

**The European Union's IPA 2008 Programme
for the Republic of Croatia**

**Ex-ante evaluation of programming
documents and strengthening evaluation
capacity for EU funds post-accession**

(EUROPEAID/130401/D/SER/HR)

EFF OP FISHERIES 2007-2013

Ex-Ante Evaluation Report

Croatia

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LIST OF ABBREVIATIONS

AA	Audit Authority
AP	Accession Partnership
ARPA	Agency for the Audit of the European Union Programmes
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CBS	Central Bureau of Statistics
CFCA	Central Financing and Contracting Agency for EU Programmes and Projects
CFP	Common Fisheries Policy
CODEF	Central Office for Development Strategy and Coordination of EU Funds
DG	Directorate-General
EC	The European Commission
EFF	European Fisheries Fund
EPOP	Environmental Protection Operational Programme (IPA)
ERDF	European Regional Development Fund
EU	European Union
EUROSTAT	Statistical Office of the European Communities
EWG	Evaluation Working Group
FB	Final Beneficiary
GDP	Gross Domestic Product
GFCM	General Fisheries Commission for the Mediterranean
GoRC	Government of Republic of Croatia
HRD OP	Human Resources Development Operational Programme
IB	Intermediate Body
IPA	Instrument for Pre-Accession Assistance
IPARD	IPA Rural Development Programme
ISPA	Instrument for Structural Policies for Pre-accession
KE	Key Expert
MA	Managing Authority
MC	Monitoring Committee
MoA	Ministry of Agriculture
MoE	Ministry of Economy
MENP	Ministry of Environmental and Nature Protection
MFEA	Ministry of Foreign and European Affairs
MFIN	Ministry of Finance
MINAGRI	Ministry of Agriculture
MIS	Monitoring Information System
MoC	Ministry of Culture
MRDEUF	Ministry of Regional Development and EU Funds
NAO	National Authorising Officer
NGO	Non-Governmental Organisation
NIPAC	National IPA Coordinator
NKE	Non-Key Expert
NPIEU	National Programme for the Integration of the Republic of Croatia into the European Union
NSP	National Strategic Plan for Development of Fisheries



NSRF	National Strategic Reference Framework
OP	Operational Programme
OPE	Operational Programme Environment
PA	Priority Axis
PAAFRD	Paying Agency in Agriculture, Fisheries and Rural Development
PD	Project Director
PIU	Project Implementation Unit
PSC	Project Steering Committee
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Strategic Environmental Assessment
SF	Structural Funds
SWOT	Strengths – Weaknesses – Opportunities – Threats
TAT	Technical Assistance Team
TP	Technical Proposal
TOP	Transport Operational Programme
UNDP	United Nations Development Programme



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PROJECT SYNOPSIS

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1. EXECUTIVE SUMMARY

The Ex-ante Evaluation Report for Operational Programme for Fisheries of the Republic of Croatia for the programming period 2007-2013 is one of the outputs of the Project EuropeAid/130401/D/SER/HR. The overall objective of this Project is to contribute to the effective implementation and management of EU funds in Croatia, in line with the EU requirements.

The aim of this Report is to account for ex-ante evaluation activities undertaken for the purpose of programming EU assistance, in line with the regulatory framework of the EU Funds for the period 2007-2013, in particular with the Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund.

Following the approach outlined within the methodological working paper on ex-ante evaluation for the European Fisheries Fund¹, the Evaluation Report aims at answering the following questions:

- *To what extent does the Operational programme represent an appropriate strategy to meet the challenges confronting the Member State for its fisheries sector?*
- *To what extent is the strategy well defined with clear objectives and priorities. What will be the results and impact of the strategy in quantified terms? Are they sustainable?*
- *To what extent are the implementation systems appropriate to deliver the objectives of the Operational programme?*
- *To what extent are operational programs cost effective?*
- *To what extent there is capacity for implementing the Operational program?*
- *To what extent can those objectives be realistically achieved with the financial resources allocated to the different priorities?*
- *To what extent is the strategy coherent with policies at regional, national (including the National Strategic Plan) and Community level? How will the strategy contribute to the achievement of the Common Fisheries Policy objectives?*
- *Are appropriate indicators identified for the objectives and can these indicators and their targets form the basis for future monitoring and evaluation of performance?*
- *What will be the results and impact of the strategy in quantified terms?*
- *To what extent are the implementation systems appropriate to deliver the objectives of the Operational programme?*

While performing the evaluation, the questions above were used as departing points for discussion during the interviews with stakeholders as well as served as reference for review of relevant documents and further analyses. The findings and conclusions of the Ex-Ante Evaluation are presented in a structure allowing for the concise response to these broad questions.

¹ European Commission, Directorate-General for Fisheries and Maritime Affairs: Methodological Working Papers for the new Programming period, 2007-2013, Working Paper on Ex Ante Evaluation for the European Fisheries Fund. DOC/EFFC/7/2007.



The evaluation activities have been carried out in accordance with the Terms of Reference and other provisions of the Project. Evaluation took place between January 21st 2013 and March 8th 2013. The main reference document of the evaluation was the “OPERATIONAL PROGRAMME FOR FISHERIES OF THE REPUBLIC OF CROATIA FOR PROGRAMMING PERIOD 2007-2013”, Draft working document, as of JANUARY 2013”.

The following methodology informed the development of this Ex-Ante Evaluation Report:

- Desk-based review of background literature, Programme texts, other documentation, including policy documents (Appendix C outlines the main documents reviewed);
- Data analysis of Programme performance indicators, along with wider socioeconomic data;
- Strategic consultations with each of the key stakeholders. Consultations were undertaken with officials from the Ministry of Agriculture – Directorate of Fisheries, Ministry of Regional Development and EU Funds, and representatives of other stakeholder groups, including the potential beneficiaries of the OP (Appendix B identifies the participants in these consultations);

The presentation of the OP, as a document indicates clearly its draft status where some sections are not yet fully elaborated. It is especially valid for the section indicating the financial allocation among the proposed priority axes that is partially missing. The status of the Programme clearly depends on the process of completion of the National Strategic Plan and associated technical documents, which produce the necessary inputs for the finalization of the OP. Similarly, completion of the SEA and the related consultation process are still ahead.

In general, room for manoeuvre in terms of choices at both strategic and operational level remained fairly limited for the programming team. Due to the shortened implementation period that remains for the 2007-2013, EFF policy framework after the expected accession of Croatia July 1 2013, and the untested management institutions, the strategy adopted by the OP Fisheries focuses on interventions that can be complementary with the ones that had been already implemented under the IPA programming framework, and in this way contribute to enlarge the portfolio of measures necessary for achieving objectives specified in the National Strategic Plan for the Fisheries sector. In addition, the relatively small total allocation from the EFF (8 700 000 EUR) constitutes another limiting factor for the Programme Strategy.

As a backdrop to the evaluation, a brief analysis of the existing Fisheries-relevant socio-economic environment and its implication for the sustainability of the exploitation of natural resources was conducted. Analysis shows that despite the existence of extensive monitoring and scientific capacity, the complexity of the issue poses difficulties to establish clear links between the fishing effort and state of the fish stocks. The character of Croatian marine fisheries (and in broader sense Adriatic) is typical for use of multi-purpose vessels and frequent changing of fishing gears targeting broad range of species, which make monitoring and management of the sector qualitatively different from situation under the quota system prevailing in Atlantic type of fishing.

The **main findings** are the following:



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Rationale & Consistency of Intervention Logic

The OP Fisheries 2007-2013 features interventions funded through public expenditures which are aimed at narrow set of issues of key relevance for the Croatian Fisheries sector and that have capacity to contribute to the general strategic objective for the Fisheries sector defined by the NSP as “To achieve a competitive, modern and dynamic fisheries and aquaculture sector through a sustainable exploitation of resources.”

The basic rationale behind the selection of a limited set of Priorities and measures has two interconnected dimensions: First, the intervention logic reflects the limitations in terms of timespan of the OP (new EFF OP will be prepared for programming period 2014-2020), and limited volume of resources allocated for the OP vis-à-vis long term needs and absorption capacities of the sector.

Second, the existence of interventions addressing certain needs of the Fisheries sector under the IPARD (2007-2013) allows for a concentration of the limited resources of the EFF OP (2007-2013) on the interventions not eligible for funding from the IPA. The applied intervention logic thus enhances the complementary role of different instruments of EU assistance, while developing full-fledged structure for public support of the Fisheries sector conform to the EU acquis. The OP Fisheries 2007-2013 thus can be understood as a Programme facilitating transition towards the new EFF OP 2014-2020, which is expected to feature a wider array of interventions eligible for funding from the EFF according to the country’s needs defined in the Partnership agreement.

While focusing on limited set of relatively standard EFF measures, the adopted Strategy also minimizes the risks of de-commitment.

Strategy’s External Coherence with other Policies

The key strategic document and reference point for the preparation of the OP Fisheries 2007-2013 is the National Strategic Plan for Development of Fisheries in Republic of Croatia (NSP) developed in accordance with the provisions of Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund (EFF), and after consultations with sector stakeholders.

The NSP defines the priorities to be jointly financed through EU and national resources in line with overarching EU and national objectives and guidelines. At the time being there is only a NSP draft available, as the consultations with the Commission Services and approval process is still pending. The OP Fisheries adopts three out of four objectives outlined in the NSP, thus demonstrably ensuring the coherence of the OP Strategy with the NSP. These objectives are transformed into measures assigned to the three OP Priority Axes conforming with the three out of five Priority Axes outlined by the EC Basic Regulation. The rationale guiding the choice of objectives and corresponding priorities of the NSP for implementation through the EFF OP 2007-2013 is dictated by the limitations imposed on Programme by its restricted time-span and the relatively small financial allocation.

The consistency of the OP Strategy with the EU CFP is ensured through the mechanism of development the NSP and subsequently OP in accordance with the EFF Regulation, which constitutes the most important financial mechanism for implementation of the CFP. The OP Fisheries apparently adopts only a limited array of standard measures that are routinely implemented across EU member states. Thus, the risks of conflict between the OP Strategy and EU Policies are negligible.



For the OP Fisheries a Strategic Environmental Assessment (SEA) is applicable as a standard environmental policy safeguard. As of March 2013, the process according to the national legislation is in its early stage, performing its Scoping phase. Considering the time- and resource- intensity of typical SEA for an EFF OP, it is likely scenario, that the SEA for the OP Fisheries 2007-2013 will not be completed before the Croatia accession date, when the OP Fisheries is expected to come into effect. The ex-ante evaluators recommend carrying out consultations with the national SEA-responsible authority in order to facilitate adoption of SEA Scoping Decision that reflects the likely magnitude of potential environmental impacts of Programme interventions. The SEA should focus namely on Measure 2.1 supporting the development of the aquaculture, where the individual investment projects can have potential of significant local environmental impacts. The SEA should propose environmental criteria that could be included in the OP implementation mechanism for the selection of the supported aquaculture projects.

Adequacy of System of Indicators

The OP Fisheries introduces a system of indicators described in Chapter 4.2, structured in two hierarchical levels. There are three impact indicators suggested to measure the achievement of the Programme strategic objective and a mixed set of output and result indicators at the level of individual Measures. The effectiveness of the proposed strategy level impact indicator focusing on the sustainability of natural resources is problematic. It is however debatable, to what extent is effective in the context of the current OP Strategy to insist on implementing impact indicator monitoring the effects of the fishing capacity adjustment effort measures on the actual state of the resources (fish stocks). In standard circumstances, such an indicator is a necessary tool for monitoring the efficiency and effectiveness of the implemented Measures, and as such shall be considered as crucial part of any EFF Programme monitoring. However, the impact of the OP Fisheries 2007-2013, with its limited funding and implementation period, will probably not be detectable when monitoring the actual condition of the exploited resources. Thus, invoking the Principle of Proportionality as referred to in Article 9 of the EFF Basic Regulation (and further), the Ex-ante evaluators do not recommend to include a full-fledged impact indicator corresponding with the Programme objective of achievement of a sustainable balance between fishing capacity and available resources, if such an indicator is not currently available. Instead, a complementary indicator monitoring the evolution of the profitability of the fishing fleet should be considered.

Main Findings with regard to Expected Outcomes & Impact

At this stage of Programme preparation without the knowledge of exact distribution of allocated funds among the priority axes and individual measures, it is difficult to estimate Programme outcomes and impacts on quantitative basis. Nevertheless, knowing the total volume of the financial aid distributed to the final beneficiaries and character of the planned Measures allows for certain judgements.

