Version 26.11.2007

OPERATIONAL PROGRAMME OF THE EUROPEAN FISHERIES FUND 2007–2013

ESTONIA

Ministry of Agriculture of the Republic of Estonia

1. INTRODUCTION

Essence and bases of the Operational Programme

This Operational Programme is a document to be approved by the European Commission and its aim is to envisage eligible actions financed under the European Fisheries Fund (EFF) for the period 2007–2013 together with the financing capacity for these actions and the conditions for developing fisheries.

The Operational Programme has been drawn up on the basis of Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (OJ l 223, 15.08.2006), laying down the general provisions concerning the EFF, including supporting actions, and on the basis of 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). For the purposes of implementing the EFF in the period 2007–2013, an operational programme must be drawn up, adhering to the requirements for content established in Council and Commission regulations. The Operational Programme is compiled with the priorities of the State Budget Strategy for 2007–2010 in mind in order to ensure coherence between actions financed under the EFF and actions financed from Estonia's own public funds. Provisions of the Operational Programme constitute the basis for planning implementation schemes and necessary resources, but also for preparing the national legal framework.

The direct bases for the Operational Programme are the Estonian Fisheries Strategy 2007–2013 and the Development Plan for the Ministry of Agriculture's Area of Government 2008–2011, which regulate the fields included in the Operational Programme and comprise the planned programming period. These development plans set out the main development targets for the various fields and actions planned to be implemented. It is rational to plan the use of the EFF within the entire framework of envisaging national-level actions in the corresponding field in order to secure increased interplay of actions and avoid overlapping with actions planned to be financed from other sources. This Operational Programme also takes into account the various relevant European Union policies.

This Operational Programme is based on five EFF priority axes:

1) adaptation of fishing fleet;
2) aquaculture, inland fishing, processing and marketing of fishery products;
3) measures of common interest;
4) sustainable development of fisheries areas;
5) technical assistance.

2. GEOGRAPHICAL ELIGIBILITY AND POPULATION

All of Estonia is eligible under the Convergence objective and falls under NUTS II. The Convergence objective comprises Member States and regions whose development is lagging behind. The Convergence objective is aimed at regions whose per capita gross domestic product (GDP) measured in purchasing power parities is less than 75% of European Union average.

According to Eurostat, Estonia's price level adjusted GDP per capita in 2005 was EUR 14 000 (not adjusted by price level EUR 8 200).

Estonia is one of the smallest countries in Europe, both by area and by population. Of the EU-27 countries, only Cyprus, Malta and Luxembourg have smaller population sizes. Belgium, Luxembourg, the Netherlands, Denmark, Cyprus, Malta and Slovenia have smaller territories than Estonia. Therefore, Estonia has one of the EU's smallest densities of population (31.2 p/km2), with only Finland and Sweden having smaller figures.

3. ANALYSIS OF THE FISHERIES SECTOR

3.1. General description of the fisheries sector

The Estonian fisheries sector has undergone significant changes during the period of regained independence. Coastal fishery resources were exploited in full already in the first half of the 1990s and trawl fishing reached its maximum in 1997. The resources of most industrially fished species have suffered a decline and are currently exploited to the allowed maximum. The fact that fish prices have increased considerably more slowly than fishing-related costs has deteriorated the situation in the fisheries sector even more.

Most of Estonia's catches originate from the Baltic Sea. Distant water fishing also occupies an important role with catches originating mainly from the North Atlantic. Inland fishing, with catches originating mainly from Lake Peipsi, represents a smaller, but that much more valuable section of catches.

Fisheries are dependent on the status of water bodies and the ecosystem and on economic development; fish populations are in a good condition when fishery resources are able to reproduce naturally, despite the pressure of industrial fishing.

The fisheries sector plays an important role in Estonia in social and regional terms, constituting one of the principal sources of employment and income in some regions of Estonia (see map in Annex 1). In 2003 and 2004, the fisheries sector made up 0.5% of Estonia's gross domestic product (GDP).

Since 1998, the economic importance of the fisheries sector has been in a decline, as the sector's development has been considerably inferior to that of other economic sectors. Investment level is the lowest in the fisheries sector and the share of depreciation costs in total costs of undertakings is one of the highest. The fisheries sector still relies largely on outdated facilities and equipment. While facilities and equipment have been renewed and renovated since joining the European Union, mainly to better comply with hygiene requirements, only a fraction of overall assets has actually been replaced. The fisheries sector's share of employment in overall employment is ca 1%. The sector's overall production value is EUR 157 million euros. Trade balance of fishery products is currently positive; export exceeded import by ca EUR 17 million in 2006.

By 2007, the Estonian fisheries sector consists of primarily micro, small and medium-sized enterprises.

The Estonian fisheries sector is divided into three major fields: fishing, aquaculture and fish processing and marketing.

Estonian fishing is principally divided into three parts according to fishing grounds: fishing in the Baltic Sea (trawl and coastal fishing), inland fishing and distant water fishing. Fishing in the Baltic Sea is in its turn divided into trawl fishing and coastal fishing.

The development of different fleet segments is featured in Annex 3. Catches by different fleet segments are provided in Annex 2.

Fishing in the Baltic Sea

Trawl fishing

Regulated fish species in the Baltic Sea are Baltic herring, sprat, cod and salmon. Every year, fishing quotas for the Baltic Sea are imposed on EU Member States by a European Commission regulation. The quotas allocated to Estonia are divided among trawling enterprises according to historical fishing rights. Within the country, 70% of the Baltic herring quota is allocated to trawl fishing and 30% to coastal fishing. Over the years, 90% of the allocated quotas have been exhausted. Baltic herring and sprat are mainly destined for human consumption and to a small extent for fishmeal. Primary fishing gear are trawls, and to some extent cod and salmon nets. Trawlers employ ca 600 fishers. During off-season lasting from June to mid-September, the employees are on vacation or work on repairing vessels and trawl fishing gear. According to the spokespersons of the enterprises questioned, enterprises try to retain a specialised staff by paying minimum wages even when there is a shortage of work. In 2005, trawl fishing in the Baltic Sea was operated by 154 trawlers of segment 4S1. The average age of vessels is 24 years.

Coastal fishing

The main coastal fishing grounds are Pärnu Bay, Väinameri Sea and the Gulf of Finland. Coastal fishing extends to 12 nautical miles or up to the 20-metre isobath. Coastal fishing concentrates on a number of different species; economically more important are perch, Baltic herring, smelt, pike-perch, flounder, eel, also garfish and sea trout and to a lesser extent salmon and pike. Fishing gear used in coastal fishing includes traps, nets and tended lines. Catching Baltic herring with pound nets has been gaining importance in recent years. Fishing gear used in coastal fishing is depreciated and partly non-selective. Coastal fishing, particularly on the western coast and islands, is made difficult by the large number of grey seals, who break the fishing gear of fishers; their numbers have been on a constant rise over the past years. In Väinameri Sea, the significant increase of the natural enemy of coastal fish, the cormorant, has hindered the recovery of stocks and consequently decreased the catches of fishers. The quantities caught by coastal fishing made up 10.5% of the total catch of Estonia of 2006. In May 2006, there were 2 572 coastal fishers, including fishers using the fishing rights of others. Fishing has become a secondary source of income besides other work for most of commercial coastal fishers. Surveys have shown that fishing constitutes the main source of income for one third of coastal fishers; others get their main income from other activities. 20% of coastal fishers are interested in changing professions and 14% of coastal fishers are retiring within the next 10 years. The average age of coastal fishers is over 50 years. Coastal fishing employs a total of 880 vessels of less than 12 m, included in segment 4S2.

Inland fishing

Industrial fishing in the Estonian inland waters is significant in two largest lakes: Peipsi (together with lakes Lämmi and Pihkva) and Võrtsjärv. Fishing in Lake Peipsi is regulated by an annual agreement with Russia and fishing availabilities are allocated among commercial fishers on the basis of historical fishing rights by fishing gear. Fishing takes place within a block quota. Fishing is regulated on the basis of recommendations from scientists. The same principle applies to regulating fishing in other inland water bodies, and scientists' recommendations on the number of fishing gear are taken as a basis. The quantity of inland catches is quite small compared to sea

catches, but as the price of fish caught in inland waters is significantly higher than that of sea fish, inland fishing still constitutes a regionally important source of income. The main species caught are perch, pike-perch, bream, smelt, whitefish, river lamprey (from Narva River) and eel. Fishing gear includes traps, nets, pond nets and demersal seines. The fishing gear used in inland waters is depreciated and partly non-selective. A unique activity in the eyes of the rest of Europe is wintertime fishing from under ice practised in Estonia. Wintertime fishing allows inland and coastal fishers to prolong their 4–5-month fishing season up to a couple of months, depending on ice conditions.

In May 2006, inland waters employed a total of 963 fishers including fishers using the fishing rights of others. Surveys have shown that fishing is the main source of income for one third of the fishers, while the rest get their main income from other activities. Ca 30% of the fishers are interested in changing professions and 21% are retiring. The average age of an inland fisher is over 50 years.

Entering inland vessels into the fishing vessel register is not compulsory in Estonia, unless the vessel's owner has wished or wishes to apply in the future for assistance from the public sector. According to the fishing vessel register, there are 384 inland vessels and they are included in segment 4S4.

Fishing in distant waters

Estonian distant water fishing takes place in the Atlantic Ocean and in the Spitzbergen area. The main fisheries are for shrimp, but squid, blue whiting, redfish, hake and Greenland halibut have also been targeted. In 2006, fishing in distant waters made up 15.2% of the total quantity caught in Estonia. Distant water fishing vessels land at the ports of Iceland, Spain and Canada. The economic sustainability of the shrimp sector has decreased because small-size shrimp has caused a drop in purchase price in recent years, while fuel prices have gone up.

The average number of persons employed in the distant water fisheries sector is between 250 and 270. The sector operates with 10 trawlers belonging to segment 4S3. The average age of vessels is 27 years.

Ports and landing sites

According to first sales receipts, there are 267 fishing ports and landing sites in Estonia, 39 of which are situated in inland waters. The majority of the fishing ports and landing sittes are privately owned. While not providing numerous jobs, ports are of crucial importance in terms of local fishing. As the quantities landed are relatively small and as the revenue from landing forms a small part of the port owners' income, many ports engage in additional activities, such as tourism and carriage of goods and passengers.

Due to low profitability, landing infrastructure fails to comply with contemporary requirements in many ports. They lack fish sorting facilities, cold stores, fuel devices; hoists, berths, etc. are depreciated. This imposes seasonal restrictions on fish supply and decreases fish quality and price. The situation is better in the ports where the owner is also active in fishing and processing, as this secures a more efficient management and the highest investment capacity.

Aquaculture

The main domains of aquaculture are commercial fish farming, fish farming for restocking natural waters and crayfish farming. In January 2006, the number of aquaculture enterprises was 26. In addition to producers of commercial fish, 53 Estonian enterprises engage in fish farming as stated in the commercial register. These include owners of small ponds and fishing tourism undertakings. The traditional species farmed in Estonia are rainbow trout and carp. In terms of quantity, the primary species with the most potential is rainbow trout; fishing tourism is based on this species as well. The most successful novel species are eel and crayfish. Commercial farming of whitefish, pike-perch, perch and sturgeon offers a completely new outlook. Some aquaculture producers operating in Natura 2000 areas must take into consideration additional requirements and a decreasing revenue base.

The aquaculture sector is characterised by a dependence on imported juveniles and roe, as Estonia lacks centres for the reproduction of breeding material.

Aquaculture production has decreased from the largest quantity of 1 743 tonnes produced in 1989 to 500 tonnes produced in 2005, whereas the area of ponds and basins has diminished radically. Production quantities have decreased mainly as a result of the land and ownership reform and low investment level in the first years after regaining independence. The production quantities of 2005 fail to meet domestic demand, as the need for the domestic consumption and processing of salmonids currently exceeds 2 000 tonnes. Insufficient production volumes and the absence of a producer organisation render the market price of aquaculture production unstable. In 2006, aquaculture production value was EUR 2.6 million, approximately.

The main problem in terms of the support system for the prevention and control of fish diseases is that although Estonia has technologically well-equipped veterinary laboratories, their ability to diagnose fish diseases is limited due to a lack of specialists. In addition, Estonia lacks a quarantine facility necessary for the fish species introduced into Estonia for breeding and for combating the spread of diseases and parasites accompanying this introduction. Experiences in the diagnostics of fish diseases are insufficient due to the lack of properly-trained ichthyopathologists.

Processing and marketing of fish

As at 19 February 2007, 90 production units dealing with fish processing and the production of fishery products were under the supervision of the Veterinary and Food Board. The principal activities of Estonian fish processing include freezing and filleting of fish and the production of fish preserves and prepared food. The structure of cold storage plants and filleting departments is characterised by a large number of small units. The primary raw material of Estonian fish processing enterprises are local Baltic Sea fish species such as Baltic herring and sprat, and the filleting business is based on the freshwater species perch and pike-perch. Prepared food is mainly produced from imported raw material.

Fish processing enterprises have not lately invested enough into product development. Product development is often handled by the same people who work in production on a daily basis, and enterprises generally do not keep separate count of research and development costs.

Low purchase price and quality of fish (sprat, Baltic herring) has fuelled the threat of domestic raw materials being turned into animal feedingstuffs. One of the reasons for this is that if possible, large quantities of fish are sold for a slightly lower price to

Nordic countries for fishmeal, since the established producer organisations have not yet actively engaged in joint marketing and regulation of prices. In 2005, the total value of processed production amounted to EUR 109.6 million.

Marketing

In 2006, the domestic sales of fish and fishery products made up 24% of total sales and ca 76% of fish and fishery products are exported. The share of fish and fishery products in food export has decreased 19% in 2006 compared to 1996. At the same time, fish trade is one of the few sectors of the economy with a positive foreign trade balance. Fish forms the largest part of food exports. In 2006, Estonia traded in fish and fishery products with 64 different countries. Weak product and market development caused by a deficit in circulating capital has not yet managed to increase the share of fish and fishery products in food exports.

Producer organisations

To this day, fresh fish is marketed by fishers or fishing enterprises directly to first buyers or fish processing industries, who can dictate the price of fish on the basis of supply and demand. Joint marketing has not yet been applied. The first three producer organisations were approved at the end of 2005, and of the Baltic Sea fish species quota they comprise Baltic herring (51.4%), sprat (79.6%) and cod (72.9%). The aim of establishing producer organisations is first and foremost to ensure rational fishing and to improve the conditions of sale of their members' products with measures that favour production planning and adjusting it to demand in terms of quantity and quality, improve the concentration of supply, stabilise prices and promote fishing methods that support sustainable fishing.

Employment and socio-economic situation

In 2006, fish processing enterprises employed 2 256 people. Employment in this sector has changed significantly over the past ten years. The average monthly wages of EUR 361 paid in enterprises make up 80–85% of the average wages paid in food industry and 78% of average wages in Estonia. The sector is characterised by seasonal employment, high level of staff turnover, difficult working conditions coupled with low wages, and ageing staff.

A more detailed overview of the fisheries sector by fields is presented in Chapter 1 (p. 7–17) of the Estonian Fisheries Strategy.

3.2. SWOT analysis and development trends of the sector

3.2.1. SWOT analysis of fishing and ports

Strengths	Weaknesses
• Estonia has access to fishery resources in the Baltic Sea, inland waters and the NAFO, NEAFC and Spitzbergen regions. • The fishing sector employs experienced commercial fishers. • Estonia has a fishing fleet and the corresponding fishing gear. • Inland water fishery resources are generally in a good condition in lakes important for commercial fishing. • There is great market demand for fish caught in inland waters and various coastal water species (perch, pike-perch). • Ecological status of most Estonian inland water bodies is good or satisfactory. • Estonia has long-standing traditions in catching fish and processing and marketing the species used. • Landing locations/ports are situated quite close to fishing areas. • The logistics of fish transportation is well-established.	• The economic efficiency of fishing is low. • Fishing capacity of the fishing fleet is not in concordance with resources. • Landing locations and ports are not well-developed; the same applies for the infrastructure (e.g. the lack of cold stores). • The fleet is depreciated and fishing gear is not selective enough. • The fish caught and landed is not always of sufficient quality. • Experienced commercial fishers are ageing and the unpopularity of the trade fails to attract young people to work in the sector. • Fish spawning grounds and habitats are often deteriorated or deteriorating and access to spawning grounds is limited. • The sales system of fish does not guarantee stable prices at first sale. • Collective action among fishers is weakly developed. • Frozen sprat and Baltic herring are imported because the quality of catches of local sprat and Baltic herring is unstable. • Safety and working conditions on fishing vessels fail to comply with today's requirements. • There is a lack of opportunities for in-service training and retraining. • Salaries of sector employees are not competitive. • The seasonal nature of fishing does not provide constant employment. • Port owners have little interest in investing into fishing ports.
Opportunities	**Threats**
• Increased economic efficiency of fishing • Balance between fishing capacity and fishing opportunities • Economically optimal, jointly-used and modern fishing ports and	• Illegal fishing • Pollution of water bodies, including eutrophication, resulting from domestic pollution, agriculture and forestry, as well as ecological catastrophes, marine casualties, etc.

fish landing sites • Modern fishing fleet – better hygiene, product quality and occupational safety conditions and more efficient and economical engines • Stable employment • Cooperation among fishers, including incorporating into producer organisations • Diverse entrepreneurship • Supported lifelong learning • New environmentally friendly fishing methods and seal-proof fishing gear • Developed coastal areas as a high-quality and diverse living environment • Improved ecological quality of natural spawning grounds • Increased awareness of the consequences of illegal fishing	• Low investment level and leaving of qualified workforce due to persistent economic difficulties • Increase in the cormorant and seal population • Damage to marine fauna and flora caused by spreading of alien species, which could result in the decrease of significant species in terms of industrial fishing • Impact of continually rising fuel prices on the sector's sustainability • Deterioration of fishery resources due to anthropogenic or natural influences • Excessive dependence on single and unstable markets (export of frozen sprat and Baltic herring to Ukrainian and Russian markets)

3.2.2. SWOT analysis of aquaculture

Strengths	**Weaknesses**
• Long-standing traditions in fish farming • Sufficient natural conditions, water and land resources for expanding the aquaculture sector • Demand from domestic as well as external market • Interest on the part of fish farmers and investors in the sector and awareness of aquaculture as a rising and solid economic sector and of the opportunities it offers • Fast development of "put and take" type fishing tourism	• Small production quantities and the absence of a producer organisation render marketing and fish prices on the market unstable. • The sector has a shortage of specialists and qualified workers. • It is difficult to gain access to know-how on modern equipment and technical solutions. • Aquaculture enterprises rely on imported juveniles and roe in the case of certain species (trout, eel). • The support system for preventing and controlling fish diseases is underdeveloped. • The sector is not competitive enough on the world market. • There is a shortage of bays suitable for fish farming.
Opportunities	**Threats**
• Modern and environmentally friendly production • New species – diversified production • Centre for the production of breeding material suitable for Estonian	• Constant or random pollution caused by other economic sectors may deteriorate the quality of water bodies • Spread of fish diseases due to constant import of restocking material

conditions • Increased added value in aquaculture production • Increased aquaculture production, securing a stable supply of aquaculture products to processors and commercial chains • Increased professional skills through lifelong learning and importing know-how from other countries • Increased cooperation through establishing producer organisations for the purposes of elaborating a domestic price policy • New and environmentally friendly technologies • Increased aquaculture production in view of market demand	• Increased pollution in water bodies due to the intensification of aquaculture

3.2.3. SWOT analysis of fish processing and marketing

Strengths	**Weaknesses**
• Estonia has a strong and varied export structure. • There are enough know-how, traditions and experiences necessary for the production of fishery products. • Technological processes are diverse (production of preserves, filleting, smoking, preparing culinary products, etc.). • Processors have access to domestic as well as imported raw material. • Domestic market is growing and the importance of fish as healthy food is gaining ground among consumers.	• There are too many handling units, including "one type" units, in fish processing enterprises. • Provision of domestic raw materials to industries is seasonal. • Industries suffer from a shortage of qualified workforce and excessive flow of workers. • Compared to other food items, fishery products are expensive and low purchasing power of the domestic market results in decreased consumption of fishery products. • Product development is weak. • The depreciation level of technological equipment (including environmental protection equipment) is high. • Salaries are not competitive compared to other economic sectors.
Opportunities	**Threats**
• Increased awareness among the public about fishery products as healthy food • Improved production technologies and equipment • New market outlets and a stronger	• Substantial economic risks at exporting fishery products to areas of unstable economic development • Exporting products of low processing level

domestic market • Fishery products originating from European Union and third countries • Intensified product development based on market demand	• Decreased supply of local raw material and/or destabilisation of its quality due to pollution of water bodies

3.2.4. SWOT analysis of fisheries areas

Strengths	**Weaknesses**
• Fisheries areas have maintained familial continuity and strong socio-cultural customs in traditional coastal fishing. Coastal villages have preserved their population and natural and architectural heritage.	• Fisheries areas have few alternative job opportunities. • Financial resources and training opportunities for starting up or developing businesses are limited. • Local collective action is weak. • Local governments have little interest in fisheries-related problems.
Opportunities	**Threats**
• Stronger local initiative and better organisation of the sector • Increased added value in fishery products and direct marketing • Developed infrastructure for small-scale fisheries • Diversified activities with the help of jobs created outside the fisheries sector • Development of fishing tourism • Restoration and protection of living environment in fisheries areas and the preservation of the natural and architectural heritage of coastal villages • Regional and international cooperation when elaborating and implementing local development strategies	• Deterioration in the quality of living environment due to low investment capabilities • Insufficient initiative and cooperation ability on the part of fishers • Inhabitants of fisheries areas leaving the areas and going to work in towns • Pollution and eutrophication of water bodies resulting from ecological catastrophes, marine casualties, etc.

3.3. Status of the environment

3.3.1. Rivers and lakes

There are over 7 000 watercourses on the territory of Estonia, 90% of these are up to 10 km long. Most of the rivers and lakes in Estonia are in a good or satisfactory condition. In a poor condition or almost in a poor condition are lakes Pihkva and Lämmi and several small watercourses in the industrial northeastern region, near Tallinn and in the nitrate sensitive areas of Pandivere and Adavere-Põltsamaa. The main problem lies in discharging insufficiently treated effluent into water bodies and obstructing watercourses with barrages. Insufficiently treated effluent reaches water bodies mainly through depreciated wastewater treatment plants and wastewater pipelines. In the case of lakes Pihkva and Lämmi, the main sources of pollution are situated outside Estonian territory. However, pollution load has decreased

significantly over the period 1992–2004, resulting in reduced eutrophication of lakes. Pollution load decreased in the beginning of the 1990s to a large extent due to a reduction in general production. Further decrease of pollution has to do with modernisation and construction and renewal of wastewater treatment plants.

Condition of resources in inland waters (2006)

Inland fish stocks are in a good condition. Pike catches in Lake Võrtsjärv are at an all time high (ca 60 t), and pike-perch, perch and bream catches are also quite good. Eel catches, though, have suffered in recent years due to unfavourable water level fluctuations that have hindered fish migration. Migration success is severely affected by barrages installed on watercourses. According to scientists' estimates, the fish stocks of Lake Peipsi, Lämmi and Pihkva are in a relatively good condition. Perch fishing in 2006 relied on the generation of 2001. Lakes lacked strong perch generations in the years 2001–2004, but a new and very strong generation emerged in 2005; it can be fished from the end of 2007. Lake Peipsi pike stock has decreased for several years in a row, but this process is now being turned around, and a new average-strength generation emerged in 2003–2004; it can be fished from the year 2007. Bream stock has improved thanks to the strong generations of mid-1990s joined by a series of strong generations in the 2000s. The abundance of smelt is low in the lake, as pike-perch feeds on it. Stock has decreased since the year 2003, reaching the lowest level in history in 2004. Pike-perch stock is set to decrease in 2006, as the population consists of specimens from relatively weak generations. Catches rely on the generations of 2001 and 2002, but the decline in their abundance will bring the stock down in 2006–2007. Roach stock remains high in the lake, but a declining tendency can be observed. The condition of cold water fish, such as whitefish, vendace and burbot is poor and vendace fishing is prohibited. This situation may be caused to some extent by changes in spawning ground environment brought about by an increase in water temperature.

River lamprey stock is generally stable in the rivers of Estonia. As with other highly migratory species, the conservation of the river lamprey requires securing its free movement in watercourses, maintaining or improving the condition of spawning grounds and habitats, preventing pollution and changes in hydrological regime and managing stocks in a sustainable manner.

The preparation of water management plans for basins and sub-basins is currently under way in Estonia in accordance with the EU framework directive in the field of water policy (2000/60/EC) and the Estonian Water Act. This process includes mapping the status of water bodies: both the chemical status as well as the ecological status of natural water bodies or the ecological potential of artificial water bodies and significantly altered water bodies.

3.3.2. Coastal waters

One of the main problems for the entire Baltic Sea, including Estonia's coastal waters, is eutrophication or abundance of nutrients and the resulting proliferation of phytoplankton. In addition to pollution load from land, the condition of coastal waters is also affected by maritime transport. The concentration of toxic substances in marine environment (and in fish) has begun to go down in the past couple of decades, but in some cases it still remains very close to the permitted limits.

Condition of resources in coastal waters (2006)

The condition of pike-perch, perch and vimba bream stocks in Pärnu Bay has deteriorated due to intense fishing. Strong generations are fished out in 1–2 years. The situation must be remedied by decreasing fishing mortality rate, impeding catching undersized fish and stepping up checks. The Kihnu study area has not had very strong perch generations since the year 2000 and decrease in stocks can be expected for 2006. Flounder stocks in this area have increased somewhat. It should be added that the poor condition of stocks is not directly related to environmental conditions, as the condition of the bay has improved significantly over the past decade. The condition of resources in the Väinameri Sea is poor: perch stock has gone down, pick-perch stock has hit a low point, and the abundance of vimba bream and roach has also decreased. As the abundance of predatory fish is low, the numbers of crucian carp and goldfish as well as white bream, rudd and bleak are on the rise. The situation must be remedied by decreasing fishing mortality rate. It is also necessary to limit the numbers of cormorants, who impede the potential for stock recovery by eating a total of some 3 300 tonnes of fish according to latest studies. Moreover, the main prey for cormorants is precisely juvenile fish. In the Gulf of Finland, the abundance of perch and European whitefish has decreased over the past five years, which might be related to increased water temperature. However, studies conducted in 2006 indicate a slightly increasing tendency in catches, and the abundance of flounder has increased. The stocks of highly migratory species, mainly salmon and sea trout, have hit a low point in Estonia's coastal waters. One of the primary reasons for such a situation lies in barrages installed on watercourses, limiting the access of fish into suitable breeding and living areas; another reason is the destruction of spawning grounds and habitats. In order to improve the condition of stocks, the free movement of highly migratory fish in watercourses should be restored and both spawning grounds and habitats should be conserved or improved. In the longer term, the sustainable management of stocks of highly migratory fish, such as salmon, sea trout and migratory whitefish, should entail among other aspects creating a broodstock for these species in fish farms with a view to securing the preservation of biological and genetic diversity.

Condition of resources in the Baltic Sea (2006)

Baltic herring stocks in the open Baltic Sea and Gulf of Finland, except the Gulf of Riga, have hit a low point, while increase in stocks has been observed in the past couple of years in the southern part of the Baltic Sea. Baltic herring stocks are in a good condition in the Gulf of Riga (within safe biological limit), where abundance has been high. The mild winters of recent years have favoured the emergence of strong generations, while rough winters may have the opposite effect. The specific areas, salinity and the resulting changes in food base have dropped the average live weight of the Baltic herring. The long-term outlook for the Baltic herring at high seas largely depends on the condition of cod and sprat stocks, as cod is Baltic herring's natural enemy and sprat a competitor for food. Sprat stocks are doing well, but showing a declining trend. As young, 1–2 year old sprats form a rather large part of industrial fishing, the abundance of the resulting generations may cause significant short-term fluctuations in catches. The ICES working group, however, predicts (in a 10-year perspective) that the sprat spawning stock biomass will remain within the safe biological limit. Cod and salmon are also caught in the Baltic Sea. The eastern cod stock is in a poor condition, below the safe biological limit. This is due to a very scarce and irregular influx of salty and oxygen-rich water through the Belts in the past decades; this aspect has a strong impact on the condition of stocks. The western stock is in a satisfactory condition (ICES estimates that the stock is able to make use of its entire natural reproduction ability), but is still threatened by strong fishing pressure.

As fishing is mainly based on juveniles, the rejected quantities are significant. The condition of stocks could be improved by decreasing juvenile mortality in industrial fishing. In order to protect and recover cod stocks, the European Commission adopted a multiannual plan for cod fishing in the Baltic Sea aiming at the sustainable use of cod stocks. The open Baltic Sea salmon stocks mainly consist of restocked fish, ca 27% of smolts are of natural origin (primarily originating from the Gulf of Bothnia). However, the state of natural stock in the Gulf of Finland (sub-division 32) is very poor, many spawning grounds have either been destroyed or access to them has been obstructed by dams. As a result, only 2% of smolts are of natural origin. Fishing is based on mainly restocked fish (90% of catches). The Estonian catching sector is not directly influenced by the "salmon driftnet ban" because driftnets are not used for salmon.

Fishing Rules establish closed areas and closed seasons for fishing and regulate the use of fishing gear. According to the Rules, fishing for the following fish is prohibited in all water bodies and all year round: sturgeon, grayling, asp and wels. Fishing for the following species is also regulated by periods: salmon, sea trout, brook trout, Peipsi whitefish, European whitefish, vendace, pike, bream, tench, pike-perch, burbot, vimba bream, lamprey and crayfish. A Council regulation establishes annual fishing quotas for Member States for fishing for Baltic herring, sprat, cod and salmon in the Baltic Sea.

