

IRELAND

(Modified)

**SEAFOOD DEVELOPMENT
OPERATIONAL PROGRAMME
2007 - 2013**

April 2013

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Section 1: Irish Seafood Development Operational Programme

This modified Operational Programme has been prepared in accordance with Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (*hereinafter referred to as the General Regulation*) and Commission Regulation (EC) No 498/2007 of 26 March 2007 (*hereinafter referred to as the Implementing Regulation*) laying down detailed rules for the implementation of the General Regulation. The Operational Programme for 2007-2013 was originally submitted to the Commission on 6 March 2008 and approved by the Commission on 9 September 2008 by Commission Decision No. C (2008) 4993.

The Seafood Development OP 2007-2013 was developed to meet the objectives set out under the National Strategic Plan (NSP) as directed under article 15 of the General Regulation. The EFF funding as indicated in the OP was allocated to support national policies described in the NSP. In order to meet all the objectives identified in the NSP further funding was required and a separate Seafood National Programme 2007-2013 was implemented, which was intended to fund other eligible support measures for the seafood sector not included in the Operational Programme.

All schemes implemented under the National Programme were notified as required under the Commission Regulation (EC) 736/2008 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production, processing and marketing of fisheries products.

An Interim Evaluation of the Operational Programme was conducted in 2011, as required by article 49 of the General Regulation. Taking account of progress on the measures included in the original Operational Programme, the fundamentally different economic and fiscal position of Ireland since the approval of that original Operational Programme and the changed policy priorities of Government for the limited Exchequer funds now available for investment in the seafood sector, i.e. an over-riding emphasis on employment creation, the Interim Evaluation Report recommended a revision of the Operation Programme, altering funding allocations to existing measures in the Operational Programme and introducing new measures that are presently or were intended to be Exchequer funded under the complimentary National Programme. Section 6(a) discusses this issue in more detail.

It should be noted that this modified Operational Programme document is not a complete updating or re-write of the original Operational Programme. Updates are limited to those necessary. Thus, it is section 6 of the document that has been the primary focus of revision. Other sections have been updated to a much lesser extent, for example the analysis of the fishing sector under section 3 has not been updated at this time, with the notable exception of the SWOT Analyses.

The Interim Evaluation Report comprehensively examines developments in the sector, and in the wider economy, since the approval of the Operational Programme and concludes that the objectives of the Operational Programme remain valid. It is recommended that the Interim Evaluation Report is read in conjunction with this Operational Programme which can be found at the following link:

<http://www.agriculture.gov.ie/media/migration/fisheries/seafoodpolicydevelopment/seafooddevelopmentinireland2007-2013/InterimEvaluationSeafoodDev180612.pdf>

Section 2: Geographical Eligibility

Ireland is eligible as a non-convergence region for the purpose of the European Fisheries Fund. A detailed profile of the characteristics of the region where the seafood industry is located is contained in Section 3 below.

Section 3: An Analysis of the Fishing Sector in Ireland.

3.1. General Description of the Fishing Sector in Ireland pre-2007

The Irish seafood industry is a vital indigenous industry which makes a significant contribution to the national economy in terms of output, employment and exports. Generating some 11,000 jobs in the coastal regions, the industry contributed circa €720 million to the national economy in 2005. This is equivalent to 0.45% of Irish GDP¹. Geographically the fisheries industry is predominantly concentrated on the western

¹ Source: Central Bank of Ireland Annual Report 2006

seaboard and the harbour towns of the south and east coastline areas. The main industry stakeholders are the primary production sectors of fish catching and aquaculture, the primary and secondary processing sectors, the marketing sectors and ancillary industries such as net making, vessel repair, transport, and a number of other services.

Due to the industry's concentration in the more remote areas of the coastline, it plays a critical part in the sustainable development of the economic and social fabric of the many small communities it serves. The industry supports the economic viability of rural communities by maintaining working populations and communities in the more remote coastal regions typically characterised by low population densities, high dependency rates, below average levels of educational attainment and higher than average levels of deprivation.

While consumer demand for seafood is growing strongly, as illustrated by the growth in the sales value of Irish seafood from €617 million in 2000 to €720 million in 2005 the supply of seafood is facing difficulties mainly due to the declines in fish stocks, declining quotas and structural imbalances at catching and processing levels.

The long-term sustainability and development of the Irish seafood industry will require a more integrated approach on the part of the various stakeholders along the value-chain, with a greater focus on deriving maximum value for fish, adopting more responsible fishing/farming practices, whilst safeguarding the environment and resource base.

3.1.1. Employment 2000-2006

The seafood industry supports the economic viability of rural communities, generating 10,975 jobs in the coastal regions and makes an important contribution to the national economy. These jobs are enormously significant as they maintain working populations and communities in remote coastal regions that are generally economically disadvantaged.

Geographically the industry operates right around the coast of Ireland and is particularly concentrated on the western seaboard from Castletownbere, Co. Cork, in the south-west, to Killybegs, Co Donegal, in the far north-west, and the harbour towns of the south-east coastline.

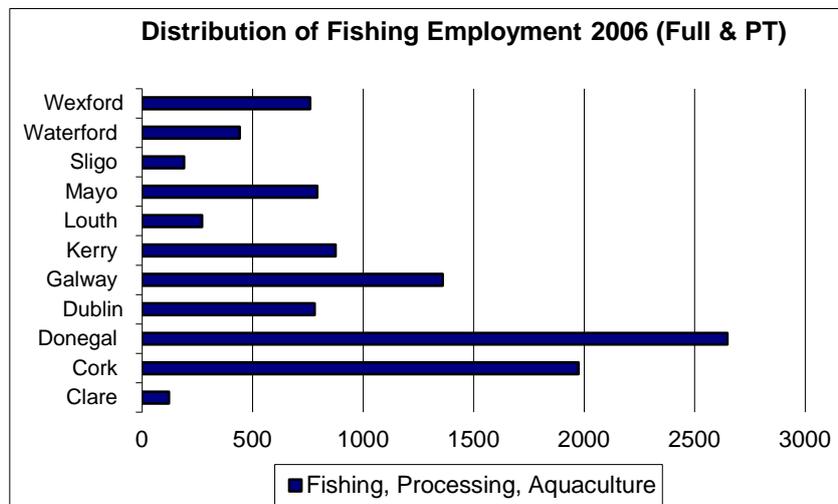
Table 3.1 provides details of employment by sector in 2000 and 2006.

	2000			2006		
	Full time	Part time / Casual	Total	Full time	Part time / Casual	Total
Fisheries	4,767	1,433	6,200	3,924	1,063	4,987
Aquaculture	830	2,075	2,905	718	1,218	1,936
Processing	2,110	2,097	4,207	2,205	662	2,867
Ancillary	1,500		1,500	1,185		1,185
TOTAL	9,207	5,605	14,812	8,032	2,943	10,975

While employment in the fisheries sector has been declining (as is also the case for agriculture), these jobs are nevertheless enormously significant as they maintain working populations and communities in remote coastal regions, where there are fewer opportunities for commercial or industrial development and which are typically characterised by: high rates of unemployment and out migration, low population densities, high dependency rates, below average levels of educational attainment and higher than average levels of deprivation. Table 3.7 provides details of employment by sector in 2000 and 2006.

Figure 3.1 shows the distribution of employment in 2006 by region. This trend remains largely unchanged in the past five years emphasising the role of the seafood industry in sustaining remote, coastal communities.

Figure 3.1 Distribution of employment, by region, in 2006.



Source: BIM

3.1.2. The Fishing Fleet 2000-2006

As of November 2007 the Irish fishing fleet consists of 1,914 vessels registered in 5 segments (polyvalent, beam trawl, pelagic, specific, and aquaculture).

