



MINISTERSTVO ZEMĚDĚLSTVÍ

OPERATIONAL PROGRAMME FOR FISHERIES

2007- 2013

CZECH REPUBLIC

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CONTENTS

	Page
1. OPERATIONAL PROGRAMME FOR FISHERIES 2007 – 2013, CZECH REPUBLIC	3
2. GEOGRAPHIC ELIGIBILITY	3
3. ANALYSIS	3
4. STRATEGY AT THE OPERATIONAL PROGRAMME LEVEL	22
5. SUMMARY OF THE <i>EX ANTE</i> EVALUATION	25
6. PROGRAMME'S PRIORITY AXES	27
7. FINANCIAL PROVISIONS	45
8. IMPLEMENTING PROVISIONS	46
9. ABBREVIATIONS USED	61
10. ANNEXES	63

1. OPERATIONAL PROGRAMME FOR FISHERIES 2007 - 2013, CZECH REPUBLIC

The “Operational Programme for Fisheries 2007 – 2013” (hereinafter “OP Fisheries”) has been compiled for the Czech Republic on the basis of Council Regulation (EC) No. 1198/2006 of 27 July 2006 on the European Fisheries Fund (hereinafter the “EFF Regulation”) and Commission Regulation (EC) No. 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund (hereinafter the “implementing regulation”).

The objective of OP Fisheries is to define the areas for subsidies in the Czech Republic’s fisheries sector so that the measures taken in accordance with the EFF Regulation contribute to achieving the common aims laid out in Article 33 of the Agreement on the European Community and the objectives defined as a part of the Common Fisheries Policy (hereinafter CFP).

The government of the Czech Republic approved the “National Strategic Plan for Fisheries, 2007 – 2013” by government resolution No. 854/2007 and the Operational Programme for Fisheries, 2007 – 2013 by government resolution No. 855/2007 on 25 July 2007.

2. GEOGRAPHICAL ELIGIBILITY

In accordance with Council Regulation (EC) No. 1059/2003 on the establishment of a common classification of territorial units for statistics (NUTS), the Czech Republic is statistically divided into 14 administrative units (at the NUTS 3 level). 8 regions at the NUTS 2 level comply with the criteria in population and size for defining cohesion regions.

The OP Fisheries is based on the National Strategic Plan for Fisheries for the period of 2007 – 2013 (hereinafter “NSP”) and covers the areas of the Czech Republic to which the objectives of Convergence are related. The area of the Convergence objective where subsidies from the OP Fisheries can be provided includes the entire territory of the Czech Republic, except for the capital city of Prague, with the exception of special and justified cases. The means of the Convergence objective are intended for less developed Member States and regions in accordance with Council Regulation (EC) No. 1083/2006 of 11 June 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999 and the Agreement for the Czech Republic’s Accession to the European Union.

The Czech Republic is among the smallest of the member states with its area of 78,866 sq. km. For this reason and because of location of regions with a higher concentration of fishpond areas the Czech Republic have not been administratively divided into smaller unit, but it is defined as the only one area for the OP purposes.

3. ANALYSIS

3.a) General description of the fishing sector

3. a) (1) (2) Analysis of national and local circumstances

In recent years, fishing in the Czech Republic has produced approximately 20,000 tonnes (19,000 to 20,500 tonnes) of marketable freshwater fish each year, grown in 24,000 fishponds and reservoirs used for aquaculture, with a total water surface area of 51,800hectares.

Fisheries have used a total area of 42,503 hectares of fishponds¹. In 2006, the average fishpond yield in the Czech Republic was 468.5kg of fish per hectare, which resulted in the potential revenue of CZK 21,500 (EUR 780) per hectare.

The potential retention capacity of the fishponds exceeds about 620 million cu. m in volume. According to estimates, however, about a third of the volume is constituted by sediments, which reduces their retention volume to about 420 million cu. m. The fishpond fund in the Czech Republic is divided into 24 major fishpond systems, comprising approximately 3,300 fishponds. Other fishponds do not constitute any systems and are placed throughout the Czech Republic, with a different density. The ownership relationships involving Czech fishponds are outlined in table 1. Fishing is especially concentrated in South Bohemia and South Moravia, where the biggest fish producers are situated (see the map in the Annex No. 4).

Table 1 – Ownership of fishponds in the Czech Republic

Fishponds total	24,000
of which state-owned	400
Percentages of ownership	
State	1.6%
Towns	10.0%
Regions	20.0%
Natural persons	28.0%
Legal persons	31.7%
Other owners	8.7%

Source: Ministry of Agriculture

Table 2 – Structure of marketable fish production by species in tonnes, 2001 – 2006

Fish species	2001	2002	2003	2004	2005	2006
Carp	17.4	16.6	16.9	16.9	17.8	18.0
Salmonid fish*)	0.8	0.7	0.7	0.7	0.8	0.6
Herbivore fish**)	1.2	1.0	1.0	0.8	1.0	0.8
Tench, whitefish	0.2	0.2	0.2	0.2	0.3	0.3
Carnivorous fish***)	0.2	0.2	0.2	0.2	0.2	0.2
Other species	0.3	0.4	0.5	0.4	0.4	0.5
Total	20.1	19.1	19.5	19.2	20.5	20.4

*) trout, char, **) grass carp, silver carp, ***) pike, pikeperch, catfish, eel, perch

Source: Czech Fish Farmers Association

As shown in table 2, the annual production of marketable fish ranged between 19,000 and 20,500 tonnes in 2001 to 2006. The species structure of marketable fish is rather stable and did not change in 2006 vs. the previous years. Common carp had a 88.2% share in the total volume of farmed fish, herbivore fish (silver carp, grass carp) 3.9%, salmonid fish (especially rainbow trout and American char) 2.9%, tench and whitefish 1.5%, carnivore fish 1% and other fish species 2.5%.

¹ of which members of the Czech Fish Farmers Association 37,382 hectares, other fish farmers – non-members of the Association 3,121 hectares; by estimate, other unregistered entities could extensively use approximately 2,000 hectares of ponds of varied quality

Table 3 – Use of marketable freshwater fish produced by farming (thousands of tonnes of live weight)

Year	Production of marketable fish	Use		
		Domestic sale of live fish	Fish intended for processing	Export of live fish
2000	19.5	8.5	2.1	9.2
2001	20.1	7.8	2.1	10.0
2002	19.2	7.6	1.6	9.7
2003	19.7	7.8	1.8	9.4
2004	19.4	8.2	1.7	9.5
2005	20.5	8.6	2.2	9.3
2006	20.4	8.5	1.9	10.0

Note: In addition to the annual production of marketable fish, the table also takes into account the baseline figures (stock from the previous year), the volume of imported live fish and losses, which then yields the total balance (including the final stock of living fish).

Source: Czech Fish Farmers Association

The volume of fish catch is also influenced by the possibilities of fish sale on the domestic and foreign markets. In 2006 the balance of foreign trade in live freshwater fish was positive and achieved 10,000 tonnes of live weight. The export of live fish constituted almost 49% of the total production in 2006. The main export article was traditionally carp, whose export vs. 2005 increased by 7.3% to 8,840 tonnes of live weight, sold at CZK 45.91 per kg (1.66 EUR/kg) of live weight. Carp was especially supplied to Germany (3,600 tonnes), Poland (1,900 tonnes) and Slovakia (1,500 tonnes). Compared to export, the import of live freshwater fish to the Czech Republic was negligible and dropped year-on-year by 20.3% to 680 tonnes of live weight. Particularly trout and other fish species (300 tonnes) are the most widely imported.

Fish processing industry is closely linked to fish production. In 2005 there were 17 enterprises in the Czech Republic dealing with “fish products, processed or preserved” (only enterprises with twenty and more employees were monitored). Of the 15 specialized fish processing plants – members of the Czech Fish Farmers Association, 13 have a permit to export their fish products to EU countries. Total volume of revenue coming from processed fish amounted to CZK 172.2 mil (EUR 6.24 mil) in 2005. In addition to freshwater fish, eight processing plants also work with sea fish. Sea fish processing (their purchase as an input material for processing exceeds the quantity of freshwater fish processed live) helps improve the economic condition of the processing plants. All of the above-mentioned processing plants are able to deliver frozen products. Nine of them smoke processed freshwater and sea fish. The share of freshwater fish processed as fundamental semi-finished products (for carp: halves, steaks, fillets) remains without any significant changes for many years. Lack of technical preparedness is not an obstacle in this regard; development is rather hampered by a certain level of consumption persistence on the opinion that only live fish have a high quality. Moreover, the offered fish products face a tough competition of other substitutes, which is also important.

Table 4 – Overview of the level and use of processed freshwater fish in the Czech Republic between 2000 – 2006

Year	Volume of live processed fish (tonnes)	Of which use	
		on the internal market	for export
2000	2,115	1,601	514
2001	2,097	1,725	372
2002	1,610	1,373	237
2003	1,800	1,309	491
2004	1,720	1,161	559
2005	2,170	1,314	856
2006	1,920	1,474	446

Source: Czech Fish Farmers Association

The quantity of the processed input materials from sea fish has been monitored by the Czech Fish Farmers Association since 2005 (2,958 tonnes); in 2006 it reached 2,957 tonnes. The annual processing capacity of key processing plants in the Association (with yearlong operation) currently amounts to 10,550 tonnes.

The Czech freshwater fish market is primarily supplied by domestic products, which is a good sign for the national economy. In 2006, 8,500 tonnes of live fish, i.e. 41.6%, were supplied to the internal market; 10,000 tonnes of live fish (49%) were exported and 1,900 tonnes (9%) were intended for further processing. The sale of freshwater fish is guaranteed in the long run. There is a sufficient fishpond capacity that allows flexible response to market demand.

Freshwater fish and products made from them, imported to the Czech Republic, amount to less than 1,000 tonnes. The total import of fish (almost exclusively sea fish) and other seafood reaches 45,000 tonnes a year. In 2006, fish and fish product consumption in the Czech Republic stood at more than 5.7 kg per person, of which freshwater fish accounted for approximately 1.4 kg. The total fish consumption and its structure are documented in table 5. The reason for a higher consumption of seafood is the more varied range of products made from them and, in some cases, their lower price level than in case of freshwater fish.

The largest share of carp consumption occurs around Christmas.

Table 5 – Fish consumption in kg per person and year

Type	2000	2001	2002	2003	2004	2005	2006
Fish total	5.3	5.4	5.4	5.3	5.5	5.6	5.7
of which: freshwater	1.0	0.9	0.9	1.6	1.4	1.5	1.4
of which: sea	4.3	4.5	4.5	3.7	4.1	4.1	4.3

Note: The volume of fish angled in fishing grounds and consumed in the Czech Republic included since 2003.

Source: Czech Statistical Office

Recreational fishing, carried out at water bodies proclaimed by the state as fishing grounds, is an indispensable part of this industry. There are over 2,000 fishing grounds in the Czech Republic and their total area is about 42,000hectares. Recreational fishing is performed by

350,000 registered members of all fishing unions, who catch about 4,500 tonnes of fish each year.

Table 6 – Number of registered recreational anglers (Czech Fishing Union and Moravian Fishing Union)

Year	Adults	Year-on-year difference	Youth	Year-on-year difference	Total	Year-on-year difference
2000	264,226	4,484	70,208	1,945	334,434	6,429
2001	270,073	5,847	69,041	-1,167	339,114	4,680
2002	277,160	7,087	66,886	-2,155	344,046	4,932
2003	281,087	3,927	63,808	-3,078	344,895	849
2004	283,798	2,711	60,383	-3,425	344,181	-714

Source: Czech Fishing Union

Table 6 shows the number of members – registered recreational anglers between 2000 and 2004; it is clear that the number of adult recreational anglers has been growing since 2000, while the number of youth recreational anglers has been steadily decreasing. In general, the membership of recreational anglers is stabilised and there has been a slight decrease recently, in line with the general demographical trends.

Table 7 – Overview of employment in the sector of production fishery, 2000 - 2005

Workforce	2000	2001	2002	2003	2004	2005
Males	1,455	1,393	1,395	1,460	1,387	1,450
Females	337	318	311	307	292	264
Total	1,792	1,711	1,706	1,767	1,679	1,714

Source: Czech Fish Farmers Association

Between 2000 and 2005 fishpond management directly employed 1,680 to 1,800 people (see table 7). In recent years this number has become steady at about 1,700 employees (number of employees refers to full-time workers). Approximately 85% of this number is for males. Employment in the sector of production fisheries stated in table 7 includes also number of employees in fish processing plants (full-time workers). Of the 15 members of the Czech Fish Farmers Association 150 employees (full-time workers) work in fish processing plants. 78 of this number are males and 72 of this number are women (technicians, drivers, maintenance service, slaughtering line staff). Other jobs are created in follow-up applications.

The Czech Republic has a well-developed system of professional fishery training, ranging from secondary vocational to university and postgraduate education. This system includes a secondary vocational school of fishing in Třeboň and a secondary fishing school and a higher fishing school in Vodňany. Fishery is also trained at the University of South Bohemia in České Budějovice, Mendel University of Agriculture and Forestry in Brno and Czech Agricultural University in Prague. The standard of Czech research is very high and research facilities are in contact with fishery enterprises. Research in the Czech Republic is primarily concentrated in the Research Institute of Fishing and Hydrobiology in Vodňany and at research sites at universities. Enterprises apply the research results in production processes and fishing associations in the methods of treatment of the natural environment.

A lot of emphasis has been recently put on the non-productive functions of fishponds in the landscape, such as their environmental, water management, recreational and landscaping

functions. The top-quality system of fishponds limits flood damage significantly. The floods in the last decades have shown the need to increase the retention capacity of the landscape, which can be accomplished to some degree by silt removal and construction of fishponds.

General macro- and microeconomic conditions in the Czech Republic also have some influence on fishery production and the exercise of fishing rights. The prices of inputs into the industry, especially energy, but also food, chemicals etc., are growing. The growing CZK/EUR exchange rate is not good news for fishery, either, especially for our exporters.

3. a) (3) Main lessons learned from the previous programming period

The independent OP Fisheries is based on the information acquired during the preparation and implementation of the SAPARD programme from the period before the Czech Republic joined the EU and further follows up on the Operational Programme for Rural Development and Multifunctional Agriculture in the period of 2004 to 2006 (hereinafter the “OP Agriculture”).

OP Agriculture contains Measure 2.3 Fisheries, financed from the Financial Instrument for Fisheries Guidance (FIFG). The aim of the support from Measure 2.3 Fisheries, is to raise labour productivity, competitiveness and product quality.

Measure 2.3. Fisheries were further divided into three sub-measures:

- 2.3.1 Fish processing and marketing fish products, the aim of which was to expand the range of processed fish and fish products on offer in the sale network and to use the local resources and domestic raw materials more effectively. Through this measure it was possible to increase the employment rate in the fisheries sector and in the indirectly related sales organisations and companies.
- 2.3.2 Rearing of aquatic organisms – aquaculture, the aim of which was to support an increase in the production capacity of aquaculture (construction of new units or extension of existing units) and to upgrade the existing units of aquaculture without increasing their production capacity.
- 2.3.3 Activities carried out by fishery experts and publicity measures, especially to support the search for new markets.

In the OP Agriculture, funds were also used from FIFG within the framework of measure 3.1 Technical Assistance.

The total allocation of funds for measure 2.3 Fisheries of OP Agriculture between 2004 and 2006 amounted to EUR 9,937,226 from public sources (FIFG and co-funding by the Czech Republic).

The allocation of funds for measure 2.3 Fisheries of OP Agriculture in 2006 was transferred to a measure of priority 2 under OP Agriculture. This transfer was approved by the Monitoring Committee of the Operational Programme Agriculture, and after that by EC. Funds from 2004 and 2005, amounting to EUR 5,633,537, have been left for measure 2.3 of Fisheries. The commitments for fund allocations from 2004 and 2005 with respect to the measures stated above are given in the following table:

Table 8 – Commitments for allocation funds in 2004 – 2005 for measure 2.3 of OP Agriculture

Sub-measure	Commitments for allocation, 2004 and 2005 (%)
2.3.1.	19
2.3.2.	16
2.3.3.	14
Total	49

Source: Ministry of Agriculture

Low interest of the applicants in utilising the funds was obvious within the framework of performance of the individual sub-measures of measure 2.3. Fisheries of OP Agriculture. Sub-measure 2.3.1. continued to some extent in a measure from the SAPARD programme, where investments were made to reconstruct fish processing plants. That is why the applicants were less interested in this sub-measure. Sub-measures 2.3.2. and 2.3.3. were new. Their utilisation showed a slow increase. Many incentives were made in order to improve the uptake, such as regular extension of the range of eligible costs and an increase in the upper limit of eligible costs per project in case of sub-measure 2.3.2. Rearing of aquatic organism – aquaculture.