3.3.3. Estonian Natura 2000

Estonian Natura 2000 2000–2007 for the organisation of protected habitats and species has been prepared. 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 foresees the achievement of the objectives of the directive through the implementation of water management plans. Protection and use of water is based on the Water Act. The protection and use of water is regulated by water management plans. Three sub-basin water management plans have been approved until now. Five management plans will be completed presumably in the beginning of 2007; river basin water management plans (for three river basins) will have to be completed in 2008 at the latest.

The areas of the network are subject to measures that would preserve or, where necessary, restore the favourable conservation status of natural habitats and species important for the European Union. Estonia also has to organise the protection of fish species not endangered in Estonia, but endangered under the Nature Directive. Annex I of the Directive lists endangered habitat types, and Annex II endangered plant and animal species whose protection requires setting up natural areas; Annex IV lists species in need of strict protection, and Annex V species whose sustainable exploitation, including fishing, is allowed, but who must be protected by national protection measures if in danger of extinction. Several fish species are included in Annexes II and V at the same time, which generally means that while natural areas with certain restrictions (mainly targeted at habitat protection) are created for ensuring their favourable conservation status, fishing based on scientifically justified limits can still be allowed. Of such species, for example the liver lamprey and salmon can be fished in Estonia, while improving the ecological quality of water bodies, moderate artificial reproduction and good fisheries management might also make it possible to allow the fishing of grayling and asp in some water bodies. This would expand fishing tourism opportunities.

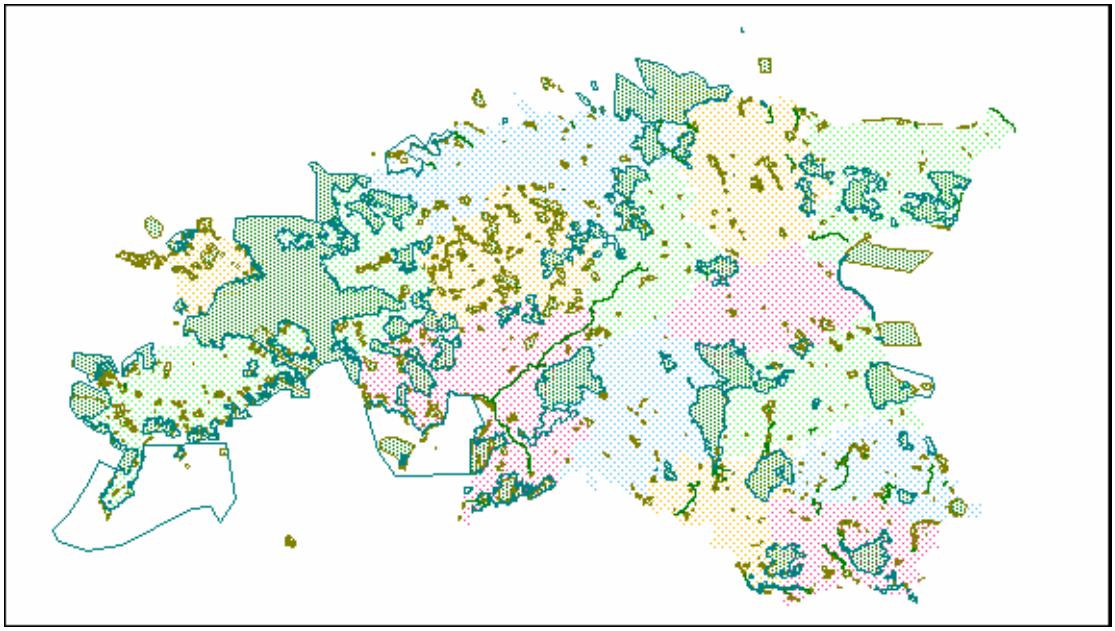


Figure 1. Natura 2000 network areas

There are 66 Natura 2000 network bird protection areas and 509 Natura 2000 network nature protection areas in Estonia (see Figure 1). As most of the bird protection areas and nature protection areas overlap either partly or fully, the total area covered by them is 1 482 275 ha. According to the estimate of the Ministry of Environment, Natura areas should primarily be regarded as Estonian areas of high nature value. As the statistical information related to the areas of high nature value should be submitted to the European Environment Agency in 2010, a more precise designation of areas will take place in the coming years.

Support provided in the framework of Natura 2000 does not overlap with EFF support.

Table 1. Natura 2000 network areas, 2005 (%)

	% of the territory
Estonia	16.0
Latvia	11.0
Lithuania	7.1
Finland	13.9
EU-25	13.2
EU-15	13.2

Source: DG Environment

3.4. Overview of the strategic environmental assessment of the Operational Programme

Conducting the strategic environmental assessment (SEA) of implementing the Operational Programme formed a part of the ex ante evaluation, which was carried out by an assessor selected by way of public procurement. The strategic environmental assessment was carried out by InterAct Projektid & Koolitus OÜ in cooperation with non-profit association Wildlife Estonia and Audacon OÜ. The ex ante evaluation and SEA working groups operated independently of each other and submitted separate evaluation and assessment reports. The strategic environmental assessment is based on the Operational Programme working draft from 23 January

2007. The assessment was conducted from late January to early March 2007. The assessment took place simultaneously with compiling the Operational Programme and adhered to Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment and to the Environmental Impact Assessment and Environmental Management System Act (RT I 2005, 15, 87, final version RT I 2006, 58, 439).

In terms of Estonian environmental objectives and action lines, the guiding documents were the Estonian Environmental Strategy until 2010, Estonian Environmental Strategy until 2030 and the Estonian Environmental Action Plan 2007–2013 based on the latter document. Other guiding documents were Government of the Republic Regulation No 302 of 13 December 2005 "Types of strategic development plans and the procedure for compiling, updating, implementing, reporting on and assessing the development plans" and the Strategic Planning Manual of the Ministry of Finance, as well as relevant European Union guidelines (Handbook on SEA for Cohesion Policy 2007–2013, Methodological Working Papers for the New Programming Period, 2007–2013, Draft Working Paper on Ex Ante Evaluation for the European Fisheries Fund).

The analysis of the potential impact on the environment of the actions featured in the Operational Programme is based on expert assessments. The assessment was initiated by an order of the Minister of Agriculture from 21 November 2006.

3.4.1. Summary of the strategic environmental assessment of the Operational Programme

The task of the SEA is to contribute to the compilation of a balanced operational programme in line with the environmental policy of the European Union and Estonia. The objectives of the strategic environmental assessment of the Operational Programme were the following:

- integrating environmental aspects into the Operational Programme;
- bringing the Operational Programme into conformity with European Union environmental policy;
- mapping the environmental impacts of the Operational Programme and providing a corresponding assessment of the strategic part of the Operational Programme and making recommendations for decreasing environmental impacts;
- assessing the priority axes of the Operational Programme in terms of the environment.

Compilation of the assessment involved targeting the strategic objectives of the Operational Programme and assessing the potential environmental impact of implementing the proposed actions featured under the implemented axes as well as assessing the opportunities to alleviate any negative impacts. The actions designed under the Operational Programme were complemented with additional actions and recommendations with the aim to decrease the likelihood of negative impact. The analysis of objectives included recommendations on adding to general objectives and bringing forth corresponding impact indicators. The assessment process also targeted the strengths and weaknesses of the SWOT analysis of the sector's current situation featured in the Operational Programme, as this was of assistance in conducting the assessment.

As the Operational Programme was presented in general terms, the suggestions and recommendations of the SEA were also of a more guiding nature. The actual environmental impact resulting from the implementation of the Operational Programme was determined by the scale of specific investments made under various axes. The SEA working group assumed that a more exact environmental assessment would take place at project level, where necessary.

The threats and opportunities resulting from Estonian fisheries and the environmental objectives for the fisheries sector are presented in several local-level strategic planning documents. The regulation on the European Fisheries Fund also provides clear guidelines for taking account of the environmental aspect when planning Operational Programme measures, i.e. the use of the Fund's resources. The SEA working group remarked that in management and financing of the sector, considerably more attention must be paid to issues of environmental protection, including nature conservation, in order to achieve long-term sustainability of the sector. In view of this, the SEA working group suggested making additions to the strategic objectives of the Operational Programme. In order to actually ensure sustainability of the Estonian fisheries sector and decrease the possible fisheries-related environmental risks, the SEA working group recommended adding the following general objectives:

- favourable status and sustainable management of fishery resources;
- minimising the negative environmental impacts resulting from fisheries.

The SEA suggested a list of possible indicators for each extended general objective.

The implementation of actions designed under the Operational Programme does not have a foreseeable significant negative environmental impact outside Estonia; the anticipated transboundary impact is positive or neutral. All in all, the significant environmental impact resulting from the proposed actions within Estonia is rather positive or neutral. This assessment was based on the assumption that the more specific use of funds is carried out in a manner that respects the environment and complies with all environmental requirements and the operating principles set out in Estonian environmental strategies. The working group noted that the efforts of the Ministry of Agriculture and the Ministry of Environment in the fields of fisheries, agriculture and water protection must be joined more clearly when it comes to the implementation of the European Fisheries Fund measures. Thus, assuming that support is used in compliance with environmental protection principles, the impact of investments originating from the European Fisheries Fund on the Estonian fisheries sector can be deemed only positive.

The SEA working group also discussed the following three alternative scenarios.

- Scenario 1: European Fisheries Fund support is not extended to Estonia and the Operational Programme is not carried out.
- Scenario 2: The Operational Programme is launched on the basis of the draft version of 23 January 2007.
- Scenario 3: The Operational Programme is launched on the basis of the updated version, where account has been taken of ex ante evaluation and SEA recommendations, which includes the introduction of environmental objectives and corresponding actions.

While the first scenario would perpetuate the problematic situation of the Estonian fisheries sector along with the threat of constant deterioration of fishery resources and the persistence of several other environmental problems, the great advantage of the

second scenario would be increasing the competitiveness of the fisheries sector. The main shortcoming of the second scenario is the ambiguous role given in the Operational Programme to actions targeted at a better solution of environmental issues and at the support and improvement of the favourable status of fishery resources. It remains unclear how pervasively and to what extent it is wished to carry out the actions decreasing the negative environmental impact resulting from fisheries. A clearly positive environmental impact would be achieved with the third scenario, which requires Estonia to make responsible use of EFF support.

The SEA working group assumed that if the Operational Programme was updated with the environmental objectives suggested by the SEA, with clear descriptions of corresponding actions and with recommendations made in the various parts of the report in view of the results of the impact assessment, and if an efficient monitoring system was elaborated and cooperation among various sectors and agencies significantly improved, then there could be good reason to expect balanced development in the Estonian fisheries sector and positive results in economic, social and environmental terms.

3.4.2. Potential significant direct environmental impact

Axis 1 – Adaptation of the fishing fleet

The actions envisaged under the axis are likely to produce only positive results in terms of significant environmental impact.

Modernisation of fishing vessels improves the working environment; replacement of engines results in more efficient fuel usage, smaller exhaust emission and smaller likelihood of oil reaching the water. It can be assumed that modernisation of the fishing fleet allows for more efficient use of vessels for fishing, resulting in a decrease in fishing time (number of trawl fishing hours). As a significant part of Estonian coastal waters are included in the Natura 2000 network, decreasing disturbance by vessels in coastal waters is of considerable importance. Disturbance mainly affects birds, seals, but also benthic biota. However, this measure does not have a direct impact on the condition of fishery resources. It must be made sure that engine replacement does not result in increased total capacity of the Estonian fishing fleet.

Significant environmental impact, affecting also the condition of fishery resources, will occur:

- as switching over to more selective fishing technologies *is funded in a considerable amount under the axis*,
- as modernisation of fishing vessels includes investments into improving storage conditions of waste and wastewater generated on board, as a result of which the likelihood of polluting agents reaching the water and resulting environmental pollution is decreased. It must be made sure here that ports have the necessary infrastructure for adequate receipt of polluting agents and for channelling them into further treatment.

Lifelong learning results in positive environmental impact if it includes acquiring additional knowledge on environmental protection, functioning of ecosystems and measures ensuring the preservation and protection of aquatic biota and preventing environmental problems. Increasing environmental awareness and responsibility among those engaged in the sector should decrease the sector's negative environmental impact.

Axis 2 – Aquaculture, inland fishing, processing and marketing of fishery products

Although Estonia's aquaculture production volumes have been very small and although, compared to traditional agriculture, aquaculture generally generates smaller environmental load, the planned multiple increase in production still calls for an approach preventing significant negative environmental impact. Investments into the restocking of fishery resources, as stated in the objective, certainly carry a very significant positive impact and they must be carried out according to a national programme.

The main impact resulting from intensive fish farming is the increased load on water bodies. In the case of small water bodies, this may result in deterioration of their status along with worsening of other water utilisation opportunities (recreational fishers, holiday water bodies). Fish farming water intakes may worsen the status of a water body by way of barrages and excessive reduction of water in certain river stretches. If springs are used, there is a danger of damaging valuable natural springs, including heritage conservation objects. The use of groundwater in fish farming may lower groundwater level near water intakes, thereby affecting nearby wells, springs or water-dependent habitats. The resulting environmental impact should be assessed individually at project level.

Modernisation of inland fishing vessels is likely to have a positive environmental impact: depending on the actions carried out, the results may include increased energy efficiency of fishing vessels, decreased air pollution, improved working environment – having a positive effect on human health and welfare – and decreased side effects of fishing on fishery resources and other wildlife with the help of more selective/environmentally-friendly fishing technologies. Improving the infrastructure of inland fisheries may decrease environmental load (facilities for the receipt of wastewater and waste), contribute to preserving the quality of fish (sorting lines, cooling options) and improve the welfare of fishers.

Supporting fishing industries requires taking account of all environmental and working safety requirements, which is why there is no likely significant environmental impact here. Environmental impact resulting from extending the premises of industries should again be assessed individually at project level.

Axis 3 – Measures of common interest

The direct environmental impact of the featured potentially implemented actions is either positive or absent, assuming that the actions are implemented in accordance with environmental protection principles (established for example in the Estonian Environmental Strategy until 2010).

Modernisation of ports might result in better working and hygiene conditions and decrease the amount of waste/discards generated in the course of primary processing. In terms of the environment, it is important for ports to be able to receive sorted waste and wastewater from vessels and to channel these adequately into further treatment. The sorting lines, thermal containers, etc. installed at modernisation of ports help to retain the quality of the caught fish.

All actions envisaged for improving aquatic flora and fauna have a very significant direct positive environmental impact. The indirect and accumulated positive impact

manifests through a very diverse range of actions aimed directly at the protection of aquatic flora and fauna.

All featured actions – restoration of spawning grounds, improvement of professional skills, removal of fishing gear from the seabed, investments into waste management, promoting partnership between scientists and the sector, pilot projects, etc. – have a long-term positive and accumulated impact, manifesting directly in the profitability of the planned economic measures.

Axis 4 – Sustainable development of fisheries areas

The indirect impacts are rather positive due to the aspect of improved living environment. A large part of Estonian coastal areas are Natura 2000 areas, and preserving the traditional lifestyle of coastal villages contributes to the attainment of the objectives of the Natura 2000 network.

In view of the above, Estonia's strategic objectives for the protection of biological diversity in the fisheries field are the following:

- utilising wild fishery resources without harming the biological diversity of water bodies;
- decreasing and preventing the negative impact of fish farming;
- engaging fish farming in the protection of endangered fish species and populations.

The following lines of action have been established for integrating fisheries and fishing with nature conservation objectives:	**Institutions participating in achieving the objectives:**
stepping up the conservation and restoration of habitats, and in particular spawning grounds (e.g. creation of fish passageways, dismantling barrages);	The elimination of dams obstructing migratory fish from going to spawning grounds or the construction of fish stairs are included in the water economy section of Living Environment Development Strategy. Priority axis 3 of the Fisheries Fund envisages the restoration of spawning grounds of industrially significant fish species.
stepping up the *ex-situ* conservation of endangered fish species (salmon, grayling, asp, whitefish, wels) and continuing to support actions for the preservation of the wild salmon population;	This action is coordinated by the Ministry of Environment.
elaborating a complete system that supports bringing fishing capacity in line with fishing opportunities and fishery resources;	This action is coordinated by the Ministry of Environment and the Ministry of Agriculture. The action is supported by the Ministry of Agriculture when implementing axes 1 and 3 of the EFF Operational Programme.
favouring environmentally friendly recreational fishing as a tourism and recreational activity (including teaching the use of traditional fishing	The training of recreational fishers is not supported from EFF funds – it is coordinated by the Ministry of

gear and techniques); promoting corresponding training;	Environment. This action is indirectly supported by the Ministry of Agriculture when implementing axis 4 of the EFF Operational Programme.
stepping up veterinary checks in fish and crayfish farming; providing crayfish farming support only if local species are farmed;	It is currently not planned to increase the administrative capacity of the Veterinary and Food Board within the framework of the European Fisheries Fund.
furthering the reactivation of fishery societies (for the purposes of increasing awareness, monitoring and maintaining the status of populations of wild species).	Environmental awareness is developed in the framework of the actions for environmental education infrastructure development of the Operational Programme for the Development of Living Environment, and vocational education institutions are furthered under modernisation of the learning environment. In addition, lifelong learning opportunities are included under the priority axes of the Operational Programme for Human Resource Development. This action is partially supported when implementing axes 3 and 4 of the EFF Operational Programme.

3.4.3. Publication of the SEA programme and SEA report and consultations with parties

Publication of the SEA programme

The publication of the SEA programme was organised by the compiler of the Operational Programme – the Ministry of Agriculture. The publication began with a notification from the compiler in the official publication *Ametlikud teadaanded* on 24 November 2006. Notification of publication was published in the newspaper *Postimees* on 29 November 2006. In addition, information on the publication of the programme was displayed on the compiler's web-page. It was possible to consult the draft programme throughout the public display period in the Fishery Economics Department of the Ministry of Agriculture and on the Ministry's web-page.

The public discussion on the SEA programme was held on 14 December 2006 in the Ministry of Agriculture. The compiler sent publication invitations to members of the Fisheries Council and to the Operational Programme compilation expert group advising the Fisheries Council. During publication of the draft SEA programme of the Fisheries Operational Programme 2007–2013, including the public discussion, no proposals for amending the programme were submitted. The supervisor submitted its requirements for complementing the programme to the compiler on 18 January 2007 in letter No 13-3-1/15884-2. On the condition that the complements were made, the supervisor approved the programme.

Publication of the SEA report

The publication of the SEA report of the Fisheries Operational Programme was organised by the compiler of the Operational Programme – the Ministry of Agriculture. This report contains all the elements required in Annex I to Directive 2001/42/EC. The report is attached to the Operational Programme. The publication began with a notification from the compiler in the official publication *Ametlikud teadaanded* on 2 April 2007. Notification of publication was published in the newspaper *Postimees* on 10 April 2007. In addition, information on the publication of the programme was displayed on the compiler's web-page. It was possible to consult the draft programme throughout the public display period in the Fishery Economics Department of the Ministry of Agriculture and on the Ministry's web-page. Separate notifications were sent to all relevant institutions (including relevant ministries and the Estonian Council of Environmental NGOs).

Public discussion on the SEA report took place on 8 May 2007 in the small hall of the Ministry of Agriculture at Lai Street 39/41. The compiler sent separate publication invitations to all relevant institutions. No written questions were submitted on the SEA report. The questions and proposals presented during the public discussion were answered orally in the course of the discussion.

The SEA report was approved by the Ministry of Environment on 22.06.2007.

Consultations with parties

In the course of conducting the SEA, expert group members were joined in the analysis of the Operational Programme by interest groups Wildlife Estonia, Estonian Green Movement, Estonian Maritime Academy, Estonian Fishery Association, Estonian Fishers Association and Estonian Fish Breeders Association. The opinions received were viewed as a basis for assessing the impacts potentially resulting from the Operational Programme and the implementation thereof.

The SEA round table discussion was summoned for 21 February, aiming at involving all interested parties simultaneously in the SEA process. The list of round table discussion participants is presented in Annex 4 of the Operational Programme. The round table discussion targeted the general objectives of the Operational Programme and their conformity with European Union and Estonian environmental objectives as well as the objectives specified in the regulation on the European Fisheries Fund. Also discussed were impact indicators used for observing the attainment of general objectives and the potentially financed actions listed in the Operational Programme.

The Ministry of Agriculture was asked to elaborate on the possible future modifications to the current version of the Operational Programme, as well as on the level of precision of the described measures and listed actions. The oral and written proposals and opinions presented by the interested parties during the round table discussion and afterwards were taken into account when compiling the SEA report.

Monitoring of the Operational Programme also targets the attainment of environmental objectives and the environmental impact of its implementation; where necessary, monitoring-based recommendations are made for improving the implementation of the Operational Programme or for amending its implementation arrangements, including for environmental research and more detailed environmental impact assessment, the results of which are to be taken into account in further monitoring.

3.4.4. Taking account of strategic environmental assessment recommendations and results of consultations

The Operational Programme was improved taking into account the majority of the proposals and guiding recommendations presented in the assessment report and great attention will be paid in the programming period to issues concerning environmental protection, including nature conservation when managing the sector, in order to achieve long-term sustainability in the sector. One of the prerequisites of sustainable development is also found in the sustainable development of fishery resources. Investments into environmental protection (treatment facilities, circulation systems, etc.) are a priority in aquaculture as well as the fish processing industry, while scrapping and renovating important in terms of vessels also play a significant role. A central part of axis 3 is occupied by managing fisheries-related environmental risks, introducing selective fishing gear through pilot projects, restoring fish habitats and spawning grounds and developing the quality of fishery products and control systems.

Tasks necessary for ensuring expedient supervision that are presented in the SEA report and are to be taken into account in implementing the Operational Programme:

- to provide potential support applicants with more thorough information on environmental requirements laid down in legislation in order to prevent violations of law;
- to increase the administrative capacity of supervisory organisations and to step up determining the possible negative combined effect of projects at project level, at the same time avoiding excessive bureaucracy and time spent on implementing projects with little environmental impact.

A more detailed overview is provided and available in the final report of the strategic environmental assessment. Further environmental impact assessment takes place on project basis where needed.

One of the main tasks when elaborating the Operational Programme of the European Fisheries Fund 2007–2013 was to find a balance between the three priority spheres – the environmental, social and economic sphere.

It is difficult to achieve a favourable status of fishery resources solely depending on the financial contribution of the European Fisheries Fund, but it is indeed possible for the Ministry of Agriculture together with the Ministry of Environment to attain a sustainable management of fishery resources in accordance with European Union and national legislation.

A more detailed overview is provided in the table “Taking account of SEA recommendations” in Annex 5.

3.5. Equality between men and women in the labour market

The Operational Programme takes into account Estonian legislation (Constitution of the Republic of Estonia and the Gender Equality Act) and European Union policies on employment and equality between men and women. Account has been taken of the Treaty of Amsterdam by promoting the reinforcement of equality in employment of the fisheries sector and mainstreaming in regional development.

The share of women among fishers working on trawlers is merely 9%, and women are mainly employed in the administration and accountancy departments of trawl enterprises. In distant water fisheries, women make up 6% of all employees. Only 1.6% of coastal fishers are women. Such gender division among fishers can be expected, as fishing is a physically strenuous activity. In aquaculture, women make up an average of 30% of the entire work force. About 70% of employees working in the processing and marketing sector are women.

It is possible and necessary to promote collective action at local level through the measure on sustainable development of fisheries areas; this includes increasing the involvement of women in developing local life. Implementing this measure also favours interaction and cooperation among women employed in the fisheries sector.

3.6. Analysis of the previous programming period

Upon joining the European Union, Estonia got a chance to participate in the EU's regional policy and get financial assistance from the Financial Instrument for Fisheries Guidance (FIFG).

During the programming period (2004–2006), four different measures were employed (two of them were divided into sub-measures). The employed measures are as follows:

- Measure 3.9 – Adjustment of fishing capacity of the fishing fleet;
- Measure 3.10 – Modernisation and renewal of fishing fleet;
- Measure 3.11 – Investment support measures for fisheries production chain:
- Sub-measure 3.11.1 – Investment support for processing of fish and aquaculture products,
- Sub-measure 3.11.2 – Investment support for aquaculture,
- Sub-measure 3.11.3 – Modernisation of fishing ports,
- Sub-measure 3.11.4 – Investment support for inland fisheries;
- Measure 3.12 – Other fisheries-related measures:
- Sub-measure 3.12.1 – Social measures accompanying the restructuring of the fisheries sector,
- Sub-measure 3.12.2 – Promotion of new market outlets.

In the period 2004–2005, a total of 196 applications for assistance in the amount of EUR 25.5 million were submitted; this made up 151% of the budget. The largest number of applications was submitted for the modernisation and renewal of fishing fleet (55), followed by applications for investment support for aquaculture (47) and for adjustment of fishing capacity of fishing fleet (39).

In the period 2004–2005, 99 applications were approved and the assistance amounted to EUR 11.1 million, making up 66% of the budget. The highest number of applications was approved for the modernisation and renewal of fishing fleet (27) and investment support for aquaculture (26). The highest number of applications was approved for the following items:

- Measure 3.10: Purchase and installation of navigation equipment, along with related software (positioning equipment, compasses, computers, electronic maps, etc.) and reconstruction of engine rooms and the purchase and installation of related equipment which does not concern the fishing capacity;
- Sub-measure 3.11.1: Purchase and installation of fishery and aquaculture product handling equipment and technology lines (including treatment

facilities, cold generating equipment, water supply systems, energy systems or packing lines);
- Sub-measure 3.11.2: Construction of aquaculture building or facility;
- Sub-measure 3.11.3: Reconstruction of the berth used for landing fish and construction, reconstruction or pavement improvement of fishing port road;
- Sub-measure 3.11.4: Acquiring fishing vessels.

Over the period 2004–2005, assistance payments were made for 31 approved applications in the amount of EUR 3.7 million.

It is not yet appropriate or possible to present an evaluation of the general results and impact of the implementation of the FIFG, because not all aid has been paid out to date. Therefore, the results of the impact analysis would not be very trustworthy at this point, since sufficient time has not passed yet after the activities took place.

Estonian experience has shown that the prior choice of a relatively centralised and structurally simple implementation has been the right one – Estonia was in 2004–2006 one of the fastest users of FIFG assistance among the new Member States of the EU. Simplicity and the small size of the system have enabled to involve all-important stakeholders directly into programming, preparations of the legal framework and development of the necessary procedures. Therefore, the structure of the system has facilitated cooperation and coordination, as well as a smooth and fast introduction and implementation of changes upon need. The simplicity of the structure of the implementation system should be retained in the upcoming period. Also, the monitoring and control systems function sufficiently; still, it is possible to increase the efficiency of the system – the implementation schemes and procedures need to be simplified and adjusted to cope with the need to administer the sharply increasing volumes of support in 2007–2013. There have been problems in the previous period with reaching the objectives of measures and measuring the progress in relation to target levels. These hardships have partially risen due to too ambitiously or not at all ambitiously stated initial targets and objectives. On the other hand, the attainment of objectives is sometimes hard to measure due to the fact that objectives have been defined in a non-measurable way or the indicators are not sufficiently well linked to the objectives. Thus, considerably more attention has been paid in the 2007–2013 preparations to formulating the objectives more clearly and specifically.

For the attainment of objectives to be possible, the targets defined at programme level also need to be reflected in the implementation phase, especially in the project selection and evaluation processes. This renders it possible to secure more firmly that financing would be allocated to projects that contribute to the achievement of objectives the most. In addition, more attention needs to be paid to making sure that assistance goes first and foremost to projects that are cost-effective and create the most added values. These kinds of projects facilitate achievement of programme goals. In the previous period, the project selection criteria were not always unambiguously comprehensible. This makes it occasionally difficult for both the applicants and the evaluators to interpret them. Although the combining of objectives, indicators and selection criteria continues to be a complicated task in the 2007–2013 period, it constitutes a crucial prerequisite for the successful implementation of pperational programmes and constant attention will be paid to this aspect in both the planning and implementation phases.

In addition to hardships related to setting up objectives, the synergy generated during implementation could be greater. There are many projects that involve numerous participants – this shows that applicants are able to involve upon need partners with similar interest in solving common problems. Yet, there are currently relatively few beneficiaries who have received mutually complementing grants from several different sources, and the projects of applicants are usually independent of one another.
Considering that in 2007–2013 one aspect of the overall objective of using Structural Funds is to increase the regional balance of national development and that all funded activities take place in the territory of some county or municipality, it is especially important to facilitate and enhance cooperation at local level in order to achieve greater synergy among activities. This requires steps to develop and coordinate strategic planning and management capacity on both regional (local government) level as well as the central government level among the various policies.

One lesson supported by the experience of great many Member States is that publicity, information and counselling activities are key success factors in the implementation of structural assistance. The success and speed of assistance use depends to a great extent on project preparation and implementation capabilities, knowledge and skills of beneficiaries. Interest in structural assistance has been big – the positive experience has been that all applicant groups have been relatively active. Currently, there are basically no fields in the sector where the need and willingness to apply for assistance does not exist. In addition to publicity and information activities, counselling and training of the applicants and beneficiaries require more emphasis both in the application and implementation phases. This would enable to improve both the quality of applications as well as the effectiveness of project implementation.

In order to assess the impact of the National Development Plan's FIFG investment support on the enterprises of the fisheries sector, a survey titled "Impact of Investment Support on the Estonian Fisheries Sector" was conducted.

The survey was targeted at the following fisheries fields:

1) Fishing:
   - distant water fishing,
   - Baltic Sea fishing,
   - Baltic Sea coastal fishing,
   - inland fishing;
2) Fishing ports;
3) Fish processing and marketing;
4) Aquaculture.

Analysing the impact of the National Development Plan's FIFG measures support on enterprises revealed that economic situation had grown much better or a little better for fish processing industries and aquaculture enterprises; the situation of enterprises engaged in fishing has generally remained the same. Investments were deemed highly useful by fish processing industries, ports and aquaculture enterprises. When assessing the support of the years 2004–2005, the prevailing opinion of fisheries enterprises was that the National Development Plan's FIFG assistance was necessary.

Concerning the transparency of financing decisions, positive feedback was given by enterprises engaged in fishing, self-employed persons, fish processing industries and ports, irrespective of region. The general view of supported enterprises is that the

investments made with support under the National Development plan's FIFG measures have been useful; supported enterprises are more successful than usual, they employ strategic planning and have created new jobs or maintained existing ones; the supported enterprises also stand out by keeping labour costs higher than average.