- The **Polyvalent** sector comprising 1,726 vessels, representing 87.6% of the vessels in the fleet and 56% of capacity (GTs).
- The **Beam trawl** segment comprising 13 dedicated vessels or <1% of the fleet.
- The **Pelagic** sector currently comprises 22 Refrigerated Sea Water Tank Vessels ranging in size from 27 to 71 meters, which together comprise 1% of the overall fleet (in numbers) and 31% of the capacity.
- The **Specific** segment comprising 127 vessels, which account for 7% of the fleet. The structure of the fleet is outlined in Table 3.5:
- The Aquaculture segments comprising 26 vessels, which account for 14% of the fleet and 6% of the capacity

Table 3.2 STRUCTURE OF THE IRISH FLEET

Source: European Commission, Fleet database (<http://omaha.cc.cec.eu.int:6085/fleet/>)

IRISH FLEET REGISTER 6/11/07

	Number	Average Length	GT	kW	Average age	Employment	
Polyvalent	Inshore - Potting (LOA < 12m)	487	6.7	1,108	14,559	20.7	941
	Inshore - General (LOA < 12m)	962	7.7	3,924	30,963	24.2	1,859
	Coastal (12m ≤ LOA < 18m)	109	14.5	3,842	16,231	29.4	320
	Near-water (18m ≤ LOA < 24m)	103	21.1	13,869	38,503	22.8	604
	Offshore (LOA ≥ 24m)	55	28.2	13,918	33,136	18.5	276
	RSW Tank	4	28.7	1,247	2,881	20.3	52
	Vivier Tank (Crab)	6	21.8	1,179	2,108	9.2	33
Beam Trawl	13	25.2	1,813	6,645	25.6	73	
Pelagic	22	49.4	21,810	35,164	10.0	276	
Specific	127	13.1	3,249	14,880	32.5	446	
Sub Total – wild capture fisheries	1,888	10.2	65,959	195,069	23.7	4,880	
Aquaculture	26	27.7	4,478	10,468	24.7		
Grand Total	1,914	10.5	70,437	205,537	23.7		

In less than a decade the whitefish fleet has undergone unprecedented restructuring funded by private investment of €91 million and supported by State/EU grant-aid of €58.5 million. Two successive renewal programmes, the Whitefish Renewal Scheme and the Fleet Development Measure, have resulted in the introduction of 79 new and modern second-hand vessels into the fleet over the past 8 years and the withdrawal of an estimated 300 older and generally smaller vessels.

Additionally 130 vessels have been modernised and more than 820 have undergone safety upgrades. Since 2005 a fleet decommissioning programme has seen the removal of 36 vessels from the polyvalent and specific segments amounting to 4,901 GT and 15,392 kW.

Figure 3.2 - Ireland: Tonnage of the fleet compared to its tonnage ceiling.

Evolution between 1/1/2003 – 1/12/2007 (Source DG Fish)

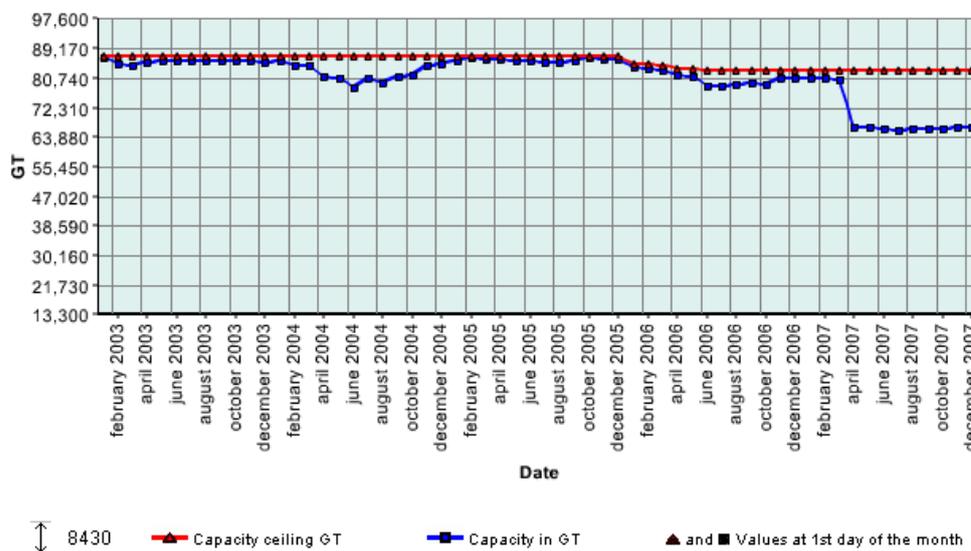


Figure 3.3 Ireland: Power of the fleet compared to its power ceiling.

Evolution between 1/1/2003 – 1/12/2007 (Source DG Fish)

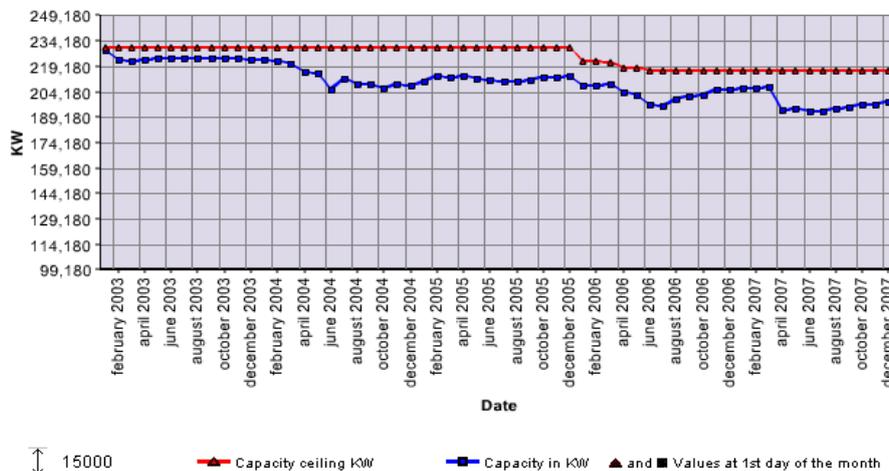
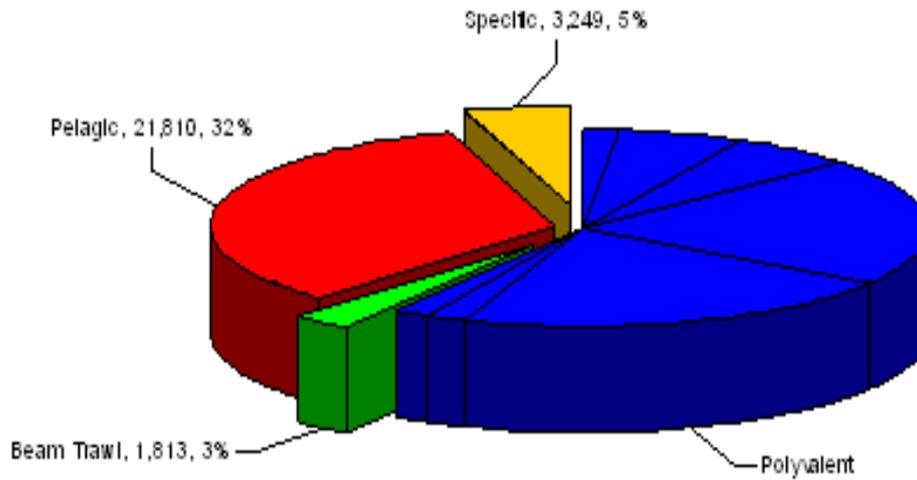
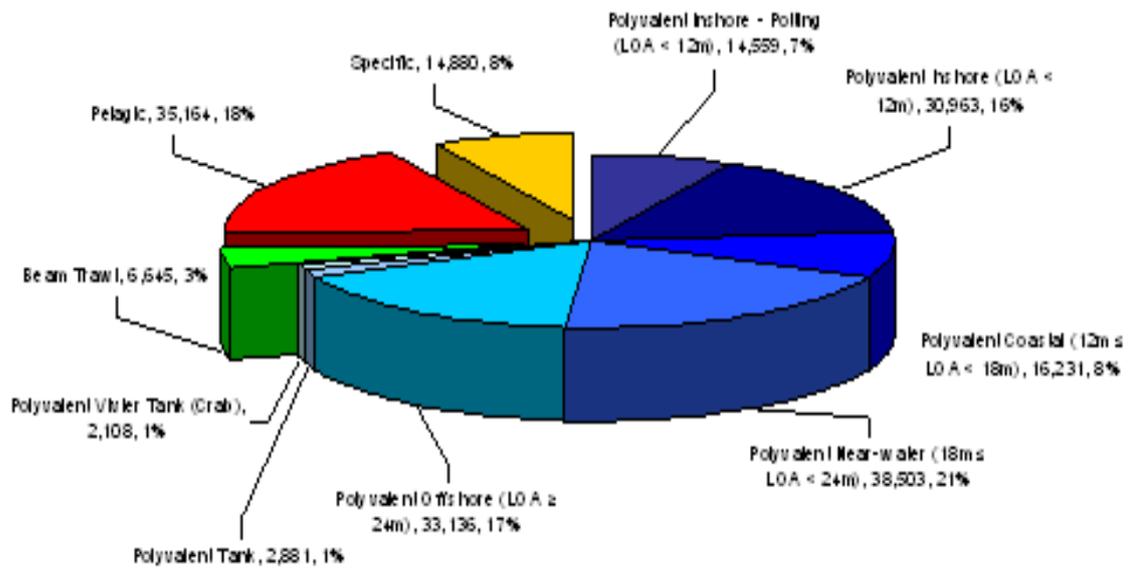