The implementation of OP Fisheries will be based on the current experience in the implementation and administration of pre-accession programme SAPARD and of OP Agriculture. The system of presentation, monitoring and selection of related project will be maintained. The Managing Authority shall be responsible for effective managing and implementing OP Fisheries in accordance with the EU requirements between 2007 and 2013. The system of administration and control carried out by an intermediate body – namely SAIF will be based on the same principle as in previous programming period

On the base of the experience in previous programming period the financial flows the OP Fisheries will be operated by Methodology of financial flows and controls which was elaborated by Ministry of Finance in cooperation with managing authorities of operational programmes financed from structural funds and Cohesion Fund and with intensive cooperation of MoA as well. Ministry of Finance has been appointed as the Paying and Certifying Authority and as the Audit Authority for EFF.

Though, some tiny complications of the implementation system stemming from its complexity that influenced the pace of project realisation were discovered in time of the pre-accession instrument SAPARD and OP Agriculture evaluations. Due to involvement of a broad range of partners into programming and preparation of implementation these identified complications were corrected while setting up the OP Fisheries implementation system. Important suggestions for simplification of procedures and absorption capacity enhancement were extracted from the ex-ante evaluation.

Administrative procedures, including those of application reception, will be simplified which will pose merely such claims to beneficiaries that correspond to the volume of required subsidy. New list of eligible expenditures was drafted based on the impulses received from technical experts. MA OP Fisheries contemplates either partially or fully electronic communication with applicants/beneficiaries and support for continuous payment of project finances. On account of experience with slower spending of the FIFG allocation stronger emphasis will be placed on provision of relevant information from the part of OP Fisheries implementing subjects. Enhanced know-how on the possibilities of the EFF subsidy reception is the pivotal element of strengthening the absorption capacity of the Czech Republic.

3. a) (4) Context indicators

Table 9 a) – Share of fishery production in GDP in the Czech Republic, 2002 – 2006 (common prices in CZK)

Indicator of real economy		2002		2003		2004		2005		2006	
		CZK bn.	(%)								
GDP		2,464.40	100	2,577.10	100	2,781.10	100	2,970.30	100	3,204.10	100
of which	Gross economic production	116.67	4.73	102.78	3.99	121.54	4.37	109.14	3.67	106.36	3.30
	Animal production	62.38	2.53	58.24	2.26	59.84	2.15	58.40	1.97	55.75	1.74
	Fish production	1.11	0.05	1.19	0.05	1.11	0.04	1.16	0.04	1.15	0.04

Source: Czech Statistical Office

Table 9 b) – Share of fishery production in GDP in the Czech Republic, 2002 – 2006 (common prices in EUR)

Indicator of real economy		2002		2003		2004		2005		2006	
		EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)
GDP		89.270	100	93.353	100	100.743	100	107.596	100	116.065	100
of which	Gross economic production	4.222	4.73	3.723	3.99	4.403	4.37	3.953	3,67	3.853	3.30
	Animal production	2.258	2.53	2.109	2.26	2.167	2.15	2.115	1,97	2.019	1.74
	Fish production	0.040	0.05	0.043	0.05	0.040	0.04	0.042	0,04	0.042	0.04

Note: For conversion is used exchange rate DG Budget October 2007 (1 EUR = 27.606 CZK). Source of the exchange rate: MSC2007.

Source: Czech Statistical Office

Tables 9 a) and 9 b) above show an overview of the share of fishery production in the gross domestic product of the Czech Republic between 2002 and 2006. GDP at current prices has shown a steady increase since 2002, when it amounted to CZK 2,464.4 billion (EUR 89.270 bn.). In 2006 it was at the level of CZK 3,204.1 billion (EUR 116.065 bn.) (i.e. about 30% increase vs. 2002). The general price level measured by deflator has grown the most over the last two years. Economic growth was driven primarily by household expenditures used for final consumption. Gross agricultural production also contributed to GDP (3.03 – 4.73%). Since 2004, when it amounted to CZK 121.54 billion (EUR 4.403 bn.), it has been steadily dropping and amounted to CZK 106.36 billion (EUR 3.853 bn.) in 2006 (decrease by about 12.5%). Between 2002 and 2006 animal production contributed to GDP at 1.74 – 2.53% and has shown a steadily decreasing trend since 2002. Fish production is an integral part of animal production and has been at the level of CZK 1.11 – 1.19 (EUR 40 – 45 mil.) billion since 2002. Its share in GDP at that time was almost constant – about 0.04 – 0.05%. In spite of this low percentage, it constitutes a very important element regionally, which helps maintain employment in the backcountry.

Table 10 a) – Share of fish production in animal production in the Czech Republic, 2002 – 2006 (current prices in CZK)

Indicator		2002		2003		2004		2005		2006	
		CZK bn.	(%)	CZK bn.	(%)	CZK bn.	(%)	CZK bn.	(%)	CZK bn.	(%)
Animal production		62.38	100	58.24	100	59.84	100.00	58.40	100	55.75	100
of which	Marketable fish	0.97	1.60	1.03	1.80	0.96	1.60	1.01	1.70	0.96	1.70
	Restocking material	0.14	0.20	0.15	0.30	0.15	0.30	0.15	0.30	0.19	0.30
	Fish production total	1.11	1.80	1.18	2.00	1.11	1.90	1.16	2.00	1.15	2.00

Source: Czech Statistical Office

Table 10 b) – Share of fish production in animal production in the Czech Republic, 2002 – 2006 (current prices in EUR)

Indicator		2002		2003		2004		2005		2006	
		EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)	EUR bn.	(%)
Animal production		2.259	100	2.109	100	2.167	100.00	2.115	100	2.109	100
of which	Marketable fish	0.035	1.60	0.037	1.80	0.034	1.60	0.036	1.70	0.034	1.70
	Restocking material	0.005	0.20	0.005	0.30	0.005	0.30	0.005	0.30	0.007	0.30
	Fish production total	0.040	1.80	0.043	2.00	0.040	1.90	0.042	2.00	0.041	2.00

Note: For conversion is used exchange rate DG Budget October 2007 (1EUR = 27.606 CZK). Source of the exchange rate: MSC2007.

Source: Czech Statistical Office

Tables 10 a) a 10 b) contain an overview of the share of fish production in the general animal production in the Czech Republic at current prices between 2002 and 2006. The development of animal production has shown a decreasing trend since 2002. In 2002 animal production amounted to CZK 62.38 billion (EUR 2.259 bn.), while in 2006 the figure was CZK 55.75 billion (EUR 2.019 bn.), which is a decrease by about 10.6%. Fish production has a small, yet constant share in the overall animal production; it is subdivided into production of marketable fish and production of restocking material. Between 2002 and 2006 fish production ranged between CZK 1.11 and 1.18 billion (EUR 5 – 7 mil.). In 2004 and 2005 it constituted about 1.9% of the total animal production; in 2006 its share in animal production was about 2%. The production of marketable fish during that period ranged between CZK 0.96 and 1.01 billion (EUR 34 – 36 mil.). In the last two years (2005 and 2006) it accounted for 1.7% of all animal production. As compared to 2005, a decrease in the production of marketable fish was observed in 2006, namely by about 5%. As regards the production of marketable fish, we can conclude that it has been stable in the long run, with certain minor vicissitudes. Compared to the production of marketable fish, the production of restocking material is 4 to 5 times lower and ranges between about 12 and 16% of the total fish production. Between 2003 and 2005 it showed a constant value of CZK 150 million (EUR 5 mil.), and in 2006 CZK 190 million (EUR 7 mil.).

Table 11 – Context indicators of the fisheries sector

Indicator	Value	Target value in 2015	Source
Coverage of domestic consumption (% of value) = freshwater fish consumption in kg per person and year (1.38) /total fish consumption in kg per person and year (5.6) * 100 (in 2005)	24.6%	28%	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
Supply balance (apparent consumption = production (20,500) – (export (8,233) – import (858)) for fish in live weight in tonnes (in 2005)	13,125 tonnes	13,350 tonnes	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
Value of marketed products (common carp) = production in tonnes (17,804)* price in December (CZK 48.40 per kg) (in 2005)	CZK 861,714,000 EUR 31,214,736	CZK 890,000,000 EUR 32,000,	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
Share of supply for domestic market coming from aquaculture = domestic sale of live fish in tonnes (8,500) / production of marketable fish in tonnes (20,400) (in 2006)	41.7%	45%	<i>Czech Fish Farmers Association</i>
List of species bred for human consumption	Common carp Silver carp Rainbow trout Grass carp	Common carp Silver carp Rainbow trout Grass carp	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
Active population (employed) in aquaculture (in 2006)	1,714	1,714	<i>Czech Fish Farmers Association</i>
Structure of employees by gender	1,450 – males 264 - females	1,434 – males 280 - females	<i>Czech Fish Farmers Association</i>

Note: For conversion is used exchange rate DG Budget October2007 (1EUR = 27.606 CZK). Source of the exchange rate: MSC2007.

3.b) SWOT analysis of the aquaculture and its development

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> - Czech fishpond farming tradition and know-how - Experience of fishpond companies and other applicants in utilising domestic and European subsidies - High quality of breeding material - Sufficient processing capacity - Registered trademarks - High-quality care for fishing grounds - Non-production pond function - Use of fishing grounds and fishponds systems by the general public for recreational activities - Maintenance of the structure of fish communities in fishing grounds - Developed fisheries education and research (incl. applied research) in cooperation with producers - Existence of a legislative framework for fish rearing and protection activities - Existence of an organisation that coordinates the interests of fisheries 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> - Low economic return of fisheries business - High age and wear of technical equipment - Low fish and fish products consumption, insufficient promotion of products and fishing as a profession - market seasonality and limited interest of consumers in fish and fish products in the off-season - Unsuitable conditions for retail sale at farms - High process costs due to scattered fishponds - Historical orientation at carp - Length of breeding period of carp - Unsuitable conditions for breeding salmonid fish - High content of sediments in fishponds - Reduced intensity of production methods and limited economic activity in fishponds due to the adopted environmental standards - Increased influence on the environment in some locations due to intensive farming
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> - Growing prices of sea fish and fish products in connection with measures implemented to ensure the sustainable use of the fish population in seas - Further development of research capacities, improvement of education - Bringing migratory fish species back to our watercourses - Further improvement of water quality in watercourses due to a higher level of wastewater treatment - Development of fishing tourism 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> - Possibility of occurrence of dangerous fish infections - Import of cheaper fish and fish products (esp. sea fish), and products better suited to consumer demand - Competition from other types of food stuffs on the market, deviation from freshwater fish and fish products - Effects of piscivorous predators - Inappropriate management in river basins upstream of fishponds, causing excessive erosion and decline in biodiversity and environmental stability of fishpond ecosystems - Increasing environmental burden in the composition of sediments - Effects of extreme climatic phenomena

The main driving forces of the sector

The most important strengths include **advanced breeding know-how** based on hundreds of years of **traditions** in the **pond-breeding of carp** and the acquired **experience in utilising domestic and European development programmes**. In addition, the Czech Republic has **high-quality professional training capabilities** at all levels, which allows developing the knowledge of workers in this field. Management of freshwater aquaculture, namely fishing **business** as well as **care for fishing grounds**, is **stipulated in legislation** in detail. The domestic market as well as the markets in neighbouring countries are supplied with **high-quality live fish and fish products**. Not only thanks to their **improved quality**, but also thanks to their other features, the water ecosystems constitute an **important landscaping element** and a place for **leisure activities**.

Fishing production is **at the limit of economic return**, which is caused by many internal and external factors. The **limited resources** of producers intended for the **promotion of fish and fish products** and the industry as such **has not been able to spur demand** to such a degree that fisheries and fish processing facilities could take advantage of the economies of scale associated with their production to a larger extent. Production fishponds have a **high content of sediments**, which shows in their **reduced retention capacity** and can be one of the reasons for lower production and worse economic results. Economic results are affected by increasing damages inflicted by piscivorous predators. There are places where fishing management has an **increased influence on the environmental condition** of the specific location. The **river system** in the Czech Republic **does not provide optimum conditions for the reproduction of some species** and does not allow the full migration of migratory fish species in our watercourses and in the sea.

The opportunities of Czech fisheries include a **change in consumer behaviour** and **higher consumption of products coming from freshwater aquaculture** due to the growing prices of sea fish. The **use of latest scientific observations** will play an important role, as they will be applied in practice by **fish managers with modern education**. It will be also suitable to take advantage of the **improving environmental condition** and the **deeper interest of the public in the environment** and to fully exploit this trend for the purposes of the further development of fisheries, e.g. to earn **money from tourism**. The renewal of original migratory fish species represents a huge chance for the **diversity of species** living in watercourses.

The biggest economic threat can be seen in the **increased competition on the food market** and in the **shift of preferences** away from the consumption of freshwater fish. As regards landscape, it can be threatened by the mass occurrences of infections in fish hatcheries and by strongly increasing damage inflicted by piscivorous predators.

Other external effects that influence economic activities include current **demographic trends** and **global climatic phenomena**. **Population ageing**, which is temporarily offset in the Czech Republic by the high birth rate of the strong population years in the 1970s, will result, in the medium term, in a reduced number of young people entering the industry. In addition, today's young generation has a very broad range of interests and numerous possibilities for choosing their leisure time and study activities. Changes in the composition of the population will for instance lead to an increase or decrease of the number of consumers in different age categories.

Global warming will have a large influence on activities associated with the natural environment, including fishing management, in the medium term. Rainfall should be less even, the frequency of longer periods of draught is very likely to increase, just like relatively frequent high rainfalls in small areas. These phenomena may have a negative impact on the fish cultivation business (reduced level of underground and ground water, sudden flooding).

Among other things, the growing temperature of water ecosystems may result in the occurrence of non-indigenous species of water animals and plants and infections associated with them.

3. c) Description

(1) Environmental situation and results of the Strategic Environmental Impact Assessment

Environmental situation

The Czech Republic can take pride in tradition of fish farming going back for many centuries, especially referring to carp. Relatively large areas were turned into cultural landscape with a vast number of fishponds to cater for fish farming in the Middle Ages. This cultural landscape belongs to show cases of the Czech Republic and, taking its uniqueness into account, it enjoys a protection statute on both domestic and international level.

Fishpond farming shows a characteristic balance of production, ecological and water management links. Fishponds fulfil irreplaceable non-production functions in the landscape, such as water retention, flood protection, biological water purification in fishponds, artificially created sites for nesting birds and protection of animal territories, recreational function, environmental stabilisation function, biological diversity conservation and others. In addition to the management and enhancement of fish communities, the enhance of the fish stocks by adding protected and endangered autochthonous species in line with the requirements on the protection of the environment is also ensured.

Over the last more than fifteen years a very significant improvement of water quality in Czech rivers and reservoirs has been seen due to the economic restructuring and changes in the behaviour and preferences of the population. This has been caused by the implementation of legislation in the field of water management, in particular with respect to wastewater. The propagation of pollutants from spot (industry and habitation) and general (agriculture) sources of pollution has been reduced.

The sector has an extensive and comprehensive collection of knowledge related to the breeding of fish. This includes the actual techniques of breeding fish, knowledge of etology and its application in farming in harmony with the requirements of the top-quality environment. Fish farmers have always been well aware of linkages of their livelihood and nature upon which they and their farmsteads were dependent. Dependence on unspoiled nature regains its momentum on the present. Affinity to nature is instilled in the youngest members of fishing unions and is ubiquitous in all school types curricula, too.

The fishery sector in the Czech Republic is firmly embedded in national legislation, namely in the Act No. 99/2004 Coll. (Fisheries Act), as amended, but activities of production fish farmers and recreational anglers are also regulated by other legislative norms, e.g. Act No. 114/1992 Coll. on environmental and landscape protection, as amended. Fish farmers have to comply with strict national rules and measures to ensure water purity. It is possible to claim that fish farmers are good landlords and managers of the environment, but their fishpond business is based on comparatively unsure foundations as they need to apply for various exemptions from the environmental protection Act. One of the objectives of the OP Fisheries is to stabilize conditions for undertaking and support relation of mutual confidence between fishery businesses and environmental protection bodies.

Situation in longitudinal passability of water courses has improved which enables re-introduction of autochthonous fish species so typical for Czech waters in the past.

Among other problems of fisheries one can find spread of fish diseases and ecological burdens in composition of fishponds sediments. An important environmental factor setting constraints to fishpond management is influence of piscivorous predators (great cormorant, river otter, grey heron and American mink) that decimate fish selectively (consume specific species and younger development stages) and estimates range to tens millions of Czech crowns (Euro millions).

It is necessary to mention the problem of global climatic change separately as it will most likely have prominent influence on the overall volume and seasonal availability of water resources. Enough high-quality water is a necessary condition for functional aquaculture. The long-term insufficiency of water during the vegetation period could have a considerable negative impact on the production results and contribute to a worse health condition of fish in fishponds. Likewise, an excessive amount of water, especially as regards floods, has a negative effect on farming and could result in the destruction of the whole water system.

In the second half of the 20th century, agriculture in the Czech Republic went through a period of principal changes that shaped its character as well as its influence on the surrounding landscape and natural environment. Scattered pieces of land were combined into large blocks of land that often did not respect the terrain relief. Until this day these actions have resulted in rather impaired drainage conditions, water pollution and soil degradation. These steps gradually triggered not just the process of loss of natural soil fertility, but also a distinct reduction in the water retention capacity of the landscape and a reduced biological diversity.