3.7. Main results of analysis

The analysis of the fisheries sector presented in the Estonian Fisheries Strategy yielded the following main results.

As fishing capacity still exceeds fishing availability in Estonia, it is of primary importance to ensure coordination between fishing capacity and fishery resources, i.e. to achieve the optimum size of the fishing fleet. This provides fishers with stable work and income, while decreasing the pressure to fish illegally. In order to adjust fishing capacity, withdrawal of vessels should be joined by the various opportunities for altering the purpose of vessels, which would also contribute to making use of the fishers' seafaring ability and diversifying their employment.

Taking into consideration the condition of fishery resources and the potential developments in the Baltic Sea, Estonian inland waters and distant water fishing regions, it is essential to modernise the fishing fleet, primarily in view of increasing the use of selective fishing gear and savings on fuel as well as stepping up environmental and vessel safety requirements and improving occupational safety conditions. For the purposes of increasing the competitiveness of the fishing sector it is important to modernise the fishing fleet in order to improve the quality of fishing, decrease burden on the environment and cut down costs and to improve working conditions. Detailed description of the current situation of the Estonian fishing fleet will be given in the Fishing Effort Adjustment Plan.

Improving the quality of caught fish and increasing the added value attributed to fish by fishers constitutes one of the main factors in increasing the income of fishers. In order to increase the competitiveness of fisheries, the quality of the caught fish must be improved and increased added value must be given to fish within the entire fisheries chain. This means that it can be done by supporting the development of fishing ports, which should be fitted with modern ice, landing and fish sorting equipment as well as cold stores, and, where possible, by adding the highest possible value to fish as well as by supporting collective action.

In the context of the long-term development of the fisheries sector, the role of fish farming as one of its industries will gain increasing importance. The development of the Estonian fish farming sector is based on favourable natural conditions, both in terms of abundant water resources and available land. In the context of developments in world and European fish and raw material market, the sector's development potential will be determined by competitiveness. The development of the fish farming sector must be based on market demand. This primarily entails the ability to produce fish in the quantities required by the processor/consumer, while maintaining suitable prices and quality. In order to satisfy domestic market demand, production capacity and the value added to farmed products must be increased through operating efficient aquaculture enterprises. To that end, expanding aquaculture enterprises must be promoted, including the establishment of primary processing units by employing environmentally friendly technologies.

The objective of the Fisheries Strategy is to guarantee the preservation of a diverse socio-economic structure and increase in the quality of life in fisheries areas. Fisheries have been a significant field of activity in coastal areas, inland waters and in their respective areas of service. The profitability of the fisheries sector has changed over the past 10 years due to changes in fish prices and fishing costs. In the field of fisheries, socio-economic well-being depends directly on fishery resources, and the situation today is such that the existing resources are not enough to guarantee sufficient earnings for all persons operating in coastal fisheries. Today, fishing is the main source of income only for one third of fishers, while for the rest it constitutes additional income besides their main earnings from pensions, field, forestry or construction work. The principal place of work is often situated outside the home rural municipality or Estonia because fisheries areas offer few alternative job opportunities besides fisheries. It is therefore important to contribute during the coming programming period to the creation of jobs outside the fisheries sector. In coastal areas, where the natural and architectural heritage of coastal villages must be preserved and living environment must be protected, traditional fishing should be maintained. In order to secure increased quality of life in these areas, diversification of businesses and collective action in local communities must be supported. For the purposes of developing collective action in local communities, the power of decision at local level should be increased. The aim is that by the years 2009–2010, most of rural municipalities in fisheries areas (Annex 6) will be covered by initiative groups who will have elaborated and will be in the process of implementing development strategies for their respective regions.

4. STRATEGY OF THE OPERATIONAL PROGRAMME

4.1. Overall objectives and impact indicators

The overall objective of the Estonian Fisheries Strategy 2007–201 and the Operational Programme is to develop the fisheries sector in order to secure stable and sustainable management in the fisheries sector and to guarantee an increase in the income of people engaged in fisheries.

Table 2. Impact indicators

Impact indicator	**Source of data**	**Baseline level and year**	**Control level 2010**	**Target level and year**
Average income of persons engaged in fisheries compared to Estonia's average income	Statistical Office	68% (2006)	73%	80% (2015)
Sustainable exploitation of fishery resources: - percentage of economically important resources in good condition	Survey	38% (2007)	47%	60% (2015)
Annual consumption of fish in Estonia per person	Survey	17 kg (2005)	19 kg	21 kg (2015)
Turnover per employee at current prices	Statistical Office	EUR 45 022 (2006)[1]	+7%	+10% (2015)

4.2. Specific objectives and result indicators

Specific objectives which the Operational Programme's priorities aim to achieve are provided in Chapter 6.

[1] Short-term statistics, the number can be revised.

4.3. Calendar and intermediary objectives

Table 3. Indicative calendar of implementation of priority axes

Priority axis	**Ex ante evaluation**	**Implementation**	**Interim evaluation**
1	2007	2008–2015	2010
2	2007	2008–2015	2010
3	2007	2008–2015	2010
4	2007	2008–2015	2010
5	2007	2008–2015	2010

Intermediary objectives are provided in the indicator tables in Chapters 4 and 6 as the control level for 2010. Measure-specific calendars are indicated under relevant priority axis chapters, where applicable.

5. SUMMARY OF EX ANTE EVALUATION

The ex ante evaluation was carried out in accordance with Council Regulation (EC) No 1198/2006 and the corresponding Commission implementing regulation. Additional basis was provided by the Draft Working Paper on Ex Ante Evaluation for the European Fisheries Fund compiled by the Commission and the contract concluded between the Ministry of Agriculture and the assessor.

The aim of the ex ante evaluation was to improve the quality, effectiveness and efficiency of programme compilation and implementation, while paying attention to optimising the allocation of budgetary resources.

Primary results of ex ante evaluation

The results of the ex ante evaluation are presented as at 30.03.2007 and are based on the draft Operational Programme of the European Fisheries Fund 2007–2013, delivered on 23.01.2007. Assessors consulted with the compilers of the Operational Programme during the various phases of the evaluation and submitted their proposals for complementing the Operational Programme; an interim evaluation report was also submitted.

The evaluation was conducted by InterAct Projektid & Koolitus OÜ in cooperation with Audacon Eesti OÜ and non-profit association Wildlife Estonia. The evaluation process was coordinated by Maarja Unt (InterAct Projektid & Koolitus OÜ).

The following presents the main subjects of the ex ante evaluation and a short summary of evaluations provided by experts.

- Evaluation of general matters concerning the compilation of the Operational Programme and the suitability of its structure, of the sufficiency of partner involvement in the process of compiling the Strategy and Operational Programme and of taking into consideration experiences from the previous period:
    - The structure of the Operational Programme is generally suitable and is in accordance with the structure laid down in Article 20 of Council Regulation (EC) No 1198/2006; however, the assessors advised to pay more attention to some aspects.
    - Partner involvement in compiling the Strategy has been sufficiently effective and broad. Shortcomings in partner involvement were detected in the Operational Programme.
    - Compilers of the Operational Programme and Strategy have generally processed the primary bottlenecks of the previous period and have tried to avoid making the same mistakes when drafting the documents.
- Reflecting the current situation in the fisheries sector in the Strategy and Operational Programme (SWOT analysis):
    - The expert group is of the opinion that primary problems of the fisheries sector have been presented and that the current situation is reflected in a realistic manner and in line with the Strategy.
- Analysis of the objectives and priorities of the Operational Programme:
    - The expert group is of the opinion that the analysis of the current situation is taken selectively as a basis for strategic choices and set

objectives. The economic objectives for improving the current situation in fishing and fish processing are substantive and thorough. Despite this, the analysis of the current situation brings out several problems and bottlenecks that the current objectives neither can nor try to solve.
    - The expert group advises to emphasise in the general objectives of the Operational Programme environment-related objectives and the preservation of the favourable status of fishery resources necessary for preserving sustainable fishing.
    - The expert group is of the opinion that the objectives of priority axes are more specific than general objectives.

- Analysis of conformity between the actions of priority axes and objectives:
    - The expert group does not see any significant conflicts between the various axes within the Operational Programme.
- Evaluation of the foreseeable results and impacts (particularly socio-economic impacts) of the Strategy and evaluation of the indicators and target levels presented in the Operational Programme:
    - The expert group deems the socio-economic impacts of the Operational Programme as neutral or positive. The planned impact of the implementation of measures is estimated to be similar with the impacts of measures implemented in the previous programming period – these investments have been considered useful by the experts. The supported enterprises are more successful than on average, they employ strategic planning and they have either created new jobs or maintained the existing ones.
    - It is advised to expand the list of indicators presented in the Operational Programme in terms of both impact and result indicators.
    - The expert group gave recommendations as to the correction of target levels of indicators.

- Suitability of implementation systems, possible risks and bottlenecks and the efficiency of the monitoring and evaluation system:
    - The Operational Programme describes the implementation system in sufficient detail and is generally suitable for carrying out the Strategy.

- The aim of the cost-effectiveness analysis was to determine whether the objectives of the Operational Programme could be fulfilled on the basis of the proposed division of financial resources among the various priority axes:
    - The financing plan complies with European Union requirements, i.e. the priority axes and relevant measures and fields presented in the financing plan are in accordance with Council Regulation (EC) No 1198/2006, and actions are eligible.
    - The assessors are of the opinion that the financing plan is optimally compiled, making maximum use of the financing opportunities offered by the EU's EFF and adding the 25% contribution of the Estonian public sector.
    - The expert group advises to consider increasing financial resources for the years 2009–2011, since these years should be most active in terms of implementing the support.

- The expert group views that while the planning of EFF financial resources at national level has created opportunities for securing the sustainable development of fisheries, it is not possible to make a more detailed evaluation of the financial division, as financial information by measures has not been given, which makes it difficult to evaluate the effectiveness of financial resources.

- Evaluation of the Operational Programme and possible clashes with the Estonian Fisheries Strategy 2007–2013:
  - According to the expert group, there are no substantial clashes with the Estonian Fisheries Strategy 2007–2013. Nevertheless, the experts expected more coherence and harmony with the Strategy, which is one of the most important basic documents for the Operational Programme.

- Conformity of the Estonian Fisheries Strategy 2007–2013 with regional, national and European Union strategic documents and policies. The Strategy's contribution into meeting the objectives of the European Union's Common Fisheries Policy and the Lisbon Strategy:
  - The Operational Programme does not clash with the strategy "Sustainable Estonia 21", but it does not take sufficiently clear account of the balanced objectives established in "Sustainable Estonia 21".
  - There are no substantial clashes between the Operational Programme and the National Strategic Reference Framework.
  - The expert group did not establish clashes between the Operational Programme and the Development Plan for Lake Peipsi Fisheries 2005–2009[2].
  - According to the expert group, the Operational Programme and its founding Strategy support the attainment of Lisbon Strategy objectives.
  - The expert group considers the Operational Programme partly in conformity with the Common Fisheries Policy. In order to reach complete conformity, the Operational Programme should be complemented under the angle of the principles of sustainable development.
  - The document takes into account the Treaty of Amsterdam by promoting the reinforcement of equality in the employment of the fisheries sector.

The Operational Programme was improved taking into account the majority of the proposals and guiding recommendations presented in the report (Annex 7).

A more detailed overview is provided in the final report of the ex ante evaluation.

[2] Development Plan for Lake Peipsi Fisheries 2005–2009, edited by Peipsi Sub-Basin Fishers Association in 2004.

6. PRIORITY AXES OF THE OPERATIONAL PROGRAMME

Estonia implements all five priority axes of the European Fisheries Fund for the purposes of achieving the objectives of the Estonian Fisheries Strategy 2007–2013. The priority axes will be implemented in compliance with requirements laid down in Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44) and 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). The baseline situation and the quantified targets of priority axes are presented in Chapter 6.

In addition to the measures and actions listed below, the managing authority can implement other measures and actions provided that there are no elements to be specified in the Operational Programme according to Council Regulation (EC) No 1198/2006 and Commission Regulation (EC) No 498/2007.

6.1. Coherence and justification of priority axes chosen

Justifications for the need to implement different priority axes are provided under relevant axis descriptions in this chapter.

6.1.1. Linkage with the National Strategic Plan

The Operational Programme has been compiled for the purposes of carrying out the Estonian Fisheries Strategy 2007–2013. The priority axes chosen and the measures included in the Operational Programme are based on the analysis of the NSP.

6.1.2. Coherence of the guiding principles of the Operational Programme

The Operational Programme follows the guiding principles set out in the article 19 of Council Regulation 1198/2006, with the overall aim to promote sustainable development of fisheries in the framework of Common Fisheries Policy.

The Strategy and Operational Programme take into account the **Lisbon Strategy**, along with the Estonian Action Plan for Growth and Jobs**,** supporting in 2007–2013 investments that guarantee the following: sustainability and growth in the fisheries production and processing sector; maintaining the employment level, including providing better income for coastal and inland water fishers through diversifying activities in fisheries areas; improving the quality of jobs and innovation as well as compliance with market requirements.

The central principle of compiling the Strategy and the Operational Programme is in accordance with the conclusions of the European Council of **Gothenburg**. The Strategy and Operational Programme takes into account the aim to harmonise the capacity of the fisheries sector with the sustainable use of natural resources, thereby preserving biological diversity. As a result, in addition to various national actions, the measures of the European Fisheries Fund are employed in such a way as to decrease the environmental impact of commercial fishing and to increase emphasis on attaining

sustainable development by supporting the use of environmentally friendly production and processing methods and technologies.

The Strategy and Operational Programme are in accordance with the rest of Community policies and operations, particularly in fields such as employment and equality between men and women.

Great attention is paid to improving the qualification of workers by increasing know-how and training opportunities in accordance with the conceptual basis for the Memorandum of Lifelong Learning.

6.1.3. Coherence with ex-ante evaluation

The Operational Programme follows the outcomes of the ex ante evaluation, and the results of the final ex-ante evaluation report are provided in Chapter 5.

6.1.4. Linkages with other operational programmes

In order to make more effective use of European Union support instruments, complementarity and prevention of overlapping must be ensured. In terms of measures implemented under the EFF, attention should be paid to connections and complementarity with measures of the Estonian Rural Development Plan 2007–2013 and structural instruments allocated by Estonia in the European Union budget period of 2007–2013, which are implemented through sectoral operational programmes (or development plans) of the National Strategic Reference Framework 2007–2013. By order of the Government of the Republic No 216 of 31 March 2006, drawing up sectoral operational programmes for employing European Union structural instruments of 2007–2013 was approved and the following ministries were assigned to manage the preparation of these operational programmes under the coordination of the Ministry of Finance:

- Operational Programme for Human Resource Development – Ministry of Education and Research;
- Operational Programme for the Development of Living Environment – Ministry of Environment;
- Operational Programme for the Development of Economic Environment – Ministry of Economic Affairs and Communications.

6.1.5. Taking account of horizontal issues

When implementing the European Fisheries Fund, the following horizontal issues are taken into account: employment, environment, regional development and equal opportunities.

Specific horizontal impacts manifest themselves on the level of measures and projects and they are examined in the course of monitoring. The impact on horizontal issues is taken into account when implementing measures, focusing on the expected appropriate and significant impact of measures. As the nature of actions supported under various measures is different, it is not useful to tackle all horizontal issues under all measures, but instead to concentrate only on issues of relevant importance.

When implementing the Operational Programme, horizontal issues are taken into account on the level of measures in the following manner:

• by including specific goals and actions in measure requirements,

• by establishing appropriate compliance and assessment criteria.

Conformity with horizontal issues is assessed when selecting and implementing projects where necessary. Implementation of measures includes conducting assessments, a part of which is made up of assessing the effectiveness of targeting horizontal issues.

6.2. Priority axis 1 – Adaptation of the fishing fleet

Objective for priority axis 1: To ensure adjustment of the fishing capacity of primarily the Baltic Sea trawl fishing fleet to fishery resources and to modernise the fishing fleet by bringing it into compliance with today's environmental, working condition, safety and hygiene requirements.

Table 4. Result indicators of priority axis 1

Priority axis 1				
Result indicator	**Source of data**	**Baseline level and year**	**Control level 2010**	**Target level and year**
GT and kW of the maritime fishing fleet	Agricultural Registers and Information Board (ARIB), National Fishing Vessel Register	20 826 GT (2006) 53 340 kW (2006)	-5 % [3]	-10% [4]
Percentage of modernised fishing vessels of the total fleet	ARIB	0	15%	40% (2015)

During the years 2007–2013, the main emphasis is put on achieving a balance between fishing capacity and fishery resources and on modernisation of the fishing fleet, mainly in terms of increasing the selectivity of fishing gear, increasing fuel economy and improving environmental, maritime and occupational safety conditions.

Justification for the need to implement priority axis 1

- Seen as the Estonian fishing fleet is dominated by fishing vessels built in the 1970–1980s, characterised by extremely low-quality steel and weakly functioning engines, there is a need to pay special attention to modernising the fishing fleet. In order to decrease burden on the environment and fishing costs and to improve fishing quality, the Estonian fishing fleet must be modernised by introducing newer and more economical engines and more modern and selective fishing gear.
- As fishing capacity still exceeds fishing opportunity in Estonia, it is of primary importance to bring the fleet to an optimum size. This secures fishers with

[3] The exact decrease of the fishing capacity will be determined in the framework of drafting the Fishing Effort Adjustment Plan on the basis of scientific study.
[4] The exact decrease of the fishing capacity will be determined in the framework of drafting the Fishing Effort Adjustment Plan on the basis of scientific study.

stable work and income, at the same time decreasing the pressure for illegal fishing.

It is very important to secure compliance with environmental, maritime and occupational safety requirements in order to secure the fishing community with high-level working conditions.

Complementarity and demarcation

Linkages with the Estonian Operational Programme for Human Resource Development

Measure 1.5 "Socio-economic measures" of axis 1 is linked to and complements the objectives of the "Lifelong learning" priority axis of the Operational Programme for Human Resource Development. Support provided under the Operational Programme for Human Resource Development mainly comes in the form of training aimed at the improvement of the professional qualification (accountancy, project management, language learning and other skills) of administrative and executive staff and in the form of retraining opportunities for employees wishing to change posts. This measure provides support for trainings on specific fisheries subjects and actions related to setting up businesses. The European Social Fund does not provide support to undertakings operating in the fisheries and aquaculture field, and actions related to setting up businesses, for example, are not supported in the case of these two fields.

Other measures under priority axis 1 are covered only by EFF.

One objective under measure 1.3 and measure 1.4 is to improve the working conditions on vessels; thus, these measures complement the objectives of priority axes "Good-quality and long working life" and "Developing the human resource for R&D" of the Operational Programme for Human Resource Development.

Priority axis "Developing the human resource for R&D" allows for the general knowledge pool and research activity to become more competitive and build the R&D basis for increasing the added value and developing new products and technologies in the fisheries sector and preferred development of certain fields (e.g. information technology, biotechnology and environmental technology).

The adoption and the implementation of the Fishing Effort Adjustment Plan

The Fishing Effort Adjustment Plan constitutes the main instrument for implementing reductions in the fishing effort. The plan will be composed on the basis of Article 22 of Regulation (EC) No 1198/2006.

The Fishing Effort Adjustment Plan will be elaborated under the leadership of the Ministry of Agriculture in cooperation with different partners, including social partners, scientists and the Ministry of Environment. The Fishing Effort Adjustment Plan will also be submitted to the Fisheries Council of the Ministry of Agriculture for approval. Recovery plans affecting Estonian fishing sector will be taken into account when drafting the Fishing Effort Adjustment Plan. In the case of recovery plans influencing the Estonian fisheries sector, priority will be given to the permanent cessation of vessels affected.

Indicative list of the planned measures

1.1 Public aid for permanent cessation of fishing activities (Article 23 of Regulation (EC) No 1198/2006)

Purpose of the measure: To secure balance between the fishing capacity of fishing vessels and the available resources.

Indicative list of potentially supported actions:

- scrapping of fishing vessel,
- reassignment of fishing vessel for activities outside fishing.

Target group: professional fishers and owners of fishing vessels.

Description of the method for calculating maximum compensations for permanent cessation of fishing activities

The maximum compensation will be calculated on the basis of parameters of specific vessels (i.e. GTs, age of vessel).

1.2 Public aid for temporary cessation of fishing activities (Article 24 of Regulation (EC) No 1198/2006)

Purpose of the measure: Compensation for the reduction of fishing effort due to fishing adjustment plans, emergency measures, management plans or other exceptional cases to keep the fleet afloat during periods of tie-up.

Indicative list of potentially supported actions:

- temporary cessation of activities provided in Article 24 (i)–(vii).

Target group: professional fishers and owners of fishing vessels.

Description of the methods for the calculation of premiums for temporary cessation of fishing activities

The maximum rate for temporary cessation of fishing activities will be calculated on the basis of the average value of catches on board a certain vessel in the three previous years. The average value of catches per day will be multiplied by the number of days of temporary cessation.

1.3 Investments on board fishing vessels and selectivity (Article 25 of Regulation (EC) No 1198/2006)

Purpose of the measure: To favour investments into the fishing fleet directed at improving fuel economy, improving environmental and safety conditions on board, improving selectivity of fishing gear and working conditions.

Indicative list of potentially supported actions:

- improvement of safety on board;
- improvement of working conditions;
- improvement of hygiene;
- improvement of product quality;
- improvement of energy efficiency;
- improvement of selectivity provided for in Article 25(7) and (8);

- replacement of engine provided for in Article 25 (3)(a),(b) and (c);
- other investments on board fishing vessels.

Target group: professional fishers and owners of fishing vessels.

Investments supported under this measure may not increase the ability of a vessel to catch fish.

The managing authority will fix the maximum amount of support per vessel granted during the programming period on the basis of objective criteria, such as market value or insurance value of vessel or age and fishing capacity of vessel. This limit does not apply to the investments provided in Article 25(6)(e) of Council Regulation 1198/2006.

Conditions applied when applicants promise to decrease engine power of a group of vessels and the mechanism established for inspecting compliance with said conditions

Reduction of engine power is examined by enterprise; enterprises can have several vessel groups. The conditions set out in Article 6(3) of the implementing regulation will be checked by the intermediate body. When applying for support, applicants must prove that they own a certain quantity of kW; in order to get support, they have to remove the corresponding kW from the National Fishing Vessel Register. The removed engine power in kW must belong to the same segment as the fishing vessel that has created the need to decrease engine power by having its engine replaced. Compliance with the described requirements is inspected through the National Fishing Vessel Register. Reporting of the status of the Fishing Vessel Register will be done by the Fishery Economics Department of the Ministry of Agriculture.

Fishing vessels are also registered in the Estonian Ship Register or Small Vessel Register. According to national legislation, the data inserted into the Fishing Vessel Register is taken from these registers. Depending of the vessel, carrying out technical control is either the duty of the Maritime Board operating under the Ministry of Economy and Communications or it will be done in the framework of international classification registers. In general, the project for changing the main engine must be approved by the body responsible for technical control. The changes to the kW in the vessel registers involved are made on the basis of technical documentation (i.e. an engine certificate) of an engine provided by the manufacturer.

1.4 Small-scale coastal fishing (Article 26 of Regulation (EC) No 1198/2006)

Purpose of the measure: To favour investments into the fishing fleet directed at improving fuel economy, improving environmental and safety conditions on board, improving selectivity of fishing gear and working conditions.

Indicative list of potentially supported actions:
- improvement of safety on board;
- improvement of working conditions;
- improvement of hygiene;
- improvement of product quality;
- improvement of energy efficiency;
- improvement of selectivity;
- replacement of engine;
- other investments on board fishing vessels.

Provisions of Article 26(2) can be applied.

The managing authority will fix the total eligible expenditure to be supported for the vessel during the programming period on the basis of objective criteria, such as market value or insurance value of vessel or age and fishing capacity of vessel. This limit does not apply to the investments provided in Article 25(6)(e) of Council Regulation 1198/2006.

Target group: professional fishers and the owners of fishing vessels.

1.5 Socio-economic measures (Socio-economic compensation for the management of the Community fishing fleet, Article 27 of Regulation (EC) No 1198/2006)

Purpose of the measure: To alleviate the unfavourable social and economic impacts of restructuring of fisheries.

Indicative list of potentially supported actions:

- support for fishers who have lost their jobs as a result of adjusting the fishing capacity of the fishing fleet;
- training.

Target group: professional fishers and the owners of fishing vessels.

Methods for calculating socio-economic compensations

- The social support paid to fishing vessel fishers who have lost their jobs as a result of fishing capacity adjustment of the fishing fleet is a non-renewable financial compensation. The maximum compensation is EUR 10 000 per applicant.
- Maximum amount of training support is calculated on the basis of average training day prices of trainings taking place locally or in another country.

6.3. Priority axis 2 – Aquaculture, inland fishing, processing and marketing of fishery products

Objective for priority axis 2: To provide the fisheries sector with an effective, sustainable and competitive processing and marketing chain as well as sustainable aquaculture and inland fisheries.

Table 5. Result indicators of priority axis 2

Priority axis 2				
Result indicator	**Source of data**	**Baseline level and year**	**Control level 2010**	**Target level and year**
Percentage of modernised inland fishing vessels from the total of registered fishing vessels	ARIB	0	15%	40% (2015)
Increase in aquaculture production[5]	ARIB	700 t (2006)	1 000 t	2 500 t (2015)

[5] Maximum aquaculture production according to building project of a farm

Value of aquaculture production (EUR)	MoA	EUR 2.6 M (2006)	+5%	+10% (2015)
Value of processed fishery products	MoA	EUR 106 M (2006)	+10%	+15% (2015)

The main focus of priority axis 2 lies in strengthening the competitiveness of enterprises in the constantly developing economic environment by favouring investments into aquaculture, processing of fishery products and inland fishing.

The goals are to increase production in aquaculture by using modern and environmentally friendly technologies and, in terms of processing, to expand domestic demand and export geography by increasing product quality, making maximum use of local raw material.

The priority for inland fishing is to favour investments that facilitate fishing in inland waters. The main focus should be on actions that aim to improve fuel economy, environmental aspects, safety, occupational safety and fish delivery conditions and to introduce selective fishing gear.

Justification for the need to implement priority axis 2

- In view of the rapid development of world market, a sector's development opportunities and sustainability are determined by competitiveness. This primarily means the ability to produce fish in the amount necessary for the processor/consumer, but at the same time of suitable price and quality.
- Considering that there is a shortage of specialists and qualified workforce (including fish farm designers and equipment maintenance technicians) in the aquaculture sector, it is important to pay attention to training, information exchange and applied research.
- Considering that the development of aquaculture must be based on market demand, it is necessary to support the establishment of competitive enterprises based on modern clean technologies.
- In view of market needs, increasing aquaculture production should be supported.
- Considering consumer needs, the processing of fishery products should aim at active product development, which would enable to offer a product selection as diverse as possible. This entails the elaboration of new products, employment of innovative technologies and processing fish species that have not yet been used or have been used little.
- Pursuant to the scarcity of raw material, adding higher value to fishery products and producing niche products must be favoured more.
- Developments in fish processing should be concentrated more on environmental risk management.
- In order to improve the quality of fish caught in inland waters, it is necessary to favour investments into the modernisation of fishing fleet.

Complementarity and demarcation

Linkages with the Estonian Operational Programme for Human Resource Development

Measure 2.3 “Support for the processing and marketing of fishery and aquaculture products” of axis 2 of this Operational Programme is linked to and complements the second priority axis “Development of human resources in research and development” of the Operational Programme for Human Resource Development, as the two share the objective of developing the production of niche products and giving greater added value to products. The attainment of the objective is supported by actions specified in the second priority axis of the Operational Programme for Human Resource Development, concerning for example the prioritised development of information technology, biotechnology and environmental technology and contributing to increasing the general level of knowledge and competitiveness in the field as well as furthering the elaboration of new products.

Linkages with the Estonian Operational Programme for the Development of Economic Environment

Measures 2.1 “Investment support for aquaculture” and 2.3 “Investments in processing and marketing” of this Operational Programme are complemented by actions under priority axis 1 “Innovation and growth potential of businesses” of the Operational Programme for the Development of Economic Environment. Measures under the current Operational Programme will support the implementation of new technologies in order to increase efficiency and reduce environmental risks.

Measures of priority axis 2 are complemented by actions under priority titled “Development of regional transport infrastructure” of the Operational Programme for the Development of Economic Environment, which will contribute to the improvement of regional connections by modernising the relevant transport infrastructure and thereby facilitating better access and faster connections in order to maintain the socio-economic structure and improve the quality of life in the regions related to fisheries.

Investments into aquaculture production are supported only under measure 2.1 of this Operational Programme.

Indicative list of the planned measures

2.1 Investment support for aquaculture (Article 29 of Regulation (EC) No 1198/2006)

Purpose of the measure: To increase production and improve the quality of farmed fish by developing aquaculture enterprises.

Indicative list of potentially supported actions:

- construction of new farms;
- extension or modernisation of existing farms;
- purchase of equipment.

In the case of diversification towards new species and production of species with good market prospects, the managing authority will order a study to determine the potential list of species.

Target group: enterprises.

Investment aid shall be limited to:

- micro, small and medium-sized enterprises;
- enterprises that are not covered by the definition in Article 3(f) of Regulation (EC) No 1198/2006, with less than 750 employees or with a turnover of less than EUR 200 million.

In order to secure priority to micro and small enterprises, they will be given bonus points at assessment of applications.

2.2 Support for inland fisheries (Article 33 of Regulation (EC) No 1198/2006)

Purpose of the measure: To favour investments into the inland fisheries, fishing fleet and equipment with a view to improving fuel economy, improving environmental and safety conditions, selective fishing gear and working conditions.

Indicative list of potentially supported actions:

- modernisation of inland fishing vessels (in order to improve safety, working and hygiene conditions and product quality);
- investments for the construction, extension, equipment and modernisation of inland fishing facilities.

