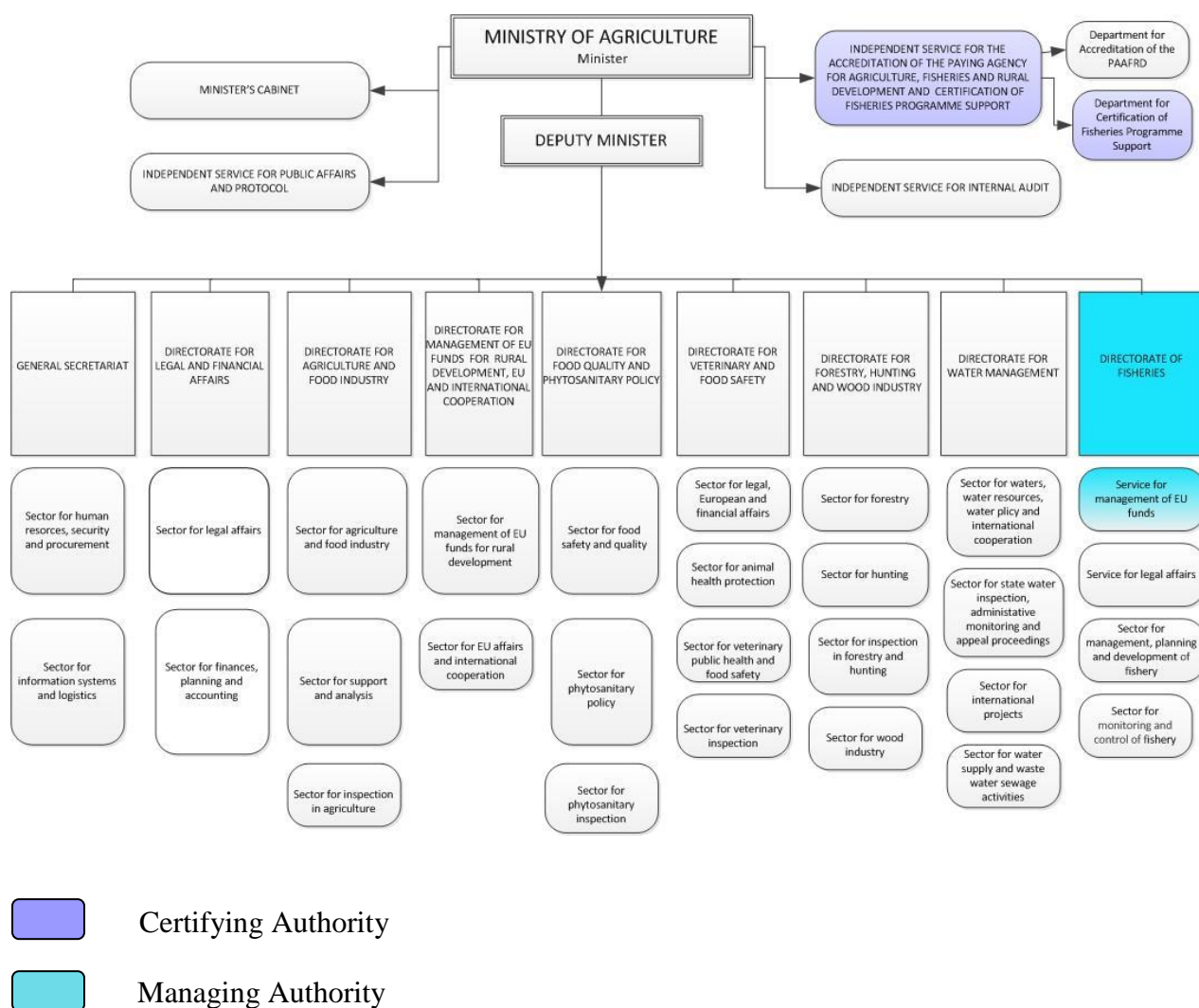


Figure 3-2. *Organisational scheme of the DoF*

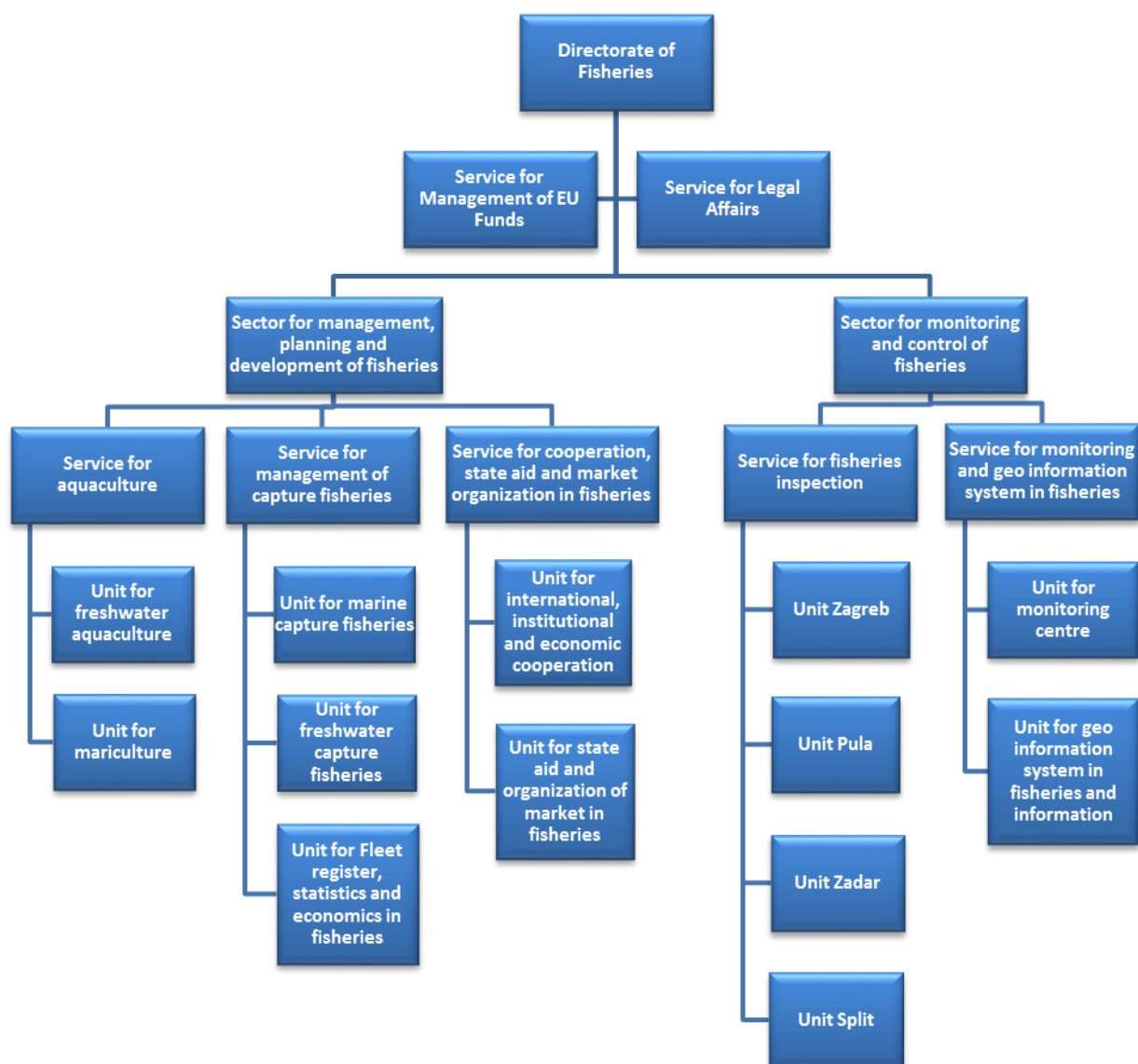


Figure 3-3. *Organisational scheme of Sector of finances (PAAFRD)*

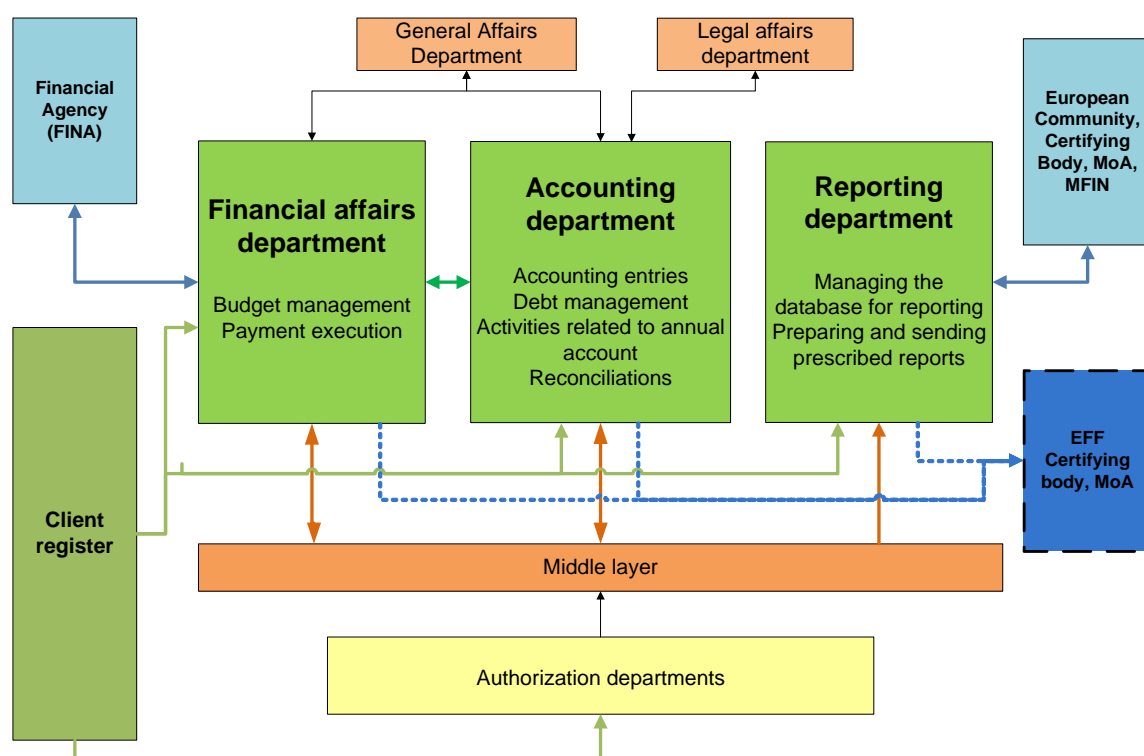
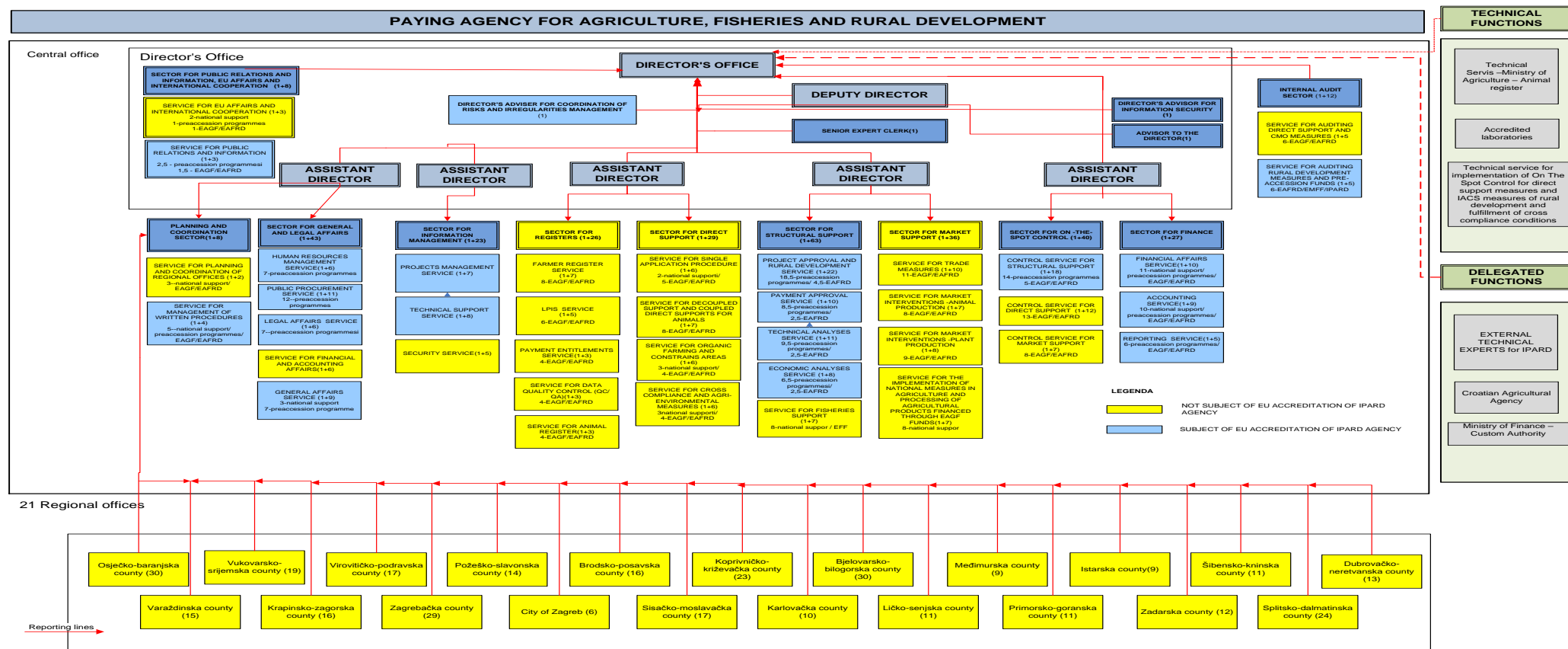


Figure 3-4. Organisational scheme of the PAAFRD



Appendix 4. List of projects within the pre-accession programmes of which DoF was the beneficiary

PROJECT TITLE	TOTAL PROJECT VALUE (EUR)	EU (EUR)	RoC (EUR)	PROJECT COMPONENTS/ CONTRACTS (CONTRACT No)	CONTRACT TITLE	CONTRACT VALUE (EUR)	EU (EUR)	RoC (EUR)
CARDS 2002								
Operational Capacity Building within the MAFWM	1,000,000.00	1,000,000.00	00.00	Component 3: Strengthening the Capacity of the Department of Fisheries	Operational Capacity Building within the MAFWM	1,000,000.00	1,000,000.00	00.00
PHARE 2005								
Support to the Republic of Croatia in the preparation and implementation of the strategy to develop the fisheries sector within the context of alignment and enforcement of the EU Acquis comprising the Common Fisheries Policy	5,813,750.00	4,500,000.00	1,313,750.00	2005-0505-020101	