Figure 3.3 Fleet segmentation of Irish Fleet

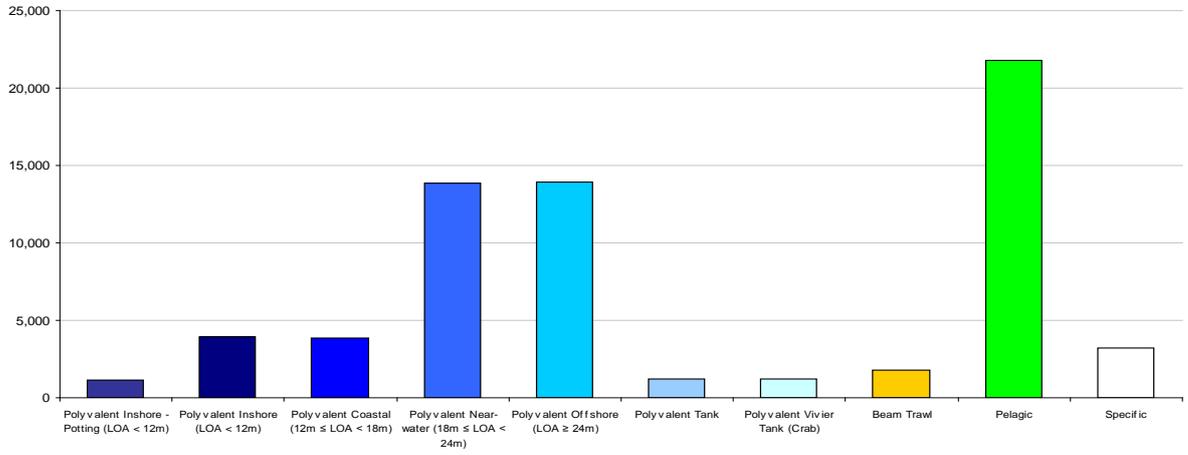
Fleet Segmentation (GT)



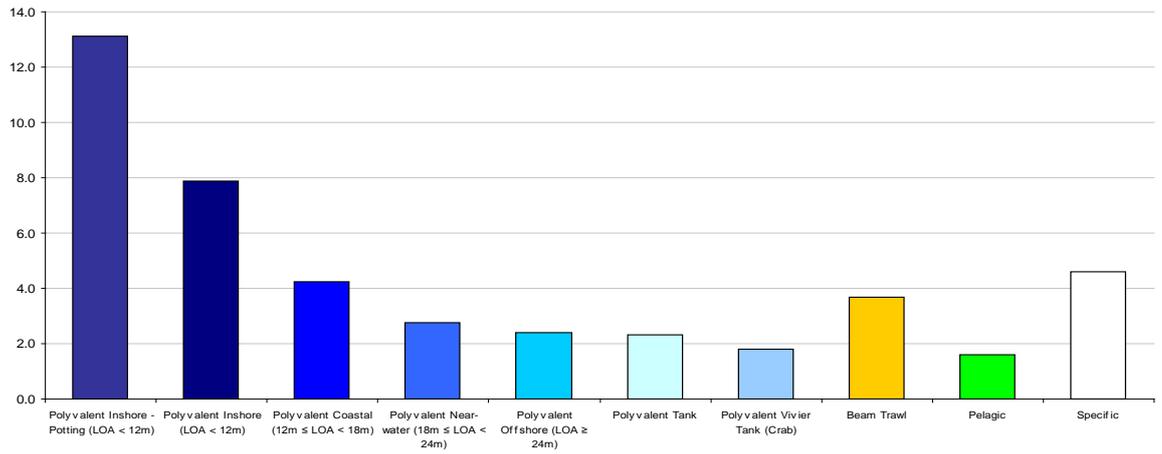
Fleet Segmentation (kW)



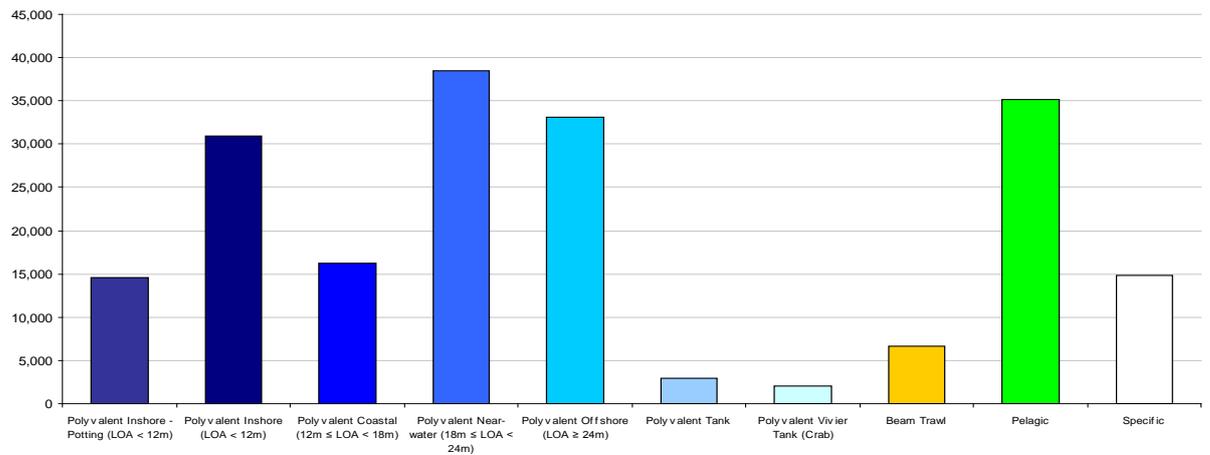
Fleet Segmentation (GT)



Fleet Segmentation (kW/GT)



Fleet Segmentation (kW)



3.1.3. Impact of decommissioning on the Irish Fleet

It was originally intended that by 2007 the Irish whitefish sector would have been reduced by 35% and that this reduction would be achieved by the permanent decommissioning of polyvalent and beam trawl vessels over 18 metres in length. However the 27 whitefish vessels scrapped between 2005 and 2006 amount to only 3,320 gross tonnes (or 30% of the original target of 10,937 gross tonnes). It must also be borne in mind that decommissioning has also led to some displacement back into the fleet; an outcome that has been taken into account in the planning of this programme and, in particular the revised targets set.