It is necessary to recognize, that the limited financial scale of the Program (11 600 000 EUR, including 8 700 000 from EFF and 2 900 000 of the national contribution) cannot deliver fundamental progress towards the achieving the main strategic objectives outlined by the NSP in the Croatian Fisheries sector as far as its main characteristics in terms of economic performance, technological composition, employment, or sustainability of exploitation of resources. The proposed interventions should be rather understood as



indicative and the initial phase of policies that in the future programming period will need substantive higher concentration of resources in order to achieve strategic goals formulated by the NSP.

The OP Fisheries will have impacts in the field of capacity building of both Management structures and beneficiaries. Thus the main, reasonably expected impact of the implementation of OP Fisheries 2007–2013 is positive development in terms of capacity building for efficient drawing of presumably much higher EFF allocation in 2014–2020 period.

Programme Governance, Management and Systems

The main elements of the Management and control system for implementation of the OP are set up in line with provisions of Articles 57 to 61 of the EFF Regulation. The relatively limited scale of the interventions envisaged by the OP Fisheries 2007-2013 together with the fact that there has been already accumulated certain experience with management of similar Measures thanks to the implementation of Structural Measures in fisheries sector within the last four years, allows for very simple implementation architecture for the OP Fisheries (in comparison with some of the SF Operational Programmes) with most of the executive functions delegated to only one Intermediate Body (IB). The role of IB is entrusted in accordance with the possibility given by the Article 58(2) of the EFF Regulation and in line with article 38 (1) of the Implementing Regulation, to the Paying Agency in Agriculture, Fisheries and Rural Development (PAAFRD).

The crucial role of Managing Authority lies on the Sector for Programming Structural Measures and Organisation of Market in Fisheries within the Directorate of Fisheries. It needs to be acknowledged that the personnel capacity of the MA is currently considered not adequate and far from satisfactory. Effectively, only four permanent staff (including the heads both of the Sector and of department) carry the burden of coordination of the preparation of the Operational Programme, in addition to their other agenda (e.g. State Aid). This seems to be inadequate, even when considering the fact that main implementation and control functions will be performed by the Intermediate Body. Reinforcement of the Managing Authority both in terms of personnel and resources for further development of the staff expert capacities (i.e. trainings) is highly recommended. The capacities of PAAFRD to perform functions of the Intermediate Body are on the other hand considered satisfactory by all consulted stakeholders.

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

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



limited timespan of the Programme, it is another factor influencing the character of the OP, which clearly cannot have ambitions to systematically address all pressing problems identified by NSP and introduce wide variety of measures eligible for funding from EFF.

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

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

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

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



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

On the basis of the above conclusions, the Evaluation Team proposes the following **recommendations**:

- In order to avoid risk of further delay in OP Fisheries preparation, a concentrated effort is necessary in order to effectively complete adoption of the NSP and Management plans and translation of their conclusion to the final draft of the OP. The responsible Managing Authority should be given full political support particularly in terms of staff and technical assistance to be able to ensure timely finalization of all relevant documents in line with the EC requirements.
- The analytical section dedicated to the marine commercial fishing would benefit from introducing more focused description of recent trends in economic performance of individual fleet segments (levels of profitability) especially in the light of the statistical trend indicating the fleet increase from 2 729 vessels to 4 136 vessels in the last 10 years. The very fact of recorded increase in numbers of commercial fishing vessels should also be discussed. The analysis should be clear as to what extent the observed trend is a result of changes in the system of ship registration (as suggested by some interviewed stakeholders during the ex-ante evaluation), or can be attributed to other factors.
- The analysis should also provide clear indication of the status of fishing stocks and highlight segments at risk from overexploitation. The current formulations are somewhat vague in this respect. It is recommended to introduce main conclusions from the analyses conducted in the process of preparations of the Management Plans in line with Mediterranean Regulation.
- In the section on freshwater aquaculture, the more detailed description of support of aqua-environmental measures existing under the current state aid scheme and information on its scale of application would contribute to the quality of the analysis as a baseline for justification of OP interventions.
- Presentation of employment and other socio-economic data should be given more prominent position in the baseline analysis structure – It would be beneficial to introduce, in addition to total employment figures for the fisheries sector, also estimations of employment in individual segments (e.g. different fishing gears, size of vessels, aquaculture types) with indication of trends (decreasing, increasing). The improved baseline analysis should be able to inform the decision on design of particular measures of the OP so that the management and monitoring structures were in the future able to detect currently unforeseen social impacts (e.g. to address risks of loss of employment in disadvantaged coastal and island communities as a side-effect of fleet adjustment measures).



- Consider revising the SWOT analysis in order to clearly distinguish between internal and external factors and explain links between the SWOT presented in the OP and the one of NSP.
- In order to minimize risk of delay associated with performing Strategic Environmental Assessment of the Programme, it is recommended to undertake consultations with the national SEA-responsible authority in order to facilitate adoption of SEA Scoping Decision that reflects the likely magnitude of potential environmental impacts of Programme interventions. In opinion of the ex-ante evaluator, the SEA should focus namely on the OP Measure 2.1 supporting the development of the aquaculture, where the individual investment projects can have potential of significant local environmental impacts. Note, that only development of already existing facilities is planned under the current OP. The SEA should also propose environmental criteria that could be included in the OP implementation mechanism for the selection of the supported aquaculture projects. On the other hand, extensive baseline analysis and assessment effort spend on evaluation of other Programme segments should be minimized in line with the Proportionality principle.
- Revision of indicator system is necessary
 - Review and revision of impact indicators to measure the achievement of the Programme strategic objective is required. The Indicator *Adjustment of the fishing capacity as a contribution to the sustainability of the sector (percentage of economically important resources in good conditions)* does not relate to the effects of the fleet reduction on the state of the resources. In standard circumstances, such an indicator is necessary tool for monitoring the efficiency and effectiveness of the implemented Measures, and as such shall be considered as crucial part of any EFF Programme monitoring. However, the impact of the OP Fisheries 2007-2013, with its limited implementation period (as well as funding), will probably not be detectable when monitoring actual condition of the exploited resources. Thus, invoking the Principle of Proportionality, the Ex-ante evaluators do not recommend including full-fledged impact indicator corresponding with the Programme objective of achievement of a sustainable balance between fishing capacity and available resources, if such indicator is not currently available. Instead, a complementary indicator monitoring the evolution of the profitability of the fishing fleet should be considered. In any case, the text OP should provide justification for not including a true impact indicator measuring the effects of the OP interventions on the sustainability of marine stocks.
 - The impact indicator proposed for monitoring the competitiveness of the aquaculture sector should take in consideration both the production and value added components of the economic performance of the sector.
 - Typology of all indicators needs to be specified (output, result, and impact).
 - Wherever possible the indicators should specify a measurement unit, initial and target values, source of verification, and also indication of review frequency.
- Further capacity building in terms of staffing and skills enhancement is recommended for both the



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Managing Authority in particular, and the staff of the regional offices of the Intermediate Body (PAAFRD).



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2. INTRODUCTION

“The purpose of ex-ante evaluations is to optimise the disbursement of resources according to the Operational Programmes and to improve the quality of programming. The evaluation establishes and assesses the medium and long-term requirements, the objectives to be achieved, the anticipated results, the measured objectives if a compliance of the proposed strategy is necessary for the region, the Community value-added, the extent of abiding by the priorities of the Community, the new knowledge gained from the previous programming and the quality of the implementation, monitoring, evaluation and financial management”²

Based on the requirements of the Financing Agreement for the Operational Programme Fisheries 2007 – 2013 (OP Fisheries), the Contracting Authority (Central Financing & Contracting Agency - CFCA) launched the Ex-Ante Evaluation of the OP as part of Project EuropeAid/130401/D/SER/HR, seeking to provide independent analysis of the programming document and to formulate recommendations for adjustments in order to ensure good Programme performance and optimise the impact of EU Funds absorption and management.

The **overall objective** of this Project is to contribute to the effective implementation and management of EU Cohesion Policy funds (as well as Common Fisheries Policy) in Croatia, in line with the EU requirements.

The **purpose** of this Project is to undertake evaluation activities for the purpose of programming EU assistance, in line with Council Regulations No. 1083/2006, 1698/2005, 74/2009 and 1198/2006, and to establish capacity for evaluation of EU co-funded Programmes on Croatia’s EU accession.

The Ex-Ante Evaluation is compulsory for every OP according to the regulatory framework for the period 2007-2013. This Report satisfies this requirement and has been prepared as an output under Component I of the Project.

In particular, Component I delivers ex-ante evaluations of NSRF and related Cohesion Policy OP’s and programming documents under the EU Fisheries Policy and Rural Development Policy, by performing as follows:

1. Ex Ante Evaluation of the SF Operational Programme Transport 2007-2013;
2. Ex Ante Evaluation of the SF Operational Programme Environment 2007-2013;
3. Ex Ante Evaluation of the SF Regional Competitiveness Operational Programme 2007-2013;
4. Ex Ante Evaluation of the ESF Operational Programme Human Resources Development 2007-2013.
5. Ex Ante Evaluation of the SF Operational Programme Fisheries 2007-2013.

² Council Regulation (EC) on the general provisions on the European Fund for Regional Development, the European Social Fund and the Cohesion Fund (Article 47).



Thus, the scope of the particular Report covers the support provided by the Project to the MRDEUF through the prospective appraisal of the Operational Programme Fisheries 2007-2013, aiming to optimise the allocation of budgetary resources under the OP and improve programming quality.

Implementation of evaluation activities have been carried out in accordance with the timing and other arrangements set out by the Terms of Reference and the provisions of the approved Inception Report of the Project. Evaluation took place between 21 January 2013 and 8 March 2013. Current report has been drafted by Michal Musil, as a non-key expert employed by the Contractor, supervised by the Team Leader and Key Expert, responsible for Component I., Dr. Anthony Mousios.

The main text of this Report contains six Chapters, including the Executive Summary. In particular, the subsequent Chapters of this Report are structured as follows:

- in Chapter 3 we elaborate on the applied Evaluation methodology.
- in Chapter 4 we outline the objectives of the OP Fisheries, describing the organisation and structure of the OP around the Priority Axes and the Measures.
- in Chapter 5 we assess the foundation of Programme strategy and appraise the coherence between identified needs, Priority Axes, activities and allocation of financial resources, assess the relevance of the system of indicators, analyse expected outcomes and impacts and review the quality of management structures, implementation procedures and monitoring arrangements foreseen for the OP.
- in Chapter 6 we present our conclusions and recommendations.



3 METHODOLOGICAL PROCESS & CONTENT OF EX-ANTE EVALUATION

3.1. OBJECTIVES & SCOPE OF THE EVALUATION

According to the methodological working paper³ that focuses on the content and organisation of Ex-Ante Evaluation of Operational Programmes for the European Fisheries Fund for the 2007-2013 programming period the Evaluation should answer the following questions:

- *To what extent does the Operational programme represent an appropriate strategy to meet the challenges confronting the Member State for its fisheries sector?*
- *To what extent is the strategy well defined with clear objectives and priorities. What will be the results and impact of the strategy in quantified terms? Are they sustainable?*
- *To what extent are the implementation systems appropriate to deliver the objectives of the Operational programme?*
- *To what extent are operational programs cost effective?*
- *To what extent there is capacity for implementing the Operational program?*
- *To what extent can those objectives be realistically achieved with the financial resources allocated to the different priorities?*
- *To what extent is the strategy coherent with policies at regional, national (including the National Strategic Plan) and Community level? How will the strategy contribute to the achievement of the Common Fisheries Policy objectives?*
- *Are appropriate indicators identified for the objectives and can these indicators and their targets form the basis for future monitoring and evaluation of performance?*
- *What will be the results and impact of the strategy in quantified terms?*
- *To what extent are the implementation systems appropriate to deliver the objectives of the Operational programme?*

The conclusions of the Ex-Ante Evaluation must provide a response to these broad questions.

Within this context, however, those responsible for drawing up Programmes are encouraged to develop specific evaluation questions to be answered in relation to the national, regional or sectoral strategies to be evaluated. As such this Project's Terms of Reference reflect the status of the Report as an Ex-Ante Evaluation of the OP Fisheries. It sets out the following core analytical tasks which must be performed as part of the Evaluation, forming the basis of the evaluation approach and method that we adopted:

1. Analysis of existing administrative capacity, in the bodies designated for the management of the OP.
2. Appraisal of the socio-economic analysis in terms of strengths and weaknesses, and the relevance of the resulting needs assessment.

³ European Commission, Directorate-General for Fisheries and Maritime Affairs: Methodological Working Papers for the new Programming period, 2007-2013, Working Paper on Ex Ante Evaluation for the European Fisheries Fund. DOC/EFFC/7/2007.