Institutional Capacity Building and Support to the Directorate of Fisheries in Administering and Control of Common Fisheries Policy (CFP)	926,901.00	926,901.00	00.00
				2005- 0505- 020201	Designing and implementing National Fisheries Management Strategy and delivery mechanisms for organization of market in fisheries	576,850.00	576,850.00	00.00
				2005-0505- 020301	Assessment of demersal fish and shellfish stocks commercially exploited in Croatia	300,000.00	300,000.00	00.00
				2005- 0505- 020402	Supplying the IT equipment for Directorate of fisheries - procurement of 12 PCs and 17 notebooks	26,780.00	20,085.00	6,695.00
				2005- 0505- 020403	Procurement of IT equipment for Directorate of fisheries - procurement of projection equipment, digital wall display equipment and TV equipment	18,290.00	13,717.50	4,572.50
				2005- 0505- 20404	Supply of IT equipment for Directorate of fisheries - procurement of 33 PDAs	91,086.93	68,315.20	22,771.73
				2005- 0505- 020501	Supply of vessels for fisheries inspection and system supporting SAT, GPRS and SMS data transmission for vessel monitoring purpose of Croatian fishing fleet - construction of 3 patrol vessels for fisheries inspection	538,800.00	404,100.00	134,700.00
				2005- 0505- 020502	Supply of vessels for fisheries inspection and system supporting SAT, GPRS and SMS data transmission for vessel monitoring purpose of Croatian fishing fleet - supply of 256 units supporting the SAT, GPRS and SMS data transmission for the purpose of monitoring Croatian fishing fleet	878,080.00	658,560.00	219,520.00
				2005- 0505- 020601	Supplying representative fishery association with freezing, product storage and primary processing equipment - supply of equipment for storing shellfish and crabs, tables and equipment for evisceration	100,580.00	75,435.00	25,145.00
				2005- 0505- 020602	Supplying representative fishery association with freezing, product storage and primary processing equipment - supply of freezing tunnel	48,600.00	36,450.00	12,150.00

PROJECT TITLE	TOTAL PROJECT VALUE (EUR)	EU (EUR)	RoC (EUR)	PROJECT COMPONENTS/ CONTRACTS (CONTRACT No)	CONTRACT TITLE	CONTRACT VALUE (EUR)	EU (EUR)	RoC (EUR)