The economic analysis carried out in 2005 for the original report on decommissioning demonstrated that whitefish stocks generally, and available quota in particular, would have to be some 30% greater to yield a viable and attractive return for the boats now in the demersal sector.

However since then the economic situation of the fleet has declined further. This is due in no small measure to the ongoing and substantial increase in the cost of fuel oil, a further decline in the quotas of key deep water stocks and a commitment to further reduce quotas at an EU level to help meet international obligations including the Johannesburg Agreement on sustainability. Thus while the approach adopted remains valid, the value of some of the critical parameters has changed. An updated analysis, incorporating these adjustments, now indicates that whitefish stocks generally, and available quota in particular, would have to be some 45% greater to yield a viable return for the vessels now in the whitefish sector.

On this basis, and taking into account the current capacity of the polyvalent and beam trawl segments of the fleet it is appropriate that, in total, 14,460 gross tonnes should be decommissioned of which 3,320 gross tonnes has been scrapped to date. Thus the revised target for this scheme is set at 11,140 gross tonnes. Of this amount some 8,904 gross tonnes will be decommissioned through this Operational Programme.

Following State Aid approval, the 2008 scheme to permanently withdraw capacity from the whitefish sector of the Irish fishing fleet - "Building a Sustainable Future for Ireland's Fishing Fleet" - was launched in February 2008. By the closing date (30th April 2008) a total of 69 vessels with an aggregate capacity of 10,464 GT's had applied for decommissioning. Based on applications received it is evident that demand for decommissioning within the industry is largely in line with the analysis carried out in as part of the schemes introduction.

While (at the time of writing) it cannot be definitively predicted how many of these applications will ultimately meet all of the scheme's entry requirements and/or will

permanently decommission it can be said with some certainty, based on the applications received, that vessels participating in the 2008 decommissioning scheme will have the following broad characteristics:

Table 3.3 Profile of vessels decommissioning under the 2008 Adjustment of Fishing Effort Scheme

AGE	
Average Age	31 years
Minimum Age	15 years
Maximum Age	60 years
Length	
Average Length	23.30 m
Minimum Length	15.98 m
Maximum Length	40.75 m

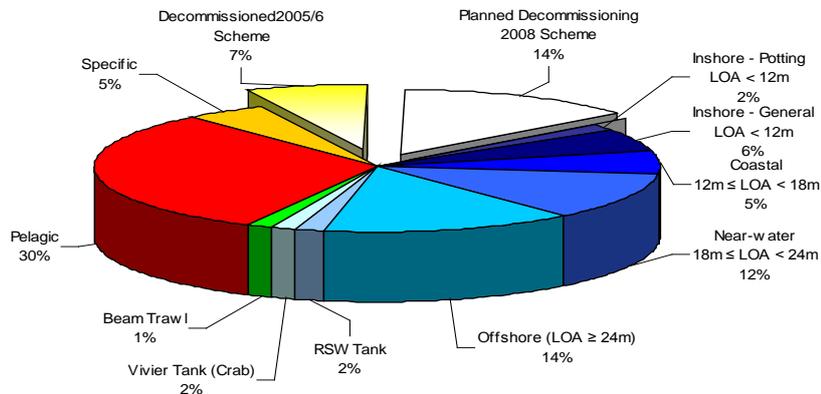
PORT OF ORIGIN (COAST)				
East	SE	SW	West	NW
23%	23%	35%	13%	6%

Segment	LOA	% (By GT)	Average GT	% (By Number)
Polyvalent	LOA ≥ 24m	38%	220	26%
	18m ≤ LOA < 24m	53%	120	67%
Beam Trawl		9%	193	7%

	Uptake	100%			90%			80%			70%		
		N	GT	kW	N	GT	kW	N	GT	kW	N	GT	kW
Polyvalent													
18 ≤ L < 24m	45	5,400	14,183	41	4,860	12,765	36	4,320	11,346	32	3,780	9,928	
LOA ≥ 24m	18	3,970	10,923	16	3,573	9,831	14	3,176	8,738	13	2,779	7,646	
Vivier	1	127	319	1	114	287	1	102	255	1	89	223	
Tank													
Beam	5	967	4,242	5	870	3,818	4	774	3,394	4	677	2,969	
Trawl													
TOTAL	69	10,464	29,667	62	9,418	26,700	55	8,371	23,734	48	7,325	20,767	

It is clear from the tables above (Table 3.3) that vessels likely to decommission will vary greatly in size, age, capacity and home port.

Fleet Capacity (GT)



3.1.4. Status of the Fisheries Resource Production

The waters around Ireland contains some of the most productive fishing grounds in the EU and it is estimated that in 2004 the total catch by all fleets within the Irish Exclusive Economic Zone was 700,000 tonnes of fish valued at €500 million, the greater proportion of which was taken by non-Irish vessels.

This reflects the Principle of Relative Stability of the Common Fisheries Policy, wherein Ireland's share (quota) of the EU Total Allowable Catch is fixed for each of the key commercial species, amounting to some 20% in the case of pelagic species, 16% of Demersal species and 23% of shellfish (Dublin bay prawns/ Nephrops and a small, unused, quota of snow crab). Inshore shellfish stocks (crab, lobster, whelk, shrimp, etc.) are not subject to EU quota allocation; these stocks generated 25% of the first-point-of-sale value for the fisheries sector in 2004.

Despite the considerable overall catch, Ireland's Marine Institute reports that "over 75% of these stocks are outside safe biological limits with either a low stock size or unsustainable levels of exploitation". In addition the Institute notes that, "*misreporting of catch, discarding and poor scientific sampling data continue to undermine the scientific advice and sustainable management of the resource*" and that "*the misreporting issue has to be resolved if we are ever to achieve sustainable fisheries*".

- The very poor state of many demersal stocks is reflected both in the annual total allowable catch and quota allocations that Ireland receives and in the declared landings of the fishing fleet over the past decade. From a high in 1997, Ireland's

share of the key demersal stocks has fallen from 55,470 tonnes to 32,662 tonnes in 2006, a fall of 41%. Landings also have declined by some 33% over this period, from 48,000 tonnes in 1997 to just 32,331 in 2004.