The quality of water in watercourses has improved significantly since 1990. In spite of these improvements, however, the existing condition cannot be considered satisfactory. Areas with natural watershed levelling, fishponds and small reservoirs played a significant role during the floods in recent years. The technical condition of fishpond dams, the neglected facilities (process equipment) and the silted fishponds (amount of sediment), however, limit their retention capacity.

In an urbanised and farmed landscape, fishponds constitute important landscaping elements, biotopes for endangered species of plants and animals, with precious ecotonal populations in littoral zones. They contribute significantly to water retention in the landscape – mitigation flood flows and enhancing the conditions during dry periods. Most fishponds are affected by eutrophication due to intensive agricultural production and an absence of wastewater treatment plants, especially in smaller villages. In addition, fishponds are still fertilised with organic fertilisers. Due to the excessive erosion, there are huge sediments accumulated in fishponds, rich in organic substances. The volume of eutrophic sediments in our fishponds reaches approximately two hundreds of millions of cubic metres.

NATURA2000 areas are often designated on the fishponds. In accordance with the Czech national legislation specially protected areas are also designated on fishponds or their parts. The highest density of fishponds is in South Bohemian region and in South Moravian region. Fish breeders respect the Natura 2000 areas and specially protected areas in accordance with the Czech national legislation and adapt their activities to it as well. The relation between Natura 2000 areas and the most significant water-surfaces in the Czech Republic is displayed in the map in the Annex No. 4.

Process and results of the strategic environmental impact assessment

Short summary of relevant steps

The OP Fishery has been continuously assessed, pursuant to the currently valid legislation of the Czech Republic, i.e. Act No. 100/2001 Coll., on the assessment of environmental impacts in force. The Act is fully compliant with EU Directive 2001/42/EC. Within the framework of

screening and scoping, the relevant authority (i.e. the Ministry for the Environment), following the submittal of the notification by the Ministry of Agriculture (MoA), specified the scope and contents of the Assessment. This document, along with the relevant requirements of Act No. 100/2001 Coll., on the assessment of environmental impacts, as amended, was applied to elaborate the Strategy Environmental Assessment (SEA) of the OP Fisheries. Based on the SEA report, the ME issued a positive statement regarding the proposal for the OP Fisheries. If it had not been for this statement of the ME, the Government of the Czech Republic could not have approved the OP Fisheries (the Article 8 of EU Directive 2001/42/EC).

Consultations with the public during the assessment process (Article 6 of EU Directive 2001/42/EC)

The assessment of the OP Fisheries impacts was a multi-step process. During each step, the public had the opportunity to raise objections to and give comments on the currently valid version of the OP Fisheries and its assessment as well.

Table 12 – SEA consultation process

Publication stages	Publication period	Method of publication <i>(normal text is a mandatory form, while bold text is an above-standard form)</i>
Advice note	Minimum 20 days	Internet (ME, MoA, CULSP), e-mail messages sent to 37 professional and environmental organizations , official publishing boards of Regions (14-x)
Conclusion of the Fact Finding Procedure (scoping)	30 days	Internet (ME)
Evaluation of environ. impacts (acc. to Article 5 of EU Directive 2001/42)	45 days	Internet (ME, MoA, CULSP)
Public hearing	15 days	Internet (ME, MoA, CULSP), e-mail messages sent to 50 professional and environmental organizations , official publishing boards of Regions (14-x), large area ads in two state-wide dailies, press release for the Czech Press Office and environmental intelligence website Ekolist.
Standpoint (acc. to Article 9 of <u>EU Directive 2001/42/EC</u>)	Permanently, following its being issued	Internet (ME, MoA, CULSP), e-mail messages sent to 37 professional and environmental organizations , official publishing boards of Regions (14-x)

The compilers of the SEA of the OP Fisheries received all the pertinent statements during the announcement and public hearing stages (on 20/10/2006). The statements received during the announcement stage were respected in the conclusion to the scoping (fact finding procedure) which defined the scope and contents of the SEA OP Fisheries. During particular stages of the publishing, the compilers of the SEA OP Fisheries received in total 31 comments and proposals. Of that number, 15 statements came from state administration authorities, 15 statements were formulated by self-government authorities and 1 statement came from a party

to the public hearing. Regarding the subject topics, the received statements can be split into the following groups:

- Comments on the scope and contents of the SEA (12),
- Comments on priorities of OP Fisheries (3),
- Proposals for re-formulation in the text of OP Fisheries (13),
- Interlinks of the OP Fishery with other strategic documents of the Czech Republic and EU legislation (3).

The remaining received statements raised no objections / suggestions.

Dealing with comments referring to the OP Fisheries text during the SEA process

The text in the part “The main driving forces of the sector” was modified so that it would meet wishes of the remark on excessive distinctiveness of the text against environmental protection institutions. Passage on possibilities to apply for compensation for damage caused by selected specially protected species was amended. More details were provided in the text referring to environmentally friendly fishpond management. Further, a map of and text covering relations between important aquaculture areas and Natura 2000 areas were inserted. The new text contains cross-references to legislative in the sphere of environmental protection.

Conditions for EFF spending, e.g. silt removal from fishponds and construction of new processing facilities, were set up in the partnership with the Ministry of Environment and environmental NGOs.

Suggestions to stress inter-linkages between the Catchment area plans and Main catchments plan were not accepted because these documents were in the stage of elaboration and approval only in time of the preparation of the OP Fisheries.

Proposal for monitoring and criteria for the OP Fisheries and for the project selection procedure (Article 6 of EU Directive 2001/42/EC)

For the purpose of evaluating the OP Fisheries effects at the level of measures, the set of existing and regularly monitored indicators was supplemented with the following monitoring indicators of an environmental nature:

- the number of technologies, EMAS certificated;
- quantity of mined sediments and classification categories acc. to the wastes catalogue;
- revitalisation of water-courses – length of channel improvements;
- number of economic subjects and area of managed fishponds in the category of specially protected areas, subject to the provisions of Act No. 114/1992 Coll., in force;
- number of measures aimed at improving the quality of water.

The procedure to be applied for the selection of particular projects (plans) during implementation of this concept will be based on selection criteria, including those of an environmental nature, as formulated within the comments, change proposals and recommendations. Selected projects focused on supporting competitiveness will be subject to independent assessment of their environmental impacts (EIA). They include projects supporting increased competitiveness - through investment in systems for aquaculture, fish handling and processing as well as rehabilitation of localities suitable for fish spawning; projects with a potential of a significant impact on the environment, while meeting at the same time the characteristics and limits as defined by Act No. 100/2001 Coll., on the assessment of environmental impacts in force. Unless such assessment is made, it will not be possible either to support the implementation of such plan or implement it.

The system of indicators as proposed by the NDP SEA compiler and recommended by the Ministry for Regional Development (MRD) has been selected. The selection respected the uniform approach to the evaluation of the submitted projects, links to the system of monitoring the Operational Programme Environment and the Rural Development Programme 2007 - 2013. The proposed system will be used for evaluation and selection of projects, within the framework of the implementation document for the particular evaluated operational programme. A broader spectrum of environmental indicators and criteria has been proposed, designed to cover eventually occurring marginal cases as submitted by individual potential applicants (see Annex 3).

Non-technical summary (the Article 5 and Appendix I (j) of EU Directive 2001/42/EC)

OP Fisheries respects the tenets for economic competition (it ensures equality of opportunities for all forms of business activities in fishery), rules and legislation for public orders and the currently applied approach to regional policy in the Czech Republic. It supports the system of safeguarding foodstuff safety, quality, as well as the programme of domestic launching of new, perspective products. Moreover, it supports programmes for sustaining job opportunities in the countryside, the equal status of men and women in this area, preserving and improving the environment, including aqua-environmental measures intended for improving the aquatic environment. The required publicity of the OP Fisheries and disseminating the knowledge among the general public will be ensured within the framework of evaluating the environmental impact of the OP Fisheries and the communication plan.

OP Fisheries follows up the OP Agriculture, for the period of 2004 – 2006, and comes from the findings of the SAPARD programme.

A set of priorities to be attained thanks to the support provided by the EFF is incorporated in the OP Fisheries; the EFF was established by Council Regulation (EC) No. 7634/2006 ADD 1, REV 1, of 31 March 2006. The support will be the result of coordination among a number of backing sources: the EFF, the European agriculture fund for countryside development (EAFRD), the European fund for regional development, the European social fund, the Fund for cohesion and additional financial resources of the Community; all this compliant with the policy, priorities and activities of the Community.

OP Fisheries follows up the NSP, for the period of 2007-2013, and has been delimited in relation to other operational programmes and additional measures in such a manner as not to cause their overlapping.

Regarding the requirements of Act No. 100/2001 Coll., on the assessment of environmental impacts in force, as well as the concept focus, it was necessary to commence the concept assessment in terms of its environmental impacts.

The priorities and goals, as formulated at the level of NSP, are put more precisely by means of the OP Fisheries at the level of individual actual measures. Regarding this, the assessment of both concepts proceeded in parallel, as far as to the final stages of the impact assessment. This arrangement was motivated by the need to be able to respond to objections/comments from the public administration and the public and to update the wording of both concepts. The implementation of the set out general goals and thematic and territorial priorities will be made within the scope demarcated by the measures contained in the OP Fisheries.

In the course of the concept elaboration, the concept options were published continuously on the websites of MoA and those of the evaluator in such a manner that the interested public could continuously send from the very initial phases their comments, suggestions and proposals. Pursuant to the requirements of Act No. 100/2001 Coll., on the assessment of environmental impacts, as amended, the scoping was started on 26 June 2006 – by publishing the concept in the SEA Information system (<http://www.ceu.cz/EIA/SEA>), the concept code

MZP039K, and distributing the information on the concept announcement among the concerned administration authorities and concerned regional self-governing units. 89 subjects were addressed within the scope of the scoping (fact finding procedure).

Within the legally-stipulated period of 20 days from the concept publishing date, the ME, SEA department, received statements from 31 subjects in total. 10 of these statements raised no objections/suggestions, while the statements of 3 subjects were focused on the concept announcement. The statements of 5 subjects contained actual requirements regarding the concept contents. The statements of 13 subjects dealt with evaluation of the concept's impact on the environment. The objections/suggestions were duly evaluated and subsequently respected in the phase of concept elaboration and evaluation phases.

With the aim of proper and universal evaluating, the impacts of all the significant and relevant effects on particular components of the environment were considered, including the impact on public health. At the same time, a set of relevant environmental goals was defined, this coming from the valid environmental strategies and methodological recommendations of the European Commission for the evaluation of impacts of structural fund operations on the environment. Based on the positive results of the evaluation, an affirmative standpoint to the conception proposal has been proposed, including the conditions defined in a manner so as to minimize or mitigate adverse effects on the environment and public health.

Indicators characterizing environmental effects have been proposed for the purpose of monitoring these effects during the concept implementation. These indicators will be regularly evaluated and the evaluation results will be made available to the public.

As a competent authority (on the basis of Act No. 100/2001 Coll. on environmental impact assessments), the Ministry of the Environment granted its consent to the proposal for the concept of the "Operation Programme for Fisheries, 2007 – 2013" subject to compliance with the following conditions:

- 1) Cooperate on the preparation of a regulation on the usage and application of sludge and sediments with reference to Act No. 185/2001 Coll. and to the outputs of the implementation project for contaminated soils and sediments.
- 2) In the framework of the selection criteria for the measures "*Removing Sediments Settled in Fishponds (Mud Removal)*" and "*Innovation and Modernisation of Existing Technical Equipment*", add the condition that the consent of the environmental and landscape protection authority must be obtained.
- 3) When implementing OP Fisheries, the conditions determined by the environmental impact assessment for the individual objectives are respected.
- 4) A system of monitoring the effects of OP Fisheries on the environment will be introduced using the proposed indicators, which will be regularly evaluated during the implementation of the concept, and the outcomes will be made public.
- 5) The submitter of the framework will use its webpage to publish an assessment of all of the statements and comments made whilst the conceptual framework was being prepared and the comments from public discussions on the concept and its evaluation.

The Ministry of the Environment also established that the implementation of the concept "*Operational Programme for Fisheries, 2007 – 2013*" will not have any significant negative effect on the territories of European interest and bird areas if all of the measures proposed in OP Fisheries are implemented, subject to compliance with the subject of protection of the locations of European significance and bird areas within the NATURA2000 system. The measures must respect the protection of locations and the integrity of the NATURA2000 system and cannot lead to damage or a worsening of the condition of these territories.

3. c) (2) Equal rights for men and women

Currently the share of men takes a major part in the total employment in fisheries sector. The reason for this major part is rather high share of hard physical labour. The share of women in the total employment in fisheries is 15%. They work in administration, in fish processing, in research and education. Employment in research and education is characterised by a particularly increasing trend.

OP Fisheries respects equal access for men and women in the sector. OP Fisheries has no special measures for supporting this criterion, some measures in priority axis 2, specifically measures 2.1. and 2.4. will create the conditions for broader inclusion of women in productive fisheries and processing. There is a space in the priority axis 3 for projects supporting proportional representation of men and women.

3. d) Main outcomes of the analyses

Inland fisheries in the Czech Republic constitute an important link between the production capacity of water bodies and many other functions that fishponds play in the cultural landscape. Likewise, maintaining well-balanced fish communities in fishing grounds is an activity that is not only closely targeted at freshwater fish populations. It primarily concerns maintaining dynamic ties between all components in the aquatic environment and the related surroundings of water bodies. Thus, controlling fisheries has an irreplaceable role in the entire landscape that has been exploited by mankind for thousands of years.

Analyses of production fisheries imply that the industry is based on high-quality fundamentals and has an extensive knowledge of economical and sustainable aquaculture management. Fish and fish products are of a high quality. Fishpond and watercourse management conforms to environmental criteria, while recreational fishing is an important leisure time activity for a large portion of the population. Apart from being the most important production centre for production fish farmers, fishponds also perform other non-production functions, such as water management and recreation. Production fisheries, however, face many problems, the most prominent being a low profitability caused by growing prices of inputs; the strengthening Czech currency is not good for fish exports and the insufficient own resources do not allow targeted and large-scale promotion of top-quality products of domestic aquaculture. There are also some problems in the links to the environment. They especially involve a high share of sediments in fishponds and the influence of piscivorous predators on fish in fishponds and watercourses.

A crucial problem of the sector of production fisheries is its low profitability caused by the ever-increasing prices of inputs in the industry and conformity to legislative requirements on the one hand and stagnating demand for the products of freshwater aquaculture on the other hand.

4. STRATEGY AT OPERATIONAL PROGRAMME LEVEL

4. (1) Overall objectives of OP Fisheries using impact indicators

The Czech Republic will strive for achieving competitiveness in the field of fisheries by using traditional production systems in combination with state-of-the-art technology and careful approach to the natural environment and for maintaining and, optimally, increasing the employment rate, especially in regions with a significant concentration of this industry.

Table 13 – Overall objectives

	Indicator	Value in 2005	Targeted value in 2015 ²	Source
Strengthening of competitiveness of production and processing enterprises	Productivity (in %)*	0	12	MA OP
	Economic viability (increased profit in %)*	0	8	MA OP
	Share of supply for domestic market coming from aquaculture (in %)	41.7	45	Czech Fish Farmers Association
Protection and the enhancement of the environment and natural resources		At time of the OP Fisheries preparation there were no relevant environmental impact indicators available. Therefore environmental impacts will be assessed by the mid-term and ex-post evaluation done by an independent evaluator based merely on a qualitative analysis.		
Promote equality between women and men	Active population (employed) in aquaculture	1,714	1,714	Czech Fish Farmers Association
	from that: Active population (employed) in processing plants	150	170	Czech Fish Farmers Association
	Structure of employees in aquaculture by gender	1,450 – males 264 – females	1,434 – males 280 – females	Czech Fish Farmers Association
	from that: Structure of employees in processing plants by gender	78 – males 72 - females	86 – males 84 - females	Czech Fish Farmers Association

*Note.: Parameters will be aggregated merely for supported enterprises.

4. (2) Specific objectives in 2015 using results indicators

- Maintaining the current freshwater fish production (2.1)
- Modernizing processing capacities (2.2)
- Improvement of investment possibilities of production and processing enterprises (2.3)
- Decrease of environmental impact of aquaculture and processing activities and support to environmental friendly methods (2.4)

² The target value is determined for all indicators in the document for the year 2015 when will be all projects finished and refunded.