				2005- 0505- 020603	Supplying representative fishery association with freezing, product storage and primary processing equipment - supply of scaling machine, vacuum packing machine and curling washing machine	63,842.15	47,881.61	15,960.54
				2005- 0505- 020604	Supplying representative fishery association with freezing, product storage and primary processing equipment - supply of filleting equipment	185,390.00	139,042.50	46,347.50
				2005 – 0505-020701	Establishment fishing port in Umag	1,399,706.35	1,049,779.76	349,926.59
IPA 2008								
Strengthening the Market Component of the Croatian Fisheries Sector”	2,155,600.00	1,616,700.00	538,900.00	2008-0303-020501	Setting up of a metier-base data analysis and collection system in fisheries	145,590.00	131,031.00	14,559.00
				2008-0303-020401	Supply of IT equipment to the Directorate of Fisheries	239,540.00	179,655.00	59,885.00
				2008-0303-020201	Supply of equipment for the fisheries market Tribunj – lot 1 - supply of auction equipment	236,915.00	177,686.25	59,228.75
				2008-0303-020202	Supply of equipment for the fisheries market Tribunj – lots 2 and 4 - supply of forklift truck, manually operated stackers and scales	34,100.00	25,575.00	8,525.00
				2008-0303-020203	Supply of equipment for the fisheries market Tribunj – lot 3 - supply of 2 trucks	136,000.00	102,000.00	34,000.00
				2008-0303-020601	Supply of the equipment for supporting the implementation of the multi-annual national programme for the collection, management and use of data in fisheries	336,119.00	252,089.25	84,029.75
				2008-0303-0201	Construction of the fisheries market in Tribunj	700,304.00	525,228.00	175,076.00
Assistance to Croatian fisheries administration in development of Operational Programme and related Publicity Strategy”	199,680.00	179,712.00	19,968.00	2008-0404-011101	Assistance to Croatian fisheries administration in development of Operational Programme and related Publicity Strategy	185,470.00	166,923.00	18,547.00
IPA 2009								
Strengthening of Croatian administration in charge for structural policy and state aid in fisheries	650,000.00	585,000.00	65,000.00	2009-0404-0110	Strengthening of Croatian Administration in charge for Structural policy and State Aid in Fisheries	650,000.00	585,000.00	65,000.00
TOTAL	9,819,030.00	7,881,412.00	1,937,618.00			8,818,944.43	7,462,305.07	1,356,639.36