3. Appraisal of consistency of the strategy and of the rationale behind the Priority Axes and their operations.
4. Identification of relevant indicators in order to appraise the potential impact of Programme strategy on the achievement of the objectives.
5. Analysis of the expected impacts and of the allocation of financial resources.
6. Assessment of the quality and appropriateness of the programme management structures and monitoring arrangements foreseen for the OP.

3.2. EVALUATION PROCESS

The Ex-Ante Evaluation of the OP Fisheries 2007-2013 is performed before Programme implementation which starts after Croatia's EU accession on July 1st, 2013. In accordance with the provisions of the COUNCIL REGULATION (EC) No 1198/2006 (Article 55 (1)), the eligibility period for EFF contribution lasts till December 31st 2015, thus effectively extending the duration of the OP beyond the end of 2013 (in contrast to other Cohesion Policy OP's). The Evaluation's objectives are to assess whether planned interventions are consistent with regard to identified needs (of the particular sector and its beneficiaries), as well as coherent with reference to planned aims and the ways these will be implemented. It also includes the assessment of context, the identification of potential difficulties, as well as the diagnosis of target group needs and expectations, taking into account the programming and implementation experiences gained and lessons learnt from other interventions in the Fisheries sector implemented in the pre- EU accession period (note however, that unlike other Cohesion Policy OP's in Croatia, the OP Fisheries 2007-2013 did not have its counterpart under the IPA). It is noted that particularly in OP Ex-Ante Evaluation, the issues of consistency, policy complementarity, and relevance in strategy development, prospective Programme implementation efficiency and prior assessment of impact on gender, minority and environment are emphasized.

Usually, the Ex-Ante Evaluation is elaborated in parallel with the respective OP, involving the sequential provision of interim appraisals and recommendations per OP's section by the Evaluator to those who are responsible for the preparation and elaboration of the programming document. In this case however, the significant delay in the process of OP Fisheries preparation and parallel effort of the responsible Managing Authority to complete the National Strategic Plan for the Fisheries sector and associated analyses (that were supposed to precede the OP preparation process) to an extent limited the cooperation between the Ex-Ante Evaluator and the management/programming team. However, the Ex-Ante Evaluator was able to express his concerns, opinions and recommendations during the frequent consultative meetings with the staff of the responsible Managing Authority.

In essence, the Evaluation has examined each of the Priority Axis and Measures in the OP Fisheries Draft version January 2013, in terms of the evaluation questions specified above. The Evaluation activity has been designed to prospectively justify the proposed Priority Axes, assess their efficiency and the likely impact of the OP Fisheries in the beneficiary country. The Evaluation activity also provided an opportunity to:

- Assess the extent to which the Programme is achieving alignment between the CFP Framework and domestic (national) policy priorities, in particular those specified by the National Strategic Plan for Development of Fisheries (NSP)



- Utilise any lessons learnt and opportunities for improvement to inform future provision of Common Fisheries Policy in Croatia
- Assess Programme sustainability

Further, the Terms of Reference note that conclusions and recommendations must be underpinned by the analysis and findings of the Evaluation. This is a particular challenge for the OP Fisheries given the number and range of stakeholders and beneficiaries involved in the Programme, coupled with the number of evaluation issues raised by the Terms of Reference. To ensure that we achieved this requirement we adopted the following approach:

- we took the analytical tasks as set out in the Terms of Reference as the key Ex-Ante Evaluation issues;
- we translated the tasks in the Terms of Reference into evaluation criteria, against which the OP and its contents were systematically assessed;
- we fine-tuned the criteria as a series of relatively standardised Questions to be asked about each individual Measure;
- we utilised the work programme to systematically provide the basis of an assessment in relation to each criterion.

The evaluation process has had four stages: planning and structuring; obtaining data; analysing information; and evaluative judgement. During the four stages, the following methods and techniques have been used (for more details see Appendix A. Key Analysis Instruments):

- Use of secondary source data;
- Stakeholder consultation;
- Logic models.

The following methodology informed the development of this Ex-Ante Evaluation Report:

- Desk-based review of background literature, Programme texts, other documentation, including policy documents (Appendix C outlines the main documents reviewed);
- Data analysis of Programme performance indicators, along with wider socioeconomic data;
- Strategic consultations with the key stakeholders. Consultations were undertaken with officials from the Ministry of Agriculture – Directorate of Fisheries, Ministry of Regional Development and EU Funds, with the consultants engaged in the Programming and preparation of the Implementation structures, as well as with representatives of potential beneficiaries (Appendix B identifies the participants in these consultations);

In closing, the Ex-Ante Evaluation was to a large extent based on information and opinions provided by the interviewed stakeholders. Its quality depends also on the scope and reliability of Programme data. All significant findings have been double checked and verified by consulting secondary data and by additional interviews. At the end it can be stated that all consulted stakeholders had an open and positive approach towards the evaluation. The reliability of findings is underlined also by the fact that there have been no essential discrepancies identified between the views and statements of the stakeholders.



4 PROGRAMME DESCRIPTION & AND VALUE ADDED OF THE EX-ANTE EVALUATION

1.1 CONTEXT & BACKGROUND OF THE OPERATIONAL PROGRAMME

Croatia applied to become an EU Member State in March 2003 and in June 2004 officially received a candidate country status. The EU accession negotiations with Croatia started in October 2005. On 30 June 2011, the negotiation process between the EU and Croatia was concluded and the Croatian accession to the EU is foreseen for 1 July 2013.

The country started building its own institutional system for the receipt of EU funds at the beginning of 2001. The system has been evolving over time, in line with EC requirements for the management of different programmes open to Croatia – CARDS in the period 2001-2004 and of pre-accession programmes (Phare, ISPA, SAPARD) in the period 2005-2006.

Since 2007, the single integrated 'Instrument for Pre-Accession Assistance' (IPA) provides assistance to building institutional capacity for efficient implementation of the acquis and prepares for the management of Cohesion and Agricultural Policy instruments. For the use of components III and IV of IPA instrument, Croatia has prepared the Strategic Coherence Framework document ("mini" National Strategic Reference Framework) and four Operational Programmes (OP Regional Development, OP Transport, OP Environment Protection and OP Human Resources Development). As a consequence of the adopted arrangement, there was not prepared specific Operational Programme for the fisheries sector under the IPA that could serve as a direct predecessor of the EFF OP Fisheries 2007-2013. Nevertheless, certain measures addressing some of the needs of the fisheries sector (notably investments in processing capacities) were adopted under the IPA OP Rural Development (IPARD). Note however, that the fisheries-related measures of the IPA will not be mirrored in the EFF OP Fisheries 2007-2013, and there is no overlap between the two Operational Programmes.

In addition, several pre-accession instruments have contributed to the preparation of the institutional and absorption capacity development in the Fisheries sector. Most notably the following interventions are relevant for the overall context of the preparation of the OP Fisheries:

- *PHARE 2005 Support to the Republic of Croatia in the preparation and implementation of the Strategy to develop the fisheries sector within the context of alignment and enforcement of the EU acquis comprising the Common Fisheries Policy.* In this project, of particular relevance was the Service component of the project titled "*Designing and implementing National Fisheries Management Strategy and delivery mechanisms for organization of market in fisheries*", which had foreseen the development of the National Fisheries Strategy as well as the implementing delivery mechanisms for organisation of the market in fisheries.



- *IPA 2008 FPP RAC “Assistance to Directorate of fisheries in establishing a data collection framework in line with the relevant EU acquis”*. Within the framework of the programme there was a specific project “Assistance to Directorate of fisheries in establishing a data collection framework in line with the relevant EU acquis”, covering issues related to collecting biological, economic and social data. Timely inclusion of all relevant elements into the data gathering scheme would secure efficiency and would enable the DoF to structure all necessary support for future data collection obligations in a unified and coherent manner. This project was aiming at establishment of an EU compatible framework for the collection, management and use of data in the fisheries sector and support for scientific advice regarding the CFP as stipulated in the relevant Regulations. The Project has started in July 2010 and project activities were successfully finalised in February 2011.
- *IPA 2008 FPP RAC “Assistance to Croatian fisheries administration in drafting of the Operational programme and following information and publicity strategy”*. This project provides support to Croatian fisheries administration in drafting of the key document for utilisation of the European fisheries fund and the information and publicity strategy. the project is still under implementation and it is expected to be finalised in June 2013.
- *IPA 2009 FPP RAC “Strengthening of Croatian administration in charge for structural policy and state aid in fisheries”*. This twinning project provides support to Republic of Croatia in strengthening the administrative system necessary for implementation of structural policy in fisheries with particular reference to management and certification and as well as the capacities of assessment, approval and notification of state aid schemes in fisheries. As of March 2013, the project’s implementation is still in progress.

Furthermore, as mentioned above, the Ex-ante Evaluation of the OP Fisheries is prepared as an autonomous activity within the *IPA 2008 “Ex-ante evaluation of programming documents and strengthening evaluation capacity for EU funds post-accession”* implemented by the Ministry of regional development and EU funds.

The draft OP Fisheries has been prepared for the period 2007-2013 in line with the provisions of the Council Regulation (EC) No. 1198/2006 of 27 July 2006 on the European Fisheries Fund (basic Regulation), and of the Commission Regulation (EC) No. 498/2007 of 26 March 2007 (amended by EC Regulation No 1249/2010 of 22 December 2010) (implementation Regulation), laying down detailed rules for the implementation of basic Regulation on the European Fisheries Fund. The programming process of OP Fisheries in Croatia was significantly influenced by several both external and internal factors:

- The postponement of the accession to the EU. Accession negotiations with Croatia were completed by a Ministerial Accession conference on June 30th, 2011. As a consequence, the OP implementation period has been reduced from the initially expected 4-years period (2010 – 2013) to the last 6 months of 2013. Following the provisions of the EFF basic Regulation, allowing for the funding of projects approved and financed before December 31st 2015 (in contrast to the SF OPs where only projects contracted before 31st of December 2013 are eligible for funding), the effective implementation period for the EFF OP Fisheries 2007-2013 thus will be from July 1st 2013 to December 31st 2015 (2,5 years).
- As of January 1st 2014, the beginning of the new EU programming period (2014-2020) will trigger implementation of the new EFF OP Fisheries 2014-2020 presently in the preliminary phase of



preparation. Unlike the currently prepared EFF OP Fisheries 2007-2013, the new EFF OP Fisheries 2014-2020 is expected to cover substantially broader portfolio of priorities and measures, in line with EMFF Regulation. The new EMFF OP 2014-2020 will in fact merge objectives and priorities pursued in parallel within the IPA RD and EFF OP 2007-2013, respectively (see the next paragraph).

- As a result of the short time remaining within the 2007 – 2013 programming period and considering the perspective of the new EFF OP 2014-2020, a pragmatic decision has been taken to prepare OP Fisheries 2007-2013 with a limited scope both in terms of number of objectives and priorities as well as with accordingly limited total financial allocation from the EFF. Thus the OP 2007-2013 does not cover all objectives specified under Article 4 of the basic Regulation and priorities specified under the National Strategic Plan for the fisheries sector. Instead, it focuses only on limited set of objectives avoiding the overlaps with interventions to the fisheries sector implemented concurrently under the IPARD 2007-2013 (investment in processing and distribution facilities in fisheries sector). In addition, considering the limited time-frame and transition character of the OP 2007-2013, the measures requiring time-intensive mobilization of stakeholder communities and extensive consultation processes were deliberately left out.
- The preparation of the National Strategic Plan envisaged by the EFF basic Regulation (Article 15) as a key background document for the preparation of the EFF OP has not been yet completed. As of March 2013, there is advanced draft of the NSP available, however, it is still subject of pending consultations between Croatia and the European Commission. Similarly, the key associated documents – Management Plans prepared in line with the Council Regulation (EC) No. 1967/2006 (Mediterranean Regulation), including the corresponding Fishing Effort Adjustment Plans, are not finalised yet.
- Finally, the procedure of drafting the EFF OP Fisheries 2007-2013 was prolonged substantially due to complications experienced in implementation of the project *IPA 2008 FPP RAC "Assistance to Croatian fisheries administration in development of Operational Programme and related Publicity Strategy"*. Final beneficiary (Directorate of Fisheries) asked for suspension of its implementation due to the occurred need for redrafting of the National Strategic Plan (NSP) and the replacement of the Lead expert. The project activities were resumed only shortly before the end of year 2012 and (as of March 2013) are still in progress.