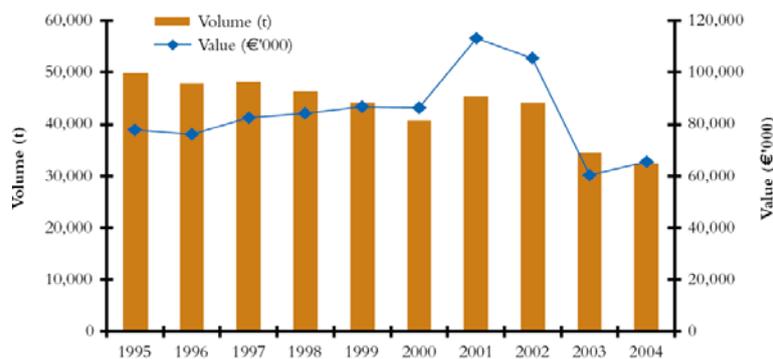
- For the key pelagic species (mackerel, horse-mackerel, herring, and blue whiting) a similar pattern is also evident and between 1995 and 2004 landings fell by 26% (305,000 to 226,783 tonnes). The use of combined figures for pelagic stocks, however, can mask some important trends and when looked at on a species-by-species basis we find that herring landings are down 39%, mackerel landings are down 20%, while landings of horse mackerel have declined by 80% over the period. Only low value blue whiting and landings of other non-quota species show any sustained increase.
- In contrast to the decline in landings of demersal and pelagic stocks, landings from the main shellfish stocks all increased significantly over the period with a combined increase of 48% (18,179 tonnes to 26,832 tonnes) between 1995 and 2004. However, current analysis of these stocks clearly indicates that this trend is not sustainable and effort reductions on all of the major shellfish stocks are urgently required if yields are to be maintained at or close to maximum levels.

While various reasons can be postulated for the critical decline in many stocks in recent years, clearly over fishing is a major factor in every case. Furthermore this is true not just for the shared stocks that the Irish fleet exploits, it is equally the case for many stocks where Ireland is allocated the biggest proportion of the total catch; for example whitefish in the Irish Sea, herring in the Celtic Sea and off the northwest coast to mention but a few.

Demersal Stocks: Whitefish and Dublin Bay prawns

The trend in demersal landings for Irish vessels for the period 1995-2004 is illustrated below.

Figure 3.4 Irish demersal landings, volume and value from 1995 to 2004



Hake, Monk, and Megrin Fisheries:

The hake, monk, and megrim mixed-stock fishery is currently the most important fishery exploited by Irish whitefish vessels, particularly those operating off the southwest and west coasts. Ireland's quota of these stocks is 9% of the EU Total Allowable Catch, and with a first-point-of-sale value of €18.9 m in 2004, the combined landings of these 3 species accounted for 29% of the value of all demersal landings that year. While the hake stock declined throughout the 1990's as a result of high levels of fishing, the stock is now considered to be harvested sustainably and Ireland's quota has increased by 12% since 2004.

Our quota of monkfish has similarly increased by 30% between 2004 and 2006. However the megrim quota has decreased over the same period by 2%. Overall, Ireland's combined quota for this group of stocks has increased by 10% since 2004. According to the Marine Institute the quality of the science for megrim is 'poor' mainly due to poor quality landings data. The Marine Institute also notes that international misreporting is a serious problem in the monkfish fishery and as a result the state of the stock is uncertain. ICES, in its most recent advice, reports that monkfish, like hake, while harvested sustainably in relation to precautionary limits, is currently 'over exploited in relation to its highest yield'. Consequently there is currently no capacity to absorb increased effort either from the current fleet or to accommodate additional fishing pressure from vessels displaced from other fisheries.

Dublin Bay prawns (Nephrops) Fisheries

An important high value fishery for vessels operating in the Irish Sea, Celtic Sea and Aran grounds off Galway, the Dublin Bay prawn (Nephrops) fleet also takes a significant quantity of cod, and other species, as a by-catch. Where these by-catch species, especially cod, are depleted or over-exploited, management measures designed to protect them also impact on the activities of the prawn fleet.

Ireland's quota for Dublin Bay prawns amounts to 21% of the Total Allowable Catch, and with a first-point-of-sale value of €13.7 million in 2004, prawns accounted for 21% of the value of all demersal landings. In general the state of the prawn stocks are not well known. However they have sustained high levels of fishing effort and discard rates for many years and all indications suggest that the stocks have not declined substantially. There are, however, particular problems with the Aran stock – west of Galway.

Cod, Haddock, Whiting Fisheries

The main, and well documented, issue for the cod, haddock and whiting stocks has been the dramatic decline of cod in all the main fisheries around Ireland and in the North Sea. Cod was subject to very high levels of fishing in the 1990's and the stocks both in the Irish Sea and off the north-west coast (where there was an important fishery in the past) are considered to be in a severe state of decline. In the Irish Sea, for example, the spawning stock is estimated to have fallen from 21,000 tonnes in 1973 to less than 5,000 tonnes today.

Whiting stocks too are severely depleted in the Irish Sea and off the north-west coast, while they are over-fished in the Celtic Sea. Furthermore while the exact status of the haddock stock in the Irish Sea is unknown, it is likewise considered to be over-exploited. All of these trends are reflected in the landing statistics for the three species and cod landings dropped 78% between 1995 and 2004 while for whiting and haddock the equivalent figures show drops of 57% and 39% respectively.

Overall Ireland's quota of cod, haddock and whiting amounts to 17% of the Total Allowable Catch, however Ireland is allocated 66% and 58% of the respective cod and whiting quotas in the Irish Sea underscoring their traditional importance to the national fleet. With a first point-of-sale value of €12.1 million in 2004, the combined landings of cod, haddock and whiting accounted for 18% of the value of all demersal landings that year, down from 26% in 1995. The severe decline in the status of these stocks, both in the Irish Sea and off the northwest coast, has resulted in significant displacement of traditional fleets from these areas and today many of the larger vessels from the Greencastle fleet travel regularly to the Celtic Sea to fish.

Likewise the traditional Irish Sea whitefish fleet has all but disappeared. It is clear too that as more vessels turn their attention to the hake, monk and megrim fishery in the Celtic Sea and to the Dublin Bay prawn fisheries both in the Irish Sea and off the south-west coast, these already heavily fished stocks are very vulnerable to further over-exploitation.

Plaice and Sole

Another significant fishery exploited by Irish whitefish vessels, in particular the beam-trawl and the near-water (18 – 24 metre) fleets, is the plaice and sole fishery. Ireland's quota of

plaice and sole in home-waters is 36% of the EU total allowable catch, and with a first point-of-sale value of €4.5 million in 2004, the combined landings of these 2 species accounted for only 7% of the value of all demersal landings that year. While quotas increased slightly (+3%) between 2004 and 2006, they are currently 17% less than they were in 2003 and almost 43% down on the equivalent values in 1995. Sole is locally important in both the Irish Sea and Celtic Seas and off the south-west, while plaice is predominantly an Irish Sea fishery with smaller quotas along the south coast and off Donegal.

The latest scientific advice for these stocks indicates that sole is overexploited both in the Irish Sea and in the Celtic Sea. For plaice, once again the advice is that the stock is overfished in the Celtic Sea. In the Irish Sea, however, the stock is harvested sustainably. The latest scientific advice for these stocks indicates that sole in the Irish Sea is 'stable' while it is overfished in the Celtic Sea. For plaice the situation is similar with the Irish Sea stock fished sustainably, but again overfished in the Celtic Sea.

Deep Water Stocks

This small, but locally very important, mixed-stock fishery increased significantly between 2001 and 2004. While the deep-water fishery comprises a large range (>10) of species, landings by the small number of Irish vessels (<10) that have taken part in the fishery have been dominated by orange roughy. The latest advice from ICES, however, starkly underlines the severely depleted status of most deep water species (including orange roughy) and far from expecting any increase in landings from this fishery going forward, it is likely that only a small number of vessels (1 – 2 from the west/north-west) will participate in the fishery, and then only in a limited way in the future.