- Support to modernization of production by using innovative production methods and technologies (3.1)
- Increasing quality and extending the range of fish products (3.2)
- Enhancing the OP Fisheries management (5.1)

Table 14 – Specific objectives

Priority axis	Indicator	Value in 2006	Targeted value in 2015	Source
2	1) Production of marketable fish (in ths. tons)	20	20	<i>Czech Fish Farmers Association</i>
	2) Production of processed fish and fish products (in ths. tons)	4.9	5.9	<i>Czech Fish Farmers Association</i>
	3) Turnover increase (value of marketed products - common carp)	CZK 884,995 ths. (EUR 32,058 ths.)	CZK 973,495 ths. (EUR 35,264 ths.)	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
	4) Financial volume of the projects with environmental friendly production (in %)*	0	35	<i>MA OP</i>
3	1) Increase of the added value (in %)*	0	5	<i>MA OP</i>
	2) Increase of freshwater fish consumption in kg/person/year	0	0.15	<i>Czech Fish Farmers Association</i>
5	1) Rate of increase of awareness about the OP Fisheries and its activities in the aquaculture sector (in %)	0	90	<i>MA OP</i>

**Note.: Parameters will be aggregated merely for supported enterprises.*

4. (3) Calendar and intermediary objectives

Table 15 – Intermediary objectives

Priority axis	Indicator	Value in 2006	Targeted value in 2010	Source
2	1) Production of marketable fish (in ths. tons)	20	20	<i>Czech Fish Farmers Association</i>
	2) Production of processed fish and fish products (in ths. tons)	4.9	5.05	<i>Czech Fish Farmers Association</i>

	3) Turnover increase (value of marketed products - common carp)	CZK 884,995 ths. (EUR 32,058 ths.)	CZK 911,545 ths. (EUR 33,020 ths.)	<i>Status and prospective report Fish – October 2006 (Ministry of Agriculture)</i>
	4) Financial volume of the projects with environmental friendly production (in %)*	0	25	<i>MA OP</i>
3	1) Increase of the added value (in %)*	0	1	<i>MA OP</i>
	2) Increase of freshwater fish consumption in kg/person/year	0	0.05	<i>Czech Fish Farmers Association</i>
5	1) Rate of increase of awareness about the OP Fisheries and its activities in the aquaculture sector (in %)	0	60	<i>MA OP</i>

**Note.: Parameters will be aggregated merely for supported enterprises.*

5. SUMMARY OF THE *EX ANTE* EVALUATION

The main conclusion of the *ex ante* evaluation is that the Ministry of Agriculture has prepared a rational National Strategic Plan for Fisheries and OP Fisheries. The tables attached to NSP Fisheries contain the key indicators with respect to this issue.

Both documents are at a good professional level and use the available numerical data. The unfinished link between the SWOT analysis and the defined objectives is a certain weakness. We attempted to supplement this link in the *ex ante* evaluation and it is up to the authors of OP Fisheries to use these comments. The proposed priorities and measures respect the NR principles regarding the European Fisheries Fund. In terms of financial structure, 44% are used for priority 2 Aquaculture, 51% for priority 3 and 5% for priority 5. The connection between the amount of funds and the hierarchy of needs is underrepresented in OP Fisheries. It stems from some of our estimates that the earmarked financial means will not be sufficient for meeting the monitored objectives. Therefore it is necessary to achieve a certain level of synergy with resources from the Ministry of the Environment and other national and European funds. The projects' evaluation will also be significant from the standpoint of the effectiveness of additional resources (what effect is expected from an additional Czech crown invested in the project).

We think the main global objectives are as follows:

- to keep the production of freshwater fish at the level of 20,000 tonnes of fish annually,
- to keep the number of jobs at 1,700 positions,
- to achieve a level of gross added value at CZK 650 mil., i.e. EUR 23.21 mil. (28 CZK/EUR),
- to implement environmental interventions – the expected area of fishponds with environmental interventions will be at least 4,000hectares³ in 2015.

The allocation of financial resources to the individual priority axes and measures is a matter of professional compromise rather than rational evaluation of the individual needs and the effectiveness of sufficient funds.

The results and impacts involving the environmental impact are not included in OP Fisheries. Neither could the evaluators find these indicators, and we therefore propose that the evaluation of this effect be carried out verbally.

In chapter 9 Monitoring and Assessment, certain intentions are missing. We believe, however, that the experience of the State Agricultural Intervention Fund in the monitoring and implementation of EU programmes guarantees a successful procedure. Nevertheless, we recommend making sure that OP Fisheries considers our comments specified in this *ex ante* evaluation.

Table 16 - Utilising recommendations from the *ex ante* evaluation in the OP Fisheries

Recommendations from the <i>ex ante</i> evaluation	Application in OP Fisheries	Page No.
1. By improving the SWOT analysis, the connection between the economic situation and the set	Points concerning competitiveness were added into SWOT analysis.	13

³ In the aftermath of a discussion with relevant partners in the process of OP Fisheries negotiations, while taking into account changes in financial allocation regarding priority axis 2, the value of the indicator „Area of fishponds with an improved aquatic environment“ was adjusted to 2,200hectares at minimum.

objectives should be better expressed.		
2. The marketing strategy and the publicity for fish products should be emphasised more in OP Fisheries. We think this is one of the priority tasks of OP Fisheries.	In reaction on recommendations from the ex ante the allocation of financial resources was increased in priority axes 3. Financial resources are used to support marketing strategies and the promotion for fish, fish products and fisheries sector itself.	29, 40
3. With regards to the lack of financial resources for completely meeting the objectives specified in OP Fisheries, priorities should be drawn up from the standpoint of effectiveness of additional resources.	Ex ante evaluation mentions the necessity to remove silt out of a significant share of fishponds on the CR territory. Financial resources available from EFF pose only complementary source related to the national subsidies.	27, 36
4. The involvement of scientific research in innovating new products and procedures should be increased.	It was added to the measure related with fish processing.	28, 34
5. Analyses for marketing strategy and innovation of fish products should be prepared.	The measure 3.3. was redrafted and now accents implementation of market analysis and together with other measures particularly 3.4. it supports innovative strategy of producers and processors.	29, 40
6. More attention should be given to elaborating the monitoring and evaluation of OP Fisheries.	It was added into the chapter related with monitoring and evaluation of the OP Fisheries	56-58
7. Project funding should be distributed depending on project completion. The benefit of this recommendation is that economically weaker entities will be able to apply for support, while it will be, of course, necessary to increase the monitoring of implementation of these projects so that their finalisation is ensured.	In implementation of the projects which are desirable to divide into more stages, the system of stage financing will be used. It will allow subjects with a low investment capital to use the financial resources.	It is not stated in the OP Fisheries. It will be included into detailed manual given applicants and beneficiaries

6. PROGRAMME'S PRIORITY AXES

Priority axis 2	Aquaculture, processing and marketing of fishery and aquaculture products
	Measure 2.1. Measures for productive investments in aquaculture Measure 2.2. Aqua-environmental measures Measure 2.3. Animal health measures Measure 2.4. Investments in processing and marketing
Priority axis 3	Measures of common interest
	Measure 3.1. Collective actions Measure 3.2. Measures intended to protect and develop aquatic fauna and flora Measure 3.3. Support and development of new markets and promotional campaigns Measure 3.4. Pilot projects
Priority axis 5	Technical assistance
	Measure 5.1. Technical assistance

6. (a) Coherence and justification of the priority axes chosen

6. (a) 1. Coherence and justification of the priority axes chosen having regard to the NSP

The priority axes conform to the NSP. The financial resources allocated to the individual priority axes will help achieve the specified objectives of OP Fisheries, which the Czech Republic outlined in its NSP and whose main goal is to maintain fish production in compliance with the rules of sustainable development, taking into account environmental, economic and social aspects.

The Czech Republic has proposed measures within the framework of priority axes 2, 3 and 5 of the EFF. The location of the Czech Republic as an inland country predetermines the focus of fisheries on freshwater aquaculture and the related activities that comply with the CFP, including axis 3, such as the promotion of high-quality and healthy foodstuffs.

Priority axis 2 complies with global objectives of NSP namely strengthening competitiveness of the fisheries sector, maintaining the existing fish production and keeping the current employment rate. It takes into account specific objectives of NSP particularly keeping traditional aquaculture, introducing aquaculture methods that reduce unfavourable effects on the environment, improving and extending the offer of top-quality fish and fish products, extending the possibilities of fish farming in freshwater aquaculture, improving the working conditions in the fisheries sector, strengthening the equality between men and women and reducing the threats to fish farming facilities due to negative external effects.

In compliance with the need to increase the effectiveness and to rationalise production processes it is necessary to support the existing fish rearing facilities through modernisation and completion. Namely are concerned new technologies, functional structures and other production equipment and the construction of new fishponds. From an environmental point of view, recirculation systems constitute a suitable method of fish production. It is also necessary to pay some attention to the development of fishpond management, where support should be mostly focused on the modernisation and silt removal of fishponds to solve the long-term problem of excessive sedimentation in Czech fishponds, and to support this area. In connection with the growing damage caused by protected piscivorous predators it is necessary

to target the support also at the suitable and careful protection of fish breeding facilities and fishponds against these predators. Supporting retail trade of fish on farm will bring about higher profits for producers and a chance of purchase of fresh and high-quality products for consumers.

In case of a large proportion of fishponds the loss of production as a consequence of observing environmentally sound management methods can be compensated according to the national legislative tools. In order to support biodiversity of fishponds and fishpond systems and to protect environment these activities shall be supported.

Current good animal health situation of aquaculture animals in the Czech Republic is ensured by application of the means of repression of dangerous diseases listed in Act. No. 166/1999, as amended (Veterinary Act). List of dangerous fish diseases has been upgraded based on the Council Directive 2006/88/EC. This directive will be transferred into the prepared national legislation (providing Decree to Veterinary Act). Recently included diseases will be, in the scope required by EU legislation, examined within the framework of the Methodology of Animal Health Control and ordered vaccination, which is annually approved by MoA, and in the case of a confirmation of non-exotic disease - eradicated by the appropriate eradication programmes (in accordance with the contingency plan) within the meaning of Art. 44, par. 2 of the Council Directive 2006/88/EC. Exotic diseases listed in Part II of Annex IV will be controlled by procedures, prescribed in Chapter V, Section 3 of the Council Directive 2006/88/EC.

In the future the support has to be targeted at capacities focused on the existing fish processing operations (their modernisation or extension), with view to increasing the added value of the products and to increase the effectiveness of production so it could cover the changing demand of customers for fish products. Many fish processing operation are still carried out manually. Support aimed at modernising production equipment should improve this condition and this measure (on condition of overall production increase) would at the same time result in maintaining the current employment rate within the industry and in enforcing equality between men and women. Development of new fish products will be supported. Industrial processing of fish is highly demanding in terms of water intake and consumption. That is why support will be targeted at technologies and equipment reducing unfavourable environmental impacts.

Priority axis 3 complies with global objectives of NSP namely strengthening competitiveness of the fisheries sector and keeping the current employment rate. It takes into account specific objectives of NSP particularly increasing domestic and foreign demand for fish and fish products produced by the fisheries sector in the Czech Republic and extending the possibilities of fish farming in freshwater aquaculture. In accordance with Lisbon Strategy the utilization of applied research will be supported through the pilot projects.

It is necessary to support activities with a broader scope and options than those mostly undertaken by private enterprises measures that would contribute to the accomplishment of the general objectives of the Common Fisheries Policy.

The support of educational activities, such as expert conferences, seminars, publication of specialised brochures and production of web pages, will help increase the professional knowledge of fish farmers and recreational anglers. Investments made in common interest, increasing expertise, cooperation between science, schools and enterprises, feasibility studies of partnership with third countries can add to the enhancement of the sector of fisheries.

It is in the interest of the Czech Republic to support conservation or increase in biodiversity in the watercourses. Restocking of fish species based on the EU legislation in force (currently European eel) will contribute to this objective. The rehabilitation of spawning grounds will provide for more favourable conditions for the life and reproduction of aquatic animals.

There is a very low average annual consumption of freshwater fish (approx. 1.4kg per capita) and fish in general (approx. 5.7kg per capita) in the Czech Republic. To ensure varied and well-balanced nutrition of the population, it is highly desirable to strengthen the consumption of fish in the Czech Republic, which can be encouraged by targeted promotional campaigns conducted on the basis of market analyses. Based on the results of the SWOT analysis and documents from the Czech Fish Farmers Association, it is necessary to direct the promotion e.g. at public catering facilities (restaurants, school and company cafeterias etc.) and to choose e.g. the young generation as the target group. Marketing activities will constitute an instrument to implement marketing strategies at national and corporate levels. This encouraged demand, with a more uniform distribution during the year, will allow using the extensive experience in fish rearing and will boost processing capacities, too. The fisheries sector will get closer to the customers and different distribution channels with a view to understanding their needs better and being able to predict them. In this context, it is also important to face the challenges, including the entry on new markets to open up the opportunities to solve the utilisation of the existing processing capacities. New markets and business contacts will be also opportunities for farmers with top-quality production (products recognised under Council Regulation (EC) No. 510/2006), through which they can establish themselves on the market and strengthen their position.

Increasing the ability of the fisheries sector to adapt to the demands of the external environment and to flourish in it in a sustainable manner in all respects can help by testing new technologies. Pilot projects will be focused particularly on fish farming technologies, testing new fish rearing facilities, economy of breeding fish, environmental aspects in aquaculture, fish health in breeding, water treatment and cleaning technologies for freshwater fish, fish processing technologies, testing of new processing facilities, economy of processing and further suitable activities. Through pilot projects innovative technologies enabling the production of new products will be tested.

Priority axis 5 contributes to the achievement of all OP Fisheries and NSP objectives by means of information and publicity and further activities which support utilising of EFF financial resources.

By preferably aimed subsidy is intended to ensure quality operation and improving the institutional administrative framework of the OP Fisheries. The financial resources of this axis are intended for preparing, monitoring, managing, evaluating, publicising, checking and auditing OP Fisheries and preparing the following programming period. One of the key elements of proper management is a continuous educational process of staff dealing with the administration of the OP Fisheries.

Staff involved in implementation, applicants and beneficiaries must be all the time informed about all activities carried out in the OP Fisheries as well. It will be ensured through information and publicity activities. Wide, effective and targeted promotion of the available assistance will be emphasized within the Technical assistance on the base of experience in 2004 and 2006 programming period and the results of the ex ante evaluation.

6. (a) 2. Coherence and justification of the priority axes chosen having regard to the guiding principles of the OP Fisheries (Article 19 of Regulation (EC) No. 1198/2006)

The priority axes are consistent with the principles of the common fisheries policy and the national strategic plan. Both of relevant priority axes aim at the enhancement of a harmonious, balanced and sustainable development of economic activities, jobs and human resources and contribute to the protection and the improvement of the environment.

Consistency with NSP and CFP

The allocation of financial resources to the individual priority axes is a matter of professional compromise of partners, suggestions of stakeholders and ex ante recommendation. For the priority axis 2 is allocated 44% of the total allocation under EFF, for priority axis 3 is allocated 55% (contribution for this axis was increased in accordance with ex ante recommendation) financial resources and the remaining 5% will be used for priority axis 5. Financial allocation will contribute to adequate achievement of given objectives.

Financial Resources allocation

Through the priority axes 2 and 3 the OP Fisheries contributes to the achievement of the Lisbon strategy by supporting interventions leading to a sustainable level of employment in the fisheries sector in particular through enhancing the quality of jobs and by supporting new professionals who will apply economically and environmentally sustainable economic approaches. Young graduates from all types and levels of fisheries and managerial schools will be able to apply their knowledge. The innovative activities will be supported significantly within both priority axes mostly by introducing new technologies and products and by applying of results of research in the production.

Lisbon Strategy

Both priority axes contribute to the fulfilment of objectives of Gothenburg strategy. Priority axis 2 contains the interventions enhancing the environmental dimension in the fisheries sector particularly support of aquaculture methods friendly to the environment, investments into equipment improving wastewater treatment in industrial fish processing and in using of recirculation systems. Priority axes 3 will support the protection and development of aquatic fauna and flora, inter alia by restocking with species based on EU legislation in force (currently European eel) and by rehabilitation of spawning grounds.

Gothenburg strategy

Specific objectives concerning human resources situation improvement in the fisheries sector are incorporated into priority axes 2 and 3, human resources needed for OP Fisheries implementation also in priority axis 5. Through interventions in priority axis 3 operations aiming at upgrading and diversifying professional skills of fish farmers and recreational anglers will be supported. Resources will be directed into co-operation among scientific institutions, institutions of vocational education and economic subjects in the fisheries sector. Activities developing lifelong learning will be implemented in co-operation with operational programmes financed by the European social fund. Priority axis 2 will focus some of its activities on improving working conditions and safety for employees of the fisheries sector. Activities in question are particularly reduction of physical labour, improvement of hygienic conditions, and use of modern technology and improvement of social facilities. Such activities markedly support gender balance in the fisheries sector. Primarily, activities of the priority axis 2 are targeted on improvement of working conditions so that gender exclusion on the labour market would not take place while maintaining stabilised employment in the fisheries sector. Also, activities of priority axis 3 contribute to maintenance of equal opportunities for men and women; moreover, the principle of gender equality will be advocated in administration structures of OP Fisheries and its Monitoring Committee. Increasing of the share of employed women in the sector is one of the objective of the OP Fisheries implementation.