Target group: enterprises.

The managing authority will fix the total eligible expenditure to be supported for the vessel during the programming period on the basis of objective criteria, such as market value or insurance value of vessel or age and fishing capacity of vessel.

Measures taken in order to make sure that vessels supported under Article 33 of Regulation (EC) No 1198/2006 continue operating exclusively in inland waters

The inland waters where commercial fishing takes place are not connected to high seas. Passage to sea is obstructed by the barrage of the Narva power plant. Purposeful and appropriate use of support is also secured by on-the-spot checks (follow-up checks). Data on inland fishing vessels that have received support is also transmitted to the Environmental Inspectorate, who supervises fishing activity both in inland waters and at sea; supported inland fishing vessels are also entered into the national fishing vessel register.

Mechanism introduced for making sure that investments supported under Article 33 of Regulation (EC) 1198/2006 do not threaten the balance between fleet size and fishery resources

Most of commercial inland fishing in terms of catch quantities, value and number of fishers takes place at lakes Peipsi, Pihkva, Lämmi and Võrtsjärv. Commercial fishing in these water bodies is regulated primarily by the number of fishing gear. Consequently, fishing performance is generally not determined so much by the size and power of the vessel as by the number of fishing gear allowed. Thus, vessel parameters are usually not the decisive factor. For example, the main net fishing season at Lake Peipsi is in winter, when nets are put at place under the ice without any boats.

2.3 Investments in processing and marketing (Articles 34 and 35 of Regulation (EC) No 1198/2006)

Purpose of the measure: To ensure high product quality by introducing innovative technologies, thereby managing processing-related environmental risks.

Indicative list of potentially supported actions:

- improving working conditions;
- improving and monitoring public health and hygiene conditions or product quality;
- producing high quality products for niche markets;
- reducing negative impacts on the environment;
- improving the use of little-used species, by-products and waste;
- producing or marketing new products, applying new technologies or developing innovative production methods;
- marketing products mainly originating from local landings and aquaculture.

Target group: enterprises.

Investment aid shall be limited to:

- micro, small and medium-sized enterprises;
- enterprises that are not covered by the definition in Article 3(f) of Regulation (EC) No 1198/2006, with less than 750 employees or with a turnover of less than EUR 200 million.

In order to secure priority to micro and small enterprises, they will be given bonus points at assessment of applications.

6.4. Priority axis 3 – Measures of common interest

Objective for priority axis 3: To develop collective actions of common interest, e.g. investments into fisheries related infrastructure, establishment and development of the producer organisations, development of marketing activities and protection of aquatic fauna.

Table 6. Result indicators of priority axis 3

Priority axis 3				
Result indicator	**Source of data**	**Baseline level and year**	**Control level 2010**	**Target level and year**
Percentage of production value produced by members of producer organisations	ARIB	35% (2006)	37%	40% (2015)
Number of species for which spawning grounds have been improved	ARIB	0	2	4 (2015)
Percentage of landings from the fishing ports that have received fishing port investment support	ARIB	0	20%	30% (2015)

The aim is to increase the sector's sustainability and competitiveness by favouring collective action. The main focus is at managing fisheries-related environmental risks, introducing selective fishing gear through pilot projects, restoring fish spawning grounds and developing quality and control systems of fishery products. Also very important are improving the quality of caught fish and adding a higher value to fish by fishers. In order to attain these objectives, collective action should also be favoured.

Justification for the need to implement priority axis 3

- Considering the need to improve the quality of fish and fishery products, the priority is to fully develop the existing fishing ports with a view to improving the quality of raw material. If the quality was to improve, processors would prefer domestic raw material.
- It is necessary to develop fishing ports by equipping them with modern ice, landing and sorting equipment and cold stores. This would enable fishers to add higher value to fish locally, thereby increasing their income substantially.
- Estonia's fish fauna is continually harmed by deterioration and decrease of spawning grounds. Fish spawning grounds are influenced by factors caused by human activities as well as nature. Thus, it is necessary in many areas to restore fish spawning grounds and secure access to them, which in its turn facilitates increase in fishery resources.
- It is important to develop becoming organised and collective action among fishers and fish farmers, primarily through operating producer organisations, which helps to secure stable fish quantities necessary for marketing and to increase the economic impact of persons engaged in fishing and aquaculture within the fisheries sector. It is also necessary to develop collective action between the sector and scientists.
- In order to expand export geography, support should be given to actions that are connected to finding new market outlets primarily through market research and participating in various fairs. It is also important to promote the consumption of fishery products with a view to increasing domestic consumption by focusing on increasing consumer awareness of the health benefits and quality of products.

Complementarity and demarcation

Linkages with the Estonian Operational Programme for Human Resource Development

Measure 3.1 "Collective actions" is linked to and complements the objectives of the "Lifelong learning" priority axis of the Operational Programme for Human Resource Development. Support provided under the Operational Programme for Human Resource Development mainly comes in the form of training aimed at the improvement of the professional qualification (accountancy, project management, language learning and other skills) of administrative and executive staff and in the form of retraining opportunities for employees wishing to change posts. Measure 3.1 provides support for group trainings on specific fisheries subjects. The European Social Fund does not provide support to undertakings operating in the fisheries and aquaculture field, and actions related to setting up businesses, for example, are not supported in the case of these two fields.

This axis is also partially linked to the fourth priority axis of the Operational Programme for Human Resource Development titled "Knowledge and skills for innovative enterprise", as this priority axis allows for supporting the fisheries and aquaculture field when conducting general training activities (primarily general business and management training) that are not related to subjects specific of the fisheries field.

Linkages with the Estonian Operational Programme for the Development of Living Environment

Measure 3.2 "Protection and development of aquatic fauna and flora" and also partly measure 3.5 "Pilot projects" are linked to and complement the objectives of the "Development of Water and Waste management infrastructure" and objectives of the "Development of infrastructures and support systems for sustainable use of the environment" of the Operational Programme for the Development of Living Environment. Rehabilitation of inland water bodies under measure 3.2 will improve the chances of recovery of migratory fish stock, which will contribute to the objectives of the Estonian Operational Programme for the Development of Living Environment. Overlapping of operations is prevented, as EFF support will only be directed at the rehabilitation of spawning grounds and not migration routes for migratory fish – which will be dealt with under ERDF axis "Development of water and waste management infrastructure". Rehabilitation of spawning grounds is not foreseen to be supported in the course of rehabilitation of rivers funded under this programme.

Measure 3.3 "Fishing ports, landing sites and shelters" complements the activities of priority axis "Integral and balanced development of regions" of the Estonian Operational Programme for the Development of Living Environment in terms of supporting the development of ports. Under this measure, the EFF investment support will be targeted at existing ports for fisheries, while ERDF support can be used for developing small visitor ports, which play an important role in local tourism development.

Linkages with the Estonian Operational Programme for the Development of Economic Environment

Priority axis 3 measures 3.3 "Fishing ports, landing sites and shelters" and 3.4 "Development of new markets and promotional campaigns" of this Operational Programme are related to priority axis 1 "Innovation and growth potential of businesses" of the Operational Programme for the Development of Economic Environment. Activities for the renewal of technology have been planned for the fisheries sector during the upcoming period in order to increase efficiency and reduce environmental risks. Focus will also be placed on entering foreign markets. The demarcation line between the programmes is that the measures under the EFF will be targeted to fisheries enterprises, whereas measures described in the Operational Programme for the Development of Economic Environment will be developed for enterprises operating in other sectors.

Investment support for fishing ports applied under measure 3.3 "Fishing ports, landing sites and shelters" is complemented by actions carried out under priorities "Transport investments of strategic importance" and "Development of transport infrastructure of regional importance". The priorities of the EFF are related to the goals of regional infrastructure development – as renovation of the main transport

network is vital for achieving fast connections of local importance as well. The development of (small) ports infrastructure is planned under priority "Development of transport infrastructure of regional importance", supporting the swift movement of goods and persons to target destinations. These activities will not overlap with the activities of this Operational Programme, under which support will be directed only at investments in fisheries production and infrastructure of fishing ports.

Measures 3.1 "Collective actions" and 3.5 "Pilot projects" of this Operational Programme are also related to priority axis 2 "Improving the competitiveness of Estonian R&D through the research programmes and modernisation of higher education and R&D institutions" of the Operational Programme for the Development of Economic Environment.

Indicative list of the planned measures

3.1 Collective actions (Article 37 of Regulation (EC) No 1198/2006)

Purpose of the measure: To promote collective actions among fishers, that serve wider public interest in order to contribute to the stable increase in the income of fishers and restructuring the fishing sector.

Indicative list of potentially supported actions:

- lifelong learning, including upgrading professional skills and development of new training methods and tools;
- promoting cooperation between scientists and persons engaged in the fisheries sector;
- collective investments concerning production, processing or marketing equipment and infrastructure, including for waste treatment;
- promotion of environmentally friendly selective fishing methods or gear and reduction of by-catches.

Target group: producer organisations, public sector, non-profit sector.

3.2 Protection and development of aquatic fauna and flora (Article 38 of Regulation (EC) No 1198/2006)

Purpose of the measure: To create favourable living conditions for aquatic fauna.

Indicative list of potentially supported actions:

- construction or installation of static or movable facilities intended to protect and develop aquatic fauna and flora;
- rehabilitation of inland waters, including spawning grounds and migration routes for migratory species;
- direct restocking, when it is explicitly foreseen as a conservation measure by a Community legal act.

Target group: public sector.

3.3 Fishing ports, landing sites and shelters (Article 39 of Regulation (EC) No 1198/2006)

Purpose of the measure: Developing modern fishing ports.

Indicative list of potentially supported actions:

- improving safety and working conditions;
- storage and treatment of waste;
- provision of fuel, ice, water and electricity;
- reparation of equipment and maintenance of fishing vessels.

Target group: public and private sector.

3.4 Development of new markets and promotional campaigns (Article 40 of Regulation (EC) No 1198/2006)

Purpose of the measure: To find new market outlets for fishery products.

Indicative list of potentially supported actions:

- organising promotional campaigns;
- participation in fairs and exhibitions;
- conducting consumer and market surveys.

Target group: public and non-profit sector.

3.5 Pilot projects (Article 41 of Regulation (EC) No 1198/2006)

All pilot projects are non-commercial and any profit generated during the implementation of the project will be deducted from the public aid granted. Pilot projects will include adequate scientific follow-up.

Purpose of the measure: to support innovation in the fisheries sector.

List of potentially supported actions:

- testing, under near-actual conditions in the production sector, the technical or economic viability of an innovative technology with the aim of acquiring and disseminating technical or economic knowledge of technology tested;
- enabling tests to be carried out on management plans and fishing effort allocation plans;
- developing and testing methods to improve gear selectivity, reduce by-catches, discards or the impact on the environment, in particular on the sea bottom;
- testing alternative types of fishing management techniques.

Target group: public sector.

3.6 Modification for reassignment of fishing vessels (Article 42 of Regulation (EC) No 1198/2006)

Support may be granted for the modification of a fishing vessel after its reassignment only if that vessel has been deleted permanently from the fishing fleet register and, where appropriate, the fishing license associated with it has been permanently cancelled.

Purpose of the measure: To adapt the reassigned fishing vessels for the training, research, inspection needs.

Indicative list of potentially supported actions:

- modification of fishing vessels for their reassignment, under the flag of Estonia and registered in the Community for training or research purposes in the fisheries sector or for other activities outside fishing.

Target group: public, semi-public, non-profit sector.

6.5. Priority axis 4 – sustainable development of fisheries areas

6.5.1. <u>Objective for priority axis 4</u>: To guarantee the preservation of a diverse socio-economic structure and an increase in the quality of life in fisheries areas.

Table 7. Result indicators of priority axis 4

Priority axis 4				
Result indicator	**Source of data**	**Baseline level and year**	**Control level 2010**	**Target level and year**
Percentage of fishers involved in local action groups	ARIB	0	15%	25% (2015)
Involvement of municipalities in coastal fisheries areas participating in action groups	ARIB	0	30%	40% (2015)
Percentage of local municipalities in coastal fisheries areas covered with projects	ARIB	0	20%	40% (2015)
The planned percentage of fisheries areas covered with development strategies	ARIB	0	60%	60% (2015)

The aim is to secure the preservation of a diverse socio-economic structure and improved quality of life in fisheries areas, as well as the protection of the human environment of fisheries areas and the restoration and preservation of the natural and architectural heritage of coastal villages. To that end, it is necessary to favour collective action at local level, elaboration and execution of strategies for the development of fisheries areas, increased involvement of women and young fishers in developing local life and international cooperation among fisheries areas.

<u>Justification for the need to implement priority axis 4</u>

- As socio-economic welfare in the fisheries field depends directly on fishery resources and as currently available fishery resources are not enough to secure sufficient income for all persons engaged in coastal fisheries, the activities of those engaged in the sector should be diversified.
- Considering that fishing currently constitutes the main source of income for one third of fishers, it is important to contribute to the creation of jobs outside the fisheries sector.
- A significant opportunity in terms of increasing employment lies in adding higher value to fish locally. It would be possible to increase the employment and income of fishers by primary processing, drying, salting or/and smoking of fish. Such restructuring of economic activities favours adding value to

fishery products and strengthening the sector's competitiveness, while not increasing fishing effort.

- Surveys have indicated that the main future prospect for preserving coastal fisheries in several counties is the development of fishing tourism.
- It is important to ensure that the human environment of fisheries areas is protected by restoring and preserving the natural and architectural heritage of coastal villages.

Complementarity and demarcation

Linkages with the Estonian Rural Development Plan 2007–2013 (EAFRD)

Axis 4 "Sustainable development of fisheries areas" shares the greatest complementarity with the LEADER measure of axis 4 of the Estonian Rural Development Plan 2007–2013. Coastal fishers typically live in the rural communities of coastal areas, where people are also actively engaged in agricultural production or other types of rural enterprise. By way of demarcation, it is planned to rule out supporting diversification from fisheries to agriculture and vice versa, particularly when it comes to product groups lacking normal market outlets or having limited resources (catch and production quotas). At administrative level, double-financing of projects is ruled out. Both the axis "Sustainable development of fisheries areas" as well as the LEADER measure focuses on a local development strategy that is based on local initiative and elaborated and implemented by the target group. In order to prevent overlapping of activities of local action groups and fisheries action groups, it is required that different strategies are drawn up for managing EFF and EAFRD funds. The intermediate body for the LEADER measure and for the axis "Sustainable development of fisheries areas" is one and the same. This allows for the control of demarcation and the detection of possible overlapping at the level of expenditure. In the case of overlapping areas under the EFF and EAFRD, local development strategies will have to outline complementarity and demarcation lines between the fisheries and the rural development strategy and possibly also other funds.

Linkages with the Estonian Operational Programme for Human Resource Development

Axis 4 "Sustainable development of fisheries areas" is linked to and complements the first priority axis "Lifelong learning" of the Operational Programme for Human Resource Development, as one of axis 4 objectives is to promote and improve the professional skills, employee adaptability and employment opportunities of action group members operating in the fisheries field, provided that the actions in question form an integral part of the corresponding region's development strategy and are directly related to the strategy's lines of action.

The priority axis is linked to and complements the second priority axis "Development of human resources in research and development" of the Operational Programme for Human Resource Development, as they share the objective of developing the production of niche products and giving greater added value to fishery products. "Sustainable development of fisheries areas" contributes to this objective primarily by supporting micro enterprises initiating operations or already operating in the field of processing fishery products.

The priority axis is linked to and complements the third priority axis "Long and high-quality working life" of the Operational Programme for Human Resource Development. One of the objectives of the measure of sustainable development of

fisheries areas is to support the fisheries sector by diversifying its actions, thereby creating job opportunities and increasing incomes.

The attainment of this objective is supported under axis 4 on the condition that the actions in question form an integral part of a fisheries area's development strategy. The third priority axis of the Operational Programme for Human Resource Development supports similar investments outside the strategy, and in order to prevent possible overlapping in terms of eligible actions and applicants, the intermediate carries out checks at project level and coordinating mechanisms are put into place, including exchange of information between implementing agencies and institutions. The prevention of possible overlapping is further facilitated by the fact that measure "Sustainable development of fisheries areas" provides support only for certain specifically defined diversification actions with a clearly defined support target group.

The current priority axis is linked to the fourth priority axis of the Operational Programme for Human Resource Development. Fisheries action groups may choose training activities as one line of action to be included in the development strategies of their respective fisheries areas, as long as these activities are aimed at promoting and improving the professional skills, employee adaptability and employment opportunities of people operating in the fisheries field in fisheries areas.

Linkages with the Estonian Operational Programme for the Development of Living Environment

Priority axis 4 is linked to the activities of priority axis "Integral and balanced development of regions" of the Estonian Operational Programme for the Development of Living Environment.

The Estonian Operational Programme for the Development of Living Environment complements the activities under priority axis 4 that are targeted at developing local tourism and providing areas with high cultural and natural value by supporting activities aiming to preserve natural and architectural heritage in coastal villages and develop related tourism activities.

However, support under this axis will only be given to activities that form a part of an integrated strategy of a given local group for developing their region. Support under priority axis "Integral and balanced development of regions" will be reserved for investments outside these integrated strategies and also mostly for other beneficiaries (local municipalities). To prevent any potential overlapping of eligible activities or applicants supported under the EFF and ERDF, the corresponding implementation documents will lay down more precise terms of eligibility as well as more detailed coordination mechanisms, including provisions for information exchange between the implementing bodies.

Linkages with the Estonian Operational Programme for the Development of Economic Environment

The Estonian Operational Programme for the Development of Economic Environment complements activities under priority axis 4 that are targeted at developing local tourism.

The priorities of this Operational Programme are mostly related to the goals of regional infrastructure development. The priority titled "Development of regional transport infrastructure" will contribute to the improvement of regional connections by modernising the relevant transport infrastructure and thereby facilitating better access and faster connections in order to maintain the socio-economic structure and improve the quality of life in the regions related to fisheries. The development of (small) ports infrastructure is planned under Cohesion Fund in order to support the swift movement of goods and persons to target destinations. These activities will not overlap with activities of axis 4, under which support will be directed only at investments into fisheries production and processing infrastructure of fishing ports.

The planned activities under priority "Development of information society" are targeted at increasing the share of electronic public services and improving their quality and creating a better business environment for fisheries sectors. Activities targeted at increasing participation in information society will also give better opportunities for people from rural and fisheries-dependent areas to participate in working or communal life, thereby contributing to advancing the working and living conditions in more relevant areas.

6.5.2. Planned measure

4.1 Development of fisheries areas (Articles 43 and 44 of Regulation (EC) No 1198/2006)

Purpose of the measure: To contribute to the sustainable development of fisheries areas and improvement of quality of life.

Indicative list of potentially supported actions:

- promoting interregional and transnational cooperation among groups in fisheries areas, mainly through networking and disseminating best practice;
- acquiring skills and facilitating the preparation and implementation of the local development strategy;
- contributing to the running costs of the groups;
- elaboration and execution of development strategies for fisheries areas and strengthening competitiveness in the fisheries field primarily through the following actions:
  - adding value to fishery products – support for erecting, expanding, equipping and renewing small-scale coastal fishing facilities and facilities for small-scale processing used in inland fisheries (Article 35 of Regulation (EC) No 1198/2006);
  - support for infrastructure related to small-scale fisheries and for services useful for small communities engaged in fisheries – support for restructuring small-scale coastal fishing and inland fisheries facilities, primarily landing sites, and for improving the conditions for landing fish (Article 39 of Regulation (EC) No 1198/2006);
  - restructuring and redirecting economic activities, particularly developing eco-tourism and creating various job opportunities outside the fisheries sector;
  - promotion and improvement of professional skills, worker adaptability and access to employment.

Target group: public, private, non-profit sector.

6.5.3. Geographical application. Criteria and procedure for selecting fisheries areas

The Ministry of Agriculture determines eight potentially eligible areas that comply with the criteria for selecting fisheries areas and where fisheries action groups can be formed (see map in Annex 6). The determined territory covered by one group is coherent, coincides with the borders of administrative units determined by rural municipalities and has sufficient critical mass in terms of human, financial and economic resources to support a viable local development strategy (see Annex 8). Fisheries areas are selected on the basis of Article 43(3) and (4) and Article 45(3) of Regulation (EC) No 1198/2006 and on the basis of the following criteria:

- a fisheries area selected for assistance is smaller than NUTS level 3 of the common classification of territorial units for statistics within the meaning of Regulation (EC) No 1059/2003 of 26 May 2003 of the European Parliament and of the Council Regulation of 23 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS);
- employment in the fisheries sector (Annex 1);
- low population density.

6.5.4. Criteria and procedure for forming action groups and administrative arrangement of action groups

Action groups are formed on the basis of the criteria and procedure listed in Article 45 of Regulation (EC) No 1198/2006 and on the basis of the criteria listed below:

- An action group establishes a non-profit association, whose structure and operation is guided by the Non-Profit Associations Act and by the criteria for this measure.
- An action group incorporates members operating on its territory pertaining to three sectors (public, non-profit and business sector).
- Each action group member may be a member of only one action group. The share of the fisheries sector in the action group must exceed 60% at all decision-making levels.
- An action group draws up an action plan of *strategy preparation* and a development strategy, selects the projects in conformity with the strategy and executes the strategy.
- The articles of association of the non-profit association formed by the action group must state that the list of members is public and open to new members.

Management arrangement of action groups

- An action group's administrative capacity is ensured by forming a non-profit organisation whose official structure secures the satisfactory functioning of the partnership.
- For founding a non-profit organisation, the founders conclude a memorandum of association and approve the articles of association. The highest body of a non-profit organisation is the general meeting of its members. The general meeting adopts resolutions on all management matters of the non-profit organisation (including the approval of an action plan of strategy preparation and strategy) which do not belong to the competence of the management board of the non-profit organisation by law or the articles of association.
- The management board represents and manages the non-profit organisation.

- Investment projects related to the implementation of a strategy are put forward by the project executor, who also assumes responsibility for the projects. The executor of an investment project does not need to be a member of the action group. It is up to the action group to select the projects to be implemented under the strategy.

The role of the intermediate body is limited to checking the eligibility of specific actions and financial control.

6.5.5. Procedure and calendar for the declaration of suitability and evaluation of the action plan of strategy preparation and strategy and applying for support

Procedure and calendar for the declaration of suitability

- An assessment committee is set up for declaring action groups suitable and assessing action plans of strategy preparation and strategies. The assessment committee is made up of representatives and experts of the Ministry of Agriculture, the intermediate body and other relevant institutions and organisations.
- Non-profit organisations from all fisheries areas can apply for the action group support. In case two or more competing non-profit organisations apply for the action group support in the same area, the Minister of Agriculture will authorise the non-profit organisation that incorporates more entrepreneurs and associations of the fisheries sector.
- At the beginning of 2008, the assessment committee will assess the suitability of action groups and the suitability and quality of action plans of strategy preparation. The suitability and quality of development strategies will be assessed by the assessment committee in the last quarter of 2008. Action groups will start to implement projects described in strategies in 2009.

Evaluation of action plan of strategy preparation

- The action plan of strategy preparation describes the planned actions of the action group that will be carried out in order to prepare the strategy (actions related to training, informing, ordering of studies and expert assistance, etc.) and describes shortly the basis for the functioning of the action group, including ensuring the administrative and financial capacity for administration of support, organising the work of the action group, the membership of the action group, etc.
- When assessing the action plan of strategy preparation and determining the support amount for the elaboration of the strategy, the assessment committee considers first and foremost the size of the area and number of persons engaged in the fisheries sector. In order to ensure competition among groups, the assessment focuses on the following issues:
    - involvement of undertakings engaged in the area's fisheries sector and associations of the fisheries sector in the work of the action group;
    - the basis for the operation of the action group, its economic administrative and financial capacity and sustainability of the planned actions;
    - clarity and transparency of budget and calendar, etc.

Applying for support

- The general rule is that of the total budget allocated for fisheries areas, 10% are divided up among the areas for the purposes of developing action groups, covering their running costs, elaborating and supplementing development strategies and promoting domestic and international cooperation in the development of fisheries areas.
- When calculating the amount of action group support, the size of the area and the fisheries sector is taken into account, and up to 20% of the amount of the support depends on the quality of the presented action plan of strategy preparation.
- In terms of carrying out the strategy, the support amount for the action group depends on the size of the fisheries sector (the number of people involved in the fisheries sector), and up to 15% of the support amount depends on the quality of the presented strategy.

Evaluation of the strategy

Every action group must develop a strategy that concentrates on finding solutions for the fisheries sector's problems in its corresponding area. When developing the strategy, it is possible to choose between the given actions. Financial aid applications related to the investments must be in accordance with the strategy. If the local development strategies foresee the measures provided for in Chapters I, II and III with the exception of measures provided for in Articles 23 and 24 of Regulation (EC) No 1198/2006, the relevant conditions and the scales of contribution per operation laid down respectively in Chapters II and III and Annex II of Regulation (EC) No 1198/2006 are followed.

To assess the quality of strategies, a special committee will be formed. The main criterias for assessing the quality of strategies are the following:

- involvement of undertakings engaged in the area's fisheries sector and associations of the fisheries sector in the work of the action group;
- description of the strategy's priorities and connection between the actions and the needs of the fisheries sector;
- the criteria and conditions that have been developed by the action groups for the approval and evaluation of the projects related to investments;
- connections with other development plans and strategies of the same area;
- operational plan and timetable for implementing the strategy;
- clarity and transparency of budget and timetable, etc.

6.5.6. Monitoring and control system

All support applications are processed by the intermediate body. In addition, the action group presents to the assessment committee in the first quarter of each year of the implementation of the strategy the list of projects to be carried out within the year that exceed the amount of EUR 64 102.

Justification for running costs exceeding the threshold of costs established under Article 44 (5) of Regulation (EC) 1198/2006

As a general rule, running costs of action groups do not exceed 10% of the total budget allocated to fisheries areas. In exceptional cases, running costs of an action group may reach 15%, as it is not possible in Estonia to establish fisheries area action

groups on the basis of existing organisations with abundant experiences. Actions financed under the measure are eligible under one Community financial instrument.

6.5.7. National network of fisheries groups

The national network will be financed from the financial resources of the EFF's technical assistance. The activities of the network will be implemented step by step and will be completed by 31 December 2008 at the latest.

Objectives and functions

The objective of the activity of the network is to produce added value for EFF implementation, including for the involvement of beneficiaries and other parties interested in the development of fisheries.

The main objective of the network is to promote the exchange of knowledge and experience at Estonian level, to offer support for initiating cooperation, to organise thematic meetings promoting cooperation, to promote the exchange of mentoring contacts and to organise the training of action groups. The activity of the network contributes to the exchange of information at local, Estonian and EU level.

6.6. Priority axis 5 – Technical assistance

Objective for priority axis 5: Building and reinforcing the administration for efficient implementation of the Operational Programme of the European Fisheries Fund at national level.

Justification for the need to implement priority axis 5

- In view of the new legislative framework, it is necessary to increase the capacity of the Ministry of Agriculture and the Agricultural Registers and Information Board in preparing and managing projects supported under the European Fisheries Fund.
- It is necessary to make sure that beneficiaries and the public are informed of the contribution and support opportunities of the European Fisheries Fund.
- It is necessary to secure appropriate ex ante and interim evaluation and efficient state supervision of the projects supported under the European Fisheries Fund.

Planned measure

5.1 Technical assistance (Article 46 of Regulation (EC) No 1198/2006)

Purpose of the measure: To efficiently implement the Operational Programme of the European Fisheries Fund at national level and to build up and reinforce the administration.

Indicative list of potentially supported actions:

- improving the management and implementation of the Operational Programme;
- conducting studies on implementation;
- publicity and information concerning implementation;
- creation and development of the national network for priority axis 4.

Target group: managing authority, certifying authority, audit authority, intermediate body, national network for priority axis 4.

7. FINANCING OF THE OPERATIONAL PROGRAMME

7.1. Plan according to source of financing by year (in euros)

Year	EFF
2007	9 130 309
2008	9 971 872
2009	10 889 823
2010	11 891 071
2011	12 995 534
2012	14 201 298
2013	15 488 132
Total EFF	84 568 039

7.2. Financing plan of the Operational Programme by priority axes

Priority	Public aid total a = (b + c)	EFF contribution (b)	National contribution (c)	EFF co-financing rate (%) (d) = (b)/(a)*100
Priority axis 1	20 352 708	15 264 531	5 088 177	75
Priority axis 2	32 778 572	24 583 929	8 194 643	75
Priority axis 3	28 279 552	21 209 664	7 069 888	75
Priority axis 4	25 708 684	19 281 513	6 427 171	75
Priority axis 5	5 637 870	4 228 402	1 409 468	75
Total	112 757 386	84 568 039	28 189 347	75

Co-financing rate for the EFF was decided by the Government through approval of the Operational Programme because the same co-financing rate facilitates programme implementation.

8. SYSTEM OF IMPLEMENTATION

8.1. Implementation of the Operational Programme and ensuring the separation of functions

This chapter describes the aspects of implementing the Operational Programme in accordance with the requirements for management and control systems presented in Articles 57–61 of Council Regulation (EC) No 1198/2006. The implementation of actions financed under the Operational Programme is based on principles laid down in Council and European Commission legislation and on the national legal framework.

As the Ministry of Agriculture is the Operational Programme's managing, certifying as well as audit authority, it is important to ensure separation of functions within the Ministry among the various units. The separation of tasks will be ensured also at the level of intermediate body. The managing authority, certifying authority, audit authority and intermediate body carrying out the functions for the implementation of the EFF will be formally specified and the functions will be entered into the relevant statutes as well as the job descriptions of the officials carrying out the functions.

Purposeful and successful implementation of the EFF relies on effective coordination among the agencies managing the funds in the programming and budgeting phases as well as when using the funds. It is also kept in mind that the fields supported under the Operational Programme are often financed from public funds and with other types of European Union support; being aware of this secures complementarity among various instruments and rules out overlapping.