As a result of above outlined factors, the OP Fisheries 2007-2013 preparation process has experienced significant delays. Nevertheless, it is expected to be completed in time and capable of implementation after Croatia entering the EU as of July 1st 2013.

The OP Fisheries 2007-2013 responds to the needs to address several key issues of Croatian fishery sector that have been identified during the process of the NSP preparation, and, at the same time, have not been systematically addressed by means of pre-accession assistance. The implementation of the OP Fisheries 2007-2013 will through its Priority Axis 1 introduce measures for the adaptation of the Croatian fishing fleet, in line with principles and regulations of the EU CFP. Through the Priority Axis 2 it will support productive investment in aquaculture, as well as support the adoption of aqua-environmental measures.

It is important to acknowledge that the total financial allocation for the OP Fisheries 2007-2013 amounts 11



600 000 EUR (8 700 000 EUR is EFF contribution, 2 900 000 EUR national contribution). Along with the limited time-span of the Programme, it is another factor influencing the character of the OP, which clearly cannot have ambitions to systematically address all pressing problems identified by NSP and introduce wide variety of measures eligible for funding from EFF. In the context of other Croatian EU Structural Funds OPs for the period 2007-2013, the OP Fisheries have distinctive position, because it is not designed as an extension (or modification) of already existing and operational OPs financed from the IPA. On the contrary, as mentioned above, the OP Fisheries 2007-2013 is designed to introduce policies and measures in line with CFP, that so far has not been systematically implemented in Croatia (e.g. fleet and fishing effort adjustment measures), or have been supported by the state aid or other measures (e.g. productive investment in aquaculture, aqua-environmental measures).

It is anticipated, that the new OP Fisheries for the period 2014-2020 will bring together wider range of key measures as foreseen under the new financing possibilities and corresponding with the objectives of CFP, that until the beginning of the programming period 2014-2020 will stay apart, partly under the IPA RD 207-2013 (e.g. investment in processing capacities), and partly within the currently prepared EFF OP 2007-2013 (e.g. fishing effort adjustment measures).



4.2. PROGRAMME BUDGET, OBJECTIVES AND INDICATORS

The OP Fisheries 2007-2013 will be operational after Croatia enters the EU in July 1st 2013. In line with the Article 55 (1), and Article 90 (2) of the Basic Regulation, the implementation of projects will be possible till the end of 2015 (not only for projects approved for funding before December 31st 2013, but effectively even for projects with funding commitment after the December 31st 2013, provided that EFF payments are processed before the termination of the OP in 2015).

The OP design capitalizes on analytical works conducted in the course of preparation of NSP (following the NSP-related provisions of the Basic EFF Regulation), while respecting the fact that several key priorities of the Croatian Fisheries sector are already being addressed through IPA instruments (in effect until the beginning of the new 2014-2020 Programming period), with implementation period overlapping with that of EFF OP Fisheries 2007-2013. To avoid duplicities and overlaps with existing support instruments, and to maximize the value added of the 2007-2013 EFF funding, the OP Fisheries 2007-2013 introduces only two Priority Axes (out of four defined by the NSP) with altogether four Measures, besides the Technical Assistance as a third Priority Axis (with a single Measure). The OP concentrates on agendas within the sphere of competence of the Ministry of Agriculture, and the Directorate of Fisheries.

The main strategic objective defined in the NSP and adopted in the OP Fisheries is **“to achieve a competitive, modern and dynamic fisheries and aquaculture sector through a sustainable exploitation of resources.”** Recognizing the limitations of the shortened implementation period for the EFF OP 2007-2013 in Croatia, the Programme outlines the following operational objectives that broadly represent three individual Priority Axes (including the Technical Assistance):

- Contributing to achievement of a sustainable balance between fishing capacity and available resources: to increase the level of sustainability in landing from capture fisheries and reduce the impact on the environment, the capacity of the fleet should commensurate with the availability of resources.
- Modernisation and increase of production and strengthening of competitiveness of aquaculture: the main objective of investing in the development of the aquaculture sector is the increase in production and strengthening the competitiveness of the sector through modernization of existing farming capacity, diversification of production while meeting the standards in terms of food safety, environmental protection, public health and animal health and welfare.
- Upgrading the system of support of administration and the sector for using structural support: the importance of establishing a system for management and control of the Operational programme in fisheries is recognized. On the other hand, fishermen's cooperatives and professional organisations in Croatia have the potential of growing into the basic organizational structure of the sector that could provide its members number of services, starting from facilitating regular sales through better planning of fishing activities, but also the necessary administrative support in applying for public aid in implementation of structural policy in fisheries.

The structure of the Programme is as follows:



This project is funded by the European Union

Priority Axis 1: Measures for the adaptation of the Croatian fishing fleet

Measure 1.1 Permanent cessation of fishing activities

Measure 1.2 Temporary cessation of fishing activities

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

Measure 2.1 Productive investments in aquaculture

Measure 2.2 Aqua-environmental measures

Priority Axis 5: Technical Assistance

Measure 5.1: Technical Assistance

To be financially supported, operations and grant projects are required to be in line with the activities specified under individual priority axes and corresponding measures defined in OP Fisheries. Table below contains planned expenditure by Priority.

Priority	Share (%)	Total public	EFF Contribution	National Contribution	EFF co-financing rate
		a = b + c	b	c	d = (b/a) x 100
Axis1					
Axis2					
Axis3	0	0	0	0	0
Axis4	0	0	0	0	0
Axis5	5	580 000	435 000	145 000	75
Total	100	11 600 000	8 700 000	2 900 000	75

As of March 7th 2013, the decision on financial allocation among two mobilized Priority Axes and their Measures is still pending. However, the limited OP's budget and simple structure does not allow for high complexity of variants for allocation, especially at the level of Priority Axes.

The following impact indicators are suggested to measure the achievement of the Programme strategic objective:

- Adjustment of the fishing capacity as a contribution to the sustainability of the sector (percentage of economically important resources in good conditions).
- Increase of the competitiveness of the aquaculture sector (increased added value or increased productivity).



- Jobs created or maintained in the primary sector (fishing fleet, aquaculture)

In addition, the OP introduces indicators measuring the effects of implementation on the level of individual measures. These are as follows:

Measure 1.1 Permanent cessation of fishing activities

- Fleet tonnage (GT)
- Fleet engine power (kW)

Measure 1.2 Temporary cessation of fishing activities

- Number of vessels affected by the temporary cessation scheme
- Number of beneficiaries (license holders and crew members)
- Time (and area) under the temporary cessation
- Number of fishers/days

Measure 2.1 Productive investments in aquaculture

- shellfish production (tons/year) per species
- production of juveniles (number/year) per species
- Number of modernised farms/hatcheries

Measure 2.2 Aqua-environmental measures

- Area of ponds supported under the aqua environmental measure (in ha)
- Area of ponds supported in NATURA 2000 network (in ha)

Measure 5.1 Technical Assistance

- Number of studies for facilitating the implementation of OP;
- Number of operations related to awareness campaigns/communications activities;
- Number of staff involved in training.

Typology of indicators (output, result, impact) is not systematically provided. For more details see chapter 5.1.3 of this Report.



1.2 EVALUATION FEEDBACK BASED ON DRAFT VERSIONS OF THE OP

The OP Fisheries 2007-2013 document that is subject of this ex-ante evaluation is first Operational Programme for funding from the EU EFF prepared in Croatia. Furthermore, unlike other Structural Funds OPs currently finalized in Croatia, the OP Fisheries 2007-2013 will not benefit from the existence of corresponding Programme developed and implemented in the framework of the Pre-Accession Assistance (IPA). As of March 7th 2013, there has been available a first complex draft of the Programme document for the ex-ante evaluation, while further progress towards the finalization of the OP is hindered by needs for completing the National Strategic Plan for the Fisheries sector and associated technical documents (namely Management plans) in line with the requirements of the EFF regulation. Since these documents are crucial for providing justification to the allocation of EFF funds through the OP Fisheries, the finalization of the Programme cannot precede the conclusion of the pending communication between Croatia and EU Commission on NSP.



5. ASSESSMENT OF FINAL DRAFT OF THE OP

5.1 APPRAISAL OF SOCIO-ECONOMIC ANALYSIS & RELEVANCE OF STRATEGY

5.1.1 Rationale & Consistency of Intervention Logic

Description of the intervention logic and the set of underlying assumptions

The OP Fisheries 2007-2013 features interventions funded through public expenditures which are aimed at narrow set of issues of key relevance for the Croatian Fisheries sector and that have capacity to contribute to the general strategic objective for the Fisheries sector defined by the NSP as “To achieve a competitive, modern and dynamic fisheries and aquaculture sector through a sustainable exploitation of resources.”

The basic rationale behind selection of limited set of priorities and measures has two interconnected dimensions: First, the intervention logic reflects the limitations in terms of time-span of the OP (new EFF OP will be prepared for programming period 2014-2020), and limited volume of resources allocated for the OP vis-à-vis long term needs and absorption capacities of the sector.

Second, the existence of interventions addressing certain needs of the Fisheries sector under the IPARD (2007-2013) allows for a concentration of the limited resources of the EFF OP (2007-2013) on the interventions not eligible for funding from the IPA. The applied intervention logic thus enhances the complementary role of different instruments of EU assistance, while developing full-fledged structure for public support of the Fisheries sector conform to the EU acquis. The OP Fisheries 2007-2013 thus can be understood as a Programme facilitating transition towards the new EMFF OP 2014-2020, which is expected to feature wider array of interventions eligible for funding from the EMFF according to the country’s needs.

Measured by the national level macro-economic indicators, the Croatian Fisheries sector, as in most developed countries, has low significance for the overall performance of the national economy (Gross Value Added (GVA) of fishing sector in 2007 was 0.24 % of total GVA and only 5.16 % of GVA in sector of natural resources (agriculture, forestry, hunting and fishing)⁴. These values are similar to the values of the same indicators in other comparable countries, for example Greece or Malta.

Table below provides overview of the elementary descriptive indicators for the Fisheries sector

Gross domestic product (2011) <ul style="list-style-type: none">• GDP: 45.897 billion €• Share of the fisheries in the GDP: 0.2 to 0.7% <p>Source: CBS</p>
Employment figures by sub-sectors, male and female (2011) <ul style="list-style-type: none">• About 14,000 people directly employed and 25,000 (when including also indirectly employed)

⁴ Source: NSP draft, 2013.



Source: MINAGRI-DoF

Croatian fishing fleet (2011)

- 4,136 vessels
- Total tonnage: 44,998.99 GT
- Total power: 326,987 kW

Source: MINAGRI-DoF

Catches (2011) – from commercial capture fisheries

- Marine: 70,535 tons
- Inland: 50 tons

Source: MINAGRI-DoF

Aquaculture (2011)

- Freshwater aquaculture:
 - Total water area used: 9,721 ha of ponds and 61,361 m² of raceways
 - Number of farms registered: 27 warm water farms and 28 cold-water farms (2012)
 - Production: 6,283 tons of freshwater fishes(2011)
- Marine aquaculture:
 - Number of fish farms: marine fishes = 32 (2009), marine hatcheries = 3 (2009), , shellfish = 124 (2009)
 - Production: 6,806 tons of marine fish (2011), 14,824 ,990 marine fingerlings (2011), 399 tons of mussels (2011), 327,000 pieces of oysters (2011)

Source: MINAGRI-DoF

Consumption (2011)

- Estimated average individual consumption in kg per capita: 8,5 kg (2011)

Source: MINAGRI-DoF

Foreign trade balance

- **Imports**: 38,417 t – 123,676,657 USD (2011)
- **Export**: 38,493 t 178,503,695 USD(2011)

Source: MFIN and MINAGRI-DoF

Despite the low relative importance of the fisheries sector in the national economy, similarly with other coastal countries, it is recognized that in addition to the direct production value, the sector significantly contributes to the economic activities beyond its statistical category. This include the construction and servicing of vessels, production of fishing gears and equipment, transportation, storage and related logistics, port activities related to fisheries and to a certain extent tourism. Furthermore, in general assessments of importance of the fisheries sector proper consideration should be given also to the positive effects of supply of fresh quality food, and its contribution to the positive foreign trade balance. Of particular importance is the role of fisheries sector as source of employment on the coast and the islands, where fishery is one of the



rare activities which provide a source of income throughout the year.

From the perspective of the Ex-ante Evaluation, assessing the relevance of the rationale noted above means examining and verifying the validity of the baseline analysis and SWOT analysis presented in the OP and the relevance of the Programme strategy and proposed interventions in this light. The section below focuses on several aspects of the Croatian fisheries sector that are of key importance for the evaluation of the Programme rationale.