Human Resources, gender equality

The priority axes 2 and 3 will support development of innovative activities (development and

Innovative

new products production, new production technologies and their testing in practice) which will contribute to the extending the range of fish products with high added value that will meet the high quality standards and satisfy consumer needs. *capacities, added value*

Through priority axis 3 (marketing and promotional activities) as well as priority axis 2 (support in fish processing and in on-farm retail trade at the fish farm) the OP Fisheries contributes to a better supply to, and to a sustainable development of, the community market of aquaculture products. *Market*

Priority axis 5 contributes to the enhancement of the institutional and administrative framework of the OP Fisheries and thereby to a good implementation of the EFF financial allocation. The most significant activities will be educational process of staff dealing with the administration of the OP Fisheries and targeted promotion of the EFF interventions leading to the strengthening of the absorption capacity in the Czech Republic. *Administrative capacity*

6. (a) 3. Coherence and justification of the priority axes chosen having regard to the outcomes of the ex ante evaluation referred to in Article 48 of Regulation (EC) No. 1198/2006

Priority axis 2 takes into account recommendations from the ex ante evaluation; as global objective to maintain the existing fish production, ensure non-productive functions and quality of the environment and to keep the current employment rate.

Ex ante evaluation views priority axis 3 as a basic intervention of the OP and the evaluator recommended increasing its financial allocation to support fish and fish product consumption. The financial resources in priority axis 3 were topped up on the base of the recommendation and synergy effect between priority axis 2 and 3 was strengthened. In accordance with NSP and OP strategy it is necessary to boost higher freshwater fish consumption which will allow increasing and make more effective both production and processing thereof.

The way in which the recommendations from the ex ante evaluation in the OP Fisheries have been taken into account is in detail stated in chapter 5 Summary of the ex ante evaluation.

6. (b) Description of priority axes

A) Priority axis 2 Aquaculture, processing and marketing of fishery and aquaculture products

Priority axis 2 is based on priority axis 2 Aquaculture, processing and marketing of fishery and aquaculture products (Articles 28 – 35 of the EFF Regulation).

(1) Main objectives of priority axis 2

- increasing added value,
- decreasing production costs,
- protection and improving the natural environment related with aquaculture,
- strengthening the equality between men and women in fisheries sector.

(2) Initial situation and quantified targets

Table 17 – Indicators for priority axis 2

Indicator	Initial value (2005)	Target value (2015)	Source
Production of marketable fish (in ths. tonnes)	20	20	Czech Fish Farmers Association
Production of processed fish and fish products (in ths. tonnes)	4.9	5.9	Czech Fish Farmers Association
Area of fishponds with an improved aquatic environment	0hectares	2,200hectares	MA OP
Number of employed women in fisheries sector	264	280	MA OP

The objective is to maintain the annual production of freshwater fish at the level of 20,000 tonnes until the end of 2015. One of the objectives is to improve the quality of the aquatic environment in fishponds by 2015 in comparison with 2005. The expected area of fishponds on which these measures will be taken is about 2,200hectares. The objective is to ensure the construction and reconstruction of processing capacities (production plants) so that by 2015 production will reach 5,900 tonnes of processed fish or fish products per year. Additional objective is to increase share of women in total employment in fisheries sector from current figure 264 to the 280. It should be achieved by improving working conditions.

(3) Justification of the average rate of co-financing, target groups and beneficiaries for priority axis 2

Justification of the average rate of co-financing

Due to placement of the supported regions into the Convergence objective area the Czech Republic shall grant the amount of contribution from the EFF source for priority axis 2 as maximum possible ratio 75%. Ratio of the national public sources is 25%.

Target groups and beneficiaries

- natural persons or legal persons whose incomes come from aquaculture or fish processing operated in their own name, at their own liability and risk including educational bodies performing entrepreneurial activity in fisheries sector;

- fishing unions;
- Ministry of Agriculture.

(4) Description of measures under priority axis 2

MEASURE 2.1 MEASURES FOR PRODUCTIVE INVESTMENTS IN AQUACULTURE

The measure conforms to Article 29 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) maintaining traditional aquaculture and associated activities, essential to maintain and develop economic and social structure and the environment,
- b) expanding the possibilities of fish breeding in freshwater aquaculture,
- c) introducing new species, for which aquaculture production is low or non-existent, with good market prospects (Managing Authority will ensure a prospective market analysis is elaborated),
- d) introducing aquaculture methods that reduce unfavourable effects or strengthen positive effects on the environment (e.g. introducing new rearing methods that have not been used in the Czech Republic before),
- e) introducing energy-saving and environmentally-friendly technologies (renewable energy sources, technical systems),
- f) improving work and safety conditions of workers in aquaculture,
- g) improving the hygiene and health animals and fish welfare,
- h) improving the protection of fish farms against damage caused by wild predators,
- i) equal rights for men and women.

The subsidy can be provided for:

- a) constructing of new production facilities,
- b) extension, technical equipment, modernization of the existing production facilities and silt removal in fishponds,
- c) investments related to on-farm retail trade at the fish farm, if this sale constitutes an integral part of aquaculture farm, without prejudice to Article 35(6) of the EFF Regulation.

MEASURE 2.2 AQUA-ENVIRONMENTAL MEASURES

The measure conforms to Article 30(2)(a) of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) protection and improvement of the environment, natural resources and genetic diversity,
- b) management of the landscape and the traditional features of aquaculture areas.

The subsidy can be provided for:

- a) using aquaculture production methods comprising protection and enhancement of the environment, natural resources, genetic diversity, and management of the landscape and traditional features of aquaculture zones.

Beneficiaries must commit themselves for a minimum of five years to aqua-environmental requirements.

A one-off compensation shall be allocated for a period of commitment shall be allocated on the basis of a maximum amount per hectare of the aquatic area of the enterprise to which aqua-environmental commitments apply with respect to the following criteria:

- beneficiary's loss of revenue incurred,
- additional costs which may result from the application of aqua-environmental methods.

MEASURE 2.3 ANIMAL HEALTH MEASURES

The measure conforms to Article 32 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) avoidance of the spreading of aquatic animal diseases by application of effective eradication or control procedures.

The subsidy can be provided for:

- a) Provisions for eradication of diseases applied in accordance with Chapter V, Section 3 Council Directive 2006/88/EC,
- b) Eradication programme prepared and approved in accordance with Art. 44, par. 2 Council Directive 2006/88/EC.

All activities which are in accordance with targets of provisions and relevant EU legislation are eligible.

MEASURE 2.4 INVESTMENTS INTO PROCESSING AND MARKETING

The measure conforms to Articles 34 and 35 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) improving work and safety conditions,
- b) improving hygienic conditions and product quality,
- c) producing high quality products,
- d) reducing negative impacts on the environment,
- e) developing and producing new products, new production technologies,
- f) introducing energy saving and environmentally friendly technologies (renewable energy sources),
- g) introducing a range of new species, for which aquaculture production is low or non-existent with good market prospect as an additional market offer,
- h) modernising working procedures including the use of physically less demanding and ergonomically designed equipment.

The subsidy can be provided for:

- a) extending, equipping and modernising enterprises that process and market fisheries and aquaculture products.
- b) introducing energy saving and environmentally friendly technologies (renewable energy sources),
- c) investments in the development of innovative products and new production technologies.

6. A. b) (5) Information on the demarcation of priority axis 2 of the OP Fisheries with similar activities financed by other financial instruments as well as measures taken to ensure complementarity with these funds and, where appropriate other existing financial instruments

Information on demarcation of the OP Fisheries with the Rural Development Programme (EAFRD)

There are no overlaps between subsidies provided from the EFF and EAFRD.

Support provided from the EFF complements a number of EAFRD measures in the areas of a wider relationship to the fishery phenomenon in the Czech Republic in a cultural landscape with the goal of sustainable utilisation of fish production, especially in the implementation of measures to conserve and enhance the environment and to increase the ecological stability of the countryside or measures to provide access to country parcels.

The OP Fisheries is particularly focused on investments in aquaculture and processing with the aim to maintain the existing fish production. Furthermore the OP Fisheries is focused on increasing quality produced and processed products coming from aquaculture or fishing.

EAFRD contains agri-environmental measures providing subsidies in form of compensatory payments per the area of agricultural land (orchards, vineyard, and grassland). These measures are implemented with the aim to support methods of using agricultural land in compliance with protection and improving the environment, landscape and its characters. EAFRD provides subsidies with the purpose to conserve maintained areas with a high environmental value, natural resources biological variety and maintaining the countryside.

The OP Fisheries provides compensatory payments (per hectare of water-surface) using aquaculture production methods that help protect and improve the aquatic environment. The overlaps between mentioned programmes are demarcated. The OP Fisheries provides compensatory payment concerning aquatic areas and EAFRD provides compensatory payments concerning agriculturally used areas.

OP Fisheries supports technologies and installations reducing negative environmental impacts connected with waste-water discharging related only to the industrial fish processing and also in case of using recirculation systems. The RDP is complementing the water management support by supporting investments into water management infrastructure in municipalities with up to 2000 inhabitants located outside the areas with specific protection. The RDP supports only farmers and biomass processing.

Information on demarcation of the OP Fisheries with the Operational Programme Environment

There are no overlaps between subsidies provided from the OP Fisheries and OP Environment. There is not any area of intervention included in the OP Environment, which could provide compensatory payments per water-surface. The subsidy for the construction, modernisation and silt removal of fishponds will be provided from OP Fisheries to natural and legal persons whose incomes arise from aquaculture operated in their own name, at their responsibility and risk. Activities referred to above are covered from OP Environment for other categories of beneficiaries (non-entrepreneurial subjects).

OP Fisheries supports technologies and installations reducing negative environmental impacts connected with waste-water discharging related only to the industrial fish processing and also in case of using of recirculation systems. Operational Programme Environment will support among others waste water treatment plants in areas with specific protection without any size

limit, and in the other areas agglomerations from 2000 equivalent inhabitants and water management investments in the countryside for non-agricultural entities.

Information on demarcation of the OP Fisheries with the national programme 129 130 – Support of renewal, silt removal and reconstruction of fishponds and construction of water reservoirs

There are no overlaps between subsidies provided from the OP Fisheries and programme 129 130. The overlaps are demarcated by the different subject of subsidy and by the different beneficiary of subsidy. The subsidies for the construction, modernisation and silt removal of fishponds for applicants managing less than 20hectares of water surface and for the construction and silt removal of fishponds with an area of up to 1hectare for applicants managing over 20hectares of water surface will be provided by means of the European Fisheries Fund.

The subsidy for the construction, modernisation and silt removal of fishponds will be provided from OP Fisheries to natural and legal persons whose incomes arise from aquaculture operated in their own name, at their responsibility and risk; these activities are covered from OP Environment for other categories of beneficiaries.

Information on demarcation of the OP Fisheries with national programme No. 15 – Support of non-productive functions of fishponds

There are no overlaps between subsidies provided from the OP Fisheries and programme No. 15.

A beneficiary of a subsidy under OP Fisheries is not entitled to apply for and receive, at the same time, support for the same subject of subsidy from the subsidy programme No. 15 – “Support of non-productive functions of fishponds”, point (b) Care for fishponds in public interest under the Principles determining conditions on providing subsidies, on the basis of Section 2 and 2d of Act No. 252/1997 Coll. on Agriculture for fishponds with an area of over 30hectares and for fishponds where silt removal is performed in the year concerned under OP Fisheries

A beneficiary of a compensatory payment under OP Fisheries is not entitled to apply for and receive, at the same time, support for the same subject of subsidy from the subsidy programme No. 15 – “Support of non-productive functions of fishponds”, point (c) Commissioned care for the environment, under the responsibility of the Ministry of Agriculture; the hatching of grass carp restricted by environmental protection authorities remains fully within the scope of application of the subsidy programme No. 15.

Information on demarcation of the OP Fisheries with the lease agreement for the fishponds owned by the Czech Republic and with compensation claimed in accordance with national legislation

Fishponds owned by the state and managed on the basis of lease agreements, which include requirements on environment protection reflected on the amount of rent, cannot be subject of application for compensation under measure 2.2 of OP Fisheries.

The beneficiary of a subsidy under OP Fisheries cannot, at the same time, apply for a compensation of loss under Section 58 of Act No. 114/1992 Coll. on nature and landscape protection, as amended, in case that the beneficiary applies a claim based on restrictions arising due to the reduced fish hatching under this provision.

Information on demarcation of the OP Fisheries with the tourism activities financed by other financial instruments

The OP Fisheries does not support tourism activities and therefore there are no overlaps with subsidies provided by other financial instruments. The RDP will support activities focusing on diversification of rural economy through the development of tourism, in particular in connection with the use of the area's natural and cultural heritage. The European Regional Development Fund will be complementing these efforts by a general support for regional tourism (services, information centres, marketing at national and international fairs) and by support in municipalities with more than 2000 inhabitants.

Priority axis 2 Aquaculture does not overlap with subsidies provided in Rural Development Programme 2007 – 2013, with subsidies provided from the operational programmes financed from the structural funds and the Cohesion Fund or with subsidies from other existing financial instruments. Mutual complementarity and not overlapping of subsidies will be monitored by MoA representatives regularly on the meetings of Monitoring Committees of the other operational programmes and on the contrary the others operational programmes representatives will attend the meetings of Monitoring Committees OP Fisheries.

6. (c) Specific information for priority axis 2

It will be ensured that preference is given to micro and small enterprises in priority axis 2 Aquaculture for measures 2.1. and 2.4. by the applicable scoring criteria when points are awarded to the projects.

Priority axis 3 Measures of common interest

Priority axis 3 is based on priority axis 3 Measures of common interest (Articles 36 to 42 of the EFF Regulation).

(1) Main objectives of priority axis 3

- support to modernization of production by using innovative production methods and technologies
- increasing of fish consumption, especially freshwater fish, in the Czech Republic,
- protection and development of aquatic organisms while enhancing the aquatic environment,
- improvement of fish workers' skills,
- upgrade of acquired scientific knowledge.

(2) Initial situation and quantified objectives

Table 18 – Indicators for priority axis 3

Indicator	Initial value (2005)	Target value (2015)	Source
Increase of added value (in %)	0	5	MA OP
Consumption of freshwater fish in kg/person/year	1.4	1.55	CSO
Number of projects for introduction of fish species under EU legislation	0	5	MA OP
Number of projects to increase professional expertise and skills	0	7	MA OP
Number of projects for testing technological procedures	0	8	MA OP

Objective is to increase added value of production of supported enterprises. Another objective is to increase fresh water fish consumption in the Czech Republic from the current value 1.4 kg per inhabitant and year to the value at least 1.55 kg per inhabitant and year. The next objective is in compliance with the applicable legal act to carry out at least 5 projects for introduction of fish species. It is expected to implement at least 7 projects for improvement of fish workers' skills. Important objective is presentation of results of testing at least 8 innovative technologies for using new scientific knowledge in aquaculture.

(3) Justification of the average rate of co-financing, target groups and beneficiaries for priority axis 3

Justification of the average rate of co-financing

Due to placement of the supported regions into the Convergence objective area the Czech Republic shall grant the amount of contribution from the EFF source for priority axis 3 as maximum possible rate 75 %. Rate of the national public sources is 25 %.

Target groups and beneficiaries

- natural persons or legal persons whose income arises from aquaculture or fish processing operated in their name, at their own liability and risk, inclusive of educational bodies providing commercial activities in the fisheries sector;
- educational bodies and school enterprise in the fisheries sector;
- research institutions oriented on fisheries;
- Czech Fish Farmers Association;
- fishing unions;
- users of fishing grounds⁴, who do not perform their activities on a profit-making basis;
- Ministry of Agriculture.

(4) Description of measures under priority axis 3

MEASURE 3.1 COLLECTIVE ACTIONS

The measure conforms to Article 37 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) increasing expertise of workers in fisheries,
- b) ensuring effective connection between scientists and farming entities, ensuring they can apply the latest scientific findings in practice,
- c) establishing and building partnerships with third countries.

The subsidy can be provided for:

- a) upgrading professional knowledge (organisation of conferences and seminars, publication of expert brochures and administration of web pages, except for seminars and trainings in relation to Act No. 154/2000 Coll. on breeding, growing and recording of domesticated animals and on the change of some related laws, as amended, for breeders),
- b) support of cooperation between scientific institutions, vocational schools and farming subjects in the fisheries sector,
- c) feasibility studies of cooperation with third countries in the fisheries sector.

MEASURE 3.2 MEASURES INTENDED TO PROTECT AND DEVELOP AQUATIC FAUNA AND FLORA

The measure conforms to Article 38 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) protection and development of aquatic fauna and flora while enhancing the aquatic environment.

The subsidy can be provided to a body appointed for that purpose pursuant to Article 38 (3) of the EFF Regulation for:

- a) rehabilitation of spawning grounds,

⁴ Fishing ground is a part of water structure of surface waters, of at least 500 m² of continuous water area, facilitating the life of fish stocking and water organisms, declared by the decision of the competent body of the fisheries administration under § 19 – 24 of the Act No 99/2004 Coll., on Fisheries. User of fishing ground is a person who's practise of fishing right has been authorised under § 9 of the Act No 99/2004 Coll., on Fisheries.

- b) restocking of fish species based on EU legislation⁵.

MEASURE 3.3 SUPPORT AND DEVELOPMENT OF NEW MARKETS AND PROMOTIONAL CAMPAIGNS

The measure conforms to Article 40 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) a customer that is informed about the requirements of healthy eating and a healthy lifestyle in relation to aquaculture products,
- b) increasing customer awareness in the framework of regional, national and international promotional campaigns,
- c) presentation of aquaculture products and the image of aquaculture products and the fisheries sector at trade fairs and exhibitions.