8.1.1. Managing authority and intermediate body

The managing authority of the Operational Programme is the Fishery Economics Department of Ministry of Agriculture. The functions of the managing authority are stipulated in legislation, including in a directive of the Minister of Agriculture.

The managing authority is responsible for fulfilling the obligations provided for in Article 59 of Council Regulation (EC) No 1198/2006.

According to the organisation for carrying out the proposed functions, the functions of the managing authority are to be partially delegated to the intermediate body – Agricultural Registers and Information Board. The delegation of functions shall be determined and confirmed officially. Upon delegation, a system of reporting shall be created to ensure proper supervision over the performance of delegated tasks. The mechanisms for supervising the delegated tasks are mainly preparing and analysing the description of management and control systems, harmonising measure decrees and other relevant legal acts, assuring the compliance of activities, monitoring process, project and management and control system audits and the follow-up activities to those audits. The delegation of the tasks of the managing authority to intermediate body will be in compliance with the general principles of the separation of functions.

<u>The proposed functions of the managing authority are the following:</u>

- ensuring that the management and control systems of operational programmes comply with requirements provided for in Article 57 of Council Regulation (EC) No 1198/2006 and other legislation and taking necessary measures if deficiencies occur;
- coordinating the process of drawing up the description of management and control systems of operational programmes and submitting it to the European Commission in accordance with the provisions of Article 71 of Council Regulation (EC) No 1198/2006;
- compiling and submitting annual and final reports specified in Council Regulation (EC) No 1198/2006;
- coordinating information and publicity of granting and using support;
- ensuring the existence and availability of data necessary for certification;
- coordinating the preparation of the legal framework necessary for implementing the EFF;
- organising evaluations of the Operational Programme specified in Articles 48–50 of Council Regulation (EC) No 1198/2006;
- planning financial resources in terms of priority axes, measures and actions;
- elaborating principles for granting support and laying down relevant legislation, thereby ensuring the attainment of objectives set out in the Operational Programme;
- submitting data necessary for reporting on the granting and use of support;
- in cooperation with the intermediate body, carrying out monitoring of granting and using support within the meaning of Article 59(i) of Council Regulation (EC) No 1198/2006;
- participating in the work of the monitoring committee and in compiling monitoring reports in accordance with the procedures laid down by law;
- organising evaluations of granting and using support within the meaning of Article 47 of Council Regulation (EC) No 1198/2006;
- ensuring that provisions are made for the exchange of computerised data between Estonia and the European Commission.

<u>The proposed functions of the intermediate body are the following:</u>

- informing of support possibilities within its limits of competence;
- processing support applications;
- verifying the compliance of financed actions with the provisions of the Operational Programme and European Union and national rules;
- verifying the delivery of co-financed products and services and the compliance of expenditure declared by beneficiaries;
- verifying compliance with European Union and national rules when carrying out actions;
- making payments to beneficiaries or suppliers as quickly as possible and in full, in accordance with Article 80 of Council Regulation (EC) No 1198/2006;
- ensuring that there exists a separate accounting system concerning EFF expenditure and beneficiaries at the level of the intermediate body;
- verifying the compliance of supporting documents for payment, including verifying the eligibility of expenditure;
- submitting data for reporting on the granting and use of support;
- making public overviews of granting and using support;
- keeping the EFF Register and coordinating its development.

If necessary, the managing authority issues instructional materials with a view to ensure that

the above-mentioned functions are properly carried out. The functions of the managing authority and intermediate body are specified in national legislation.

8.1.2. Certifying authority

Certifying authority of the Operational Programme is the Financial Department of the Ministry of Agriculture.

The certifying authority is responsible for fulfilling the obligations provided for in Article 60 of Council Regulation (EC) No 1198/2006.

The proposed functions of the certifying authority are the following:

- drawing up and submitting to the Commission 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;
- certifying that the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme;
- verifying 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 certification purposes, of the results of all audits carried out by or under the responsibility of the audit authority;
- ensuring maintaining accounting records in computerised form of expenditure declared to the Commission;
- ensuring keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation and deducting such amounts from the next statement of expenditure;
- drawing up and submitting to the Commission a provisional forecast of likely applications for payment;
- participating in the monitoring committee.

According to the organisation of carrying out the proposed functions, the functions of the certifying authority are to be partially delegated to the intermediate body – Agricultural Registers and Information Board. The delegation of the tasks of the certifying authority to intermediate body shall be in compliance with the general principles of the separation of functions.

The proposed functions of the certifying authority delegated to intermediate body are the following:

- drawing up statements of expenditure and payment applications,
- maintaining in computerised form the accounting records of expenditure declared to the Commission,
- keeping account of amounts recovered and recoverable,
- providing input for drawing up provisional forecast of the likely applications for payment.

8.1.3. Audit authority

The role of the audit authority of the Operational Programme is assumed by the Internal Audit Department of the Ministry of Agriculture. The audit authority is an independent audit unit which does not take part in any management procedures or functions and which audits, according to its annual working plan, the various management and control levels in the EFF management and financial cascade. The auditors of the audit authority do not conduct any activities other than auditing. For the purposes of not endangering the independence and objectivity of auditors, they do not participate in accounting or control procedures, do not make transfers and are not linked to any other activity that they are analysing or assessing (auditing).

Planning, auditing and reporting procedures of the auditing authority are organised independently of the managing and certifying authorities.

The proposed functions of the audit authority are the following:

- ensuring the performance of management and control system audits;
- ensuring that expense receipts are audited on the basis of an appropriate sample;
- presenting to the European Commission an audit strategy for EFF support, a description of the methodology for forming the audit sample and an annual working plan for auditing EFF support;
- presenting to the European Commission an annual control report (Article 61(1)(i) of Council Regulation (EC) No 1198/2006);
- presenting to the European Commission an opinion on whether management and control systems provide reasonable assurance that expenditure declared to the Commission is correct and that their underlying transactions are legal and regular;
- presenting to the European Commission an opinion on whether the description of management and control systems in the Operational Programme complies with Articles 57–61 of Council Regulation (EC) No 1198/2006;
- submitting to the European Commission a declaration for (partial) closure of support.

Thus, the audit authority ensures regular, appropriate and systematic audit, analysis and assessment of projects as well as management and control systems. The checks on operations and system audits will be carried out by the audit authority or by the Internal Audit Department of ARIB under the supervision of the audit authority. The audit authority can outsource the audit activities when needed but the obligation to perform audits and the responsibility of audits as settled in the regulation lies with the audit authority.

By passing information and data on observations made during auditing to audited bodies and to the managing authority, the audit authority contributes to the improvement of management and control systems as well as to discovering and correcting possible infringements. The audit authority reports regularly to the European Commission, thereby ensuring that the Commission stays informed of the national organisation and results of auditing.

8.2. Financial management

At the latest by 30 April each year, the certifying authority sends to the Commission a provisional forecast of the likely applications for payment for the current financial year and the subsequent financial year (1198/2006 Article 75(3)). This forecast is drawn up by the certifying authority on the basis of the data submitted by the intermediate body and approved

by the managing authority. The certifying authority submits the forecast to the European Commission.

Payments by the Commission of the contribution from the EFF are made in accordance with the budget appropriations in the form of pre-financing, interim payments and payment of the balance. These payments are made to the Ministry of Agriculture's support account opened in the State Treasury.

General description of the financial management process

EFF financial management is related to two types of cash-flow management:

- processing payment orders and making payments to beneficiaries,
- applying for funds from the Commission on the basis of statements of expenditure.

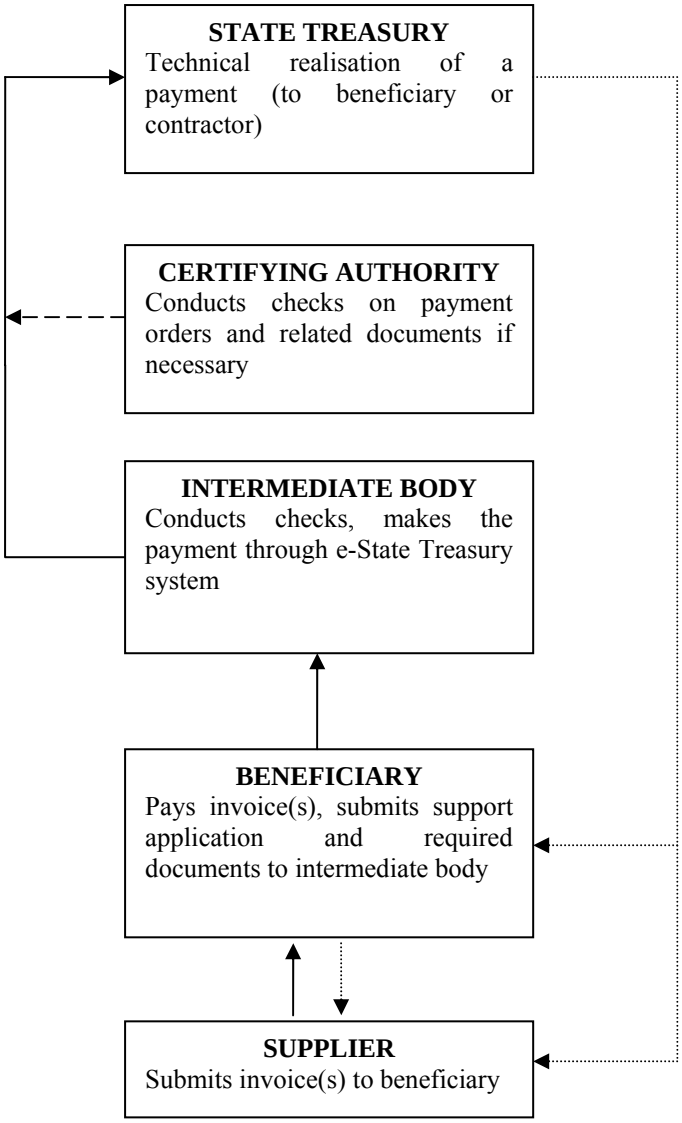
Generally, payments to beneficiaries are made by the intermediate body on the basis of payment claims submitted by the beneficiaries as well as on the basis of requested invoices or documents proving the occurrence of expenditure.

The certifying authority can perform its own controls over the intermediate body by checking payment orders after payments have been sent for execution. When performing such controls, the certifying authority will not be involved in the approval of payment claims from beneficiaries – the decision to make the payment will be done by the intermediate body before the payment has been sent for execution.

In cases where clearly ineligible costs have been detected in payment orders made by intermediate bodies, the certifying authority asks for clarifications and if the costs remain ineligible also after the clarifications received, the payment order will be cancelled. The intermediate body can then deduct such costs.

The payment process within the Operational Programme may diverge from the scheme described above in order to take account of the differences in the nature and risk factors of activities, the legal form of beneficiaries, etc.

Chart 1 describes the scheme of payments.



money

documents

need-based checks

Chart 1. General chart of payments

Differences may occur in the payment chart under the Operational Programme due to the nature of specific actions.

Funds are applied for from the EFF three times a year. The intermediate body draws up statements of expenditure and payment applications and submits them to the certifying authority.

The managing authority certifies the functioning of management and control systems and eligibility and regularity of declared expenditure. The certifying authority conducts its checks, carrying out on-the-spot checks where needed in order to satisfy itself that the declared data is correct.

After having satisfied itself that the management and control systems ensure sufficient certainty as to the eligibility and regularity of expenditure and that expenditure declared in statements of expenditure are correct, the certifying authority submits the certified payment application and statement of expenditure to the European Commission. The Commission makes the payment to the Ministry of Agriculture's support account. Chart 2 describes the chart on drawing up statements of expenditure and payment applications.

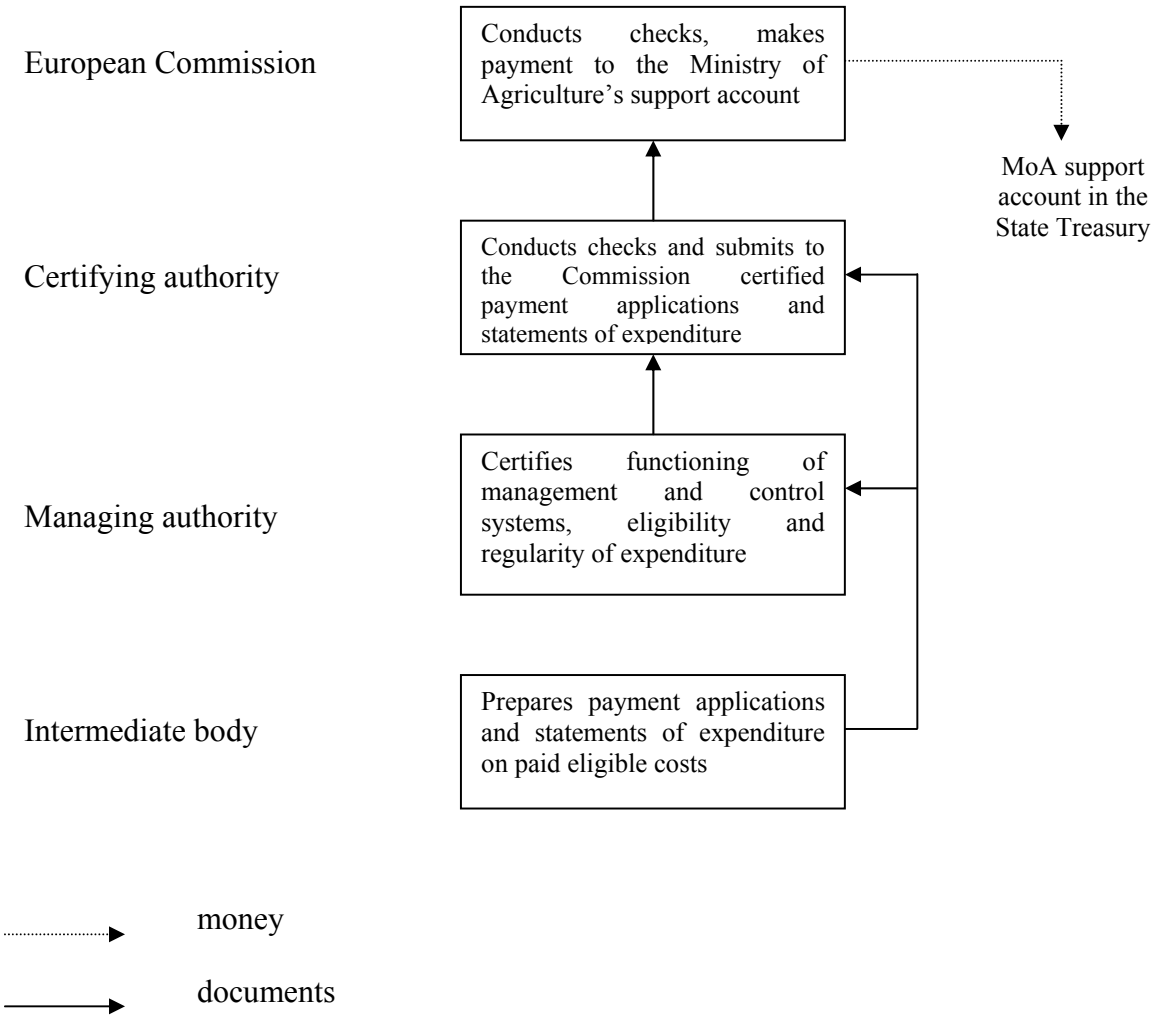


Chart 2. General chart on drawing up statements of expenditure and payment applications

Differences may occur in the process of drawing up and processing of statements of expenditure and payment applications.

8.3. Organisation of monitoring and evaluation

The Ministry of Agriculture draws up annual Operational Programme monitoring reports referred to in Article 67 of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44). Annual reporting is done on the report form recommended by the European Commission. ARIB submits annual monitoring reports on measures (drawn up on the report form recommended by the European Commission) in electronic form and on paper. The Ministry of Agriculture gathers the data from monitoring reports on measures and uses it as a basis for drawing up the annual Operational Programme monitoring report. The Ministry of Agriculture submits the annual Operational Programme monitoring report approved by the monitoring committee to the European Commission by 30 June of the forthcoming year, for the first time in 2008.

Outside the annual monitoring cycle, data (particularly data on committed and disbursed amounts) is reviewed by the managing authority and certifying authority on regular basis to assess whether implementation is progressing at the desired pace and whether it infers to inadequacies which need further attention.

Monitoring data is gathered on several levels of implementation in accordance with the Operational Programme and depending on the nature of indicators defined for the priority axes. Hence, monitoring data will to a large degree be gathered at project level – however, achievement levels may also be clarified using studies and evaluations or they may be gathered from general statistics. In addition to the indicators determined in the Operational Programme and indicators deriving from Community legislation, the managing authority can also determine additional indicators considered relevant for a particular measure or operation.

Operational programmes are also evaluated by way of ex ante, interim and ex post evaluations in accordance with the provisions of Articles 48, 49 and 50 of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44). To conduct the planned evaluations, the Ministry of Agriculture together with ARIB draws up annual evaluation work schedules.

The authority that organised evaluations presents the information on the main conclusions, recommendations and execution of recommendations resulting from Operational Programme evaluations to the monitoring committee for information.

Results of the interim evaluation referred to in Article 49 of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44) are submitted to the monitoring committee and the European Commission by 30 June 2011 at the latest.

The ex post evaluation referred to in Article 50(3) of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44) is conducted at the initiative of the European Commission, and where necessary, the Ministry of Agriculture must provide the Commission with necessary information. The ex post evaluation is finished by 31 December 2015 at the latest.

Monitoring committee

For the purposes of conducting monitoring of the Operational Programme, a monitoring committee is set up at the latest three months after the official approval of the Operation Programme. The monitoring committee is set up by a decree of the Minister of Agriculture on the basis of the principle of partnership and the objective to ensure coordination among

authorities and funds. The monitoring committee will consist of representatives of relevant ministries and other public institutions, representatives of NGOs, scientists, etc. Synergy with other Community funds is guaranteed by the involvement of different institutions dealing with the implementation of financial instruments of the European Union. Representatives of the European Commission participate in the work of the monitoring committee as observers. Monitoring committee meetings generally take place twice a year, but not less than once a year. Monitoring committee will be chaired by the Ministry of Agriculture.

The monitoring committee conducts the following operations:

- Considers and approves the criteria for selecting the operations financed within six months of the approval of the Operational Programme of the European Fisheries Fund 2007–2013 and approves any revision of those criteria in accordance with programming needs.
- Periodically reviews progress made towards achieving the specific targets of the Operational Programme on the basis of documents submitted by the Ministry of Agriculture.
- Examines the results of implementation, particularly achievement of the targets set for each priority axis and the interim evaluations referred to in Article 49 of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44).
- Examines and approves the annual monitoring reports and final reports of the Operational Programme before they are sent to the Commission. By doing this, the monitoring will guarantee the management of indicator system.
- May propose any revision or examination of the Operational Programme likely to make possible the attainment of the objectives of the European Fisheries Fund set out in Article 4 of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund (OJ L 223, 15.08.2006, p. 1–44) or to improve the management, including financial management, of the Operational Programme.
- Considers and approves any proposal to amend the content of Commission decisions on financing and implementing the Operational Programme of the European Fisheries Fund.

To improve its efficiency, the monitoring committee may set up additional sectoral and *ad hoc* working groups, which report to the monitoring committee.

8.4. Data collection and electronic data management

Data is collected and stored both on paper and in a format allowing for electronic reproduction and processing.

In collecting data and ensuring electronic data management, the support register is used for:

- storing information necessary for project management,
- gathering data necessary for financial management and reporting on monitoring,
- generating reports,
- electronic processing of payment applications.

Electronic data exchange with the European Commission is ensured by the managing authority in accordance with rules provided for in the implementing regulation of the European Commission. Electronic data exchange is carried out by using a data exchange link or an Internet interface.

The procedures for using the SFC 2007 provided by the Commission are followed.

8.5. Complementarity of operational programmes and prevention of overlapping

The ministries responsible have formed working groups for the elaboration of operational programmes, incorporating representatives of all ministries and partners involved. As several actions in the operational programmes of different fields complement one another, effective coordination among ministries implementing the programmes is important in order to ensure complementarity among different instruments and to prevent overlapping. Coordination at drawing up and carrying out the Operational Programme takes place primarily through the following measures:

- Ministries involve in the process of elaborating measures other authorities having essential interest in the given field and social partners where necessary.
- All ministries and significant socio-economic partners participate in the work of the Operational Programme's monitoring committee.
- The electronic system for coordinating legislation secures ministries access to draft legislation of other agencies and makes it possible to comment on them.
- Planning financial resources in the period 2007–2013 takes place within the single state budget drafting procedure, and this applies for all European Union support;
- Annual budgeting of financial resources takes place within the single state budget drafting procedure.
- The Government of the Republic is presented with regular uniform overviews of implementing European Union support.

8.6. Information and publicity

In addition to the requirements of Council Regulation (EC) No 1198/2006 and the implementing regulation of the Commission, planning information is also based on the practice of informative actions elaborated in the period 2004–2006. Annex 9 of the Operational Programme features an information and publicity action plan, which includes information objectives and the main target groups, provides an overview of the information strategy and possible information measures, describes the division of functions among institutions in carrying out information actions and the bases for the assessment of information actions. The Operational Programme's monitoring committee is regularly briefed on the progress of the implementation of the information plan.

Publicity actions honour the principles of partnership and transparency. The public and potential applicants are provided access to information on financing opportunities and application procedures as well as on rules concerning applying for and employing support. The public is regularly informed of the progress in implementing Fisheries Fund instruments and those interested may always submit more specific queries to the authorities implementing the EFF.

An indicative budget foreseen for publicity measures directed at the general public is EUR 400 000 and foreseen for publicity measures directed at the beneficiaries EUR 960 000.[6]

[6] This budget is indicative; the actual expenditure for publicity can vary.

8.7. Involved socio-economic partner organisations and summary of consultations

Consultation started already in 2005 in the framework of Estonian internal discussions on the draft EFF regulation. Consultations on Estonian Fisheries Strategy priorities and Operational Programme measures were agreed on in 2006; the main discussion focused on financing issues concerning finding a balance between support measures. An agreement was reached at the end of 2006.

The Operational Programme has been elaborated under the leadership of the Ministry of Agriculture. To that end, the Fisheries Council, which is an advisory body to the Minister of Agriculture, has bee set up. The Fisheries Council consists of representatives of the Ministry of Agriculture, Agricultural Registers and Information Board, Estonian Fish Farmers Association, Estonian Fishery Association, Peipsi Sub-Basin Fishers Association, Ministry of Finance, Ministry of Environment, Estonian Distant Water Fishing Association, Estonian Fishers Association, Environmental Inspectorate.

For the purpose of preparing the National Strategic Plan and Operational Programme, a special expert group was set up, involving representatives from the following institutions: Ministry of Agriculture, Agricultural Registers and Information Board, Estonian Fishers Association, Estonian Distant Water Fishing Association, Peipsi Sub-Basin Fishers Association, Estonian Fishery Association, Ministry of Environment, Estonian Fish Farmers Association, Estonian Crayfish Farmers Commercial Association, Estonian Marine Institute at the University of Tartu, Veterinary and Food Board, Environmental Inspectorate, Estonian Sportfishing Federation, Peipsi Fishers Society, Estonian Professional Fishers Society (PO), Estonian Trawlers Society (PO). The documents prepared in the working group have been submitted to the Fisheries Council for discussion and reaching a consensus. The expert group was set up in order to involve representatives of the sector as early as possible in the stage of elaborating the Strategy and the Operational Programme. The involvement began by disseminating information and compiling analyses for sub-sectors with the aim of finding out what the sector considered to be the main weaknesses and what visions the representatives of interest groups had for the future.

The expert group was formed on the basis of different interest groups in the sector in order to ensure that all affected parties would be informed of the elaboration of the strategic document. In the course of the process, the estimated frequency of expert group meetings (optimally once a month) and the form of submitting recommendations during the meetings (they were either accepted orally at the meeting or were to be submitted in written form within an agreed time period) were agreed upon. To facilitate communication, an electronic mailing list of expert group members was set up, and it was used for disseminating information and submitting documents for discussions. Partners provided active feedback: they provided input in the form of recommendations for the SWOT analysis, for determining strategic directions and for defining specific measures. Several conferences were also organised in order to discuss the documents with a wider public.

Overviews of the compilation progress of the Operational Programme have been given at Fisheries Council sessions and conferences organised by the Ministry of Agriculture.

In addition to the members of the expert group and the Fisheries Council, the draft Operational Programme was discussed in the framework of strategic environmental assessment process with InterAct Projektid & Koolitus, Estonian Maritime Academy,

Wildlife Estonia, Environmental Investment Centre, Estonian Green Movement and Estonian Fishers Society.

The managing authority also organised different meetings with the representatives of the sector in different regions in order to discuss the axes and measures. Special attention was paid to the implementation of axis 4 because of its novel character and the need to involve the people of the fisheries areas.

The main discussions concentrated on the division of finances by axes. Comments made during the meetings were taken into account when drafting the Operational Programme and the final Operational Programme expresses the consensus that was achieved at the meetings by all the involved parties.

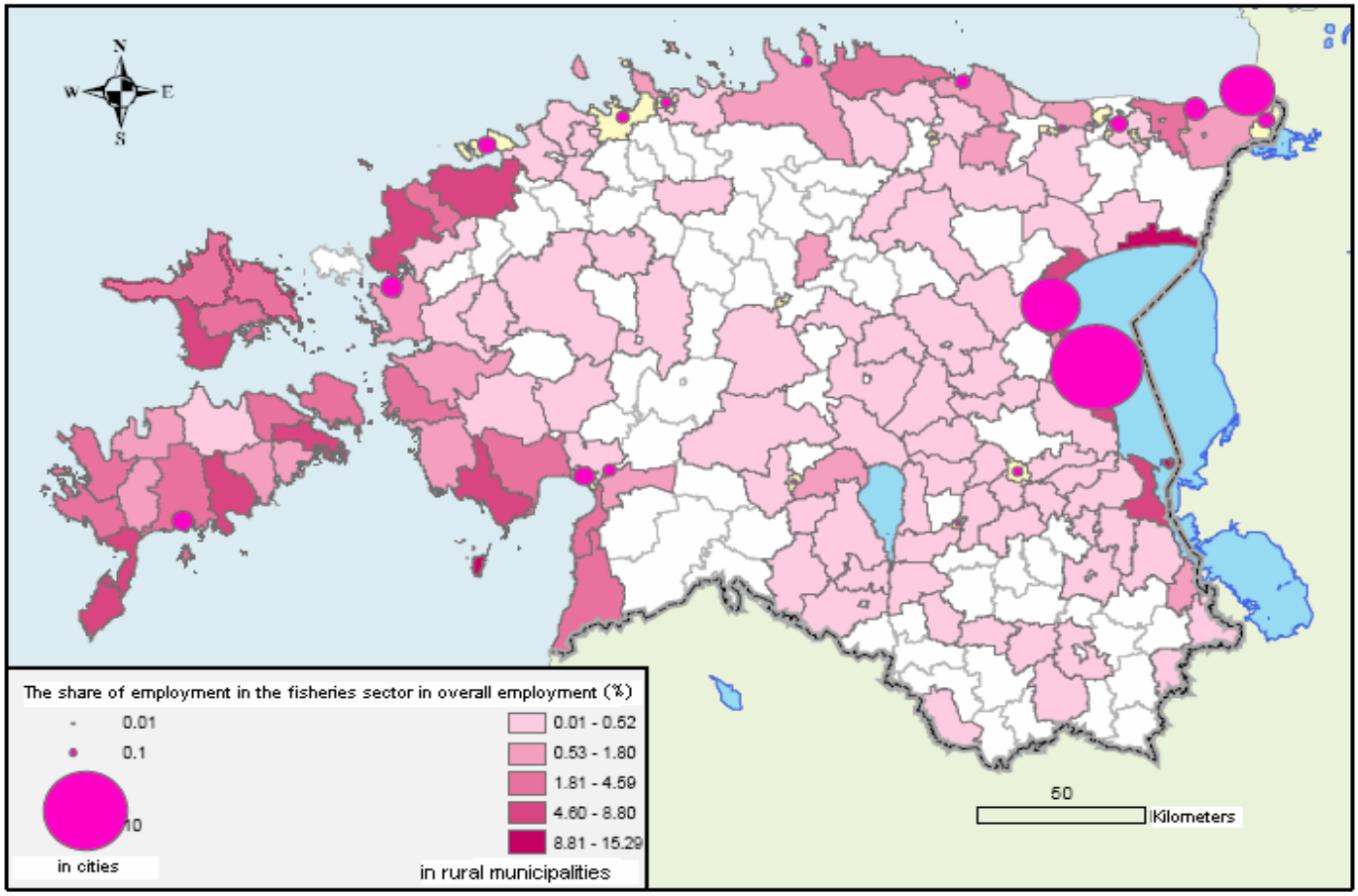
After consultation with relevant ministries, the Government of the Republic approved the draft Operational Programme on 1 March 2007 for submission to the Commission.