Pelagic Stocks

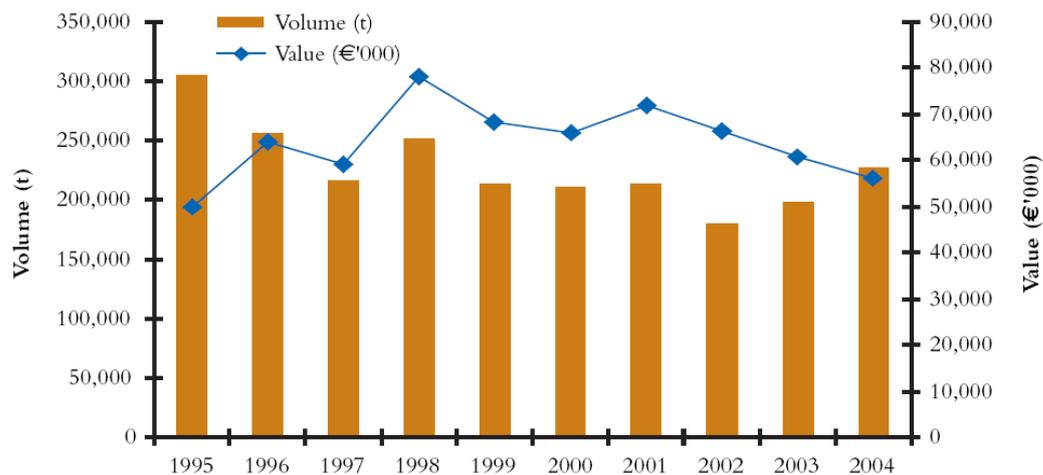
Unlike the demersal fisheries which are often mixed fisheries, pelagic fisheries are conducted on a series of largely discrete fisheries that follow one another between September and April.

The most important of pelagic fishery is the mackerel fishery, exploited by Ireland's pelagic fleet and a number of polyvalent vessels which traditionally operate in late autumn and spring. Ireland's quota of mackerel is 21% of the EU Total Allowable Catch, and with a first-point-of-sale value of €27 million in 2004, it accounted for 48% of the value of all pelagic landings that year.

While the allowable catch for mackerel declined dramatically in the mid-nineties and again in 2005 and 2006 as a result of high levels of fishing and falling stock size, the spawning stock has increased over the last 3 years. Although the quota is expected to increase (by up to 15%) in 2007, ICES has pointed out that the stock is still harvested unsustainably.

Blue whiting (worth €8 million in 2004 or 14% of the value of pelagic landings), although landed mostly for fish meal, is important for a small number of vessels. It is likely that the outlook for the blue whiting TAC is for reductions in the medium term, as the stock returns to a period of lower productivity. Horse mackerel (worth €6.3 million in 2004 or 11% of the value of pelagic landings), developed as a target fishery from the 1980s, and is of uncertain status. Herring (worth €5.2 million in 2004 or 9% of the value of pelagic landings) has seen declining landings for a number of years and stocks are currently outside safe biological limits.

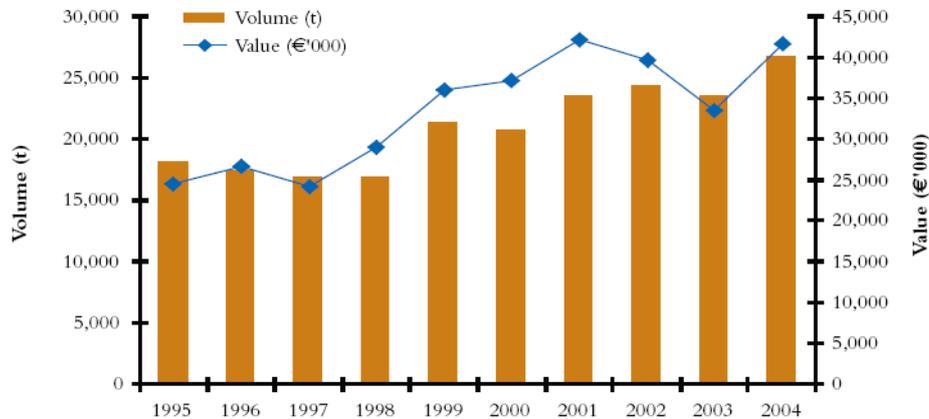
Figure 3.5 Irish Pelagic Landings, Volume and Value from 1995 to 2004



Shellfish Stocks: Crab, lobster, scallop and whelk

In 2004 crab and lobster accounted for 50% of the volume and 60% of the value of landed shellfish (excluding Dublin Bay prawns/Nephrops which is included earlier). The other major shellfish stocks are scallop, shrimp and whelk which account for the majority of the remainder in both volume and value terms. All of these stocks are fully exploited and generally stable, but productivity is below maximum sustainable yield. Any further effort increases on these stocks will result in reduced catch rates and correspondingly lower profitability.

Figure 3.6 Irish Shellfish Landings, Volume and Value from 1995 to 2004



3.1.5. Adjustment of Fishing Effort

The introduction of the decommissioning programme for older whitefish vessels was the first in a series of initiatives aimed at ensuring the long-term sustainability of the sector. However, there was insufficient uptake on this decommissioning programme and therefore more serious adjustment will be required in the Operational Programme 2007-2013.

At the time of its inception the Fleet Development Measure 2000-2006 supported the introduction of new vessels and modern second hand vessels into the Irish fleet with the aim of reducing the average age from 35 years. This proved successful and the average age now stands at 25 years.

Similarly funding was available to modernise vessels within the fleet: this however, in the same way as the replacement of older vessels with modern, more efficient vessels, had the effect of increasing the effective fishing effort of the fleet and was discontinued under the CFP review in 2002.

Over the past eight years the renewal programme has brought about improvement in safety and operational standards of the current fleet while decommissioning has removed some larger, older vessels. The completion of the twin-track approach of renewal and restructuring is vital to the future success of the catching sector as it will deliver a smaller fleet that is modern, efficient and safe.

3.1.6. The Aquaculture Sector 2000-2006

Aquaculture activities are located right around the coast with particular concentration in Donegal, Connemara, West Cork, Waterford, Wexford and Carlingford Lough. The sector includes the farming of finfish species such as salmon and trout, arctic char and perch and shellfish species such as mussels and oysters and to a lesser extent clams, scallops, abalone and sea urchins.

There are 13 operations producing salmon and six producing freshwater and sea-reared trout as well as three perch farming operations. There are about 80 mussel farms with sites in the southwest and western coastal areas as well as a substantial bottom-mussel fishery. This provides raw material for 5 mussel-processing plants, which produce a range of value-added products. There are 150 operations producing Pacific oysters concentrated mainly in Wexford, Waterford, Cork, Mayo and Donegal but also at other locations around the coast. The number engaged in aquaculture production was 1,936 in 2005/06.

3.1.7. The Seafood Market and Processing Sector 2000-2006

The value of Irish seafood sales amounted to €720 million in 2005, the latest year for which data are available. Sales of seafood on the Irish market amounted to €311 million (€137m into retail and €174m into foodservice); exports were valued at €354 million, with a further €55.1 million earned through direct landings of fish by Irish vessels at foreign ports.

The processing sector is concentrated in the coastal regions of Donegal, Galway, Cork, Kerry and the South East. There are 198 firms, mainly SMEs, engaged in handling/distribution and processing of fish, of which just ten companies have more than 50 people employed full-time, while a significant number of small operators supply a local market or sell to niche market outlets

Table 3.4 provides a breakdown of the processing sector by turnover, illustrating the lack of economies-of-scale within the industry. Less than 10% of all companies operate with annual turnovers in excess of €10 million, with the top 50 companies accounting for 80% of overall turnover in the sector.