The subsidy can be provided for:

- a) conducting campaigns for products of freshwater aquaculture,
- b) campaigns to improve the image of fisheries and freshwater aquaculture products and the image of the freshwater fisheries sector,
- c) promotion of products recognised under the terms of Council Regulation (EC) No. 510/2006,
- d) implementation of market surveys,
- e) activities aimed at the development of new markets,
- f) organising trade fairs and exhibitions and participating in them.

MEASURE 3.4 PILOT PROJECTS

The measure conforms to Article 41 of the EFF Regulation.

Specific objectives of the subsidy / expected effects

- a) assessing the scientific findings obtained in relation to innovative technologies in aquaculture.

The subsidy can be provided for:

- a) testing innovative technology under near-actual production condition with the aim of acquiring technical or economic knowledge of new technologies.

A pilot project shall always include adequate scientific follow-up in order to yield significant results.

6. B. b) (5) Information on demarcation of priority axis 3 of the OP Fisheries with similar activities financed by other financial instruments as well as measures taken to ensure complementarity with these funds and, where appropriate other existing financial instruments

Information on demarcation of the OP Fisheries with the Rural Development Programme

⁵ At the time of the preparation of the OP Fisheries Council Regulation (EC) No 1100/2007 of 18 September 2007 establishing measures for the recovery of the stock of European eel is concerned.

There are no overlaps among the subsidies granted the Rural Development Programme and the OP Fisheries. Subsidies from the Rural Development Programme are granted professional agricultural training. Subsidies from the priority axis 3 of the OP Fisheries are granted some professional fisheries training activities. Those training activities of the Rural Development Programme and the OP Fisheries are demarcated by focusing on agriculture and on fisheries.

Information on demarcation the OP Fisheries with the Operational Programme Environment

Support in the field of rehabilitation of spawning grounds for fish will be provided from the resources of the European Fisheries Fund up to the maximum amount of CZK 1 million of eligible expenditures per operation. The resources of the Operational Programme for Environment will be used to cover revitalisation of watercourses other measures positive in terms of landscape and eco-system diversity, resulting in an increase of the retention capacity of the landscape, the protection and renewal of natural drainage conditions and the prevention of occurrence of risk situations.

Information on demarcation of the OP Fisheries with the Operational Programme Education for Competitiveness

The resources of OP Fisheries will be used to support cooperation between scientific institutions, vocational schools and business in the fisheries sector. The resources of OP Education for Competitiveness will be used to support intersectoral mobility between research institutions and the private or public sector. The information and publicity activities of the managing authorities of both operational programmes will be aimed at fish farmers and recreational anglers potentially interested in measures suitable for their education. The synergy of interventions will be also provided thanks to the fact that the Ministry of Education, Youth and Sports is at the same time the managing authority of the Operational Programme Research and Development for Innovation, which offers development options through infrastructure investments.

Information on demarcation of the OP Fisheries with the national subsidy 9.A.a.1. based on the § 2 and § 2d of the act No. 252/1997 Coll., on Agriculture

The resources of OP Fisheries will be used to support increasing expertise (organisation of conferences and seminars, publication of expert brochures and administration of web pages), with the exception of seminars and trainings in relation to Act No. 154/2000 Coll. on breeding, growing and recording of domesticated animals and on the change of some related laws, as amended, for breeders, which will be supported from subsidy area 9.A.a.1 of the Principles to determine conditions for subsidies on the basis of Sections 2 and 2d of Act No. 252/1997 Coll. on Agriculture.

Information on demarcation of the OP Fisheries with the national subsidy 9.A.a.2.b. based on the § 2 and § 2d of the act No. 252/1997 Coll., on Agriculture

From the resources of OP Fisheries it is possible to support the organisation of trade fairs and exhibitions and participation in them, except for the organisation of exhibitions and shows with respect to domesticated animals, which can be supported from the subsidy area 9.A.a.2.b of the Principles to determine conditions for subsidies on the basis of Sections 2 and 2d of Act No. 252/1997 Coll. on Agriculture.

Priority axis 3 Measures of common interest does not overlap with subsidies provided in the Rural Development Programme 2007 – 2013, with subsidies provided from the operational programmes financed from the structural funds and the Cohesion Fund or with subsidises from other existing financial instruments. Mutual complementarity and not overlapping of subsidies will be monitored by MoA representatives regularly on the meetings of Monitoring

Committees of the other operational programmes and on the contrary the others operational programmes representatives will attend the meetings of Monitoring Committees OP Fisheries.

C) Priority axis 5 Technical assistance

Priority axis 5 is based on priority axis 5 Technical assistance (Article 46 of the EFF Regulation).

(1) Main objectives of priority axis 5

- information and publicity of the OP Fisheries and EFF,
- improvement of administrative framework of the OP Fisheries.

(2) Initial situation and quantified objectives

Table 19 – Indicator for priority axis 5

Indicators	Initial value (2005)	Target value (2015)	Source
Number of information and publicity events	0	20	MA OP

The objective is to ensure minimum 20 information and publicity activities.

(3) Justification of the average rate of co-financing, target groups and beneficiaries for priority axis 5

Justification of the average rate of co-financing

Due to placement of the supported regions into the Convergence objective area the Czech Republic shall grant the amount of contribution from the EFF source for priority axis 5 as maximum possible rate 75 %. Rate of the national public sources is 25 %.

Target groups and beneficiaries

- Ministry of Agriculture;
- State Agriculture Intervention Fund as the Intermediate Body.

(4) Description of measures under priority axis 5

MEASURE 5.1 TECHNICAL ASSISTANCE

The measure conforms to Article 46 of the EFF Regulation.

Specific objectives of the subsidy / expected effects:

- a) effective and efficient implementation of the OP Fisheries,
- b) preparation of the following programming period,

The subsidy can be provided for:

- a) preparation, monitoring, management, evaluation, publicity, control and audit of the OP Fisheries,
- b) preparing the following programming period,
- c) computer equipment (hardware and software) associated with controls.

6. C b) (5) Information on demarcation of priority axis 5 of the OP Fisheries with similar activities financed by other financial instruments as well as measures taken to ensure complementarity with these funds and, where appropriate other existing financial instruments

Priority axis 5 Technical assistance does not overlap with subsidies provided in the Rural Development Programme 2007 – 2013, with subsidies provided from the operational programmes financed from the structural funds and the Cohesion Fund. It involves technical assistance focused on the fisheries sector exclusively within OP Fisheries.

7. FINANCIAL PROVISIONS

Commitments are set annually according to this plan:

Operation Programme for Fisheries CCI code number: 2007CZ14FPO001

Table 20 - Convergence objective areas

Year	EFF
2007	3,360,014
2008	3,526,490
2009	3,693,682
2010	3,868,715
2011	4,043,811
2012	4,218,249
2013	4,395,714
Total	27,106,675

(EUR in current prices)

Table 21 - Convergence objective areas

	Total	Contribution from EFF	National contribution	EFF co-funding rate
	a=(b+c)	b	c	d=(b)/(a) *100
Priority axis 1: Measures for the adaptation of the Community fishing fleet	0	0	0	0
Priority axis 2: Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products	15,902,583	11,926,937	3,975,646	75
Priority axis 3: Measures of common interest	18,432,539	13,824,404	4,608,135	75
Priority axis 4: Sustainable development of fisheries areas	0	0	0	0
Priority axis 5: Technical assistance	1,807,112	1,355,334	451,778	75
Total	36,142,234	27,106,675	9,035,559	75

(EUR in current prices)

The total amount of funds earmarked in EFF for the Czech Republic is EUR 27,106,675 in current prices for the whole programming period. Public funds, i.e. contribution from EFF and from national resources, are proposed at a ratio of 75% to 25%. The contribution from national public resources is EUR 9,035,559 for the whole programming period.

8. IMPLEMENTING PROVISIONS

The main principle for the determination of stakeholders involved in the management of EFF funds is a proper separation of functions of the managing authority, the paying and certifying authority body and the audit body.

The Czech Republic uses the proportionality principle under the Article 2 of the EFF implementation regulation under the Article 28, paragraph 2 and the Article 51, paragraph 1 (the proportionality principle is described in detail in the text below).

(a) Specification of stakeholders under Article 58 of the EFF Regulation by the member state

Managing Authority
Ministry of Agriculture of the Czech Republic Managing Authority Department for OP Agriculture and OP Fisheries – responsible person: director of the department Těšnov 17 117 05 Prague 1
Intermediate Body
State Agricultural Intervention Fund Rural Development Project Measures Department – responsible person: director of the department Control Rural Development Project Measures Department – responsible person: director of the department Ve Smečkách 33 110 00 Prague 1
Financing Department
State Agricultural Intervention Fund Bookkeeping and Financial Reporting for the EU Department – responsible person: director of the department Financial Department – responsible person: director of the department Ve Smečkách 33 110 00 Prague 1
Paying and Certifying Authority
Ministry of Finance National Fund Department – responsible person: director of the department Letenská 15 118 10 Prague 1
Audit authority
Ministry of Finance Central Harmonisation Unit for Financial Control Department responsible person: director of the department Letenská 15 118 10 Prague 1

The OP Fisheries Managing Authority shall delegate some of its competencies, but the general responsibility for programme management, to the Intermediate Body on the basis of the Competence Delegation Agreement.

OP FISHERIES MANAGING AUTHORITY

In line with Czech Government Resolution No. 603 of 24 May 2006, the Ministry of Agriculture has been appointed as the managing authority for the European Fisheries Fund. Within the Ministry of Agriculture, this competence has been granted to the newly established department – OP Agriculture and OP Fisheries Managing Authority.

OP Fisheries Managing Authority performs its activities in accordance with Article 59 of the EFF Regulation, especially:

- preparation of OP Fisheries, including a financial plan, and negotiating with EC;
- revision of OP Fisheries pursuant to Article 18 of the EFF Regulation;
- ensuring the co-funding of OP Fisheries from the state budget;
- preparation of a guideline for the implementation of the Operational Programme for Fisheries, 2007 - 2013;
- prepares rules for applicants for the eligibility of expenditures under Article 55 of the EFF Regulation;
- ensures that operations are selected for funding in accordance with the criteria applicable to OP Fisheries and that they comply with applicable Community and national rules, for the whole of their implementation period (Article 59(a) of the EFF Regulation);
- verifies that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed rules to be adopted by the Commission in accordance with the procedure referred to in Article 101(3) (Article 59(b) of the EFF Regulation);
- ensures that a system exists for recording and preserving accounting records in electronic form for every operation within the framework of OP Fisheries and that data on implementation, necessary for financial management, monitoring, verification, auditing and evaluation, is collected;
- ensures that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules (Article 59(d) of the EFF Regulation);
- ensures that the evaluations of OP Fisheries referred to in Articles 45 and 46 are carried out in accordance with Article 44 (Article 59(e) of the EFF Regulation);
- sets the procedures for ensuring that all of the documents concerning expenditures and checks, essential for obtaining the corresponding background materials for audit (audit trail), are kept in accordance with the requirements of Article 87 (Article 59(f) of the EFF Regulation);
- ensures that, for the purpose of certification and auditing, the paying and certifying authority and the audit authority receive all essential information on the procedures and verifications carried out in relation to expenditures (Article 59(g) of the EFF Regulation);
- guides the work of the monitoring committee and provides it with the documents required to permit the quality of the implementation of OP Fisheries to be monitored in the light of its specific goals (Article 59(h) of the EFF Regulation);
- draws up and, after approval by the monitoring committee, submits to the Commission the annual and final reports on implementation (Article 59(i) of the EFF Regulation);

- ensures compliance with the information and publicity requirements laid down in Article 51 (Article 59(j) of the EFF Regulation);
- ensures that the required documents and background information are submitted to the audit authority for the purposes of analytical and reporting operations and implements remedial measures in case of any shortcomings;
- prepares and submits an estimate of expected expenditures to the certifying authority;
- approves the list of projects eligible for funding;
- issues “Decisions on granting the subsidy”;
- approval and submission of an “Application for payment of project expenditures of the OP Fisheries” to the Financial Department including a “Declaration on approval and order for repayment F1 of the project eligible expenditure of the OP Fisheries”;
- issues a collective application out of MSC2007 on the specified deadlines, containing sub-applications for payments submitted to the beneficiary, pre-financed from the funds of SR, and submits them to the paying and certifying authority;
- preparation and presentation of a report on the identified irregularities to the Paying and Certifying Authority.

INTERMEDIATE BODY

In line with Czech Government Resolution No. 603 of 24 May 2006, the State Agricultural Intervention Fund has been appointed as the intermediate body for the European Fisheries Fund.

The intermediate body shall especially ensure:

- receipt and administration of projects, including preparation of an annex to the decision on granting the subsidy and ensures signature of the annex to the decision by the applicant;
- verification of the co-funding of individual projects from the beneficiary’s resources and from other national resources;
- verification and submission of the “Application for payment of project expenditures of the OP Fisheries” including the “Declaration on approval and order for repayment F1 of the project eligible expenditure of the OP Fisheries” to the Managing Authority;
- verification of the beneficiary’s application for payment pursuant to Article 59 of the EFF Regulation and Article 39 of the implementing regulation, which also includes preliminary financial control. This verification includes (administrative verification, on-the-spot verification, as needed), except for on-the-spot checks under measure 2.2;
- on-the-spot verification under Article 59 of the EFF Regulation and Article 39 of the implementing regulation, when it is also possible to verify the performed financial operations, i.e. for expenditures approved for the beneficiary and covered by the financing authority within the framework of previous applications for payment;

FINANCING DEPARTMENT

The Ministry of Agriculture as the OP Fisheries Managing Authority has authorised the State Agricultural Intervention Fund to act as the financing department; within the State Agricultural Intervention Fund this function is separated from the function of the intermediate body.

In compliance with the “Methodology of financial flows and controls of programmes co-funded from structural funds, the Cohesion Fund and the European Fisheries Fund during the 2007 – 2013 programming period, the financing department”:

- ensures that payments to the beneficiaries are made from the state budget to pre-finance expenditures covered by funds from EFF and funds from the state budget earmarked for national co-funding;
- keeps accurate and full records of payments to beneficiaries from the state budget;
- informs the OP Fisheries Managing Authority of payments made to the beneficiaries based on its records;
- keeps accounting books and reports and maintains documents and data;
- records debts incurred on account of amounts unduly paid in a book of debtors;
- ensures data for the intrinsic accounting of financial operations at the Ministry of Agriculture and maintains documents;
- ensures the transfer of data to the accounting records of the Ministry of Agriculture;
- performs the individual activities related to payments to the beneficiaries in accordance with internal guidelines (manuals).

(b) Entity responsible for receiving payments from the Commission:

PAYING AND CERTIFYING AUTHORITY (PCA)

PCA is appointed by the government. On the basis of Czech Government Resolution No. 603/2006 of 24 May 2006, the Ministry of Finance has been authorised to act as the PCA for the European Fisheries Fund. Within the Ministry of Finance, this competence is carried out by the Department of National Fund.

PCA especially performs the following activities:

- manages the funds provided from EFF at an account opened in the Czech National Bank;
- draws up and submits to the European Commission applications for interim and final payments from EFF on the basis of the statements of expenditures submitted by the OP EFF Managing Authority;
- receives payments from the European Commission;
- on the basis of an inspection of aggregate applications submitted by the OP Managing Authority, transfers funds from EFF to a budget area of the Ministry of Agriculture;
- accounts for accounting cases in the field of PCA’s funds within the accounting units of the Ministry of Finance;
- keeps a system of financial reporting for PCA’s funds;
- certifies all actual expenditures and prepares a certificate of actual expenditures, and sends it together with an application for an interim payment or a final payment to the European Commission;

- for the purposes of certification, verifies the proper operation of the management and monitoring system at all implementation levels;
- performs on-the-spot inspections;
- creates and updates guidelines for the implementation of certification of EFF expenditures and for financial flows and control of EFF funds;
- returns non-eligible expenditures, including interest, to the European Commission, unless it is decided in compliance with the rules of the European Community that they would be reallocated within the operational programme;
- returns unused funds to the European Commission;
- based on estimates drawn up by the managing authority, submits updated estimates involving applications for payment (projected expenditures) to the European Commission for the current year and the following year by 30 April;
- proceeds in accordance with the rules of management inspection;
- responds to commends and recommendations from the European Commission;
- ensures the concept and methodology of development of IS VIOLA for the performance of PCA's function, including data communication with the EFF monitoring system;
- keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation;
- evaluates the utilisation of EFF allocations and monitors the fulfilment of the n+2 rule.

AUDIT AUTHORITY

The audit authority is established pursuant to Article 58 of the EFF Regulation. The audit authority for EFF has been set up on the basis of Czech Government Resolution No. 603/2006 of 24 May 2006. The Central Harmonisation Unit for Financial Control of the Ministry of Finance has been delegated the function of the audit authority for SF/CF/EFF by a decision of the Minister of Finance. It is functionally independent of the OP Fisheries Managing Authority and the paying and certifying authority.