Assessment of the analytical part of the OP: Baseline Analysis and SWOT

Both the baseline analysis and SWOT presented in the OP Fisheries are adopted from the existing draft of the NSP, and elaborated in order to reflect the limitations imposed on the OP strategy (e.g. limited life-span of the OP). The following segments of the Croatian Fisheries sector are identified as key areas where interventions from public funds are desirable.

Marine Commercial Fisheries

Marine commercial fisheries constitute by far the most significant sub-sector of the Croatian fisheries. In last decade it experienced substantial growth both in terms of total catch and size of the fleet.

Table: Number of vessels for commercial marine fishing from 2000 to 2011

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

Source: NSP draft, 2013

Table: Segmentation of vessels for commercial marine fishing by length and by type in 2011

TYPE OF VESSEL	≥12m	< 12m	TOTAL
Dredgers	2	4	6
Trawlers	348	214	562
Unknown	0	2	2
Other	1	5	6
Purse seiners	192	34	226
Vessels using beach seines	1	40	41
Gillnetters	25	1009	1.034
Vessels using hook and line gears	4	133	137
Long liners	1	50	51
Trap setters	0	69	69
Marine life harvesting vessels	2	131	133
Multipurpose vessels	76	1.793	1.869



TYPE OF VESSEL	≥12m	< 12m	TOTAL
TOTAL:	652	3.483	4.136

Source: NSP draft, 2013

Over the years, more than 80% of total catch consists of small pelagics (sardine and anchovy). In 2011, the share of demersal and pelagic fish species in the catches is around 97%, cephalopods 1.50%, crabs and shellfish around 1%.

Table: Fish and other marine organisms catch from 2000 to 2011 (t)

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

The largest number of vessels is registered as multi-purpose (45.19% of the fleet). These vessels are typical for Mediterranean fisheries where there are no clearly defined target species and in which fishermen change gear during the year. Purse seine vessels account for 5.46% (226 vessels) of the fleet, and these vessels account for the largest part of Croatian catches, while bottom trawlers make 13.59% (562 vessels) of the fishing fleet Croatia. In 2011 the total catch by purse seines was 64,389 tons. In the same year, 562 vessels were active in bottom trawling, catching a total of 4,275 tons of fish. In 2011, catches of purse seine nets made 91.29% of total Croatian catches. At the same time 6.10% of the catch was caught using trawl nets while gillnetting achieved around 2% (24% of fleet registered for this gear). Percentages of other fishing gears are each represented with less than 1% of the total catch.

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



The average age of the fleet of the Republic of Croatia is more than 30 years, but it is not equally distributed among all the segments. Average active trawlers are older than active purse seiners, while the trawlers are among the oldest active vessels.

Over the past few years in Croatia a reduction of catch per unit of fishing effort could be observed in some fleet segments. Croatia thus recognizes the need for development of fishing effort adjustment plans for specific types of fishery aiming at adjustment of fishing capacity with available resources. The Management Plans are prepared based on scientific analyses of the Institute of Oceanography and Fisheries in Split and the fishery-related data collected in the framework of data collection programme (logbook data as collected by the MA-DF). Of particular concern are the following fleet segments targeting specific fishing stocks:

Segment of purse seiners targeting small pelagic fish (sardines and anchovies)

The share of small pelagics in the total catches of the Republic of Croatia has fluctuated from 84.5% (2008) to 91.6% (2011). It is important to acknowledge, that over 80 % of the small pelagic catch is realized by the minority of large vessels of category from 18 to 24 m and vessels of over 24 m. On the basis of the recorded values, it has been noticed that the catches of small pelagic species vary significantly both on the multi-annual and annual scale. As a consequence, there is considerable drop of prices for anchovies and sardines on the Croatian market. Small pelagics are typically sold to fish processors and fish-farming establishments, whereas a smaller amount is placed on the fresh fish market. The analysis presented in the Management plan for the purse seiners indicates a major impact of fixed costs of fishing activities triggering pressure on the minimum daily amount of small pelagics catches, and sufficient number of fishing days, in order to be able to achieve the necessary average amount of catch necessary for economy of the fisheries segment. The increasing pressure on stocks results in fall in size composition of the catch, which in turn negatively affects the profitability.

According to the estimations of the size of total biomass of the small pelagic fish in Adriatic Sea, the current levels of fishing intensity are still within the limits that can be considered sustainable from the point of view of maintaining the productivity and stocks capacity for recovery. Despite the stability of the biomass, a drop in the average price of the catch results in an economic need to further increase the fishing effort. To prevent further escalation of the problem, it is recognized across all categories of fishermen engaged in the small pelagics segment that the average size of fish in the composition of the catch should be increased and that, simultaneously, the minimum required average catch necessary for the economic survival of the activity can be reduced. In order to achieve that, adjustment (reduction) of fishing effort is envisaged by the Management plan.

From the aspect of the market and employment of rural residents, fleets consisting of large vessels ensure a stable supply of raw material for the processing industry. On the other hand, fleets of medium-sized and small vessels are very important for maintaining employment in rural areas dependent on fishery.

Segment of Bottom Trawl Fishing for demersal species

Catch of demersal species is more or less stable and amounts to 5- 6.000 tons per year. The bottom trawling fleet participates in the total catches of Croatia with some 10-15% at first sales, whereas the value of this catch accounts for more than 45% of value at first sales.

The most important regulation measures in Croatia are temporal and spatial trawl fishing restrictions



(temporary or permanent prohibition in certain areas). This is a complex system created as a consequence of long-lasting evolution process in balancing exploitation needs with necessity for the protection of demersal resources. According to the existing regulations, trawl fishing is permanently prohibited in approximately 30% of the territorial sea of Croatia, with additional around 10% is prohibited between 100 and 300 days annually

The overall trend in profitability of the trawl net segment is considered unsatisfactory. One of the significant contributing factor can be seen for example the status of Norway lobster whose 30% decrease of catches over the last four years as well as the drop in overall size structure have both significantly contributed to a decreased rentability of bottom trawling.

According to the available research, the status of resources in Croatian territorial waters is significantly better than in other parts of the Adriatic. Despite this, catch per unit effort does not show the same relationship, as that Croatian bottom trawling fleet is old and technically and technologically rather obsolete. Almost 60% of bottom trawlers are older than 30 years (year of construction precedes 1980.), while the average age of the vessels is 38 years (average construction year is 1975.)

Majority of commercially important species in the Adriatic Sea are biologically unique populations exploited by fishing fleets of different countries with different intensity. Also, the largest number of species extensively migrates, and their breeding, feeding and growing areas are located in different parts of the Adriatic Sea under different jurisdictions. This highly complex situation contributes to the increasing risks of overfishing that is reported for most of the commercially most valuable species, including Norway lobster, common sole, hake, common pandora, and small-spotted catshark. Among the commercially most important species only the red mullet population can be considered sustainable.

As the Croatian trawl fishing effort and catch constitute only a small part (approx. 14%) of the total catch in the North and Central Adriatic (GSA 17 according to GFCM classification), it is only the coordinated effort of all involved parties that can improve the overall condition of the fishing stocks. The Croatian Bottom Trawl Management Plan envisages set of measures to address situation within Croatian jurisdiction. They include reduction of fishing effort through permanent excluding certain fishing vessels from fishing, development of further authorization procedure for trawling operations, application of more selective fishing techniques, as well as other measures.

Coastal Fishing with Shore Seine Nets

According to the Fleet register data, 80% of all Croatian vessels are under 12 m in length and under 15 GT, what is an indicator of a coastal type of fishing. These vessels primarily operate using small towed gear (seine nets) and gillnets. The total operating area where seine nets are used is estimated to be less than 10% of the total Croatian coastline. Coastal fishing takes place in a narrow coastal area, generally less than one nautical mile from the mainland and island coast, in shallow waters of up to 80 m in depth, which represents less than 3% of the total area of the Adriatic Sea. Traditional fishing methods mainly include coastal trawl nets, shore seine nets, some surrounding nets, and a specific fishing technique called "tramata". The importance of these fishing gears is much greater in the social context than economic indicators suggest, because, according to the national catch statistics, the share of this type of fishing in commercial fishing is less than 1%. It is thus believed, that the coastal fishing does not constitute critical pressure on the local ecosystems, and its sustainability can be ensured by further development of existing system of temporal and



spatial fishing restrictions, use of more selective fishing gears, and through precision of the authorization system for fishing activities of individual vessels. In general, however, it is vital for the maintaining of socio-economic conditions of the rural coastal and islands fishing communities to preserve this traditional segment of fisheries.

Aquaculture

Marine aquaculture

Marine aquaculture constitutes vital and growing part of the Croatian fisheries sector. It includes farming of finfish (cca 4,500-5,000 tons annually, mostly European seabass and gilthead seabream), bluefin tuna and shellfish. Major part of the finfish production is placed on domestic market and the EU-market (Italy). The fish farmer register maintained by the DoF contains 30 companies that have farming facilities on a total of 47 locations at sea. Three hatcheries are registered for production of fish fry.

Farming of Atlantic bluefin tuna is based on capture of wild tunas and their subsequent farming to the market size in floating cages at sea. Annual production of Atlantic bluefin tuna amounts to 2,500 – 4,000 tons and is exported almost entirely to Japanese market. The fish farmer register maintained by the DoF contains four companies having tuna farming facilities on a total of 14 locations.

Shellfish farming comprises farming of Mediterranean mussel and European flat oyster on longlines in designated production areas under monitoring. The production is based on collection of fry from nature and reaches some 2,000-3,000 tons of mussels and 1 million pieces of oysters annually.

Marine aquaculture in Croatia is still far from its natural potentials and predicted national strategies. Recognising marine aquaculture as very promising activity for the total development of Croatian economy and NSP recognizes need to further encourage development of this activity. Croatia is planning to support development of existing farms, in terms of increased production, product diversification, higher sanitary standards, all accompanied by environment friendly technologies. However, As Croatia is primarily tourist country, the potential conflicts for place between these two activities needs to be minimized through consistent application of coastal integrated management.

Freshwater aquaculture

Freshwater aquaculture in Republic of Croatia includes production of warm-water (cyprinid or carp-like) species and cold-water (salmonid, trout-like) species. There are 55 licensed freshwater farmers (27, cyprinid, and 28, salmonid). The production is mainly semi-intensive. 2010 in DoF farmer register there were 49 freshwater fish farming facilities, including 23 ponds, 24 tanks and raceways and two cage systems. Total production area of warm-water ponds in 2011 amounted to 9,721 ha, and race ways to 61,361 m². Total production of fish from the freshwater aquaculture was 6,283 t in 2011. That is still significantly behind the production levels before the Homeland war (16,000 tons) that has seriously affected this activity, which is mostly situated in rural area. It is expected that with better state level strategy and better organisation within industry itself, this activity could continue to grow up to 20,000 tons of annual production by the end of this decade. In order to assist fish farmers dealing with predatory birds and also to help protect biological and environmental diversity of fish ponds, Croatia introduced National schemes for stabilising freshwater fisheries. It is recognized that the importance of this sector is not only food production, but also maintaining



of biological diversity. Many fish ponds are part of Croatian proposal for ecological network which is going to become part of EU NATURA 2000 network.

Processing and Marketing

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

In the fish processing activity, in accordance with the National Classification of Activities (NCA) (DA 152), in 2011 there were 76 companies in Croatia, out of which 70 were active. Most of the companies employ up to 50 workers. The processing activities however take place also in companies that have registered some other type of activity as their primary activity - most commonly trade, production or fisheries.

Market organization in Croatia is based on fishing cooperatives, buy-off stations and registered first buyers (retailers and wholesalers). First sale can only be made to registered first buyers. In 2012, 1,039 first buyers were registered in the corresponding Register of the MINAGRI - DoF. Development of fishing ports, buy off stations and whole sale markets additionally contributes to better organisation of market in fisheries.

Trade channels and market organization are different for demersal species and pelagics. Largest part of the demersal catch (trawler fishing, gillnets fishing, etc.) after the first sale is intended for export, while the catch of small pelagics represents raw material for canning and fish salting industry and feed in tuna breeding. Due to natural fluctuations in the quantity of catch and differences in the composition of catch, in some months during the year there is market saturation due to inability to store fish. Inability of proper fish storage and its withdrawal from the market presents the significant factor on the market.

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

The main challenge for the processing sector remain linking of production capacity of primary producers with processing capacities, diversification of processing and placement of products on the market to ensure their maximum quality, and finding new market niches. In order to provide for a competitive sector of fishery products processing and marketing, significant structural changes are necessary, including investments in adequate cooling and storage facilities as well as the construction and equipping of processing facilities that will fully comply with all environmental and sanitary standards.