Table 8. Timetable of preparations and consultations

	2005	2006				2007			
	IV	I	II	III	IV	I	II	III	IV
Studies									
Discussion with partners									
Seminars, conferences									
Approval in the Government									
Negotiations with the Commission									
Preliminary meetings of MC									
Ex ante evaluation									
Strategic environmental assessment									

ANNEX 1

EMPLOYMENT IN THE FISHERIES SECTOR



ANNEX 2

CATCHES

Cathes 1996–2005 (tonnes)

Fishing area	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Baltic sea fiheries	**71370,30**	**95287,50**	**77643,70**	**82998,30**	**85176,00**	**84959,30**	**79034,80**	**59377,80**	**64902,30**	**79760,60**	**73039,4**
Coastal fisheries	14165,60	13244,50	11107,70	9924,50	10219,80	13782,60	10954,60	14871,00	10476,70	7857,56	9395,54
Open sea fisheries	57204,70	82043,00	66536,00	73073,80	74956,20	71176,80	68080,20	44506,80	54425,60	71903,04	63643,81
High sea fisheries	**34715**	**25887**	**37436**	**25686**	**24695**	**15548**	**17056**	**16008**	**16820**	**16539**	**13617**
Inland fisheries	**2361,3**	**2438,9**	**3878**	**3041,4**	**3189,2**	**2461**	**4579,9**	**3592,4**	**2367,7**	**2400,2**	**2856,1**
Peipsi lake fisheries	2105,8	2160,8	3610,9	2778,9	2787,3	1974,6	4149,5	3156,1	1880,5	1861,8	2325,7
Võrtsjärv fisheries	246,8	259,7	241	241,8	337	375,8	318,7	316	353,2	374,5	379,2
Other inland fisheries	8,7	18,4	26,1	20,7	64,9	110,6	111,7	120,3	134,0	163,9	151,1

ANNEX 3

DEVELOPMENT OF MARINE FISHING FLEET IN 2004–2006

	2004	2005	2006
Baltic Sea vessels < 12 m	1809,26 gt 15285,84 kw	1789,81 gt 15114,72 kw	1769,85 gt 15009,59 kw
Baltic Sea vessels ≥ 12 m	10187,6 gt 26593,8 kw	9539,61 gt 25508,7 kw	6826,17 gt 17914,37 kw
Long distant fleet ≥ 24 m	12923 gt 21413 kw	12923 gt 21413 kw	12205 gt 20273 kw

ANNEX 4

LIST OF PARTICIPANTS OF THE SEA ROUND TABLE DISCUSSION

Round table discussion on the Strategic Environmental Assessment of the Estonian Operational Programme of the European Fisheries Fund 2007–2013 on 21 February 2007 at 10–12 in the Ministry of Agriculture.

	Establishment
1	Estonian Fish Farmers Association
2	InterAct Projektid & Koolitus
3	Estonian Maritime Academy
4	Ministry of Environment
5	Estonian Sportfishing Federation
6	Ministry of Agriculture
7	Wildlife Estonia
8	Environmental Investment Centre
9	Agricultural Registers and Information Board
10	Estonian Marine Institute at the University of Tartu
11	Estonian Distant Water Fishing Association
12	Estonian Green Movement
13	Estonian Fishers Society
14	Estonian Fishers Association
15	Peipsi Sub-Basin Fishers Association
16	Estonian Fishery Association

ANNEX 5

TAKING ACCOUNT OF SEA RECOMMENDATIONS

NOTE:
The table on taking account of the commentaries and recommendations presented in the Strategic Environmental Assessment Report was compiled in the first half of May this year. In the months following that, the Operational Programme has been updated significantly to a large extent in accordance with the recommendations made by the environmental impact assessor in terms of indicators and the list and description of eligible actions. The necessary sections from the Estonian Fisheries Strategy 2007–2013 have been added to the Operational Programme. The overall objective of the Operational Programme has been reformulated in accordance with the recommendation presented in the Strategic Environmental Assessment Report.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	**Responses by compiler of the strategic planning document**
1. SUMMARY	
1. The SEA working group suggested making additions to the overall strategic objectives of the Operational Programme, as the Operational Programme's take on environmental issues, which formed the basis for the assessment, is deficient and unclear and as the overall objectives of the Operational Programme currently lack the objective of sustainability of the Estonian fisheries sector. For this reason and in order to decrease the possible fisheries-related environmental risks, the SEA working group recommends adding the following overall objectives: • Favourable status and sustainable management of fishery resources • Minimising the negative environmental impacts resulting from fisheries Currently, the corresponding objective is missing from the list of overall objectives of the Operational Programme (a more "sustainable" management of fishery resources cannot be considered an objective that covers environmental actions sufficiently). All established objectives must be concrete and quantifiable, equipped with appropriate and real indicators. The SEA working group deemed the list of impact indicators presented in the Operational Programme insufficient for assessing the results of the established objectives. The SEA suggests a list of possible indicators for each extended overall objective.	This recommendation has been taken into account partially. One of the prerequisites for sustainable management are good fishery resources, i.e. sustainable management already includes sustainable use of resources, which is why we do not see the need to emphasise this separately. As fishery resources form the basis for the fishing sector, the status of fishery resources is also reflected in the indicators of the fishing sector. We gain information on decreased fishing capacity from implementation indicators when implementing the measures, and data on these indicators is collected in addition to the existing impact and result indicators. It is difficult to achieve a favourable status of fishery resources solely depending on the financial contribution of the European Fisheries Fund (EFF), but it is indeed possible for the Ministry of Agriculture together with the Ministry of Environment to attain a sustainable management of fishery resources in accordance with European Union and national legislation.
3. CONTENTS AND OBJECTIVES OF THE OPERATIONAL PROGRAMME	

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
3.1. CONTENTS OF THE OPERATIONAL PROGRAMME	
2. The level of generalisation of the SEA takes after the Operational Programme, which is formulated in general terms. All in all, the significant environmental impact resulting from the proposed actions is rather positive and neutral. The current working draft of the Operational Programme is too general: the actual order of priority and financing capacity of measures are unclear, as the capacities are presented only at axis level; the list of possible eligible actions is often vague, encompassing a potentially very wide sphere of activities; the current list of impact indicators does not enable to monitor the attainment efficiency of each objective.	The Operational Programme has been drawn up on the basis of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund and Commission Regulation (EC) No 498/2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund. Both the structure and volume of the Operational Programme correspond to Part A of Annex I to Commission Regulation (EC) No 498/2007. The Operational Programme does not have to reproduce the Estonian Fisheries Strategy, Council Regulation (EC) No 1198/2006 or other relevant legislation; at the same time, it must be based on them and adhere to the principles therein, including the sections on environmental issues.
3. The indicators presented as result indicators are often actually output indicators, as they reflect the number of planned projects and not their substantive scope or results. It is thus also unclear whether at all and to what extent it is planned to actually carry out the actions decreasing the negative environmental impact resulting from fisheries.	This observation has been taken into account. The section on indicators has been updated significantly. The indicators featured in the amended version indeed reflect substantive scope or results.
4. The SWOT analysis of the current situation presented in the Operational Programme, which should constitute the basis for the established objectives, should be amended substantially.	The SWOT analysis has been prepared in intense cooperation with partners, including representatives of the fisheries sector; the SWOT was also modified on the basis if the interim report of ex ante evaluation. This recommendation has been taken into account partially.
5. In addition, the Operational Programme has recurring problems with clarity of wording, language usage and terminology (e.g. the term “maritime safety” should be used instead of “ship safety”; “trawl fishing” instead of “trawl”, “fishing mortality rate” instead of “industrial mortality rate”).	This observation has been taken into account.
6. In order to attribute more practical and guiding value to the Operational Programme in planning implementation schemes and necessary resources, the quality of the Programme’s contents should be significantly improved.	This observation has been taken into account.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
3.2 OVERALL OBJECTIVES AND IMPACT INDICATORS OF THE OPERATIONAL PROGRAMME	
7. Strategic objectives are objectives that are wished to be attained while the document is valid. Strategic objectives reflect the impact sought during the period of implementation of the development plan. The end result does not have to reflect the sphere of competence of one ministry only, but the ministry must be able to have a certain influence on the end result. [38]	The Operational Programme will be complemented in terms of demarcation as a result of a meeting held in the Ministry of Finance on 07.05.07, where issues concerning demarcation were discussed.
8. According to the Estonian Environmental Strategy until 2010, the implementation of the state's environmental policy is aimed at the balanced development of the economy, social sphere, natural resource use and environmental protection, at creating a well-functioning institutional system to that end and at the purposeful and sound usage of funds allocated to environmental protection. In order to achieve the environmental objectives established in the Environmental Strategy, it is of primary importance to make the entire society understand the value of natural capital and to promote environmental awareness and corresponding behaviour throughout the society. [4]	This observation has been taken into account.
9. The environmental priorities of the Estonian Republic, in line with those of the European Union, are the following: [4]: 1) Environment, health and quality of life 2) Preserving diversity of landscapes and biota 3) Sustainable use of natural resources and decreasing waste generation 4) Preventing climate change; air quality In terms of fish fauna, Estonia's objective, according to the Estonian Environmental Strategy until 2030, is to ensure the good status of fish populations and diversity of fish species, as well as to prevent the indirect negative impact on the ecosystem resulting from fishing. The Environmental Strategy also provides guidelines for the management of fishery resources: the management of fishery resources should be based on the ecosystem as a whole; fish populations are in a good condition if fishery resources are able to reproduce naturally despite the pressure of industrial fishing. [5]	The Estonian Fisheries Strategy 2007–2013 states that the Estonian Environmental Strategy until 2010 is taken into account. The two documents coincide or interconnect in the following: • Bringing fishing capacity in line with fishing opportunities and fishery resources (supported under EFF priority axis 1) • Increasing the accuracy of fishing statistics (supported from state budget funds) • Elaborating and implementing compensation mechanisms for damage caused by competitive species (including seals and cormorants) – supporting acquiring seal-proof fishing gear • Favouring tourism-related and recreational actions, promoting corresponding training (partially supported under EFF priority axis 4 – if local action groups of regions view this as a priority action)

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
	• Developing nature tourism networks (supported under EFF priority axis 4 – if local action groups of regions view this as a priority action)
10. According to the regulation on the European Fisheries Fund, support granted under the Fund is aimed at the following aspects [14]: • Supporting the Common Fisheries Policy so as to ensure exploitation of living aquatic resources and support aquaculture in order to provide sustainability in economic, environmental and social terms • Promoting a sustainable balance between resources and the fishing capacity of the Community fishing fleet • Promoting a sustainable development of inland fishing • Strengthening the competitiveness of the operating structures and the development of economically viable enterprises in the fisheries sector • Fostering the protection and the enhancement of the environment and natural resources where related to the fisheries sector • Encouraging sustainable development and the improvement of the quality of life in areas with activities in the fisheries sector • Promoting equality between men and women in the development of the fisheries sector and fisheries areas	All major fisheries-related environmental aspects have been reflected in the Operational Programme and the listed lines of action are implemented. In addition, environmental requirements are complied with when implementing measures and the introduction of environmentally friendly technologies is favoured. One significant objective of priority axis 4 alongside other objectives is ensuring protection of the living environment in fisheries areas, restoring and preserving the natural and architectural heritage of coastal villages, as well as promoting equality between men and women in the development of the fisheries sector and fisheries areas.
11. The fisheries sector is clearly linked to each of the environmental priorities established in the Environmental Strategy until 2010. Estonia's more long-term environmental strategy (until 2030) makes a direct note of the status of fish populations and the negative impact of fishing on ecosystems among its objectives. The EFF regulation also sets clear guidelines for taking account of the environmental aspect when planning measures for the Operational Programme, i.e. when planning how the Fund's resources will be used. In conclusion, great attention must be paid to issues concerning environmental protection, including nature conservation when managing the sector, in order to achieve long-term sustainability in the sector.	The Ministry of Agriculture has taken this observation into account and will pay great attention in the programming period to issues concerning environmental protection, including nature conservation when managing the sector, in order to achieve long-term sustainability in the sector. One of the prerequisites of sustainable development is also found in the sustainable development of fishery resources. Investments into environmental protection (treatment facilities, circulation systems, etc.) are a priority in aquaculture as well as the fish processing industry, while scrapping and renovating are important in terms of vessels, and the restoration of spawning grounds also plays a significant role. Thus, essentially all measures take account of environmental protection aspects and contribute to sustainable fisheries.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
12. Moreover, the current primary objective and the list of extended overall objectives fail at times to reflect the actual needs of the sector.	The Ministry of Agriculture does not agree with the statement that the list of objectives fails to reflect the actual needs of the sector.
13. When defining objectives, it should be kept in mind that it must be possible to group all measures and actions planned for the Operational Programme under overall objectives.	The Ministry of Agriculture cannot agree with this statement. The definition of terms "overall objective" and "specific objective" is not based on the Strategic Planning Manual compiled by the Ministry of Finance, but on Council Regulation (EC) No 1198/2006 on the European Fisheries Fund and Commission Regulation (EC) No 498/2007 laying down detailed rules for the implementation of Council Regulation (EC) No 1198/2006 on the European Fisheries Fund. The terms "overall objective" and "specific objective" are defined in point 4 of Part A of Annex I to Commission Regulation (EC) No 498/2007, describing the contents of an operational programme. • The overall objective(s) of an operational programme is (are) described using impact indicators, which refer to the consequences of the operational programme beyond the immediate effects. • The specific objectives of an operational programme which the operational programme's priorities aim to achieve are described using result indicators, which relate to the direct and immediate effects on beneficiaries brought about by the operational programme. Specific objectives are presented in the Operational Programme in the form of a table together with a calendar and intermediary objectives.
14. Summing up the expert opinions and the recommendations received during SEA compilation, we recommend formulating the overall objectives of the Operational Programme as follows: The overall objective of the Estonian Fisheries Strategy 2007–2013 and the Operational Programme is to develop the fisheries sector in order to secure stable and sustainable management in the fisheries sector and to guarantee an increase in the income of people engaged in fisheries. Extended objectives of the overall objective of the Operational Programme are as	The overall objective will be modified as follows: "The overall objective of the Estonian Fisheries Strategy 2007–2013 and the Operational Programme is to develop the fisheries sector in order to secure stable and sustainable management in the fisheries sector and to guarantee an increase in the income of people engaged in fisheries." Extended objectives will be left out.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
follows: • Development of fisheries as a sector of the economy • Favourable status and sustainable management of fishery resources • Increased consumption of Estonian fish and fishery products • Competitive fisheries sector • Diversifying economic activities in traditional fisheries areas and preserving local cultural heritage • Minimising the negative environmental impacts resulting from fisheries • Increased aquaculture production	
OPERATIONAL PROGRAMME IMPACT INDICATORS	
15. As strategic objectives reflect the impact sought during the period of implementation of the development plan, they must be specific, i.e. contain a quantitative, qualitative and/or temporal dimension necessary for assessing the attainment of the objectives. The objectives must be equipped with indicators, providing the basis for measuring or assessing the attainment of objectives.[38] Determining impact indicators for objectives guides the choice of relevant actions and priorities. The current version of the Operational Programme lacks impact indicators for all established overall objectives, including for the sustainability of fisheries sector management.	The terms "overall objective" and "specific objective" are defined in point 4 of Part A of Annex I to Commission Regulation (EC) No 498/2007, describing the contents of an operational programme. • The overall objective(s) of an operational programme is (are) described using impact indicators, which refer to the consequences of the operational programme beyond the immediate effects. • The specific objectives of an operational programme which the operational programme's priorities aim to achieve are described using result indicators, which relate to the direct and immediate effects on beneficiaries brought about by the operational programme. Specific objectives are presented in the Operational Programme in the form of a table together with a calendar and intermediary objectives. The Ministry of Agriculture carries out monitoring of implementation indicators through the procedure established by Commission Regulation (EC) No 498/2007 and on the basis of the list featured in Annex 3.
3.3 SPECIFIC OBJECTIVES OF THE OPERATIONAL PROGRAMME	

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
16. The formulation of the specific objectives of axes pays more attention to environmental aspects than that of overall objectives; still, the specific objective of axis 3 completely disregards the nature conservation actions planned under the axis (actions aimed at the protection and development of aquatic fauna and flora). We recommend revising the specific objectives of the Operational Programme. The specific objective of axis 3 should be adjusted, as it should also clearly reflect the actions planned for preserving fishery resources.	This recommendation has been taken into account and the Estonian specific objective of axis 3 has been formulated as follows: To develop collective action by primarily favouring investments into fisheries-related infrastructure, establishing producer organisations, developing marketing activities and actions directed at aquatic fauna and protection.
4. ESTONIAN AND EUROPEAN UNION ENVIRONMENTAL OBJECTIVES **4.1 GENERAL ENVIRONMENTAL PROTECTION TRENDS**	
17. The Fisheries Operational Programme is partly in conformity with environmental protection principles. Adherence to environmental principles must be integrated accordingly into the implementation of the Operational Programme. The Programme must pay more attention to the principles of environmental sustainability, prevention, polluter pays, shared responsibility and nature conservation.	The Ministry of Agriculture does not agree with the statement that the Operational Programme of the European Fisheries Fund 2007–2013 is partly in conformity with environmental protection principles. The measures will be carried out with EFF support and in accordance with legislation, and we cannot contradict the principles of any axis, including the principles of environmental sustainability. The leading principles of the EFF stand by the Gothenburg Strategy and favour the environmental dimension of the fisheries sector. Support is given to actions aimed at decreasing the environmental impact of the operations of the fisheries sector and supporting environmentally friendly production methods.
4.2 ESTONIA'S BASIC STRATEGIES FOR DEVELOPMENT **4.2.3 Sustainable Estonia 21**	
18. The Operational Programme is to a large extent in conformity with the basic strategies for Estonia's development. Nevertheless, the development of the fisheries sector still suffers from a lack of a sufficiently integrated approach joining the environmental, social and economic aspects, i.e. there is a lack of understanding that ensuring a stable economic environment requires facilitating the long-term endurance of resources in every possible way.	One of the main tasks when elaborating the Operational Programme of the European Fisheries Fund 2007–2013 was to find a balance between these three priority spheres (environmental, social and economic sphere). The Ministry of Agriculture understands that ensuring a stable economic environment requires facilitating the long-term endurance of resources in every possible way. It was also the assessor's conclusion in the summary that "all in all, the significant environmental impact resulting from the proposed actions is rather positive and neutral."

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
19. Little attention has been paid to supporting applied research in the various areas of the fisheries field, while up-to-date knowledge is an indispensable tool for Estonia's advancement in the global and European Union economic environment, provided that environmental resources are used sustainably. We recommend emphasising these keywords more strongly at objective level and throughout the Operational Programme and planning further actions accordingly when drawing up implementation schemes. Applied research trends should be specified by periods in the Operational Programme.	Applied research is supported under axis 3.
4.3.3 OTHER IMPORTANT STRATEGIC DOCUMENTS	
20. The Operational Programme partially takes account of the objectives and trends established in the Biodiversity Strategy and Action Plan as well as in the Nature Conservation Development Plan (e.g. bringing fishing capacity in line with fishing opportunities and fishery resources, favouring recreational fishing as a tourism and recreational activity, habitat conservation, bringing the sanitary conditions of fish processing enterprises and fish farms into compliance with European Union requirements). However, the current Operational Programme does not indicate the plans (the existence and extent thereof) for stepping up veterinary checks in fish and crayfish farming and for providing crayfish farming support only if local species are farmed, for furthering the reactivation of fishery societies,	It is currently not planned to increase the administrative capacity of the Veterinary and Food Board within the framework of the European Fisheries Fund. Estonian crayfish farming is already based on a local species – *Astacus astacus*. All operating fish farms must comply with EU sanitary requirements and it is not possible to grant support for bringing them into compliance. The introduction of alien species is coordinated by the Ministry of Environment. Farming alien species in closed systems can be allowed in certain cases. Establishing fisheries societies is based on civil initiative and the state is not planning to form such societies. Commercial fishers have the possibility to form producer organisations and support for such organisations is also envisaged under the European Fisheries Fund.
21. for elaborating together with other parties the common principles and implementation scheme for the management of "competitive species" in fisheries (e.g. seals, cormorants, white-tailed eagle, osprey) and for compensating for the damages caused by these species and for promoting training on environmentally friendly recreational fishing.	The management of the so-called "competitive species" is coordinated by the Ministry of Environment, and this action is financed from state budget. The training of recreational fishers is not supported from EFF funds.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
22. It is also unclear to what extent it is planned to support actions aimed at preserving endangered fish species or their wild populations (salmon, semi-migratory whitefish) or at protecting habitats, to what extent it is planned to introduce sustainable fishing techniques and gear and how it is planned to preserve biologically viable fish populations or maintain the highest possible fishing level. These subjects should be tackled more clearly when making adjustments to the Operational Programme.	The elimination of dams obstructing migratory fish from going to spawning grounds or the construction of fish stairs are included in the water economy section of the Living Environment Development Strategy. Priority axis 3 of the Fisheries Fund envisages the restoration of spawning grounds of industrially significant fish species.
23. Once again, as provided for in the Strategic Planning Manual [38], the expected end result of implementing a strategic document does not have to reflect the sphere of competence of one ministry only, but the ministry must be able to have a certain influence on the end result. A fisheries operational programme should also reflect actions outlined in other strategic documents insofar as they are related to the fisheries sector and insofar as the Ministry of Agriculture as the compiler of the operational programme participates as a partner in the corresponding field of other ministries. The principle of shared responsibility should be adhered to more extensively.	The Operational Programme does reflect (see chapter 7.5 "Complementarity of operational programmes and prevention of overlapping") actions outlined in other strategic documents insofar as they are related to the fisheries sector and insofar as the Ministry of Agriculture as the compiler of the operational programme participates as a partner in the corresponding field of other ministries. The Operational Programme will be complemented in terms of demarcation as a result of a meeting held in the Ministry of Finance on 07.05.07, where issues concerning demarcation were discussed.
4.4 INTERNATIONAL CONVENTIONS LINKED TO THE OPERATIONAL PROGRAMME	
24. The Operational Programme does not clash with international conventions.	-
7. OPERATIONAL PROGRAMME ENVIRONMENTAL IMPACT ASSESSMENT	
Overall impact 25. The high level of generalisation of the Operational Programme does not allow for a very exact and concrete prognosis of the potential impacts. The actions implemented under all measures are of a positive or neutral character, provided that the existing environmental requirements are fulfilled and the objectives featured in the Environmental Strategy are taken into account.	The Operational Programme is a document providing a general description, unlike the Rural Development Plan, for example. Both the Estonian Fisheries Strategy and The Operational Programme of the European Fisheries Fund reflect more trends and general measures than specific actions and their financing.
26. Possible trainings conducted in the framework of lifelong learning and improvement of professional and specialty skills could significantly increase the long-term positive impact in making more environmentally aware choices.	Environmental awareness is developed in the framework of the actions for environmental education infrastructure development of the Operational Programme on Human Environment Development, and vocational education institutions are furthered under modernisation of the learning environment. In addition, lifelong learning opportunities are included under the priority axes of the Human Resource Development Operational Programme.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
	Training activities financed under the Fisheries Fund target fisheries-related in-service training, and tackling environment-related issues certainly has its own place here. Separate environmental training will not be financed under the Fisheries Fund. Action table 2 of the Annex to the Environmental Action Plan lists some 50 actions under the heading "Development of the nature education system which ensures the provision of high-quality, practical nature conservation minded and systematic nature education and in-service training to various target groups". These actions are mainly the responsibility of the Ministry of Environment and the Ministry of Education and Research.
27. Integrating the results of pilot and partnership projects with improving the organisation of fisheries could also turn out to be very effective.	The results of pilot projects will be used where possible for advancing the fisheries field.
28. Provided that the Operational Programme is implemented in line with environmental objectives and on the basis of a very efficient monitoring system, balanced positive results might be expected in the economic, social and environmental spheres. Overall positive impact can also be increased by taking account of the applicants' voluntary contribution to environmental protection activities when deciding on the granting of funds (e.g. organisations employing environmental management systems get so-called extra credit when applying).	A monitoring system will be elaborated for implementing the Operational Programme, and in doing so, environmental objectives will be taken into account as well. It is stated in Chapter 8.1.1 of the Operational Programme that the monitoring of granting and using support will be carried out within the meaning of Article 59(i) of Council Regulation (EC) No 1198/2006 in cooperating with the intermediate body, i.e. ARIB.
29. There are no actions with significant impact having conflicting objectives within the Operational Programme. Nevertheless, experiences have shown that contradictions do occur in the objectives and impacts of actions pertaining to different sectors. For example, the objectives and impacts of land improvement, hydropower industry, marine transport, livestock farming, plant production, exploitation of mineral resources, water supply and fisheries, including aquaculture, may clash in different ways. These conflicts must be discussed in further detail in horizontal strategies and action plans. The implementation of actions designed under the Operational Programme does not have a foreseeable significant negative environmental impact outside Estonia; the anticipated transboundary impact is positive or neutral.	The Ministry of Agriculture has taken this observation into account and agrees with the assessments.

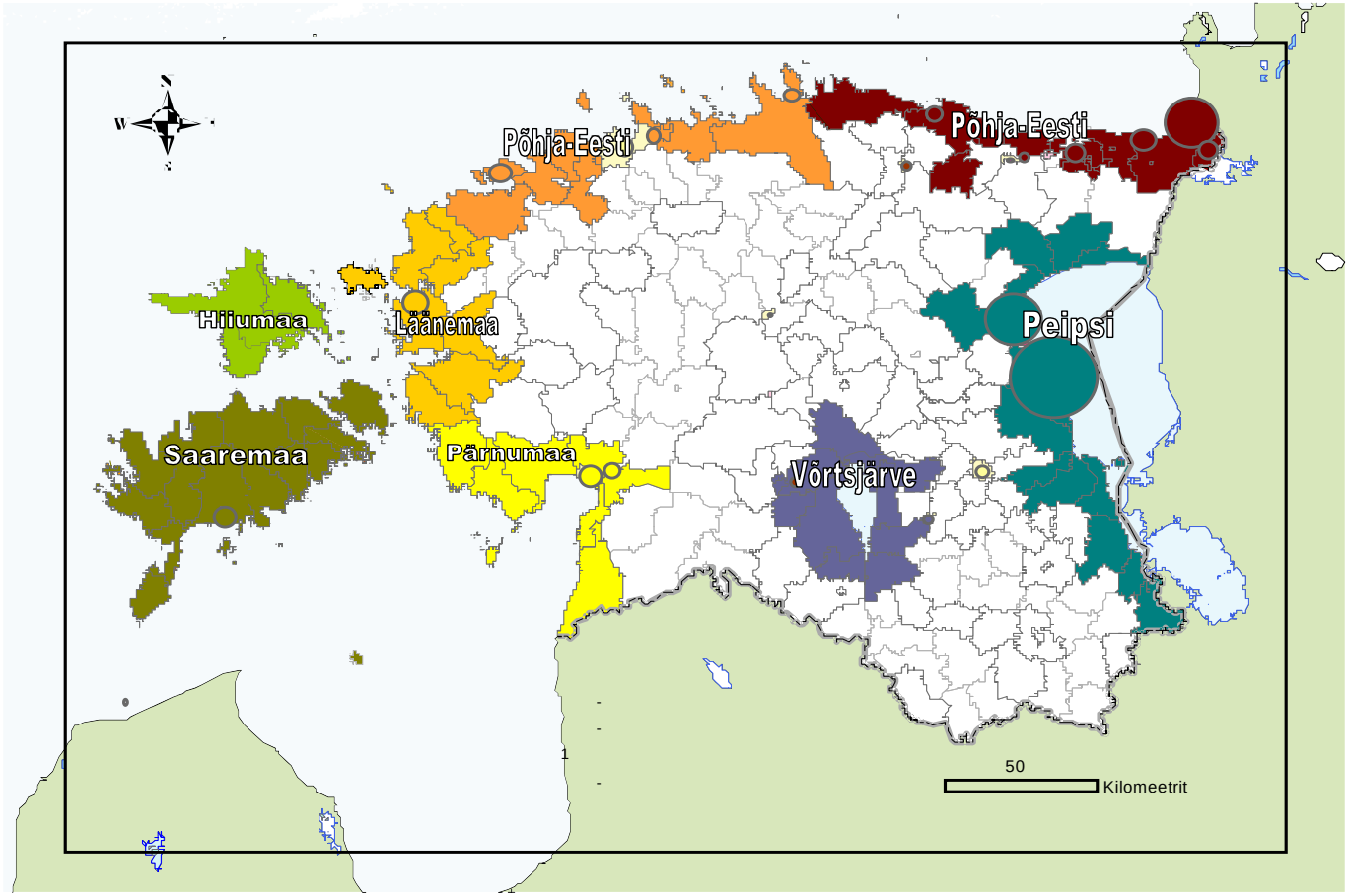
Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
8. DIFFICULTIES IN COMPILING THE SEA REPORT	
30. As the Operational Programme is a general document, the potential environmental impact of its implementation and the level of prognosis accuracy depend to a large extent on the clarity of the established objectives and the selected indicators. The Operational Programme that formed the basis for the SEA was still quite raw; one would have expected better cohesion in describing the objectives, impact indicators, planned actions and monitoring. The way the objectives of the Operational Programme were formulated did not reflect the desired outcome to be reached by the end of the upcoming programming period. The indicators for checking the results of the established objectives were not in place either. We were able to assess the Operational Programme only at a very general level and on the basis of abundant conjectures and assumptions.	The structure and contents of the Operational Programme are based on EU regulations. The Operational Programme is a document providing a general description, unlike the Rural Development Plan, for example. Both the Estonian Fisheries Strategy and The Operational Programme of the European Fisheries Fund reflect more trends and general measures than specific actions and their financing.
31. Taking into account that the actual environmental impact of the Operational Programme is reflected rather in prioritising the planned measures, the volume of implemented actions and third factors (administrative capacity, real-estate development, energy), the assessments contained in this report could be of a guiding nature for making better and more environmentally-minded decisions. With every passing year, the costs of today's short-sighted and irresponsible decisions keep piling up. It is always cheaper to prevent a problem than to deal with its problematic or irreversible consequences. The results of the SEA were deeply affected by the short period of time provided for its completion.	The Ministry of Agriculture has taken this observation into account.
32. Although the SEA report contains the opinions of various interest groups, the various parties should actually have been involved much more extensively and thoroughly, including by way of publishing the interim report.	The Ministry of Agriculture initiated cooperation with social partners when preparing the Estonian Fisheries Strategy 2007–2013 already in 2005. Preparations on the Operational Programme of the European Fisheries Fund 2007–2013 began also in 2005, and again in intense cooperation with social partners. The publication of the interim report upheld the requirements laid down in the Environmental Impact Assessment and Environmental Management System Act.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
33. The idea that the "environment" is only a matter for the Ministry of Environment is unfortunately deeply ingrained in the Estonian mindset. Environmental matters are often viewed as a problematic and disturbing side factor. People often fail to see the connection between the environment, human environment and human quality of life, as well as the link between fishery resources and fishing opportunities. The current situation implies as though only the Ministry of Environment is responsible for the good condition of fishery resources.	We cannot agree with this generalisation. While various tasks have been divided between the ministries, this does not mean that the Ministry of Agriculture does not pay attention to environmental aspects. Each axis of the Operational Programme contains connections between the environment and either the human environment or human quality of life or among all three aspects. The measure describing the regulation of fishing opportunities is measure 1.1 "Adjustment of the fishing capacity of the fishing fleet". The Operational Programme also features the recommended GT and kW reduction in the fishing fleet. The Ministry of Agriculture finds that as fishing capacity still overrides fishing opportunities in Estonia, achieving an optimum size fishing fleet is of primary importance. Investment support for fishing vessels is featured in measure 1.3 "Investment support for the trawl fishing fleet", and in measure 2.2 "Support for inland fisheries". The main of aim of granting investment support for fishing vessels in inland waters as well as the Baltic Sea is to improve the condition of the primarily Soviet-era fleet and make it more environmentally sustainable. This aim can be achieved by modernising the Estonian fishing fleet and introducing newer engines and more modern and selective fishing gear. The Operational Programme emphasises that it is of primary importance to favour actions catering to fuel economy, environmental requirements, safety requirements for ships and to improving selective fishing gear, occupational safety and conditions for the receipt of fish.