In compliance with Article 61 of the EFF Regulation, in compliance with Article 61 of the EFF Regulation, the audit authority especially performs the following main activities:

- ensures that audits are carried out to verify the effective functioning of the management and control system of OP Fisheries (Article 61(1)(a) of the EFF Regulation);
- ensures that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared (Article 61(1)(b) of the EFF Regulation);
- presents the Commission, within nine months of the approval of OP Fisheries, an audit strategy covering the bodies which will perform the audits pursuant to points (a) and (b), the method to be used, the sampling method for audits on operations, and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period (Article 61(1)(c) of the EFF Regulation);
- ensures that the managing authority and the paying and certifying authority receive all necessary information on the audits and controls carried out (Article 61(1)(d) of the EFF Regulation);
- by 31 December each year from 2008 up to 2015, submits to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned in accordance with the audit strategy of OP Fisheries and reporting any shortcomings found in the

systems for the management and control of the Programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out in the period after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point (f) (Article 61(1)(e)(i) of the EFF Regulation);

- by 31 December each year from 2008 up to 2015, issues an opinion based on the controls and audits that have been carried out under its responsibility as to whether the management and control system functions effectively, so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular (Article 61(1)(e)(ii) of the EFF Regulation);
- by 31 December each year from 2008 up to 2015, submits, where applicable under Article 85, a declaration for partial closure assessing the legality and the regularity of the expenditure concerned (Article 61(1)(e)(iii) of the EFF Regulation);
- submits to the Commission at the latest by 31 March 2017, a closure declaration assessing the validity of the application for payment of the balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report (Article 61(1)(f) of the EFF Regulation);
- the audit authority shall ensure that the audit work takes account of internationally accepted audit standards (Article 61(2) of the EFF Regulation);
- where the audits and controls referred to in paragraph 1(a) and (b) are carried out by a body other than the audit authority, the audit authority shall ensure that such body has the necessary functional independence (Article 61(3) of the EFF Regulation);
- The Commission shall provide its comments on the audit strategy presented under paragraph 1(c) no later than three months following its receipt. In the absence of comments within this period it shall be considered to be accepted (Article 61(4) of the EFF Regulation).

The Czech Republic shall use the proportionality principle under the article 51, paragraph 1 of the implementing regulation and not present to the Commission an audit strategy as provided for in Article 61, paragraph 1, letter c) of the EFF Regulation.

The basic framework of financial management is set in “*Methodology of financial flows and controls for programmes co-funded from the structural funds, the Cohesion Fund and the European Fisheries Fund for the 2007 – 2013 programming period*“, with effect from 1 January 2007.

(c) System of financial flows

The system of financial flows is described in the **Methodology of financial flows and controls for programmes co-funded from the structural funds, the Cohesion Fund and the European Fisheries Fund for the 2007 – 2013 programming period (hereinafter the “Methodology of Financial Flows)**, which is published by the Ministry of Finance. The Ministry of Finance administers the resources provided by the European Commission for the funding of programmes from the structural funds, the Cohesion Fund and the European Fisheries Fund.

Resources from the EFF will be sent by the European Commission to the account of the PCA. Within the framework of the paying and certifying authority, financial resources from the EFF are methodologically guided by the Unit of Financial Management and payment

Methodology, which at the same time will transfer EFF resources to the budget areas of the Ministry of Agriculture.

The system of financial flows for resources from the operational programme will be ensured by means of financial flow through the state budget. EFF resources will be pre-financed for the beneficiaries from the state budget on the basis of the applications submitted. The applications from the beneficiaries will be only submitted in CZK. After receiving the aggregate application, the paying and certifying authority will disburse the EFF resources into the budget area of the Ministry of Agriculture that provided the pre-funding of the EFF resources.

DESCRIPTION OF THE SYSTEM OF FINANCIAL FLOWS FROM EFF

Payments to beneficiaries take place in the form of ex post payment (paying the beneficiaries an amount covering expenditures they have already made or, in case of measure 2.2, paying in the course of the project) or in the form of ex ante payment (in the form of a deposit provided to the beneficiary from the budget area of the Ministry of Agriculture for project implementation).

The decision as to what form the payment to the subsidy beneficiaries will have is fully in the competence of the administrator of the Ministry of Agriculture's budget area.

- On the basis of the actual expenditure⁶, the beneficiary submits to the intermediate body an application for payment of funds from the state budget (corresponding to the European and national proportion). The application is approved by the intermediate body and submitted for control and approval to the OP Fisheries Managing Authority⁷;
- The OP Fisheries Managing Authority approves the beneficiary's application for payment and instructs the financing authority to make the payment to the beneficiary's account;
- The financing authority makes the payment from the budget area of the Ministry of Agriculture to the beneficiary's account;
- On the basis of the reimbursement from the state budget, the financing authority issues an aggregate application for payment of EFF resources from the account of the paying and certifying authority to the budget area of the Ministry of Agriculture;
- The Paying and Certifying Authority (PCA) controls the Summary application for payment and entry it into books in the IS VIOLA. The decisive moment for determination of the exchange rate for conversion of CZK into EUR is the moment when the overall application for payment is entered into the books of the PCA. The individual applications for payment are converted in EUR using the monthly accounting rate of EC in the month during which the overall application for payment was registered in the accounts of PCA. The PCA will subsequently transfer the EFF resources to the budget chapter of the Ministry of Agriculture.
- The paying and certifying authority requests, after certification by the European Commission, the resources at its account to be replenished;
- The European Commission approves the application and sends the resources to the paying and certifying authority's account.

⁶ In case of payments to the beneficiaries in the form of ex ante payment, the beneficiary shall submit, together with the application for payment of funds from the state budget, an overview of actual expenditures from the provided funds from the state budget.

⁷ To facilitate project implementation for subsidy beneficiaries, continuous payments of the presented and covered expenditure proofs are permitted.

The Methodology of Financial Flows deals with the issue of receiving resources from the structural funds, the Cohesion Fund and the EFF, the principles of financial management, financial flows between the paying and certifying authority and the intermediate body and the body for the repayment of resources to the beneficiaries and those paid by the beneficiary, the system of settlement and controls for the EFF, the structural funds and the Cohesion Fund.

The Methodology of Financial Flows was approved by Czech Government Resolution No. 603 of 24 May 2006 and the Ministry of Finance updates it.

Financial contributions from the EFF

Contributions from the EFF for the individual priority axes will be provided up to the amount set forth by a decision of the European Commission on the approval of OP Fisheries by the approve financial plan for OP Fisheries. Each selected project can only be supported from OP Fisheries. It must not be supported within the framework of another programme co-financed from European funds.

System of financial controls

The Ministry of Finance, as the central administrative authority for financial controls in accordance with the applicable provisions of Act No. 2/1969 Coll., on establishing ministries and other central authorities of state administration in the Czech Republic as amended, methodologically manages, coordinates and ensures the performance of financial controls within the framework of the operational programme. The fundamental documents for issuing partial guidelines, consulted with the respective authorities of the European Commission, are the applicable legal regulations of the Czech Republic and the EC.

In the control system, the system of control in public administration and management control shall be clearly separated from the system of internal audits and sample operation audits.

INTERNAL CONTROL SYSTEM

All authorities taking part in implementing the operational programme will have the necessary management and control system in place, which will be in accordance with the national legislation and the EU legislation and will be capable of identifying administrative, system or deliberate errors in time and create suitable conditions for preventing mistakes from arising.

Management control

Is ensured by the responsible senior employee and creates a part of internal management for all bodies associated with the implementation of the operational programme, whilst preparing operations before approval, during the ongoing monitoring of operations being implemented up to the final settlement and accounting and the subsequent verification of selected operations in the framework of assessing the results achieved and the regularity of the management.

With regard to the principles of an effective and efficient management and control system in the course of the implementation it will be ensured that:

- the specific function of all entities involved in programme management and control are clearly specified unambiguously within the framework of the whole implementation system as well as within each entity separately;

- there is compliance with the principle of separating the payment, management and control functions both between the entities involved in programme implementation and inside them;
- clear procedures for ensuring the correctness and eligibility of expenditures declared within the framework of the operational programme are set;
- reliable accounting, monitoring and financial reporting systems are introduced;
- a system of reporting on programme and project implementation and monitoring is introduced;
- arrangements for auditing the functioning of the management and control system are adopted;
- systems and procedures to ensure an adequate audit trail are introduced;
- reporting and monitoring procedures for irregularities and for the recovery of amounts unduly paid are established.

For each level of programme management and implementation, a manual for the internal control system will be compiled in the form of managed documentation; it will contain a detailed description of the working procedures for the activities carried out.

Internal audit

The internal audit department will be functionally independent of and its organisation will be separated from the management and implementation structures and will be subordinated to the respective managing authority of public administration.

The internal audit departments will verify the internal control system at regular intervals. Their activities will include, among other things, verification of compliance with the fundamental requirements on the internal control system. An important part will also be submitting recommendations for improving the quality of the internal control system, for preventing or mitigating risks, for taking remedial actions to correct any deficiencies discovered and consultation activities.

Reports from the internal audits carried out regularly at individual implementation levels will be submitted to the respective managing authority of public administration. Reports from the internal audits at the level of intermediate bodies will be submitted to the internal audit department at the level of the managing authority. A unified approach to the audits at all levels of implementation and the reporting of the audit's findings will be the basis for risk management at the level of the managing authority.

Public administration control

The OP Fisheries Managing Authority is responsible for the management and implementation of OP Fisheries in compliance with the principle of due financial management, and therefore ensures that operations are selected for funding according to the OP Fisheries criteria and that for the entire implementation period they are in accordance with the applicable Community and national rules. The OP Fisheries Managing Authority ensures controls are performed within the primary system by verifying the supply of co-funded products and services and the actual invested expenditures on operations stated by the beneficiaries. The OP Fisheries Managing Authority ensures the existence of a system for recording and keeping accounting records in electronic form for every operation and the collection of data essential for audits. Another task of the OP Fisheries Managing Authority is to ensure that the procedures and all of the documentation concerning the expenditures and audits for OP Fisheries are available to the European Commission and the European Court of Auditors for a period of three years after the closure of the Operational Programme.

Audit of a sample of operations (secondary and central system)

The audit authority is responsible for the performance of audit in public administration at all levels of implementation of financial resources from the operational programme. Within the framework of the secondary system it verifies the efficiency of the financial management and control system and subsequently tests the probity of risk transactions in accordance with the level of permissible risk for the area of the primary system. Within the framework of the central system the audit authority, on the basis of residual risk, verifies and assesses the adequacy and efficiency of the functioning of the primary and secondary systems and carries out audit on a sample of operations. Audits shall be carried out by the Ministry of Agriculture as a Charged Subject of the Audit Authority.

Control by the Supreme Audit Office

The Supreme Audit Office is authorised to carry out independent control of the activities pursuant to the applicable provisions of Act No. 166/1993 Coll. on the Supreme Audit Office, as amended.

Auditing activities performed by the bodies of the European Commission and the European Court of Auditors

Pursuant to Article 72 of the EFF Regulation, the **European Commission** shall verify that, within the framework of OP Fisheries, efficiently functioning management and control systems have been installed. This verification is carried out by the Commission on the basis of the annual control reports and the annual statement of the AO and its own audits.

Within the framework of its competency, the **European Court of auditors** carries out independent and separate checks arising out of its competency.

Irregularities

All authorities taking part in the implementation of OP Fisheries are obliged to report to the OP Fisheries Managing Authority any suspicions of irregularities they may have. The OP Fisheries Managing Authority shall investigate these suspicions and if, on the basis of this investigation, they are found to be justified, it shall submit them to the competent bodies for initiating administrative or judicial proceedings. It is necessary to always consider the announcements from the control bodies as being substantiated. At the same time the OP Fisheries Managing Authority shall announce, by the fifteenth day of the following calendar month, these substantiated suspicions to the stakeholders involved in the external level of reporting. The OP Fisheries Managing Authority shall submit monthly reports on the identified irregularities and shall provide summarised quarterly information to the PCA, an employee of the AFCOS network and the AO on the irregularities that occur within the framework of programme implementation (including the manner of settlement of previously identified irregularities). The employee of the AFCOS network will ensure the elaboration of regular quarterly report on irregularities and reporting of the irregularities, which should be reported to EC according to the requirements of the implementing regulation, to the Commission. The reporting is carried out directly through the AFIS information system to the European Anti-Fraud Office (OLAF) and supreme prosecutor's office within two months following the end of each quarter of the year.

Setting up of management and control systems

Before the submission of the first application for interim payment or at least within 12 months after the approval of the OP Fisheries, the director of the Central Harmonisation Unit for Financial Control of the Ministry of Finance of the Czech Republic shall submit to the Commission a description of the systems, covering in particular the organisation and procedures of:

- a) the Managing Authority, the Paying and Certifying Authority and the Intermediate Body;
- b) the Audit Authority and any other bodies carrying out audits under its responsibility.

The Audit Authority shall work out the Report of system assessment under the Article 71 of the EFF Regulation and also the Opinion of compliance with the Articles 57 – 61 of the EFF Regulation and with the Articles 38 – 53 of the implementing regulation. Its compliance report shall base on the activities presented in the Article 50 of the implementing regulation. The activities shall be carried out with respect to the international recognized audit standards.

Activities carried out by the external auditor BDO Prima CA, s.r.o. and its outputs shall be used by the Audit Authority as a source material for working out the Report and the Opinion.

8 (d) + (e) Monitoring

GENERAL RULES

In accordance with Article 62(2) of the EFF Regulation, the OP Fisheries Managing Authority and the Monitoring Committee shall carry out monitoring of OP Fisheries at the first level.

Using the information system (IS SAP) guaranteed by the intermediate body, the OP Fisheries Managing Authority shall ensure the collection of financial and statistical information on projects at beneficiary level that will enable data exchange between the Czech Republic and the European Commission in the form of transfer of data from the MSC2007 information and monitoring system to the European Commission's database SFC2007.

The monitoring system of OP Fisheries will be an integral part of the monitoring system for the structural funds and the Cohesion Fund (MSC2007). The OP Fisheries monitoring system enables the implementation of OP Fisheries to be monitored at the project level and will be linked to the information system of the PCA (IS VIOLA) through the MSC2007, which enables financial flows to be continuously monitored.

The OP Fisheries Managing Authority is responsible for entering data in the monitoring system and for updating it. These tasks can be also delegated by the OP Fisheries Managing Authority.

The monitoring system of OP Fisheries will include gathering of data useful for impact evaluation.

The OP Fisheries Monitoring Committee shall be set up within three months of the date on which the Czech Republic is informed of the decision to approve OP Fisheries.

MONITORING COMMITTEE

The Ministry of Agriculture shall set up the OP Fisheries Monitoring Committee in compliance with Article 63 of the EFF Regulation. The members of the Monitoring

Committee shall be proposed in cooperation with the partners from governmental and non-governmental institutions with regards to equal rights between men and women. The details on the members of the OP Fisheries Monitoring Committee, its organisation and activities will be specified in the Statutes and the Rules of Procedure of the OP Fisheries Monitoring Committee.

The chairman of the OP Fisheries Monitoring Committee will be a representative of the Ministry of Agriculture; its members will be representatives of the ministries that take part in programme implementation, economic and social partners and representatives of non-governmental organisations. As the Commission's initiative, a representative of the Commission will take part in the Monitoring Committee's work in an advisory position.

Some member institutions of the OP Agriculture Monitoring Committee continue their activity as members of the OP Fisheries Monitoring Committee (the Czech Farmers Association, Czech Fishing Union, some ministries and some non-governmental non-profit organizations). Ministry for the Environment continues being a member of the OP Fisheries as a key partner.

Tasks of the Monitoring Committee

The Monitoring Committee shall oversee the implementation of OP Fisheries, particularly as concerns its compliance with the European Commission's regulations and the legislation of the Czech Republic, meeting the objectives of OP Fisheries, the efficiency of using public funds and other matters. In accordance with Article 65 of the EFF Regulation, the OP Fisheries Monitoring Committee shall satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

- it shall consider and approve the criteria for selecting the operations financed within six months of the approval of the OP Fisheries and approve any revision of those criteria in accordance with programming needs (Article 65(a) of the EFF Regulation);
- it shall periodically review progress made towards achieving the specific targets of OP Fisheries on the basis of documents submitted by the Managing Authority (Article 65(b) of the EFF Regulation);
- it shall examine the results of implementation, particularly achievement of the targets set for each priority and the interim evaluations referred to in Article 46 of the EFF Regulation (Article 65(c) of the EFF Regulation);
- it shall examine and approve the annual and final reports on implementation referred to in Article 63 before they are sent to the Commission (Article 65(d) of the EFF Regulation);
- it shall be informed of the annual control report and of any relevant comments the Commission may make after examining that report (Article 65(e) of the EFF Regulation);
- at the initiative of a member state, it may be informed of the written information submitted to the Commission referred to in Article 16(1) (Article 65(f) of the EFF Regulation);
- it may propose to the Managing Authority any revision or examination of OP Fisheries likely to make possible the attainment of the EFF's objectives or to improve its management, including its financial management (Article 65(g) of the EFF Regulation);
- it shall consider and approve any proposal to amend the content of the Commission decision on the contribution from the EFF Regulation (Article 65(h) of the EFF Regulation).