Table 3.4 Breakdown of the Seafood Processing Companies by Turnover

Annual Turnover (Million €)	No. of Companies	Bulk Seafood	Fresh/Live Seafood	Prepared Seafood
< €1 million	103	0	71	32
€1 - €5	62	9	34	19
€5 - €10	14	3	4	7
€10 - €20	11	3	1	7
>€20	8	1	1	6
Total	198	16	111	71

Export Markets

Between 2000 and 2006 the value of seafood exports increased from €331 million in 2000 to €355.5 million in 2006. Approximately 85% of seafood exports are directed to EU markets with the balance going mainly to Far Eastern and African markets. The main market destinations have remained largely unchanged over the years with France being the premier market accounting for 24% of exports with a value of €85.8 million in 2006. This was followed by Great Britain at a value of €67.7 million, Spain, €61 million, Germany €28.2 million, Italy €22.9 million and The Netherlands at €15.2 million.

Imports

Between 2000 and 2006 seafood imports for human consumption increased in volume and value by 56% and 53% respectively to reach 37,855 tonnes and €143 million. The main supply market continues to be Great Britain.

3.1.8. An Analysis of a Non-Convergence region.

Ireland is a non-convergence region for the purpose of the European Fisheries Fund.

The seafood industry comprising the fishing, fish farming and processing/marketing sectors is predominantly located in the coastal regions stretching from Donegal in the north-west, in Counties Mayo and Galway in the west, along the counties of the south west and southern coasts and on the east in Wexford, Dublin and Louth. These coastal locations are mostly at a distance from main urban areas and centres of urban activity.

They are therefore highly dependent on the income and economic activity generated from the seafood industry which is crucially significant to sustaining the livelihoods of the communities living in these remote regions. The industry plays a critical part in the sustainable development of the economic and social fabric of the communities it serves.

The wide dispersal of the seafood industry activity around the 7,500 kms of the Irish coastline is illustrated on the accompanying maps of fishing and aquaculture activities. The distance of some areas such as in north Donegal and Castletownbere in West Cork from the urban centres is evident. Typically these remote regions are economically disadvantaged and have limited attraction for young people seeking opportunities for a good livelihood.

For instance, in the areas surrounding Castletownbere the level of unemployment is substantially above the national average; in parts of north Donegal, the participation in third level education is below the national rate. Much of the socio-economic fabric of coastal areas involved in fishing and the seafood industry generally is intrinsically linked to the activities and profitability of the sector and the importance of the seafood industry to the economic viability of the coastal and remote regions cannot be overstated.

3.1.9. Main Lessons Learned from the Programming Period 2000-2006

Under the NDP 2000 – 2006, €150 million in Exchequer and EU funds was allocated for investment in the seafood sector. Development funding was channelled through four Operational Programmes (OP's) under the Financial Instrument for Fisheries Guidance (FIFG):

- Productive Sector OP,
- Border Midlands and Western (BMW) Regional Programme,
- South and Eastern (S&E) Regional Programmes,
- Employment and Human Resources Development OP.

Assisted by this investment the total value of the seafood industry increased from €621 million in 2000 to €702 million in 2005: a significant achievement against a background of declining quotas and stricter compliance. The impact of the NDP 2000 - 2006 also served to unlock private investment in the sector while at a local level economic activity has been stimulated through the provision of income and employment opportunities in areas with few alternatives.

Evaluation Reports that have commented on seafood industry support in the 2000-06 period, included the Mid-Term Evaluations (MTEs) and Mid-Term Evaluation Updates (MTEUs) for the NDP and Community Support Framework (CSF) 2000-06; the Productive Sector Operational Programme 2000-06; the Employment and Human Resources Development Operational Programme 2000-06; the Border, Midland and Western Regional Operational Programme 2000-06; and the Southern and Eastern Regional Operational Programme 2000-06.

Fisheries

The main criticism resulting from the midterm review of the 2000-2006 Productive Sector Operational Programme in respect of measures for the fisheries sector was that financial and physical progress at the time of the review was low (14.7%). However, when contractual commitments were taken into account the actual situation was that progress was in excess of 50%. The delays were partially explained by delays in the approval of the Priority (until December 2000) and, consequently, in obtaining State Aid approval for the Measures and the impact of new EU regulations, adopted in December 2002, which placed limits on (a) the grant aiding of new fishing vessels and (b) the extent of the fishing effort permitted in the North-West.

In the new OP, the Sea-fisheries Development Programme spending profile is front-loaded to an extent that by the time the midterm review takes place it is intended that almost 90% of the total co-funded programmes will have been spent. Additionally, all co-funded programmes are scheduled for completion by 31st December 2010. Further, the advice from the Evaluators to introduce more clarity, transparency, and competition in project selection has been noted and will underpin the next programme.

Under the Operational Programme 2000-2006 the funding provision for decommissioning (*i.e.* individual decommissioning rate) was predetermined in EU legislation with an upper limit on the level of grant aid available for any vessel wishing to exit the fleet. The level set for this upper limit may partially explain the low take up on this intervention. Conversely, a greater allocation might have allowed for significant greater adjustment of the fleet that would, in turn, have assisted with the stock recovery programmes and other conservation measures put in place to address those species in danger of being over-fished.

During the 2000 – 2006 programming period safety and efficiency levels within the sector were significantly improved through grant-aiding new vessels, the modernisation of existing vessels, support for essential safety equipment and safety training.

One of the main lessons learned over the programming period 2000-06 was the need for a more competitive sector at all stages in the supply chain. This is especially the case in the context of static/declining quotas and particularly when faced with increasingly competitive markets and growing pressures from large-scale buyers. While significant progress was made in this area during the 2000 -2006 programme period, it remains the case that, at every stage in the supply chain, the industry must strive ever more to operate at maximum efficiency and cost effectiveness. Significant opportunity exists for ongoing improvement in this area and the industry must be encouraged to be more innovative, improve product quality and other standards and engage in accredited quality programmes. In particular, attention must be paid to identifying how quality standards can be maintained onboard vessels.

Another clear lesson from the 2000 – 2006 programming period is the pre-occupation, by industry, with supply related issues. Consequently not enough attention has been paid to developments in environmental policies and their potential impact on the industry. Addressing this deficit will be a critical feature of the 2007 -2013 programming period and features prominently in this OP.

During the 2000 – 2006 programming period, significant progress was made developing a new Shellfish Management Framework for Ireland' inshore fisheries sector and providing the information required to enable informed management decisions for the sector. A solid foundation has been laid for the future sustainability of the inshore sector by the establishment of a new fisheries management system for shellfish. Continued support for these initiatives is essential if we are to maintain the economic viability of the sector, the stocks on which it depends, and the fabric of coastal communities.

Initiatives aimed at supporting coastal communities under the *Supporting Measures* intervention of the 2000-2006 Operational Programme encouraged the provision of facilities and development of techniques aimed at maximising the value of seafood landed. These initiatives provided much of the information which will be required to expand this support

under the new OP, the successful implementation of which is designed to secure the viability of island and coastal communities.

In developing an operational programme for the coming years it is imperative that we also reflect carefully on what has already been achieved with EU structural funding under the National Development Plan 2000 – 2006. In doing so we highlight those areas that should continue to receive EU financial aid going forward, and glean new directions that must now be mapped and followed. While overall the NDP/FIFG 2000 – 2006 programme has seen huge inroads made in many critical areas, some measures promoted by the FIFG have not lead to the expected results. It is therefore clear that we must now aim at a better use of EFF funds through a more efficient set of measures.