Comments on Analytical part of the OP

Assessment has been focusing on the aspects of “meaningfulness” and “internal consistency” of the analytical parts of the OP including the linkages between descriptive section and the SWOT analysis.

For the purposes of the Ex-Ante Evaluation the analysis is meaningful if:



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- Its scope is relevant from the point of the interventions (covers the topics that have influence or possible impact on the strategic choices, objectives and investment priorities of the Programme);
- Uses qualitative and quantitative data that support and prove conclusions of the analysis in a convincing manner;
- Has a European perspective that makes issues and conclusions comparable with the status of the topic in EU.

Similarly, the analytical chapters are internally consistent, if:

- Analytical part provides arguments for each of the statements of the SWOT
- Various factors of the SWOT are correctly classified, taking into account the overall development goals as well.

Taking into account the above outlined perspective, the evaluation of the analytical part of the OP has produced several recommendations for further improvement:

- The analytical section dedicated to the marine commercial fishing would benefit from introducing a more focused description of recent trends in economic performance of individual fleet segments (levels of profitability) especially in the light of the statistical trend indicating the fleet increase from 2729 vessels to 4136 vessels in the last 10 years. The very fact of increase in numbers of commercial fishing vessels should also be discussed. The analysis should be clear as to what extent the observed trend is a result of changes in the system of ship registration (as suggested by some interviewed stakeholders during the ex-ante evaluation) or can be attributed to other factors.
- The analysis should also provide clear indication of the status of fishing stocks and highlight segments at risk from overexploitation. The current formulations are somewhat vague in this respect. It is recommended to introduce main conclusions from the analysis conducted in the process of preparations of the Management Plans in line with Mediterranean Regulation.
- In the section on freshwater aquaculture, the more detailed description of support of aqua-environmental measures existing under the current state aid scheme and information on its scale of application would contribute to the quality of the analysis as a baseline for justification of OP interventions.
- Presentation of employment and other socio-economic data should be given more prominent position in the baseline analysis structure – It would be beneficial to introduce, in addition to total employment figures for the fisheries sector, also estimations of employment in individual segments (e.g. different fishing gears, size of vessels, aquaculture types) with indication of trends (decreasing, increasing). The improved baseline analysis should be able to inform the decision on design of particular measures of the OP so that it adequately reflects its potential social impacts (e.g. to consider risks of loss of employment in disadvantaged coastal and island communities as a side-



effect of fleet adjustment measures).

As far as the SWOT analysis is concerned, it consistently reflects the conclusions of the descriptive part of the analytical section of the OP (with the same reservations expressed above being applicable on corresponding S,W,O, and T statements).

The construction of the SWOT sometimes does not respect conventional methodology separating “internal” and “external” factors in the composition of the SWOT table. Internal factors are the ones that can (at least in theory) influenced by the interventions of the Programme while external ones are the ones that the strategy is not expected to change. In proper applications of SWOT analysis, “internal” factors are grouped under the heading Strengths and Weaknesses, while “external” ones under Threats or Opportunities. Following this approach should also eliminate duplicities when sometimes similar factors are listed under the Weaknesses (e.g. Fishing capacity exceeding the available resources in certain fleet segments) and Opportunities (e.g. Adjustment of fishing capacity with fishing opportunities using EFF funds).

The SWOT analysis of the OP is clearly based on the one presented in NSP draft, while adjusted for the context of the proposed OP strategy (as opposed to the NSP SWOT analysis that should reflect all aspects of fisheries sector including issues beyond the CFP). This approach should be explicitly acknowledged in the text, as in theory, the OP’s SWOT can be expected to identify all needs and challenges to be dealt with by the Programme. However, as the selection of investment priorities in the current Programme, is also a subject of considerations that are not based on the analysis of the relevant socio-economic environment, the adopted approach can be justified.

Evaluation of the adopted Strategy

This section summarizes observations and comments on consistency of the proposed interventions with the objectives formulated on the basis of conclusions of the baseline analysis.

As reflected by the OPs objectives and Priority Axes structure, the adopted strategy of the OP Fisheries addresses following issues of key importance for the Croatian fisheries sector:

- Contributing to achievement of a sustainable balance between fishing capacity and available resources: to increase the level of sustainability in landing from capture fisheries and reduce the impact on the environment, the capacity of the fleet should commensurate with the availability of resources.
- Modernisation and increase of production and strengthening of competitiveness of aquaculture: the main objective of investing in the development of the aquaculture sector is the increase in production and strengthening the competitiveness of the sector through modernization of existing farming capacity, diversification of production while meeting the standards in terms of food safety, environmental protection, public health and animal health and welfare.
- Upgrading the system of support of administration and the sector for using structural support: the importance of establishing a system for management and control of the Operational programme in fisheries is recognized. On the other hand, fishermen's cooperatives and professional organisations in Croatia have the potential of growing into the basic organizational structure of the sector that



could provide its members number of services, starting from facilitating regular sales through better planning of fishing activities, but also the necessary administrative support in applying for public aid in implementation of structural policy in fisheries.

The proposed interventions are all conducive to the strategic objectives of the Programme, however, in any of the aspects represented by the Programme strategic objectives, the proposed Measures alone cannot be considered satisfactory for achieving the above described objectives.

As discussed earlier in this section, the basic rationale behind selection of limited set of Priorities and Measures reflects the limitations in terms of time-span of the OP (new EMFF OP will be prepared for programming period 2014-2020), as well as the existence of interventions addressing certain needs of the Fisheries sector under the IPARD (2007-2013). In this context, the Strategy adopted by the OP Fisheries can be considered rational.

The implementation of Measures under the Priority Axis 1 (fishing effort adjustment) is important not only for its potential direct effects on the sustainable balance between fishing capacity and available resources. The fishing effort adjustment measures are forming one of the most important segments of the EU CFP, and its introduction in the Croatian context is important from the point of view of Croatian future participation in the CFP. It is plausible assumption that despite current discussion towards the reform of the fishing effort adjustment measures under the CFP, the experience and institutional infrastructure developed in Croatia under the OP Priority Axis 1 will be applicable also under the future EMFF Regulation (currently at the level of proposal) guiding the EU Programming period 2014-2020 in the fisheries sector.

The implementation of Measures under the Priority Axis 2 will also contribute to the Programme Strategic objectives. The investments in productive capacities of aquaculture under the Measure 2.1 will be the only intervention required co-financing from the private investors. The selection of segment of aquaculture is a rational decision, both from the point of view of adequate absorption capacity, and considering that processing segment of the industry has been eligible for the support within the IPARD 2007-2013 Programme.

Implementing of aqua-environmental measures (Measure 2.2) will contribute to the primary objectives of the Programme as well as to the horizontal environmental objective. The implementation will benefit from the experience and institutional infrastructure developed under the Croatian state aid scheme focusing on the same objective. Thus the risk of inadequate absorption capacity (both institutional and on the side of potential beneficiaries) is low, which once again can should be understood as a plausible argument for adoption of this measure in the OP Strategy (considering the above discussed specifics of the OP caused by the shortened implementation period and limited financial allocation).

As correctly acknowledged in the Programme document, the OP Fisheries 2007-2013 will not aim at addressing all priorities specified by the NSP and eligible for funding from the EFF. The Priority Axis 3 intended for application of “measures of common interest”, especially for the structuring of the sector of fishing and aquaculture and the preservation of resources and support for a sustainable fishing and aquaculture will not be implemented under the OP 2007-2013. The time available within the shortened period of OP implementation has been deemed inadequate for necessary mobilisation and integration of all actors concerned. It is by no means to say, that the concerned priority is of less importance, however, as suggested also by the experience with stakeholder involvement during the preparation of the NSP, the



available time-frame did not allow ensuring bringing the risks of de-commitment of potentially allocated funds down to a politically acceptable level. The same concerns guided also the decision not to implement the Priority Axis 4 aiming at facilitating of development of fisheries local action groups. Arguably, the activities under the Priority Axis 5 (Technical Assistance) will at least partially offset the interventions aiming at improvement of stakeholder organization and their involvement in the implementation of the CFP activities. This is expected to be done namely through awareness rising and training activities implemented by the state institutions (as beneficiaries of the TA), while involving also other stakeholder groups as target audience.

5.1.2 Strategy's External Coherence with other Policies (national, EU)

The key strategic document and reference point for the preparation of the OP Fisheries 2007-2013 is the National Strategic Plan for Development of Fisheries in Republic of Croatia (NSP) developed in accordance with the provisions of Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund (EFF), and after consultations with sector stakeholders.

The NSP defines the priorities to be jointly financed through EU and national resources in line with overarching EU and national objectives and guidelines. At the time being there is only a NSP draft available, as the consultations and approval process is still pending. As explained in the concluding section of the previous chapter (5.1.1) the OP Fisheries directly adopts three out of four objectives outlined in the NSP, thus demonstrably ensuring the coherence of the OP Strategy with the NSP. These objectives are transformed into measures assigned to the three OP Priority Axes conforming with the three out of five Priority Axes outlined by the EC Basic Regulation. The rationale guiding the choice of Priority Axes and corresponding objectives of the NSP for implementation through the EFF OP 2007-2013 is dictated by the limitations imposed on Programme by its restricted time-span and the relatively small financial allocation, as discussed in the previous chapter.

The consistency of the OP Strategy with the EU CFP is ensured through the mechanism of development the NSP and subsequently the OP is in accordance with the EFF Regulation, which constitutes the main tool of implementation of the EU CFP. The OP Fisheries apparently adopts only a limited array of standard measures that are routinely implemented across EU member states. Thus, the risks of conflict between the OP Strategy and EU Policies are negligible.

According to the Article 4 of the EFF Basic Regulation, the assistance under the EFF shall aim to:

- (a) support 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;
- (b) promote a sustainable balance between resources and the fishing capacity of the Community fishing fleet;
- (c) promote a sustainable development of inland fishing;
- (d) strengthen the competitiveness of the operating structures and the development of economically viable enterprises in the fisheries sector;
- (e) foster the protection and the enhancement of the environment and natural resources where related to



the fisheries sector;

f) encourage sustainable development and the improvement of the quality of life in areas with activities in the fisheries sector;

(g) promote equality between men and women in the development of the fisheries sector and fisheries areas.

The OP Fisheries Strategy is not in contradiction with any of the EFF objectives, while with proposed measures directly support objectives a), b), e), and f), and to a less extent also objective d) and arguably also objective g).

On the national level, the OP has potential to contribute to the achieving of the strategic objectives of the National Strategic Reference Framework 2007- 2013, in particular to the objectives: to achieve higher employment through faster creation of jobs, and to promote sustainable development. The OP will assist these aims by supporting the competitiveness of fisheries sector and maintaining the environmental impacts associated with the fisheries activities within the carrying capacity of the exploited ecosystems.

For the OP Fisheries a Strategic Environmental Assessment (SEA) is applicable as a standard environmental policy safeguard. As of March 2013, the process according to the national legislation is in its early stage, performing its Scoping phase. Considering the time- and resource- intensity of typical SEA for an EFF OP, it is likely scenario, that the SEA for the OP Fisheries 2007-2013 will not be completed before the Croatia accession date. Considering the limited time-frame for the OP implementation as well as relatively small financial scale, the ex-ante evaluators recommend to initiate consultations with the national SEA-responsible authority in order to facilitate adoption of SEA Scoping Decision that reflects the likely magnitude of potential environmental impacts of Programme interventions. In opinion of the ex-ante evaluator, the SEA should focus namely on Measure 2.1 supporting the development of the aquaculture, where the individual investment projects can have potential of significant local environmental impacts. Also, the SEA should propose environmental criteria that could be included in the OP implementation mechanism for the selection of the supported aquaculture projects. On the other hand, extensive baseline analysis and assessment effort spend on evaluation of other Programme segments should be minimized in line with the Proportionality principle.

The OP Fisheries declares to promote policy of equal opportunities between men and women according to the Community Strategy for the equality of chances between men and women and in line with the basic objectives of structural policy in fisheries according to Article 4 of the EFF Regulation. Practical application of the principle is however not further elaborated. To implement the principle in practice can be ensured through the mechanism requiring demonstration of the conformity of the project application with the principle and through the information and publicity campaigns and materials to be provided during calls for proposals.