Commentary/recommendation by SEA performer InterAct Projektid & Koolitus OÜ	Responses by compiler of the strategic planning document
34. We hope that when it comes to implementing the Operational Programme, environmental matters will be viewed in a more competent and responsible manner.	While the Ministry of Agriculture cannot accept the allegation of lack of responsibility, we have updated the section of the Operational Programme which describes axis 3 and measures of common interest, which, alongside other actions, cover the issue of restoring spawning grounds. A central part of axis 3 is occupied by managing fisheries-related environmental risks, introducing selective fishing gear through pilot projects, restoring fish habitats and spawning grounds and developing the quality of fishery products and control systems.
SEA recommendation 35. Environmental management, environmental observation and monitoring must be developed as one complete system. It is our recommendation for the coming programming period to elaborate a uniform sustainable fisheries monitoring system under the EFF axis 5 on technical assistance in cooperation with environmental supervision organisations.	This cannot be done under the EFF. Axis 5 of technical assistance can be used for financing the preparatory, monitoring, administrative and technical support, evaluation and audit measures necessary for implementing the EFF.
36. In doing so, we recommend taking account of the environmental management principles established in the Estonian Environmental Strategy until 2010, the possible indicators on fisheries featured in the Estonian Environmental Strategy until 2030 and the possible result indicators for monitoring the development of water economy and environmental supervision featured in the Operational Programme for the Development of Living Environment Development 2007–2013.	The Ministry of Agriculture has partially taken this observation into account.

ANNEX 6

FISHERIES AREAS



ANNEX 7

FINAL REPORT OF EX ANTE EVALUATION OF THE ESTONIAN OPERATIONAL PROGRAMME OF THE EUROPEAN FISHERIES FUND 2007–2013: COMMENTARIES AND RECOMMENDATIONS

No	EX ANTE EVALUATION RECOMMENDATION	OUR COMMENTARY
2. General questions regarding the compilation of the operational programme		
2.1.1	For the purposes of improving the document's legibility, we recommend placing the table of result indicators and target levels of each axis after the description of the corresponding axis. It would be logical for the reader to first get an overview of the axis (including its targets, actions, measures, etc.) and then read about specific result indicators and target levels of the axis in question.	This recommendation will not be taken into account, as the Operational Programme structure is based on Annex I of the EFF implementing regulation.
2.1.2	We recommend that the document provide a short overview of the measures to be implemented under priority axes. Currently, the possible measures are only listed under the axes. Article 20(1)(d) of Council Regulation (EC) 1198/2006 also stipulates that the Operational Programme should feature a short summary of the principal measures envisaged for implementing the priority axes. The document currently lacks such a description of measures (targets, actions, etc. at measure level).	Operational Programme has been updated accordingly.
2.3.1	The expert group was surprised to find that the list of measures with the largest number of approved applications included sub-measure 3.11.2 'Purchase and installation of cages for fish farming', as according to the fish farming department of the Estonian University of Life Sciences, there was only one enterprise breeding fish in cages in 2006 that had been granted support in 2005. We recommend revising the bases for compiling this list and checking this specific statement.	The corresponding correction has been made by substituting the title of the sub-measure with 'Construction of aquaculture building or facility'.
3. Reflection of the current situation in the fisheries sector in the Strategy and Operational Programme		
3.1.1	The expert group does not fully agree with the statement in the general description of	Operational Programme has been updated accordingly.

	the fisheries sector saying that since 1998 the fisheries sector has been in a state of relative stagnation. In actuality, great strides have been made for example to improve the sanitary and hygienic level of fishing industries, and the fish farming sector has also developed considerably compared to 1998. We find that instead of stagnation, this sentence should refer to a relative decrease in economic importance of the sector.	
3.1.2	We recommend adding to the general description of the fisheries sector the number of persons dependent on the sector. According to the Estonian Marine Institute at the University of Tartu, this figure is 1.1% (excluding marketing and aquaculture).	This recommendation will not be taken into account, as the figure in question does not reflect the entire sector.
3.2.1	The expert group cannot fully agree with the statement in the general description of the fisheries sector that the fisheries sector still largely depends on facilities and equipment originating from the Soviet era. For one, this statement neglects the fact that all primary trawlers of the trawl fishing fleet are of Western origin. We recommend adjusting the wording of the sentence in question.	This recommendation will not be taken into account, as the sector as a whole still largely relies on facilities and equipment originating from the Soviet era.
3.2.2	**Recommendations concerning the SWOT analysis of fishing and ports** We recommend adding the following statements to the section on strengths: • "Long (over 3,700 km) and heavily indented coastline, which creates favourable conditions for the existence of a diverse fish fauna with good buffering capacity in coastal waters" • "Long-standing experiences in training fisheries specialists at the level of higher vocational and professional education" • "Introducing and launching the implementation of professional standards for fishers and fisheries specialists"	1. This recommendation will not be taken into account, as this is not an inherent strength of the fishing sector. 2.-3. This recommendation will not be taken into account, as these aspects are reflected under the strengths of the SWOT analysis of fishing.
3.2.3	We recommend changing the sixth statement on strengths "The ecological status of most Estonian inland water bodies is good." as follows: "The ecological status of most Estonian inland water bodies is good or satisfactory."	Operational Programme has been updated accordingly.
3.2.4	The seventh statement on strengths leaves unclear the meaning of "production of the species used". We recommend changing the wording of this statement as follows: "Estonia has long-standing traditions in reproducing fishery resources and processing and marketing the species used."	The statement will be reworded as follows: "Estonia has long-standing traditions in catching fish and processing and marketing the species used."
3.2.5	It should be kept in mind that the statement on strengths "Inland water fishery resources are in a good condition." only applies to lakes Peipsi and Võrtsjärv and a couple of other lakes. We thus recommend changing the wording of this statement as follows:	This statement will be adjusted by adding the following: "in lakes important for commercial fishing".

	"Inland water fishery resources are partially in a good condition."	
3.2.6	We recommend specifying the second statement on weaknesses "Fish landing locations/ports are not well-developed, including the infrastructure (e.g. shortage of cold storage plants)." as follows: "Fish landing locations/ports are not well-developed; the same applies for the infrastructure (e.g. shortage of cold stores and ice machines)". Fishers do not need cold storage plants as much as cold stores and ice machines, where the fishers using the port could store up to 10 tonnes of ice-packed fish for a couple of days.	This recommendation will not be taken into account. The term "cold store" includes both storing and freezing of fish.
3.2.7	The current wording of the statement on weaknesses "Fish spawning grounds and habitats are in a poor condition and/or access to them is limited." can be interpreted as though the access of fish to their habitats is limited, which is absurd. The statement in question is essentially correct, but we recommend finding a better wording. According to the expert group, this statement could be worded as follows: "Fish spawning grounds and habitats are often deteriorated or deteriorating and access to spawning grounds is limited."	Operational Programme has been updated accordingly.
3.2.8	The SWOT analysis at hand contains a following statement on weaknesses: "The sales system of fish does not guarantee stable prices at first sale." The expert group agrees that the prices are not stable, but finds that this instability is more caused by unstable supply resulting from objective circumstances, where sometimes the quantities of fish are large and sometimes too small (depending for example on fishing seasons and weather). We recommend adjusting this statement as follows: "The sales system of fish does not guarantee stable prices at first sale or objective purchase prices; the instability is due to the peculiarities of fishing and current weakness of producer organisations."	This recommendation will not be taken into account, as it is important here to highlight the weakness itself. The weakness may have several reasons and listing them renders the SWOT analysis less concrete.
3.2.9	We recommend joining the two statements on weaknesses "Sector employees lack motivation." and "Salaries are not competitive." into one sentence, as these aspects are strongly interrelated.	This recommendation has been partially taken into account by leaving the wording as follows: "Salaries of sector employees are not competitive."
3.2.10	We recommend adjusting the statement on weaknesses "Fishing is seasonal and employment is inconstant." as follows: "Due to the specific nature of fisheries, fishing is seasonal…", as this is an aspect that cannot be improved.	This recommendation will not be taken into account, as it is important here to highlight the problem itself.
3.2.11	We recommend adding the following statements to the section on weaknesses: • "Fishing statistics are not in conformity with actual fishing results." • "Inland water fishery resources are deteriorating by species (e.g. vendace, whitefish)."	This recommendation will not be taken into account, while the section on strengths has been adjusted as follows: "Inland water fishery resources are generally in a

	• "Eel fishing in inland waters has been based for decades on artificially restocked eel and the persistence of this practice largely depends on eel protection measures planned in the European Union." • "The water bodies (Lake Võrtsjärv) into which the eel is restocked usually do not allow the matured species to leave for its spawning grounds in the Sargasso Sea." • "State regulation and supervision of fisheries is not efficient enough for discovering and countering unregistered or illegal fishing activities."	good condition." Other than that, the addition is too detailed.
3.2.12	The expert group questioned the first statement on opportunities "Increasing the economic efficiency of fishing by adjusting fishing capacity in order to achieve a balance between fishing capacity and fishing opportunities." Can economic efficiency really be increased by adjusting (which tends to mean here decreasing) fishing capacity? We recommend revising this sentence.	Yes, economic efficiency can be increased by decreasing capacity (decreasing the number of vessels), as this increases the quota per one capacity unit (per one vessel), i.e. one vessel can catch more fish.
3.2.13	We recommend specifying the statement on opportunities "Setting up economically optimal, preferably jointly-used, certified and modern fishing ports (in order to improve fishing inspection opportunities, quality of fish and fishery products, which in its turn enables the industry to prefer domestic fish)." as follows: "Setting up economically optimal, preferably jointly-used, certified and modern fishing ports catering for deep-sea trawlers (in order to improve fishing inspection opportunities, quality of fish and fishery products, which in its turn enables the industry to prefer domestic fish)."	This recommendation will not be taken into account, we will also delete the words "certified" and "preferably". We do not see a reason for excluding inland water and coastal fishing ports.
3.2.14	We recommend specifying the statement on opportunities "Developing recreational fishing and fishing tourism in small lakes and rivers where commercial fishing is not economically efficient." as follows: "Developing recreational fishing and fishing tourism in coastal areas, in small lakes and rivers where commercial fishing is not economically efficient or where recreational fishing constitutes an important supplement for commercial fishing."	This statement has been left out, as the opportunity to develop recreational fishing has been transferred to axis 4.
3.2.15	We recommend specifying the statement on opportunities "Adjusting the numbers of cormorants." as follows: "Adjusting the numbers of cormorants – a species whose exploitation of fishery resources is ever-increasing."	This statement has been left out and reworded as a threat.
3.2.16	We recommend rewording the statement on opportunities "Developing fish landing locations for coastal fishers." as follows: "Expanding and technologically updating the network of fish landing locations."	This statement has been left out, as the content is already included in the previous statement. Landing locations have been added to where ports are discussed.
3.2.17	We recommend rewording the statement on opportunities "Municipalisation of small	This clause has been left out already earlier, as it does not

	ports." as follows: "Regulating ownership issues of small ports, including municipalisation."	qualify as an opportunity in the corresponding field.
3.2.18	We recommend rewording the last statement on opportunities "Improvement of spawning grounds." as follows: "Maintaining and improving the ecological quality of the breeding conditions of fish, including natural spawning grounds."	Operational Programme has been updated accordingly.
3.2.19	We recommend adding the following statements to the section on opportunities: • "Raising public awareness on restricting illegal fishing." • "Dismantling barrages and where necessary creating fish passages in important fish (spawning) rivers."	1. This recommendation was partially taken into account. Instead of awareness on restricting illegal fishing, awareness on its impact is emphasised. 2. This recommendation will not be taken into account, as an opportunity conveying the same meaning is already included in the SWOT analysis: Preserving and improving the ecological quality of natural spawning grounds.
3.2.20	We recommend specifying the second statement on threats "Pollution and eutrophication of water bodies resulting from ecological catastrophes, marine casualties, etc." as follows: "Pollution of water bodies, including eutrophication, resulting from domestic pollution, agriculture and forestry, as well as ecological catastrophes, marine casualties, etc.".	Operational Programme has been updated accordingly.
3.2.21	We recommend specifying the third statement on threats "Low investment level and absence of qualified workforce due to persistent economic difficulties." as follows: "Low investment level and shortage and leaving of qualified workforce due to persistent economic difficulties."	This recommendation was partially taken into account; "absence" has been substituted with "leaving from the sector".
3.2.22	In terms of the statement on threats "Uncontrollable increase in the cormorant and seal population", the expert group finds that it is unlikely that a species can increase uncontrollably in nature. The threat to fisheries comes mainly in the form of damage to fishing gear and to the fish caught in the gear as well as in the form of decrease in catch reserve due to the activities of these two species. The damage caused by seals and cormorants should be viewed separately. Taking control of seal damage is already under way by promoting the use of seal-proof fishing gear, and a cormorant management plan is currently being prepared. The seal issue involves two protected species (also under the EU Nature Directive) whose numbers have for a long time been at a low point in the Baltic Sea and whose increase is very much desired and welcome from the point of view of nature protection. This issue should not be viewed so much as	This recommendation was partially taken into account. We deleted the word "uncontrollable".

	a threat, but as an objective additional cost factor for the state. Consequently, the expert group would leave the seal issue out of threats, leaving in only the matter concerning cormorants. The EAR also mentions only cormorants. The introduction of seal-proof fishing gear under opportunities is justified because it promotes fisheries both in terms of fisheries areas and fishers. As the existence of seals is an objective reality, the expert group would not describe it as a separate threat here.	
3.2.23	We recommend rewording the fifth statement on threats "Damage to marine fauna and flora caused by spreading of alien species" as follows: "Changes in marine fauna and flora caused by spreading of alien species, which could result in the decrease of significant species in terms of industrial fishing".	Operational Programme has been updated accordingly.
3.2.24	The statement on threats "Little interest on the part of private port owners in developing the fisheries infrastructure" is already presented under weaknesses, and as this lack of interest is already an actuality, it constitutes more a weakness than a threat.	Operational Programme has been updated accordingly.
3.2.25	The expert group views the eighth statement on threats "Reduction of catch quotas or cessation of fishing due to exceptional protection measures" more as a consequence than a threat. The threat here is damage to fishery resources caused by factors of human origin (fishing is not optimally regulated, fish spawning grounds are deteriorating and diminishing in size, fish migration routes to spawning grounds are obstructed, water bodies suffer from eutrophication and pollution) and changes in natural conditions (climate, alien species, rapid reproduction of some species that have once been present in the area, such as the cormorant) in Estonia's waters or region. The quotas are set according to the status of fishery resources. Here the threat lies more in setting unrealistic quotas, which can reduce resources. We recommend adjusting this statement as follows: "Deterioration of fishery resources due to anthropogenic or natural influences, which can result in a sudden reduction of catch quotas or cessation of fishing as measures for protecting fishery resources."	Operational Programme has been updated accordingly.
3.2.26	We recommend rewording the statement on threats "Reduction of port usage by fishers due to the ageing trend among fishers". As it is now, this statement seems a little bit strange to the expert group – as if port usage in itself has a value. The problem is simply the disappearance of fishers. A possible wording could be the following: "Falling numbers among fishers due to ageing".	This statement has been left out.
3.2.27	The statement "Negative outcome of incorrectly operated collective enterprise" is very	This statement has been left out.

	confusing. What exactly is "incorrectly operated collective enterprise"? It is clear that incorrect action results in a negative outcome. Why should it be repeated? We strongly recommend rewording this sentence.	
3.2.28	Recommendations concerning the SWOT analysis of aquaculture We recommend adding the following statements to the section on strengths: • "Long-standing traditions in fish farming" • "Existence of a national programme for the reproduction of fishery resources and a well-functioning national fish farming centre of Põlula" • "Rapid increase in the past years in fish farms dedicated to fishing tourism"	1. Operational Programme has been updated accordingly. 2. This recommendation will not be taken into account, as it rather concerns fishery resources. 3. Operational Programme has been updated accordingly.
3.2.29	In the statement on weaknesses "The sector suffers from a shortage of specialists and qualified workforce", we recommend specifying that the main problem is not the lack of trained fish farmers but that of designers and builders well-versed in modern technologies. It often happens in Estonia that fish farmers know more about the technical aspects than designers and builders do.	This recommendation will not be taken into account, as this does not constitute a weakness of the aquaculture sector.
3.2.30	In the statement on weaknesses: "It is difficult to gain access to know-how on modern equipment and technical solutions due to weak command of foreign languages and shortage of retailers.", the part on language command is of secondary importance in the opinion of the expert group. The problem here is more the shortage of specialists competent in the field. We recommend joining this sentence with the previous statement.	This recommendation has been taken into account partially; the part on weak command of foreign languages and shortage of retailers has been left out.
3.2.31	We recommend rewording the statement on weaknesses "Aquaculture enterprises rely on imported juveniles and roe in the case of certain species (e.g. trout) because Estonia lacks centres for the reproduction of breeding material suitable for Estonian conditions." as follows: "Aquaculture enterprises rely on imported juveniles or roe in the case of certain species (trout, eel)." Specifically, trout – either suitable or unsuitable – is not reproduced in Estonia at all, and eel cannot be reproduced.	Operational Programme has been updated accordingly.
3.2.32	The statement "Fish prices are determined by imported fish (Norwegian salmon, trout)." does not qualify as a weakness, as the prices of the majority of goods in Estonia are determined by world market prices, and fish farming is no exception.	Operational Programme has been updated accordingly. Low competitiveness on the world market has been added as a weakness factor.
3.2.33	In terms of the statement "As most undertakings are self-employed persons, the sector suffers from a low investment level.", it should be pointed out that the issue is not the	Operational Programme has been updated accordingly.

	legal status of undertakings but their investment capabilities. Changing the status of self-employed persons to private limited companies would not change the situation. As insufficient investment has already been stated in earlier statements, we recommend leaving this statement out or joining it with earlier statements.	
3.2.34	We recommend adding the following statement to the section on weaknesses: "There is a shortage of bays suitable for fish farming."	Operational Programme has been updated accordingly.
3.2.35	We recommend adding the following statement to the section on opportunities: "Increasing aquaculture production above the critical level, thus securing a supply of farmed fish which satisfies the domestic market and facilitates export."	Operational Programme has been updated accordingly.
3.2.36	The statement on opportunities "Declaring fish and crayfish farming areas disease-free in order to ensure export channels, disease control and product quality" is confusing to the expert group. How can simply "declaring" change something – product quality, for example? As it is now, this statement implies that the areas are declared disease-free despite the existence or non-existence of diseases. And if an area is declared disease-free, what is the purpose of disease control? We strongly recommend rewording this sentence.	Operational Programme has been updated accordingly.
3.2.37	We recommend adjusting the last statement on opportunities "Developing fishing tourism (fishing, accommodation services, etc.)" as follows: "Developing fishing tourism as an aquaculture-based service (fishing, accommodation services, etc.)." We recommend placing this statement under the SWOT analysis of axis 4 and leaving axis 2 primarily for activities related to increasing aquaculture production.	This statement has been left out, as we are not planning to support fishing tourism from the EFF under investment support for aquaculture. It has been added as an opportunity to axis 4: *Development of fishing tourism*.
3.2.38	The first statement on threats "Introducing new technologies requires considerable investments, but as the sector lacks sufficient funds, its development is obstructed." does not qualify as a typical threat in the eyes of the expert group, it is rather a weakness. The expert group suggests the following sentence on threats: "Estonian aquaculture is not able to adapt to increasingly strict environmental requirements."	This statement has been left out, as it does not constitute a threat. The new sentence has not been added either, as this cannot be considered a threat for the aquaculture sector either.
3.2.39	The statement "Provision of raw material to processors from outside Estonia" seems too protectionist in the conditions of being part of the EU. We recommend rewording this statement as follows: "Decrease in the price of exported aquaculture products or raw material may diminish the sector's profitability unpredictably in the future."	This statement has been left out, as the content has been covered in previous statements.
3.2.40	The statement "Temporary nature of EU protection measures resulting in import of fish from third countries at dumping prices (e.g. salmon from Norway and Chile and cheap	Operational Programme has been updated accordingly.

	fish and crayfish from Asia)" is essentially the same as the previous statement. We recommend leaving it out.	
3.2.41	We recommend rewording the fourth statement on threats "Increased pollution of water bodies originating from external environment" as follows: "Constant or random pollution caused by other economic sectors may deteriorate the quality of water bodies."	Operational Programme has been updated accordingly.
3.2.42	**Recommendations concerning the SWOT analysis of fish processing and marketing** We recommend adding the following statements to the section on strengths: • "Water quality of inland water bodies is sufficiently good for consuming the fish caught from inland waters for food." • "There are long-standing traditions and habits in consuming freshwater fish for food."	This recommendation will not be taken into account, as water quality of inland water bodies cannot constitute an indicator of the strength of the processing and marketing sector. The same goes for people's fish consumption habits.
3.2.43	The expert group sees the main weakness in the fact that fishers have not yet been able to develop collective action in organising the logistics of taking fish to consumers, in primary processing, processing and port management. This creates a dependence on first buyers who promote their own interests. We recommend adding the following statement to this section: "Cooperation among fishers in the fish supply chain reaching the consumer (port management, primary processing, processing) is weak."	This recommendation will not be taken into account, as the issue here are industries.
3.2.44	We recommend rewording the second statement on weaknesses "Provision of domestic raw materials to industries is seasonal." as follows: "Provision of domestic raw materials to industries is seasonal due to the specific nature of fishing."	This recommendation will not be taken into account, as the seasonality is due to climatic conditions and not the specific nature of fishing.
3.2.45	We recommend rewording the third statement on weaknesses "Industries suffer from a shortage of qualified workforce and excessive flow of workers." as follows: "Industries suffer from a shortage of qualified workforce and excessive flow of workers due to salaries being considerably lower than Estonia's average."	This recommendation will not be taken into account, as it is important here to highlight the weakness itself. The weakness may have several reasons and listing them renders the SWOT analysis less concrete.
3.2.46	We recommend rewording the last statement on weaknesses "Salaries are not competitive compared to other economic sectors." as follows: "The salaries of employees are not competitive compared to other economic sectors due to low profitability of fish processing."	This recommendation will not be taken into account, as it is important here to highlight the weakness itself. The weakness may have several reasons and listing them renders the SWOT analysis less concrete.
3.2.47	The statement on opportunities "Using domestic raw material for human consumption instead of animal feeding" seems strange, as this can be done now as well; some raw	Operational Programme has been updated accordingly.

	materials are simply not suitable for anything other than animal feeding. The expert group is of the opinion that using raw material unsuitable for human consumption as feedingstuff for animals is actually a much bigger opportunity. The expert group finds that this is a clumsy sentence which should be left out. For example, freshwater fish is already used for human consumption much more in Estonia than in many other countries of the region.	
3.2.48	Concerning the statement on opportunities "Processing raw material (various fish species) originating from European Union and third countries", it should be kept in mind that this is already done extensively; thus, new or complementary raw material should be emphasised. We recommend rewording this sentence.	Operational Programme has been updated accordingly.
3.2.49	The wording of the last statement on opportunities "Elaborating common fish PR" leaves much to be desired. What is "common fish"? An official document requires a better command of language. We recommend joining this statement with the first statement on opportunities and correcting the wording of the sentence.	Operational Programme has been updated accordingly. This statement will be left out.
3.2.50	One of the threats featured is the risk of fluctuating exchange rates; the expert group views this as a risk for the entire economy of Estonia, including the entire fisheries sector. If this statement is maintained, we recommend wording it more exactly and explaining that the main export markets are situated in the so-called "dollar area".	Operational Programme has been updated accordingly. This statement will be left out.
3.2.51	We recommend joining the statement on threats "Substantial economic risks at exporting fishery products to areas of unstable economic development." with the previous threat, as the contents of the statements are interconnected.	We decided to leave out the previous threat and to keep only this statement.
3.2.52	We recommend rewording the third statement on threats "Reduced usage of local raw material due to polluted aquatic environment" as follows: "Pollution of water bodies may result in a decreased supply of local raw material and/or render its quality unstable."	Operational Programme has been updated accordingly.
3.2.53	We recommend rewording the fourth statement on threats "Increased usage of local raw material (the sprat) for animal feeding." as follows: "The growing need of the competing livestock farming for local raw material may affect the price of raw material in the fish industry."	This statement has been left out, as it does not constitute a threat.
3.2.54	We recommend leaving out the last statement on threats "It is not possible to acquire a higher education in fisheries, as there is no public demand for specialists with a higher education.", as this is not currently the case. The threat lies in the cessation of public	We have left this statement out.

	demand.	
3.2.55	**Recommendations concerning the SWOT analysis of fisheries areas** We recommend rewording the statement on strengths "Fisheries areas have preserved their natural and architectural heritage." as follows: "Fisheries areas have preserved a rather solid and intact natural environment and architectural heritage."	This recommendation will not be taken into account, as the statement would become too vague.
3.2.56	We recommend rewording the statement on weaknesses "The number of fishers is not in conformity with fishery resources, particularly in coastal and inland fishing." as follows: "The number of fishers is at times too large and is not in conformity with available local fishery resources."	This recommendation will not be taken into account, as the statement would become too vague.
3.2.57	Concerning the statement on weaknesses "Local governments have little interest in fisheries-related problems.", the expert group is of the opinion that it would be better to emphasise that the poorer than average local governments of peripheries tend to have scarce opportunities for supporting fisheries.	This recommendation will not be taken into account, as the poorer local municipalities are rather active in this context.
3.2.58	The expert group finds that the statement on weaknesses "Lack of leaders who would develop fisheries as a way of life." should be joined with the statement "Local collective action is weak and there is a lack of leaders who could earn the trust of local fishers, form a well-functioning initiative group and develop fisheries as a way of life."	This recommendation has been partially taken into account; the section on weakly developed local collective action has been retained.
3.2.59	We recommend adding the following statement on weaknesses: "The state does not pay sufficient attention to or provide support for the development of coastal areas."	This recommendation will not be taken into account, as the subject has been sufficiently reflected in other statements.
3.2.60	We recommend specifying the statement on opportunities "Adding value to fishery products" as follows: "Adding value to fishery products locally in coastal areas".	Operational Programme has been updated accordingly.
3.2.61	**Recommendations concerning the description of the status of the environment** We recommend adding the following sentence to the section on lakes and rivers: "In the case of lakes Pihkva and Lämmi, the main sources of pollution are situated outside Estonian territory."	Operational Programme has been updated accordingly.
3.2.62	We recommend adding the following sentence to the section on coastal waters: "The concentration of toxic substances in marine environment (and in fish) has begun to go down in the past couple of decades, but in some cases it still remains very close to the permitted limits or even exceeds them. This has a negative impact on fisheries (e.g. the concentration of dioxins in mature Baltic herrings is critically high)."	This statement has been taken into account partially. The same idea has been presented in a more summarising sentence: *The concentration of toxic substances in marine environment (and in fish) has begun to go down in the past couple of decades, but in some cases it still remains*

		very close to the permitted limits.
4. Evaluation of the objectives and priorities of the Operational Programme		
4.1.1	In order to take into account the balanced objectives of Estonian, EU and EFF strategic documents, the current Operational Programme should be complemented with the following general objectives on the environment: • Favourable status and sustainable management of fishery resources • Minimising the negative environmental impacts resulting from fisheries	This recommendation has been taken into account partially. One of the prerequisites for sustainable management are good fishery resources, i.e. sustainable management already includes sustainable use of resources, which is why we do not see the need to emphasise this separately.
4.1.2	After having summed up expert opinions and the recommendations made during the joint round table discussion of the strategic environmental assessment and ex ante evaluation, we recommend formulating the overall objectives of the Operational Programme as follows: The overall objective of the Estonian Fisheries Strategy 2007–2013 and the Operational Programme is to develop the fisheries sector in order to ensure stable and sustainable management in the fisheries sector and an increase in the income of persons engaged in fisheries. The recommended extended objectives of the overall objective of the Operational Programme could be the following: • Development of fisheries as a sector of the economy • Increased consumption of Estonian fish and fishery products • Competitive fisheries sector • Diversifying economic activities in traditional fisheries areas and preserving local cultural heritage • Minimising the negative environmental impacts resulting from fisheries • Favourable status and sustainable management of fishery resources • Increased aquaculture production Increased aquaculture production should be discussed separately under objectives, as the expert group deems it to be the only fisheries field in Estonia that has potential for expansion and whose production may multiply several times over.	We will modify the objective as follows: The overall objective of the Estonian Fisheries Strategy 2007–2013 and the Operational Programme is to develop the fisheries sector in order to ensure stable and sustainable management in the fisheries sector and an increase in the income of persons engaged in fisheries. The extended objectives will be left out, as the overall objective should still come in the form of one specific, understandable and memorable sentence, and as the extended objectives are already reflected in the overall objective.
4.1.3	We recommend rewording the Estonian objective for axis 2, as it currently only reflects inland fisheries. The axis also includes aquaculture, which is currently not featured in the objective.	Operational Programme has been updated accordingly.
4.1.4	We recommend rewording the specific objective for axis 3, as it currently completely	Operational Programme has been updated accordingly (in

	disregards the nature protection actions planned for the measures (actions geared towards the protection and development of aquatic fauna and flora).	terms of the Estonian objective).
4.1.5	The actions featured in the Operational Programme are indicative and might not reflect the actual actions and their extent. The environmental protection aspects of the actions are sometimes unclear. For example, axis 2 includes an indicative action: *"Investments into aquaculture targeted at the construction, expansion, renewal and equipping of means of production with a view to improving working conditions, hygiene or animal health, as well as improving product quality and decreasing negative environmental impacts."* It remains unclear which environmental impacts are attempted to be decreased and how it is to be done. It is very important to revise the wording of axis descriptions. For example, the lists of potentially implemented actions under axes 2 and 3 should be reformulated so that they would list the actions and not answer the questions "What?" or "For what purpose?" The expert group finds that there are problems with conformity between actions and objectives. Furthermore, the actions sometimes fail to be mutually supportive.	Operational Programme has been updated accordingly.
4.2.1	We recommend eliminating the word "small-scale" from measure 1.4 "Support for small-scale coastal fishing", because all coastal fishing is supported, not only the small-scale part of it.	This term originates from the EFF regulation.
4.2.2	In actions implemented under axis 1, we recommend specifying the wording of action "Small-scale coastal fishing". As it is now, it seems strange as a supported action – is coastal fishing a potentially implemented action? Coastal fishing is a part of fisheries and will remain so, but maybe it is planned to support, develop or change it in some way.	Operational Programme will be updated accordingly.
4.2.3	The actions potentially implemented under the measure of adjustment of the fishing fleet of axis 1 do not mention testing and introducing more selective technologies, which makes it difficult to understand how the increased selectivity of fishing gear is to be achieved.	Testing and introducing is not relevant here, while purchasing more selective fishing gear is.
4.2.4	We recommend rewording the first sentence of the justification for the need to implement axis 2 as follows: "In view of the rapid development of world market, a sector's development opportunities and sustainability are determined by adaptability." Otherwise, the meaning of the sentence can be debated – competitiveness rules in a stagnant environment as well. A changing environment requires, above all, adaptability.	This recommendation will not be taken into account. The requirement of adaptability is inherent in competitiveness.