The OP Fisheries Monitoring Committee shall propose the Rules of Procedure that will be discussed by the OP Fisheries Monitoring Committee at its first meeting.

MONITORING OF OP FISHERIES BY OP FISHERIES MANAGING AUTHORITY

Information and data on OP Fisheries will be used, in accordance with Article 67 of the EFF Regulation, by the OP Fisheries Monitoring committee for compiling the draft annual and final reports on the implementation of OP Fisheries. These reports will be submitted to the OP Fisheries Monitoring Committee, the State Agricultural Intervention Fund, the Ministry of Agriculture, the Ministry of Finance and other institutions. Data collection and physical monitoring will be conducted on a quarterly basis. For the first time in 2008, and then annually by 30 June, the OP Fisheries Monitoring Committee shall submit an annual report on the progress made in attaining the objectives of OP Fisheries to the Commission. The final report on attaining the objectives of OP Fisheries shall be submitted to the Commission by the Monitoring Committee by 31 March 2017 at the latest.

Data on OP Fisheries will be also processed at the regional level.

Monitoring system

The OP Fisheries Monitoring Committee defines the requirements on the structure of data necessary for monitoring the indicators for the individual measures. The monitoring data will be provided by the applicant for subsidy, the subsidy beneficiary and the institutions involved in administrating OP Fisheries on the basis of a data provision contract. This primarily concerns indicators of quantitative nature.

The intermediate body is responsible for collecting and controlling data from the applicant/beneficiary.

EVALUATING OP FISHERIES

OP Fisheries shall be evaluated *ex ante* in the middle of the programming period and *ex post* pursuant to Articles 48, 49 and 50 of the EFF Regulation.

The aim of the evaluation is to increase the quality, efficiency and effectiveness of the implementation of OP Fisheries.

Ex ante evaluation

The aim of the *ex ante* evaluation is to verify the suitability of the proposed strategy, the priority axes and the measures. The *ex ante* evaluation has been compiled within the framework of preparation of OP Fisheries. It has been compiled at the University of South Bohemia in České Budějovice by: Prof. František Štřeleček, Václav Šilhavý and František Vácha.

Mid-term evaluation

The aim of the mid-term evaluation is to review the efficiency of the entire OP Fisheries or its parts with a view to modifying it to improve the quality of assistance and its implementation. The Czech Republic is responsible for conducting the mid-term evaluation and does so at the initiative of the OP Fisheries Monitoring Committee after consultations with the Commission in accordance with the evaluation methods and standards defined by a procedure under Article 47(5). The evaluation shall be submitted to the OP Fisheries Monitoring Committee and the Commission.

Ex post evaluation

Pursuant to Article 50 of the EFF Regulation, the *ex post* evaluation examines the degree of utilisation of resources, the effectiveness and efficiency of OP Fisheries and its impact in relation to the objectives set out in Article 4 of the EFF Regulation and in the main principles pursuant to Article 19 of the EFF Regulation. It determines the factors that contribute to the success or failure in implementing OP Fisheries, among other things from the point of view of sustainability and best practice.

The *ex post* evaluation is carried out at the initiative of the Commission, which is at the same time responsible for it, following consultations with the Czech Republic and the OP fisheries Managing Authority, which collects information essential for its implementation.

The *ex post* evaluation shall be completed by 31 December 2015 at the latest.

8 (f) Consultation process – partnership principle

Cooperation within the decision-making process is a fundamental part of modern democracy. The quality, adequacy and efficiency of the European Union's policy depend on ensuring broad participation in the formation and implementation of the public policy. The partnership principle is beneficial in the centralisation of decision-making processes, because it requires a close cooperation between the European Union, national, regional and local authorities, other partners, non-governmental organisations and other civic associations. An integral part of the partnership principle is the assurance that all stakeholders responsible for implementation have been involved in the stage of drafting of this policy. The cooperation of partners in the decision-making and implementation process significantly contributes to an increase in the legitimacy of the institutions involved in decision-making even though cooperation may extend the time necessary to make a decision.

In the Czech Republic this form of cooperation based on the partnership principle is used to prepare all long-term development plans and programmes, including OP Fisheries.

To ensure the active participation of fish farmers and recreational anglers in the preparation of the NSP and OP Fisheries, four informal discussions and meetings with the producers and representatives of the interest groups were held in the course of 2005. Subsequently the Ministry of Agriculture set up two working groups covering the entire territory of the Czech Republic. The structure of members of the working groups was conceived so that it included representatives professionally involved in fisheries, from the actual producer enterprises, processing and trading firms, interest associations managing fishing grounds to training production enterprises, secondary schools and universities and the Research Institute of Fish Culture and Hydrobiology in Vodňany.

All of the members took an active part in the preparation of the background materials for the NSP and OP Fisheries. The coordination centre for both working groups was the Czech Fish Farmers Association. On the basis of several rounds of negotiations, the Czech Fish Farmers Association summarised all of the documents and requirements from the individual members of the working groups. In the summer and autumn of 2006 an environmental impact assessment was conducted for OP Fisheries. Within the framework of this process the material was published in the SEA information System. On 20 October 2006 public discussions were undertaken on the environmental effects of OP Fisheries. Likewise, the document was also published on the webpage of the Ministry of Agriculture.

On 7 July 2007, another meeting of the working group for preparing the NSP and OP Fisheries took place in Vodňany; it was attended by representatives of the institutions mentioned above and the Ministry of Agriculture. Production fish farmers clearly stated their intention to focus their future production mostly on carp.

Within the framework of the interdepartmental consultation process, extended to cover non-profit entities, other departments of the partner organisations were called to give comments to draft OP Fisheries. The comments have been incorporated into the OP Fisheries document at an official settlement meeting held on 12 July 2007.

The partnership principle will be applied in the future to implement OP Fisheries and to ensure its monitoring and evaluation.

8 (g) Information and publicity

In accordance with Article 51 of the EFF Regulation, the member states shall provide information on and publicise the operational programme and operations and the Community contribution. The information shall be addressed to the general public. It shall aim to highlight the role of the Community and ensure the transparency of assistance from the EFF.

The OP Fisheries Managing Authority is responsible for its publicity:

- it shall inform potential beneficiaries, organisations involved in the fisheries sector, professional organisations, economic and social partners, bodies involved in promoting gender equality and non-governmental organisations concerned, including environmental organisations, of the possibilities offered by the programme and the rules and methods governing access to financing;
- it shall inform the beneficiaries of the amount of the Community contribution;
- it shall inform the general public about the role of the Community in the OP Fisheries and its results.

The Czech Republic shall notify the Commission each year of the initiatives undertaken for the purpose of meeting Article 51 of the EFF Regulation within the framework of the annual and final reports on implementation referred to in Article 67 of the EFF Regulation.

Information and publicity measures

Based on Article 28(1) of the implementing regulation on the EFF, the OP Fisheries Managing Authority shall take the following information and publicity measures:

Information and publicity measures aimed at potential beneficiaries and beneficiaries of support from OP Fisheries will especially include informative seminars, active participation in exhibitions and trade fairs, printed NSP, OP Fisheries and Rules for Applicants. The preliminary budget for the measures focused on potential beneficiaries and beneficiaries is 7% of the total budget for measure 5.1 Technical assistance.

Information and publicity measures aimed at the public will especially include active participation in exhibitions and trade fairs, advertising articles, printed leaflets and printed publications as well as electronic media containing information on successful projects. The preliminary budget for the measures focused on the public is 3% of the total budget for measure 5.1 Technical assistance.

Indicative budget for OP Fisheries evaluation is 3.5 million CZK (130 thousand EUR) and for drafting all annual reports and final report is 2.5 million CZK (90 thousand EUR).

The Czech Republic uses the proportionality principle and under the article 28 indent 2 of the EFF implementing regulation it will not include the administrative departments or bodies responsible for the implementation of information and publicity measures and an indication of how the information and publicity measures are to be evaluated in terms of visibility and awareness of the OP Fisheries and of the role played by the Community.

9. ABBREVIATIONS USED, EXPLANATION OF TERMS

Abbreviation, term	Meaning
AFCOS	Anti-Fraud Co-ordinating Service
Aquaculture	Cultivation or breeding of aquatic organisms using procedures dedicated to the increased production of these organisms exceeding the natural environmental capacity; for the time of cultivation or breeding the organisms shall remain in the property of a natural or legal entity until the time of their picking and collection.
AA	Audit Authority
CFP	Common Fisheries Policy
CR	Czech Republic
CSO	Czech Statistical Office
CULSP	Czech University of Life Sciences Prague
CZK	Czech crowns
EFF	European Fisheries Fund, set up by Council Regulation (EC) No. 1198/2006 of 27 July 2006
EC	European Community
EIA	Environmental Impact Assessment
Eligible expenditure	Expenditure for which a subsidy can be provided; it is defined in the individual measures.
EMAS	Eco-Management and Audit Scheme
ex ante evaluation	evaluation of effectiveness, i.e. purposeful investment of funds to be invested
ex post evaluation	evaluation of effectiveness, i.e. purposeful investment of funds
ESF	European Social Fund
EU	European Union
FIFG	Financial Instrument for Fisheries Guidance
Fisheries sector	Economic sector, including all activities of production, processing and marketing of fish and aquaculture products
FS	Cohesion Fund
GDP	gross domestic product
IS SAP	information system guaranteed by the intermediate body
MA	Managing Authority (Ministry of Agriculture, its department responsible for performing the competence of the managing authority)
ME	Ministry for the Environment
MF	Ministry of Finance
Micro-enterprise small and medium-sized enterprises	Sizes of enterprises defined in Commission (EC) Recommendation 2003/361 of 6 May 2003
MoA	Ministry of Agriculture
MRD	Ministry for Regional Development
NDP	National Development Plan
NSP	National Strategic Plan for the Fisheries Sector, 2007 – 2013
NUTS	Nomenclature of Territorial Statistical Units

Abbreviation, term	Meaning
MSC2007	Central monitoring system of the Czech Republic for the structural funds, the Cohesion Fund and the European Fisheries Fund
OP Fisheries	Operational Programme for Fisheries 2007 – 2013
OP Environment	Operational Programme Environment
PCA	Paying and Certifying Authority
RDP	Rural Development Programme 2007-2013
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Strategic Environmental Assessment
SF	Structural funds
SFC2007	EC database for European funds
SWOT	Analysis of strengths and weaknesses, opportunities and threats
SAIF	State Agricultural Intervention Fund

10. ANNEXES

ANNEX 1:

LEGISLATION RELATED TO THE FISHERIES SECTOR – SELECTED LEGAL ACTS AND PROVISIONS

EC regulations:

Council Regulation (EC) No. 1198/2006 of 27 July 2006 on the European Fisheries Fund
Commission Regulation (EC) No. 498/2007 of 26 March 2007 laying down detailed rules for the implementation of Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund

Council Regulation (EC) No. 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the common fisheries policy

Directive of the European Parliament and Council 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy

Council Regulation (EC) No. 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs

Council Directive 2006/88/EC on animal health requirements for aquaculture animals and products thereof, and on the prevention and control of certain diseases in aquatic animals

Council Regulation (EC) No. 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products

Directive European Parliament and Council 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment

Rules of the Czech Republic:

Act No. 99/2004 Coll. on fishpond management, exercise of fishing rights, fishing guards, protection of marine fishing resources and on the change of some laws (Fisheries Act), as amended

Decree No. 197/2004 Coll. to implement Act No. 99/2004 Coll. on fishing, as amended

Act No. 114/1992 Coll. on environmental and landscape protection, as amended

Act No. 254/2001 Coll. on water and on the change of some laws, as amended

Act No. 252/1997 Coll. on agriculture, as amended

Act No. 256/2000 Coll. on the State Agricultural Intervention Fund and on the change of some other laws

Act No. 62/2000 Coll. on some measures for the import or export of products and on the license proceedings, and on the change of some laws

Act No. 154/2000 Coll. on the breeding, cultivation and recording of domesticated animals and on the change of some related laws (Breeding Act), as amended

Act No. 246/1992 Coll. on the protection of animals against abuse, as amended

Act No. 449/2001 Coll. on game keeping, as amended

Act No. 17/1992 Coll. on the environment, as amended

Act No. 115/2000 Coll. on the provision of compensations for damage caused by selected protected animal species, as amended

Act No. 166/1999 Coll. on veterinary care and on the change of some related laws (Veterinary Act), as amended

ANNEX 2:

LIST OF PARTICIPANS (PARTNERS) OF THE CONSULTATION PROCESS OF THE PREPARATION OF THE NSP AND OP FISHERIES

The partners below were participated in the preparation of the NSP and OP Fisheries in cooperation with the OP Managing Authority at the Ministry of Agriculture:

Ministry of Finance

Ministry for the Environment

Ministry for Regional Development

Ministry of Education, Youth and Sports

Ministry of Labour and Social Affairs

Ministry of Industry and Trade of the Czech Republic

Czech Statistical Office

State Veterinary Administration of the Czech Republic

State Agricultural Intervention Fund

Agency for Nature Conservation and landscape Protection of the Czech Republic

Czech Fish Farmers Association

Rybářství Třeboň a.s., Rybářství Hodonín s.r.o., Klatovské rybářství, a.s., Rybníkářství Pohořelice a.s. and some other fisheries enterprises

Czech Fishing Union

Moravian Fishing Union

University of South Bohemia in České Budějovice, Research Institute of Fish Culture and Hydrobiology at Vodňany

University of South Bohemia in Budějovice – Economic Faculty, Agricultural Faculty

Mendel University of Agriculture and Forestry in Brno

Charles University, Faculty of Science

T. G. Masaryk Water Research Institute, Public Research Institution

DAPHNE CZ Institute of Applied Ecology

ENKI, o.p.s.

Czech Union for Nature Conservation

ANNEX 3:

**TABLE OF ENVIRONMENTAL INDICATORS AND CRITERIA TO SELECT PROJECTS
IMPLEMENTED WITHIN THE OP FISHERIES**

Environmental indicator	Criterion of project choice	Data source
Reduction of greenhouse gases	Will realisation of the project have effect on CO ₂ equivalent reduction? <i>Yes (ton/year) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment, energy audit)
Specific emission of all source categories: a) solid particles b) SO ₂ c) NO _x d) NH ₃ e) VOC	Will realisation of the project have effect on reduction of emission of main pollutants produced by project in question? <i>Yes (ton/year) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment, energy audit)
Emission of Priority hazardous substances	Will realisation of the project have effect on reduction of emission of priority hazardous substances produced by realisation of intention?	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Regeneration of natural water regime of landscape and elements of environmental stability	Will realisation of the project contribute to renewal of a stable landscape water regime and elements of environment stability? <i>Yes (and how) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Length of natural water course	Will length of natural water courses increase or decrease due to project in question? <i>Yes (No of km) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Area of biodiversity focal points	Will the area of biodiversity focal points increase or decrease due to project in question? <i>Yes (No of ha) / No</i>	Application for subsidy from the OP Fisheries (e.g. EIA, biological assessment)
Spreading of allochthonous and invasive species	Will the risk of allochthonous and invasive species spreading increase or decrease due to project in question? <i>Yes / No</i>	Application for subsidy from the OP Fisheries (e.g. EIA, biological assessment)

Environmental indicator	Criterion of project choice	Data source
Number of removed old environmental burdens	Is there any activity contributing to remove an old environmental burdens? <i>Yes (No of removed environmental stresses) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Energy production from renewable energetic sources	Will the energy produced from renewal sources increase due to the project in question? <i>Yes (GJ) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment, energy audit)
Energy saving	Are there energy savings due to the project in question? <i>Yes (GJ) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment, energy audit)
Amount of recycled wastes	Is re-using of recycled waste included in the project in question? <i>Yes (tons) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Reduction of hazardous wastes production	Will the production of hazardous wastes be reduced due to the project in question? <i>Yes (tons) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Open green spaces in urbanised areas	Will the extent of open green spaces in urban areas increase due to the project in question? <i>Yes (ha) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Area of re-used brown fields.	Will the brown fields be used for the project in question? <i>Yes (ha) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Public transport development	Will the public transport be developed within the project in question? <i>Yes (CZK) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)

Environmental indicator	Criterion of project choice	Data source
Railway cargo transport development	Will the railway transport capacity increase due to the project in question? <i>Yes (tkm) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Noise load to inhabitants	Will the number of inhabitants under noise load be decreased due to the project in question? <i>Yes (number of inhabitants) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Environmental friendly products	Are environmental friendly products supported by the project in question? <i>Yes (number of products certified within the project) / No</i>	Application for subsidy from the OP Fisheries (e.g. project documentation, EIA, biological assessment)
Environmental education and trainings	Are environmental education and trainings included in the project in question? <i>Yes / No</i>	Application for subsidy from the OP Fisheries (e.g. EIA, biological assessment)

ANNEX 4:

RELATION BETWEEN NATURA2000 AREAS AND THE MOST SIGNIFICANT WATER-SURFACES IN THE CZECH REPUBLIC