5.1.3 Adequacy of System of Indicators

The OP Fisheries introduces a system of indicators described in the chapter 4.2 above structured in two hierarchical levels. There are three impact indicators suggested to measure the achievement of the



Programme strategic objective:

- Adjustment of the fishing capacity as a contribution to the sustainability of the sector (percentage of economically important resources in good conditions).
- Increase of the competitiveness of the aquaculture sector (increased added value or increased productivity)
- Jobs created or maintained in the primary sector (fishing fleet, aquaculture)

All of the impact indicators lack baseline and target values that should be specified.

Moreover, the first indicator definition (in the brackets) apparently does not match with its title. The current indicator does not relate to the effects of the fleet reduction on the state of the resources. Revocation of this indicator is recommended. It is however debatable, to what extent it is effective in the context of current OP Strategy to insist on including an impact indicator monitoring the effects of the fishing capacity adjustment effort that measures on the actual state of the resources (fish stocks). Under standard circumstances, such an indicator is a necessary tool for monitoring the efficiency and effectiveness of the implemented measures, and as such it shall be considered as crucial part of any EFF Programme monitoring. However, the impact of the OP Fisheries 2007-2013, with its limited funding and implementation period, will probably not be detectable when monitoring the actual condition of the exploited resources. Thus, invoking the Principle of Proportionality as referred to in Article 9 of the EFF Basic Regulation (and further), the Ex-ante evaluators do not recommend to include a full-fledged impact indicator corresponding with the Programme objective of achievement of a sustainable balance between fishing capacity and available resources, if such indicator is not currently available. Instead, a complementary indicator monitoring the evolution of the profitability of the fishing fleet should be considered.

The indicator proposed for monitoring the competitiveness of the aquaculture sector should take in consideration both the production and value added components of the economic performance of the sector.

In addition, the OP introduces indicators measuring the effects of implementation on the level of individual measures. These are as follows:

Measure 1.1 Permanent cessation of fishing activities

- Fleet tonnage (GT)
- Fleet engine power (kW)

Indicator	Source of verification	Baseline in 2011	Decrease	Targeted level in 2015
Tonnage (GT)	Fishing fleet register	44,998.99	-1%	4,4549.00
Power (kW)	Fishing fleet register	326,987.00	-1%	323,717.13

Measure 1.2 Temporary cessation of fishing activities



- Number of vessels affected by the temporary cessation scheme
- Number of beneficiaries (license holders and crew members)
- Time (and area) under the temporary cessation
- Number of fishers/days

As it is not possible to quantify duration of the closure period or the number of beneficiaries as the activation of this measure depends on external factors, which are impossible to be predicted, the baseline and target values for indicators under Measure 2.1 are not specified.

Measure 2.1 Productive investments in aquaculture

- shellfish production (tons/year) per species
- production of juveniles (number/year) per species
- Number of modernised farms/hatcheries

Indicator	Source of verification	Baseline in 2011	Increase	Targeted level in 2015
Increase of fish and shellfish production	Official data base held by the MINAGRI-DoF	Marine fish: 6,806 t Mussels: 399 t Oysters: 327,000 pcs Freshwater fish: 6,283 t	5%	Marine fish: 7,145 t Mussels: 420 t Oysters: 343,500 Freshwater fish: 6,600
Increase of production of juveniles	Official data base held by the MINAGRI-DoF	14,824,990 pcs	5%	155,600,000 pcs
Number of modernised farms/hatcheries	Structural policy implementation data base	0	10 marine farms 1 hatchery 5 freshwater farms	10 marine farms 1 hatchery 5 freshwater farms

Measure 2.2 Aqua-environmental measures

- Area of ponds supported under the aqua environmental measure (in ha)
- Area of ponds supported in NATURA 2000 network (in ha)

Measure 5.1 Technical Assistance

- Number of studies for facilitating the implementation of OP;
- Number of operations related to awareness campaigns/communications activities;



- Number of staff involved in training.

General observations:

- The number of indicators and their distribution over the Priority Axes is appropriate. Most of them are clear and well defined.
- Indicators are targeted on all major operations anticipated for the individual Measures
- There is no typology of indicators specified (output, result, impact). In fact, Indicators are mostly of Output type, especially for Measures 1.2, 2.2, and 5.1. This might be deemed unsatisfactory for standard EFF Operational Programme, however, considering the specifics (lifespan, financial scale) of the OP Fisheries 2007-2013, and the potential costs of introducing and operating of more complex indicator system, the Proportionality Principle suggests that the current system of Measures-level indicators is sufficient.
- Wherever possible the indicators specify a measurement unit, initial and target values, and source of verification. It is recommended to include also indication of review frequency. As an exception can be counted indicators under the Measure 2.2, where outlining the initial and target values should be also possible based on data from the current scheme of the State aid for the aqua-environmental measures.

5.2 MAIN FINDINGS WITH REGARD TO EXPECTED OUTCOMES & IMPACTS

At this stage of Programme preparation without knowledge of allocation funds among the Priority Axes and individual Measures, it is difficult to estimate Programme outcomes and impacts on quantitative basis. Nevertheless, knowing the total volume of the financial aid distributed to the final beneficiaries and character of the planned Measures allows for certain judgements.

As has already been emphasized in different sections of this Evaluation Report, it is necessary to recognize, that the limited temporal scale of the Program cannot deliver fundamental changes in the Croatian Fisheries sector as far as its main characteristics in terms of economic performance, technological composition, employment, or sustainability of exploitation of resources. The proposed interventions should be rather understood as indicative and the initial phase of policies that in the future programming period will need substantive higher concentration of resources in order to achieve strategic goals formulated by the NSP.

To illustrate potential magnitude of the OP outcomes and impact, following estimations can be made for individual Measures:

Measure 1.1 Permanent cessation of fishing activities

Taking into account the modest objective of reduction of fleet by 1% (in terms of tonnage and engine power) and assuming that the level of compensation to the vessels owners will be calculated with respect to experience from other EU countries, it can be roughly estimated that allocation for the Measure 1.1 can



amount some 4 mil EUR, more than one third of the total OP allocation.

To what extent the 1% reduction of fleet can have real measurable impact on socio-economic and environmental conditions of the fisheries sector depends on further factors, e.g. adopted selection criteria for the scrapping or re-assigning of vessels, however, even in the most favourable circumstances the real impact of this measure remains debatable.

Working proposal for calculation of the premium for the scrapping of vessel

AGE (X)	TONNAGE (GT)	CALCULATION 1 (in euros)
5<X ≤15	GT≤10	11000*GT + 2000
	10<GT≤25	5000*GT + 62000
	25<GT≤100	4200*GT + 82000
	100<GT≤300	2700*GT + 232000
	GT>300	1700*GT + 632000
16<X≤29	GT≤10	(11000*GT + 2000)*[1 - (AGE-15)*0.015]
	10<GT≤25	(5000*GT + 62000)*[1 - (AGE-15)*0.015]
	25<GT≤100	(4200*GT + 82000)*[1 - (AGE-15)*0.015]
	100<GT≤300	(2700*GT + 232000)*[1 - (AGE-15)*0.015]
	GT>300	(1700*GT + 632000)*[1 - (AGE-15)*0.015]
X≥30	GT≤10	(11000*GT + 2000)*0.775
	10<GT≤25	(5000*GT + 62000)*0.775
	25<GT≤100	(4200*GT + 82000)*0.775
	100<GT≤300	(2700*GT + 232000)*0.775
	GT>300	(1700*GT + 632000)*0.775

Source: Internal document of the Consultant for OP Fisheries development

Model scenarios for achieving 1% target of fleet reduction

Scrapping of 30 vessels - 15 tons each	
Cost for 1 vessel	(5000€ x 15) + 62000€ = 137 000 €
Cost for 30 vessels	137 000 € x 30 = 4 110 000 €



Scrapping of 3 vessels - 150 tons each	
Cost for 1 vessel	$(2700\text{€} \times 150) + 232\ 000\text{€} = 637\ 000\ \text{€}$
Cost for 3 vessels	$637\ 000\ \text{€} \times 3 = \mathbf{1\ 911\ 000\ \text{€}}$
Scrapping of 1 vessel - 300 t and 10 vessels - 15 t each	
Cost for 1 vessel - 300 t	$(2700\ \text{€} \times 300) + 232\ 000\text{€} = 1\ 142\ 000\ \text{€}$
Cost for 10 vessels - 15 tons	$137\ 000\text{€} \times 10 = 1\ 370\ 000\ \text{€}$
total cost	$1370\ 000 + 1142000 = \mathbf{2\ 512\ 000\ \text{€}}$

Source: Internal document of the Consultant for OP Fisheries development

As for the Measure 1.2 Temporary cessation of fishing activities, it is even more difficult to estimate impact without knowledge of funds allocated for this Measure. Furthermore, as this Measure is going to be applicable only as response to emergency situations, which by definition are difficult to predict, any reasonably accurate prediction of its effectiveness and efficiency remains at this point non-feasible. The maximum limit for allocation as defined by the EFF Regulation amounts to 6% or 1MEUR (in our case it would be 1MEUR).

For Measure 2.1 Productive investments in aquaculture, the target values are specified in both output and result type of indicators taking into account experience with absorption capacity for similar activities under the state aid. If we assume allocation for this Measure amounting about 2-2.5 million EUR within the OP budget, the volume of public assistance will remain complementary in the context of investments realized in the sector of aquaculture from the private sources.

Regarding the expected impact of the Measure 2.2 Aqua-environmental actions, it is again remains difficult to estimate its actual magnitude and character. Typical activities implemented under this Measure involve compensation for losses caused on inland aquacultures by the protected predatory species (e.g. cormorants). Under the assumption that roughly 3000 ha of fishing ponds will be eligible for the compensation (e.g. 150 EUR/ha/year based on similar measure supported by the State Aid scheme) the appropriate allocation for this Measure should be about 1 million EUR. Quantification of efficiency of such Measure (and similar biodiversity conservation measures in general) is however very difficult.

As all EU instruments, OP Fisheries will have impacts in the field of capacity building of both Management structures and beneficiaries. As the main reasonably expected impact of the implementation of OP Fisheries 2007–2013 thus can be understood positive development in terms of capacity building for efficient drawing of presumably much higher EMFF allocation in 2014–2020 period.



5.3. APPRAISAL OF STRUCTURES AND PROCEDURES FOR PROGRAMME IMPLEMENTATION

This section reviews the implementation and monitoring arrangements for OP Fisheries, and analyses the organizational and managerial capacity of the main actors involved in planning and implementation. Crucial input in this section has been provided by the Croatian officials and beneficiaries in interview meetings with the Evaluator.

The main elements of the Management and control system for implementation of the OP are set up in line with provisions of Articles 57 to 61 of the EFF Regulation. Those are Managing Authority (hereinafter: MA), Certifying Authority (hereinafter: CA) and Audit Authority (hereinafter: AA). The role of Managing Authority for fulfilling the obligations provided for in Article 59 of the EFF Regulation is designated to the Directorate of Fisheries (DoF) within the Ministry of Agriculture (MINAGRI). The application of the principle of separation of functions is ensured by entrusting the role of the Certifying Authority to the Independent Service for Accreditation of the Paying Agency in Agriculture, Fisheries and Rural Development and Certification of Fisheries Programme Support (hereinafter: Independent Service). Despite both the DoF and Independent Service being organizational part of the MINAGRI, their autonomy is maintained including independent and separate management and reporting lines. The Agency for the Audit of the European Union Programmes Implementation System (ARPA) is designated as the AA. As an institution is ARPA completely independent body of the state administration, not connected to any other subject involved in the management and control system for implementation of the OP.

The relatively limited scale of the interventions envisaged by the OP Fisheries 2007-2013 together with the fact that there has been already accumulated certain experience with management of similar measures thanks to the implementation of Structural Measures in fisheries sector within the last four years, allows for very simple implementation architecture for the OP Fisheries (in comparison with some of the SF Operational Programmes) with most of the executive functions delegated to only one Intermediate Body (IB). The role of IB is entrusted in accordance with the possibility given by the Article 58(2) of the EFF Regulation and in line with article 38 (1) of the Implementing Regulation, to the Paying Agency in Agriculture, Fisheries and Rural Development (PAAFRD).

The crucial role of Managing Authority lies on the Sector for Programming Structural Measures and Organisation of Market in Fisheries within the DoF, thus the Head of Sector is the Head of the MA. Effectively, only four permanent staff (including the heads both of the Sector and of department) carry the burden of coordination of the preparation of the Operational Programme, in addition to their other agenda (e.g. State Aid). This seems to be inadequate, even when considering the fact that main implementation and control functions will be performed by the Intermediate Body. The situation can be only partially compensated by employing external consultant capacities, and as demonstrated by current developments, it can result in significant delaying of the OP preparation process.