4.2.5	We recommend rewording the second clause of the justification for the need to implement axis 2 as follows: "Estonia suffers from a shortage of appropriately trained fish farmers, fish farm designers and equipment sellers/maintenance providers. It is necessary to support training, information exchange and applied research in this field." As it is now, the sentence is so confusing that it is difficult to tell what it tries to convey.	The wording has been improved.
4.2.6	We recommend revising the wording of the third clause of the justification for the need to implement axis 2 "Considering that the development of aquaculture must be based on market demand, it is above all necessary for the aquaculture sector to pay attention to supporting investments into production expansion, particularly concentrating on environmental investment." – market demand does not necessarily and above all mean the need for expansion. It can rather mean improving quality at the existing quantities or altering assortment. Neither does market demand automatically and inevitably mean the need for more environmentally friendly production. This sentence should actually convey that aquaculture support should be geared towards the establishment of competitive enterprises with high production volumes and based on modern clean technologies.	Operational Programme has been updated accordingly.
4.2.7	We recommend rewording the fourth clause of the justification for the need to implement axis 2 as follows: "In order to increase the competitiveness of aquaculture, it is recommended to support farming fish species new to Estonian fish farming (sturgeons)."	This recommendation has been taken into account partially, in terms of diversification of aquaculture.
4.2.8	We recommend joining the fifth clause of the justification for the need to implement axis 2 "Considering consumer needs, the processing of fishery products should aim at active product development, which would enable to offer a product selection as diverse as possible. This entails the elaboration of new products, employment of innovative technologies and introducing fish species that have not yet been used or have been used little." with the fourth (previous) clause.	This recommendation has been taken into account partially; it will not be joined with the previous clause, as one speaks about aquaculture, while the other about processing.
4.2.9	The expert group finds that the list of aquaculture actions implemented under axis 2 does not feature the priorities in correct order. The first place should be occupied by the implementation of clean and economically efficient production technologies, improvement of product quality and expansion of product range. This should be followed by related improvement of working conditions, hygiene and animal health. It	This recommendation will not be taken into account, as the list is not presented in order of priorities.

	should also be made sure that the use of the term "animal health" is not a raw translation (animal welfare is not the same as animal health). This section is in conflict with the first sentences of Chapter 5.1.2., which list increased competitiveness and production as the main task.	
4.2.10	We recommend excluding actions related to fishing tourism from the aquaculture measure of axis 2 and concentrating on supporting only the actions directly targeted at increasing production. Actions related to fishing tourism can be funded under axis 4. Production and tourism should be differentiated on the basis of production volumes, for example. For rainbow trout, this threshold could be 50–100 tonnes a year.	Operational Programme has been updated accordingly.
4.2.11	We recommend clarifying the meaning of public sector as target group of axis 2.	Public sector has been left out.
4.2.12	We recommend specifying which attempts to decrease which environmental impacts are made by the actions of axis 2.	Operational Programme has been updated accordingly.
4.2.13	We recommend adjusting the wording of the third measure of axis 2 "Processing and marketing of fish and aquaculture products", as processing and marketing are not measures, instead they constitute the main fisheries domains. The expert group proposes the following wording: "Support for processing and marketing fish and aquaculture products".	Operational Programme has been updated accordingly.
4.2.14	We recommend revising the table on support thresholds presented under measure 1.1 "Adjustment of the fishing fleet" of specific information on measures of axis 1. The expert group currently finds it to be illogical. According to this table, the smaller a vessel's GT within a size category, the higher the threshold. The expert group finds this odd. For example, a vessel of 1 GT receives ca EEK 200,000 and that of 10 GT receives EEK 48,000. We know from mathematical logic that if the number below the fraction line (GT value) increases, the value of the fraction decreases. The current situation requires a formula whereby GTs are multiplied, thus resulting in a larger support amount for a vessel with higher gross tonnage.	The slash stands for "per GT"; it is not a division sign.
4.2.15	We recommend revising the sentence on specific information on measure 1.3 "Conditions applied when applicants promise to decrease engine power of a group of vessels and the mechanism established for inspecting compliance with said conditions". This sentence should be formulated more clearly so as to indicate that if the established conditions are met, engine replacement is eligible (the current wording suggests that the engine can be replaced with a smaller engine on certain conditions and on certain	This section is pursuant to Annex I of the EFF implementing regulation; these are not the only conditions to be met when applying, but a mechanism for the state to ensure compliance with requirements.

	conditions this cannot be done). The expert group proposes the following wording: "If the following conditions are met, investment support for engine replacement can be applied for..."	
4.2.16	The sentence on specific information on measure 2.3 "With the exception of Danish seine fishing, which is regulated by the total allowable catch" (p. 25) is deemed false by the expert group: Danish seine fishing is not regulated by total allowable catch, but by the number of fishing days. The year 2005 was an exception, as fishers made a deal on catching a certain quantity. This deal resulted from the fact that 2004 had been a year of significant overfishing.	Operational Programme has been updated accordingly.
4.2.17	Concerning measure 4.1, we recommend specifying whether the territory where an action group implements the measures can also be limited to only one rural municipality (e.g. the case of Kihnu).	It is evident from the text that this is not a possibility.
4.2.18	The expert group finds that the funds of axis 3 should provide support for establishing a fish veterinary unit (e.g. at the Institute of Veterinary Medicine and Animal Sciences at the Estonian University of Life Sciences), which would be able to monitor fish farms and control fish diseases possibly threatening natural fish populations.	This is a task of the Veterinary and Food Board. This action is not supported under the EFF.
4.2.20	From the point of view of environmental protection, it is recommended to favour the establishment of so-called closed-cycle fish farms. This would diminish the risks of diseases spreading in fish farms and reaching natural fish populations. It would also make it more difficult for organic waste and chemicals used in aquaculture to reach surface water.	If needed, this requirement will be laid down at measure regulation level and will be taken into account by the Monitoring Committee.
4.2.21	We recommend supporting, under measures of common interest, the introduction of eel into water bodies from which it can migrate to its natural spawning grounds in the Sargasso Sea (Pärnu River being particularly suitable).	This is not an eligible action, except when envisaged in a Community directive or regulation.
4.2.22	The expert group proposes environmentally friendly certifying and labelling of fish and fishery products as one action under axis 3. This ensures consumers that an enterprise is environmentally friendly and adds a market benefit to products (in the future).	While it is not planned to carry this out under the EFF, we dot rule out other future actions contributing to this subject.
5. Expected results and impacts of the Strategy featured in the Operational Programme		
5.2.1	**Recommendations concerning impact indicators** We recommend adding an impact indicator reflecting the status of fishery resources because the status of fishery resources forms the basis for the functioning of the fishing sector. It should be possible to assess, by the end of the programming period, whether	As fishery resources form the basis for the fishing sector, the status of fishery resources is also reflected in the indicators of the fishing sector. We gain information on decreased fishing capacity from implementation indicators

	decreased fishing capacity actually has diminished the pressure on fishery resources.	when implementing the measures, and data on these indicators is collected in addition to the existing impact and result indicators.
5.2.2	We recommend adding an impact indicator corresponding to the objective "Diversifying the socio-economic structure and preserving traditions".	This recommendation will not be taken into account. We do not consider it a good indicator in the current context.
5.2.3	Increased competitiveness constitutes one of the overall objectives. For the fishing sector, this means increase in catches per average fisher or (even better) increase in catch value in first sale prices. We recommend adding a corresponding impact indicator. The catch should be calculated on the basis of catches per full time employment posts. According to the Estonian Marine Institute at the University of Tartu, there are currently ~300 full time employment fisher posts in Estonia.	This recommendation will not be taken into account, as the corresponding statistics is unfortunately deficient and may lead to incorrect conclusions.
5.2.4	**Recommendations concerning axis-based result indicators** One of the result indicators for axis 1 should provide the possibility to assess the results of introducing more selective fishing gear. We recommend adding the corresponding result indicator.	We would like to take this recommendation into account, but unfortunately it is not possible to assess the corresponding result indicator statistically reliably.
5.2.5	We recommend adjusting the second indicator of axis 2 result indicators as follows: "Production volume achieved with aquaculture support".	This recommendation will be taken into account partially, in the form of "maximum post-project production volume …".
5.2.6	We recommend adding production value or turnover as an aquaculture result indicator of axis 2.	Operational Programme has been updated accordingly.
5.2.7	We recommend adding the number of enterprises engaged in aquaculture as an aquaculture result indicator of axis 2; it should be kept in mind here that this number can only include enterprises that exceed the sustainability threshold (e.g. 50 or 100 tonnes). In EU terms, production of less than 100 tonnes is household economy and not even a micro enterprise.	This recommendation will not be taken into account, as we do not consider it a good indicator in this case.
5.2.8	We recommend adding an indicator on environmental sustainability as an aquaculture indicator of axis 2 (e.g. the number of fish farms employing a closed system or using partial water treatment installed with EU support).	The indicator would not serve its purpose. It is likely that most fish farms employ a closed system or partial water treatment.
5.2.9	The expert group finds that axis 3 indicator "Number of supported projects on the protection and development of aquatic fauna and flora" should be elaborated. What exactly are projects on the development of aquatic fauna? The number of projects is a poor indicator, as it does not really indicate much. We can divide one big project into	This recommendation will not be taken into account.

	five smaller ones, but essentially this does not contribute anything. We recommend considering the following indicators: • Rate of quality spawning grounds gained • Percentage of river area open to migratory fish that has been gained as a result of opening up migration routes	
5.2.10	We recommend adding the definition of pilot projects to axis 3 result indicator "Number of pilot projects". As it is now, the contents and objective of the indicator are confusing.	The supported pilot projects must be innovative and have a defined duration and cost. In view of the experimental nature of pilot projects, special requirements have been laid down in the EFF implementing regulation for projects with a cost of more than 1 million euros. Pilot projects may not be of economic nature and the profits gained in the course of the project must be deducted from the support amount. The requirements for pilot projects will be regulated more specifically in the regulation on measure requirements.
5.2.11	We recommend complementing the result indicator "Number of supported promotional campaigns" with an observation that these campaigns are targeted at increasing general fish consumption in Estonia.	This recommendation will not be taken into account. Promotional campaigns do not have to be related to fish consumption in Estonia only.
5.2.12	We recommend complementing axis 3 result indicator "Number of market studies conducted with the help of support" with an observation that these market studies are of general interest (applicants for support are associations).	This recommendation will not be taken into account. Axis 3 accommodates only actions of general interest. We do not feel the need to repeat this.
5.2.13	The expert group does not see the value of axis 4 result indicator "Number of projects submitted under local strategies". All kinds of projects can be submitted. This indicator should certainly reflect projects carried out under local strategies.	Operational Programme has been updated accordingly.
5.3.1	The impact indicator **"Turnover per employee"** should definitely specify that the target level is not perceived in current prices.	Operational Programme has been updated accordingly.
5.3.2	The expert group finds that the 2,000 tonne control level of axis 2 result indicator "Planned production" by the year 2010 is too high. We recommend considering 1,000 tonnes for that control level.	Operational Programme has been updated accordingly.
5.3.3	The expert group finds that the target level of axis 3 indicator "Number of supported projects on the protection and development of aquatic fauna and flora" of 3 projects by the year 2013 is too low. We recommend increasing this target level considerably. We	Operational Programme has been updated accordingly.

	recommend reformulating the indicator as follows: "Number of supported projects aimed at improving the status of fish and crayfish fauna".	
5.3.4	The experts find that the target level of pilot projects under measures of common interest is clearly too low. Their number should be at least 5–6, but as can be expected with pilot projects, the projects should be smaller.	Operational Programme has been updated accordingly.
5.3.5	Concerning the number of fairs visited with the help of support, it should be elaborated that the fairs visited also include fairs that have been visited on several occasions, as there are actually 4–5 main international fairs worth visiting in a year. Visiting fairs at any cost is not rational.	Operational Programme has been updated accordingly.
5.3.6	The expert group finds that the target level the first result indicator of axis 4 "Number of fisheries action groups" of 4 action groups by the year 2013 is clearly underestimated. The description of the measure indicates that it is planned to form a total of 8 action groups; it is thus difficult to understand why the quantitative objective for 7 years is only 50%. It is even more difficult to understand given that almost 25% of support is geared towards axis 4. We definitely recommend revising this indicator.	The target level has been corrected to 5.
6. Appropriateness of implementation systems for achieving the objectives of the Operational Programme		
6.1.1	Chapter 7.1.1 "Managing authority and intermediate body" of the Operational Programme states that the functions of the managing authority are to be partly delegated to the intermediate body – Agricultural Information and Registers Board. This is probably a minor slip and the body in question is actually the Agricultural Registers and Information Board. We recommend correcting this oversight.	Operational Programme has been updated accordingly.
6.1.2	**Is the proposed organisation of monitoring and evaluation efficient, also in view of the experiences from the programming period of 2004–2006** According to Article 20 of Council Regulation (EC) No 1198/2006, the Operational Programme must contain a description of evaluation and monitoring systems. The version of the Operational Programme transmitted to the evaluator briefly describes the composition of the monitoring committee and its main functions. The description of the evaluation system is limited to a reference of an annual evaluation plan. The expert group finds that the description of monitoring and evaluation systems should be more detailed and systematic. The section on monitoring and evaluation should definitely state that the monitoring system, i.e. reporting and functioning of the monitoring committee, is coordinated by the managing authority; the Operational Programme	It must be kept in mind that it is yet early to demand a complete overview of the (interim) results of the period of 2004–2006. As the existing monitoring system has been tried and tested and as it has been set apart as a commendable example among new EU Member States, we will use the same elements in the new monitoring system, where possible. The procedure for gathering and transmitting monitoring information, including the monitoring report form, duties of the intermediate body and the procedure for conducting evaluations will be regulated by a directive of the Minister

	should also describe how the inputs for the report to the Commission are provided and indicate the basic structure of the report. The Operational Programme should indicate which legislative act regulates or is planned to regulate the procedure for gathering and transmitting monitoring information as well as the procedure for conducting evaluations. Articles 49–50 of the regulation lay down the principles for interim and ex post evaluation. The Operational Programme does not provide sufficient information on the system envisaged for conducting these evaluations. The system should include the principles for organising the evaluations (stating who commissions the evaluations, what the objectives are and how evaluation quality is ensured). We recommend clearly outlining which questions each type of evaluation – interim and ex post evaluation – tackles, who organises the evaluations and who carries them out (agency, independent evaluator, etc.) and for what purposes the evaluation results are used. Forming a steering committee for the evaluations might be taken under consideration in order to make sure that evaluations are prepared and evaluation results used in the most useful manner possible for the programme or axis. It is of utmost importance that a large part of monitoring information is gathered already from the applications; this requires defining detailed measure-based monitoring indicators – a detailed monitoring plan – before opening the application rounds. As the Estonian public sector is characterised by considerable flow of staff, the availability of persons initially engaged in implementation may turn out to be problematic, particularly when conducting the ex post evaluation. The expert group finds that it is extremely important to make sure that information extracted from documents and persons is available, when necessary, for monitoring and evaluation purposes. The expert group finds that the description of the monitoring and evaluation system featured in the Operational Programme is currently insufficient. It is therefore not possible to assess the efficiency of these systems on the basis of this document.	of Agriculture. Members of the monitoring committee will be appointed as recommended by the corresponding agencies by a directive of the Minister of Agriculture and on the basis of corresponding letters from the institutions participating in the committee concerning their representatives. Representatives of the European Commission have the right to participate in the monitoring committee as observers. Where possible, we will base the indicators on those employed in the previous programming period in the corresponding fields, as the long-term monitoring of a field's development requires the availability of comparable indicators. When establishing indicators, we will also adhere to the corresponding methodological manual by the European Commission.

ANNEX 8

FISHERIES AREAS AND POPULATION DENSITY

Fisheries areas

Fisheries areas in Estonia can be divided into two: regions situated by the sea and regions situated by inland waters. Fisheries areas situated by the sea can be divided into three: the Väinameri Sea region (including the western part of Saaremaa and Hiiumaa), the Gulf of Riga region and the Gulf of Finland region. Fisheries areas situated by inland waters are the lake Peipsi, Lämmi and Pihkva region and the Lake Võrtsjärv region. In these regions, the share of people engaged in the fisheries sector among the population of rural municipalities is the highest and the number of fishermen in these regions is around 500, except the Lake Võrtsjärv region, where the number of fishermen is ca 70. All these regions are characterised by low population density and decreasing fishing trend. That said, fisheries activities and fishery resources vary by region. In view of the above-mentioned observation, we expect these regions to develop up to eight fisheries action groups.

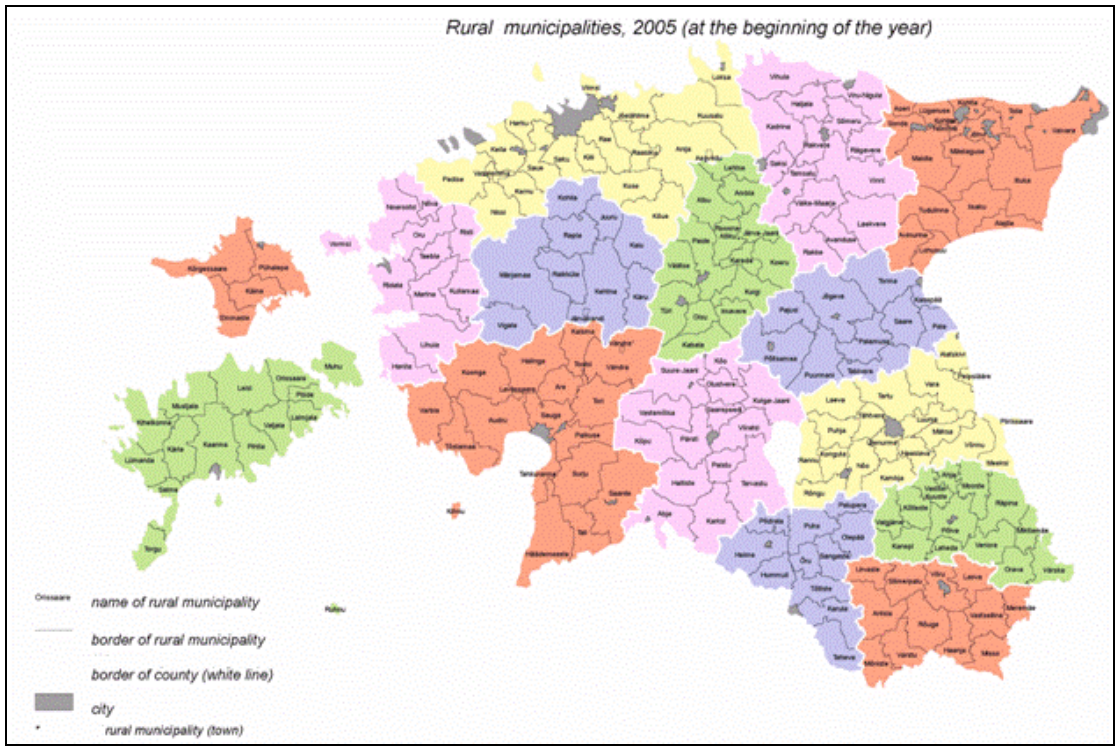
Insufficient experiences in the implementation of LEADER make it difficult to rely on these experiences. Neither are there any other existing solid structures upon which to base fisheries action groups.

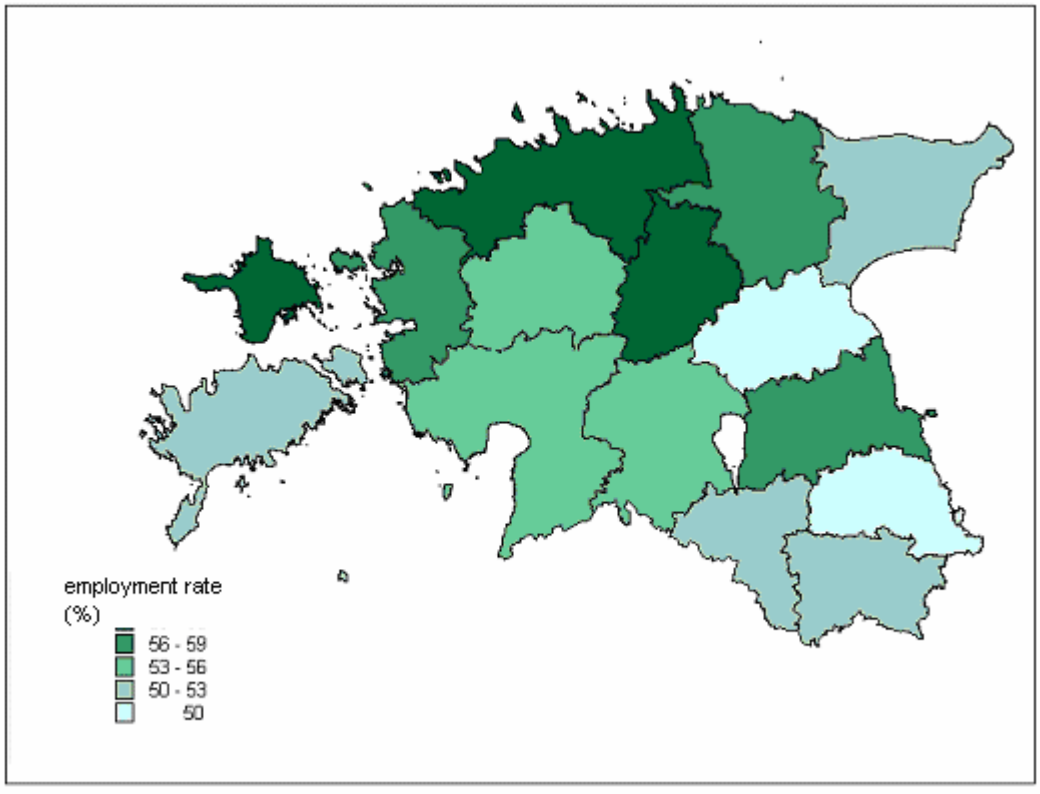
The Ministry of Agriculture determines eight potentially eligible areas that comply with the criteria for selecting fisheries areas and where fisheries action groups can be formed:

1) Hiiumaa – Emmaste, Käina, Kõrgessaare, Pühalepa, Kärdla;
2) Saaremaa – Ruhnu, Muhu, Pöide, Laimjala, Valjala, Pihtla, Kaarma, Salme, Torgu, Kärla, Lümanda, Kihelkonna, Mustjala, Leisi, Orissaare;
3) Pärnumaa – Häädemeeste, Tahkuranna, Paikuse, Audru, Tõstamaa, Varbla, Sindi, Kihnu;
4) Peipus – Värska, Mikitamäe, Meeksi, Võnnu, Mäksa, Piirissaare, Vara, Peipsiääre, Alatskivi, Pala, Kasepää, Tabivere, Saare, Palamuse, Lohusuu, Tudulinna, Iisaku, Alajõe, Mustvee, Kallaste, Räpina;
5) Gulf of Finland 1. – Padise, Keila, Paldiski, Harku, Viimsi, Jõelähtme, Kuusalu, Loksa;
6) Gulf of Finland 2. – Vihula, Viru-Nigula, Aseri, Lüganuse, Kohtla, Toila, Vaivara, Narva-Jõesuu, Kunda;
7) Läänemaa – Hanila, Lihula, Martna, Ridala, Vormsi, Oru, Noarootsi, Nõva;
8) Võrtsjärve – Põdrala, Puka, Rõngu, Rannu, Puhja, Laeva, Kolga-Jaani, Viiratsi, Tarvastu.

Population density

According to the data provided by the Statistical Office, as of 1 January 2007, there were 447 663 residents in rural municipalities (33.3% of Estonian population). The average population density of rural municipalities was 10.6 inhabitants/km². In addition, in case of axis 4 “Sustainable development of fisheries areas”, small cities with a certain size of population (up to 4 500) have been considered to be rural areas.





The low employment rate in regions reflects the existence of "free" labour resource (i.e. resource not involved in economic development) and causes regional disparities in welfare (living standard).

ANNEX 9

INFORMATION AND PUBLICITY ACTION PLAN

1. Webpage

The EFF webpage is located at www.agri.ee/ekf.

The webpage features updated news, press releases, relevant legislation and contact information, dates for submitting applications, information on seminars and information days, relevant statistics, overviews of programme progress, etc.

While the webpage is primarily targeted for potential applicants, it must provide an overview of EFF support and support objectives to the public. The webpage displays all the information on opportunities to apply for support and the general application procedure. In addition, it features an overview of the procedure for processing applications and elaborating measures.

The webpage has a separate section with information on beneficiaries. The published information includes the applicant's name, home county, eligible expenditure/investments and the support amount. It is also possible to feature examples of successful projects on the webpage.

The webpage also constitutes an important channel for feedback. Users can easily ask questions and raise issues subsequently answered by officials of the managing authority or the intermediate body.

It is also possible to use the webpage for signing up for a newsletter that delivers the latest news and information to all who have registered. The webpage is constantly updated in order to ensure topicality of the featured information.

The Ministry of Agriculture is responsible for maintaining the webpage and for posting information. The intermediate body is responsible for the topicality, accuracy and relevance of information posted on its webpage.

2. Information through media

The managing authority and the intermediate body make sure that support given under the Operational Programme is provided sufficient media coverage (in printed and electronic media). Where necessary, the intermediate body issues separate information leaflets distributed in printed and electronic media.

Both the managing authority and the intermediate body are responsible for providing prompt, accurate and adequate responses to media queries.

3. Publications and informative materials

Both the managing authority and the intermediate body issue publications, informative and instructional materials, assisting potential applicants with applying for support and compiling application documents.

Informative materials are also issued during the programming period, introducing the projects that have been carried out. Publications, informative and instructional materials contain information on measures, requirements and criteria for applicants, procurement and application procedure, assessment criteria, application forms, etc. Publications are made available also in electronic form.

4. Seminars and information events

Both the managing authority and the intermediate body organise seminars and information events for informing target groups. The main focus of information events and training targeted for potential applicants and advisers is on providing information concerning measures and the application procedure.

6. Annual reports

Every year, the Ministry of Agriculture draws up a monitoring report of the previous financial year, containing financial and result indicators. The progress of the Operational Programme and related information actions are also reflected in the Ministry's annual report.

7. Logo of European Fisheries Fund support

When preparing for implementing the EFF, a logo of EFF support and the corresponding instruction manual (style guide) were elaborated. The style guide was drawn up on the basis of Commission Regulation (EC) No 498/2007. Information concerning the logo and its usage is available on the EFF webpage.

The information and publicity requirements obligatory for beneficiaries are provided for in a relevant regulation of the Minister of Agriculture, which is drawn up taking into account the requirements contained in Commission Regulation (EC) No 498/2007

8. Implementation

Information-related functions are shared in the Ministry of Agriculture by the Public Relations Department and the Fishery Economics Department.

The Public Relations Department is in charge of regular communication and media relations. Its task is to give overviews of information work in monitoring committees and to add to and update the EFF webpage.

The Fishery Economics Department is in charge of cooperation with social partners in elaborating support measures and of information work in the form of organising seminars and informative events.

In addition, the intermediate body is also in charge of information work within the limits of its functions.

9. Reporting and evaluation

The Public Relations Department of the Ministry of Agriculture is in charge of reporting on and evaluating information work. Once a year, the monitoring committee

is presented a report on the main information actions carried out. The main information actions are also discussed in the Operational Programme's annual report.

Information work is evaluated on the basis of the following measures/criteria:

- media monitoring: observing how the authorities engaged in implementing the Operational Programme reflect the corresponding subjects and main events in the media;
- webpage: analysis of the popularity and content of the webpage;
- informative events: number of seminar participants and analysis of feedback received from them;
- publications: analysis of the usage and feedback of issued publications;
- increased awareness of beneficiaries: analysis of the number and quality of support applications;
- public opinion polls;
- attainment of objectives set for the implementation of support.