The capacities of PAAFRD to perform functions of the Intermediate Body are on the other hand considered satisfactory by all consulted stakeholders. The Department for Fisheries Support within the Sector for Structural Support have experience not only with implementing structural measures in the framework of



state aid for fisheries sector, but can also employ capacities and experience of other departments responsible for the implementation of fisheries-related measures under IPARD. The procedural manual for OP Fisheries is currently drafted. The substantial difference as compared to the application of Structural Support for fisheries sector will be in employment of the five regional offices of PAAFRD, that so far have experience only with rural development agenda and not fisheries (as the applications for relevant structural support measures have been so far processed only at the central level). The potential problems can be mitigated by the employment of a newly developed informational system allowing potential beneficiaries to access, input and edit details of their applications. The system infrastructure is already functional, and waiting for the development and inserting of the project selection criteria and other variables enabling its operationalization.

Further challenge can be ensuring an effective control of the beneficiaries by the IB personnel. It is envisaged, that provisions in the implementation structure should be adopted, allowing to request an assistance of staff with adequate expertise in order to carry out on the spot controls of beneficiaries' compliance with the accepted commitments, where necessary. The details of such arrangement are still under consideration and subject of consultation between the DoF and PAAFRD.

The manuals for internal procedures for EFF still have to be elaborated and adopted in order to be allow for smooth implementation of the Programme after its entering into force. The work on the procedural manuals continues in parallel with finalization of the OP.

In general terms, the implementation structure seems to be adequate to the scale of the financial allocation managed under the OP Fisheries, considering that institutions involved (namely IB) have experience with management of IPARD and state Structural Support measures, in financial terms fairly exceeding allocation designated for the current OP Fisheries.

It is however important that systematic trainings are developed for the staff, and induction and on-the-job-training system is in place for the new employees, in order to ensure their inclusion into work through joint activities with experienced colleagues. Similarly it is important to build capacities among potential final beneficiaries as it can be challenging to fully understand the project logic, principles of project partnership as well as financial management of EU projects.



6 CONCLUSIONS & RECOMMENDATIONS

6.1 CONCLUSIONS

This final section presents the conclusions of the Ex-ante Evaluation of the Operational Programme Fisheries 2007-2013 based on the results presented in previous sections. It subsequently presents the related recommendations for further improvements.

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

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

Conclusion 3. The current status of the OP draft is influenced by the fact that the preparation of the National Strategic Plan envisaged by the EFF Basic Regulation (Article 15) as a key background document for the preparation of the EFF OP has not been yet completed. As of March 2013, there is advanced draft of the NSP available, however, it is still subject of pending consultations between Croatia and the European Commission. Similarly, the key associated documents – Management Plans prepared in line with the Council Regulation (EC) No. 1967/2006 (Mediterranean Regulation), including the corresponding Fishing Effort Adjustment Plans, are not finalised yet. Consequently, the key component of the OP – the allocation of the financial resources among the individual priority axes and measures has not yet been decided upon in the



time of ex-ante evaluation. Even though, the limited total EFF allocation and small number of adopted measures allows for estimation of OPs effects.

Conclusion 4. Apart from the absenting outline of financial allocations for the all Priority Axes, the January 2013 draft of the OP Fisheries may be with certain further reservations qualified as a document that meets the EU standards:

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

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



6.2 RECOMMENDATIONS

On the basis of the above conclusions, the Evaluation Team proposes the following recommendations:

- In order to avoid risk of further delay in OP Fisheries preparation, a concentrated effort is necessary in order to effectively complete adoption of the NSP and Management plans and translation of their conclusion to the final draft of the OP. The responsible Managing Authority should be given full political support particularly in terms of staff and technical assistance to be able to ensure timely finalization of all relevant documents in line with the EC requirements.
- The analytical section dedicated to the marine commercial fishing would benefit from introducing more focused description of recent trends in economic performance of individual fleet segments (levels of profitability) especially in the light of the statistical trend indicating the fleet increase from 2729 vessels to 4136 vessels in the last 10 years. The very fact of increase in numbers of commercial fishing vessels should also be discussed. The analysis should be clear as to what extent the observed trend is a result of changes in the system of ship registration (as suggested by some interviewed stakeholders during the ex-ante evaluation) or can be attributed to other factors.
- The analysis should also provide clear indication of the status of fishing stocks and highlight segments at risk from overexploitation. The current formulations are somewhat vague in this respect. It is recommended to introduce main conclusions from the analyses conducted in the process of preparations of the Management Plans in line with Mediterranean Regulation.
- In the section on freshwater aquaculture, the more detailed description of support of aqua-environmental measures existing under the current state aid scheme and information on its scale of application would contribute to the quality of the analysis as a baseline for justification of OP interventions.
- Presentation of employment and other socio-economic data should be given more prominent position in the baseline analysis structure – It would be beneficial to introduce, in addition to total employment figures for the fisheries sector, also estimations of employment in individual segments (e.g. different fishing gears, size of vessels, aquaculture types) with indication of trends (decreasing, increasing). The improved baseline analysis should be able to inform the decision on design of particular measures of the OP so that the management and monitoring structures were in the future able to detect currently unforeseen social impacts (e.g. to address risks of loss of employment in disadvantaged coastal and island communities as a side-effect of fleet adjustment measures).
- Consider revising the SWOT analysis in order to clearly distinguish between internal and external factors and explain links between the SWOT presented in the OP and the one of NSP.
- In order to minimize risk of delay associated with performing Strategic Environmental Assessment of the Programme, it is recommended to undertake consultations with the national SEA-responsible authority in order to facilitate adoption of SEA Scoping Decision that reflects the likely magnitude of



potential environmental impacts of Programme interventions. In opinion of the ex-ante evaluator, the SEA should focus namely on the OP Measure 2.1 supporting the development of the aquaculture, where the individual investment projects can have potential of significant local environmental impacts. Note, that only development of already existing facilities is planned under the current OP. The SEA should also propose environmental criteria that could be included in the OP implementation mechanism for the selection of the supported aquaculture projects. On the other hand, extensive baseline analysis and assessment effort spend on evaluation of other Programme segments should be minimized in line with the Proportionality principle.

- Revision of indicator system is necessary:
 - Review and revision of impact indicators to measure the achievement of the Programme strategic objective is required. Indicator *Adjustment of the fishing capacity as a contribution to the sustainability of the sector (percentage of economically important resources in good conditions)* does not relate to the effects of the fleet reduction on the state of the resources. Under standard circumstances, such an indicator is necessary tool for monitoring the efficiency and effectiveness of the implemented measures, and as such shall be considered as crucial part of any EFF Programme monitoring. However, the impact of the OP Fisheries 2007-2013, with its limited funding and implementation period, will probably not be detectable when monitoring actual condition of the exploited resources. Thus, invoking the Principle of Proportionality the Ex-ante evaluators do not recommend including full-fledged impact indicator corresponding with the Programme objective of achievement of a sustainable balance between fishing capacity and available resources, if such indicator is not currently available. Instead, a complementary indicator monitoring the evolution of the profitability of the fishing fleet should be considered. In any case, the text OP should provide justification for not including a true impact indicator measuring the effects of the OP interventions on the fish stocks.
 - The impact indicator proposed for monitoring the competitiveness of the aquaculture sector should take in consideration both the production and value added components of the economic performance of the sector.
 - Typology of all indicators needs to be specified (output, result, and impact).
 - Wherever possible the indicators should specify a measurement unit, initial and target values, source of verification, and also indication of review frequency.
- Further capacity building in terms of staffing and skills enhancement is recommended for both the Managing Authority in particular, and the staff of the regional offices of the Intermediate Body (PAAFRD).



APPENDIX A. KEY ANALYSIS INSTRUMENTS

The most important methods and techniques used in Ex-Ante Evaluation of EFF OP Fisheries have been the following:

- **Analysis of the Programme Document**
- **Use of secondary source data:** Existing information gathered and interpreted by the evaluator. Secondary data consists of information drawn from the process of drafting of the National Strategy Plan and associated technical documents, information produced by statistics institutes and provided by former research. The most important sources of secondary data are listed in Appendix C. Key Documents Consulted.
- **Stakeholder consultation** (See Appendix B. Evaluation Consultees): A Project office has been located at the Ministry of Regional Development and EU Funds. Ad hoc consultations with sectoral counterparts as well as with Project Implementation Unit helped the evaluator in identifying relevant contact persons within Operating Structure and possible sources of information.
- **Logic models:** Generic term that describes various representations of programmes linking their contexts, assumptions, inputs, intervention logics, implementation chains and outcomes and results. In this particular evaluation it has been used for analysis of the OP Fisheries intervention logic.



APPENDIX B. EVALUATION CONSULTEES

Person consulted	Organization represented
Mr Marko Gasparic	Ministry of Regional Development and EU Funds, Directorate for Strategic Planning
Ms Iva Novak	
Ms Ivana Petrina Abreu	Ministry of Agriculture, Department of Fisheries
Ms Jelena Jerbic	
Mr Josip Markovic	
Ms Irena Jahutka	
Ms Irina Zoric	
Ms Dubravka Međimurec	
Ms Alexander Zenebe	Delegation of the European Union to the Republic of Croatia
Mr Phillipe Ferlin	Consultant under <i>the IPA 2008 FPP RAC "Assistance to Croatian fisheries administration in development of Operational Programme and related Publicity Strategy"</i> .
Mr Adolfo Merino	Resident Twinning Advisor under <i>the EU IPA 2009 Twinning Project "Strengthening of Croatian administration in charge for structural policy and state aid in fisheries"</i>
Mr Zoran Radan	Croatian Chamber of Economy, Department of Agriculture, Food Industry and Forestry
Mr Goran Cesnovar	PP Orahovica, member of the Affiliation of Aquaculture within Croatian Chamber of Economy
Mr Dragan Stojanović	PP Orahovica, member of the Affiliation of Aquaculture within Croatian Chamber of Economy
Mr Robert Popov	Association Adria, member of the Croatian Chamber of Crafts



APPENDIX C. KEY DOCUMENTS CONSULTED

- Republic of Croatia: Operational Programme for fisheries of Republic of Croatia for the programming period 2007-2013, draft version as of January 2013
- Republic of Croatia: National Strategic Plan for Development of Fisheries in Republic of Croatia, draft version as of 16 January 2013
- Multi-annual Indicative Planning Document 2007 – 2009 for Croatia
- Multi-annual Indicative Planning Document 2008 – 2010 for Croatia
- Multi-annual Indicative Planning Document 2009 – 2011 for Croatia
- Multi-annual Indicative Planning Document 2011 – 2013 for Croatia
- Republic of Croatia, Central Office for Development Strategy and Coordination of EU Funds: Strategic Coherence Framework 2007-2013
- National Strategic Reference Framework 2012 – 2013 (Draft of June 2010)
- Treaty Concerning the Accession of the Republic of Croatia to the European Union
- European Commission, Directorate-General for Fisheries and Maritime Affairs: Methodological Working Papers for the new Programming period, 2007-2013, Working Paper on Ex Ante Evaluation for the European Fisheries Fund. DOC/EFFC/7/2007
- European Commission, Directorate-General for Fisheries and Maritime Affairs: The New Programming Period, 2007-2013: Methodological Working Papers, Indicators for Monitoring and Evaluation: A Practical Guide for the European Fisheries Fund.
- European Commission: Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund (EFF Basic Regulation)
- European Commission: 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 (EFF Implementing Regulation), consolidate version (including the Commission Regulation (EU) No 1249/2010)
- European Commission: Guidelines for an ex-ante evaluation of rural development programmes 2007 – 2013 including the requirements for the Strategic Environmental Assessment (SEA).
- Republic of Croatia, Ministry of Agriculture, Fisheries and Rural Development: IPARD PROGRAMME – Agriculture and Rural Development Plan 2007 – 2013
- European Commission, Directorate-General for Fisheries and Maritime Affairs: Commissions Services detailed comments on Draft Management Plan, and GFCM Guidelines on management plans (letter from 19. Feb. 2013, Ref.: MARE/D2/GK/fcp (2013) 212984)
- Management Plan for Shore Seine Nets in the Republic of Croatia, Draft as of January 2013



- Management Plan for Purse Seine Nets in the Republic of Croatia, Draft as of February 2013
- Management Plan for Bottom Trawl Fisheries in the Republic of Croatia, Draft as of February 2013
- European Commission: Position of the Commission Services on the development of Partnership Agreement and programmes in the Republic of CROATIA for the period 2014-2020
- European Parliament, Directorate-General for Internal Policies, Policy Department B, Structural and Cohesion Policies: Tools for Fishing Fleet Management (Study), 2010





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