Fisheries Critical successes achieved during the 2000 – 2006 programme period:

- The renewal and restructuring of the fleet.
- The development of the inshore sector.
- An increased transparency in the management of fisheries resources and the marine environment and a much greater level of stakeholder involvement.
- An improved knowledge and understanding of many commercially important species.
- The development and deployment of novel technical measures.
- A raised awareness and implementation of quality, hygiene, and added value in the supply chain.

Areas where improvements can be achieved and further work is required.

In general there remains a need to invest more in human resources in all our fields of intervention. Similarly we must continue to promote equal opportunity in all areas. There also remains a need to work towards a simplified conceptual and regulatory framework, and promote transparency, user-friendliness, and flexibility of implementation.

Resource Issues

- For the fleet there remains an urgent need to continue the drive towards a sustainable balance between available resources and fishing capacity;
- We must continue to support investments aimed at gaining more benefit from catches.
- We need to deepen our understanding of the fisheries resource base.

- Real time management of the resource and the marine environment should remain a target of future Operational Programmes.
- We must encourage the adoption of catching and production techniques that are compatible with the sustainable use of the environment and the conservation of natural resources.
- We must continue to promote selective and environmentally friendly forms of fishing.

Fisheries and the Marine Environment

- Significant attention must be paid to the conservation and restoration of habitats to meet international obligations in relation to the conservation of fish stocks and the maintenance of overall biodiversity targets.
- Halting the loss of biodiversity within the marine environment – in particular where such loss is as a direct result of fishing or fishing related activities – must be prioritised.
- Further “greening” of the sector must be encouraged – there must be greater intervention in support of the environment.
- We need to deepen our understanding of the marine environment, particularly in the area of base-line data acquisition. This knowledge will in turn can feed into, and thereby improve the technical and scientific advice available to managers and policy makers.
- We must promote energy efficient forms of fishing.
- We must prevent pollution and correct its negative consequences.
- We must increase support for undertakings that reduce negative environmental impacts of the sector.
- We must contribute more directly to nature conservation and natural resources management via, for example, the creation of protected marine areas and the protection of zones favourable to the reproduction of species.

Sustainable development of coastal fishing areas

- The Operational Programme must contribute more directly to the socio-economic development of coastal areas and of fishing communities.
- A new focus must be given to the retraining of workers in the areas affected by a decline in fishing activities;

- A new emphasis must be given to the restructuring required by the changing economic and market environment of the areas affected by a decline in fishing activities;
- Interventions should be specifically targeted at integrated coastal development in key coastal areas and, additionally, at small-scale local enterprises in coastal areas linked in some way to the fishing sector.

Aquaculture

The main lesson learned from the previous programme in aquaculture and having regard to comments made in the MTE Report, is that there is a need to allow for a greater time lag between approval of investment projects and the resultant increase in output from the investment implemented.

Experience gained from the programming period 2000-2006 points to the need for all sectors of the Irish aquaculture industry to be internationally competitive, particularly in terms of their unit cost of production. This will require ongoing investment in new technology and applied testing, together with the necessary training to maximise the benefit from that effort. The impact of new farming technologies in recirculation, effluent water treatment and improved stock genetics will be to lower unit costs and to keep the sector competitive.

A lack of consistent profitability beset the salmon farming sector in Ireland in recent years. This was brought about by the dumping of below cost salmon on the EU market and sub-optimal stock performance in recent years with regard to feed conversion ratios and survival. The introduction by the EU in 2005 of Minimum Import Prices (MIP) for farmed salmon for five years has largely addressed market issues related to dumping. Recent improvements in husbandry, stock breeding and feeding practices have improved survival and performance and effective applied testing is ongoing and expected to further ameliorate the situation in future. However there is a very real need to invest further to improve the unit cost of production in salmon farming.

The bottom grown mussel sector has been the most successful component of Irish aquaculture. Seed mussel in the Irish Sea is a shared resource between Ireland and Northern Ireland and this makes the regulation of this sector a complex issue. A review of how the sector is to be regulated and developed, on an all-island basis and the administrative

arrangements that will support the sustainable development of the bottom mussel industry into the future is currently underway. Apart from these management issues, there are serious technical challenges facing the sector, in particular, the issue of improving the yield from the seed mussel that is re-laid. A concentration on maximising the yield from re-laid seed mussel, supported by the necessary training, applied testing and carrying capacity studies is urgently required to ensure the sustainable future of the on-growing element of the sector. At present most of the output is exported in an undifferentiated bulk form and there is scope to add significant value.

Across all sectors of the aquaculture industry in Ireland, there is a need to create a revised set of arrangements for the monitoring and regulation of fish farms that deliver maximum confidence to all of the stakeholders at a cost that is economically sustainable to the farmer and the State.

Aquaculture – Environment

The CLAMS (Co-ordinated Local Aquaculture Management Systems) process is a nationwide initiative to manage the development of aquaculture in bays throughout Ireland at a local level. The process fully integrates aquaculture interests with relevant national and European Union policies as well as single bay management practices, the interests of other users of the bays, integrated coastal zone management plans and County Development Plans. The CLAMS process was implemented with funding from the FIFG under the NDP 2000 to 2006 and was highly successful in that it represented a further pro-active step by fish and shellfish farmers to engage in public consultation on their existing and future plans with all relevant interests and in the process reduce the potential for conflict.

The Seafood Development Programme (SDP) under Peace II

The objective of this programme was to benefit the seafood processing industry on a cross border/cross community basis. The activities of the programme enabled players in the seafood industry to pool resources and network information. Feedback from participants and the Government indicates that these initiatives helped companies on both sides of the Border establish quality cross border/cross community relationships.

Combined efforts between producers brought about concrete benefits such as taking advantage of economies of scale, sharing market information and winning new business.

Those participating have indicated that none of these benefits would have been derived in the absence of the programme. The Government consultees also reported the creation of significant synergies between Departments and broader fisheries management knowledge transfer. In summary, the 2000-06 NDP marked the beginning of a process of restructuring and transformation of the industry across all its sectors.

However, despite the progress made and the continuing strong demand for seafood, the supply side still faces serious challenges mainly due to declining fish stocks, declining quotas, structural imbalances at catching and processing levels, and unreliable supply of aquaculture products.

Essential to the achievement of the vision of Ireland's strategy for the seafood industry as outlined in *Steering a New Course*, is a further sharp reduction in fishing capacity and effort; more effective management and conservation of fisheries; a much bigger role for aquaculture in meeting the increasing demand for seafood and a restructured processing sector.

3.1.10. Context Indicators

The overall objective of the Government's National Development Plan 2007 - 2013 is to provide balanced regional development and social inclusiveness. Approximately 40% of Ireland's population live in rural areas and these rural areas present different experiences, economically and socially. The regional and coastal location of the seafood industry contributes to the achievement of this objective by providing opportunities to maintaining populations and livelihoods in the coastal regions.

Much of the socio-economic fabric of coastal areas involved in fishing is intrinsically linked to the activities and profitability of the fishing industry. Therefore constraints arising from structural and operational changes in the fishing sector, developments on world markets, dwindling fisheries resources and the need to exploit natural resources and the environment in a sustainable manner, have an immediate impact on the balance and quality of life in these communities

3.1.11. Primary Production 2000-2006

The primary output from the fisheries and aquaculture sectors in 2000 and 2006 is presented in Table 3.5 below.

Table 3.5 Primary Production from Fisheries and Aquaculture 2000-2006

	2000		2006	
	Tonnes	€'000	Tonnes	€'000
Total Landings at home ports	197,197	155,085	190,253	161,764
Total Landings at foreign ports	75,679	33,946	88,379	59,594
Total landing at all ports	272,876	189,031	278,632	221,358
of which:				
- Whitefish	36,772	65,330	27,601	50,031
- Pelagic	206,576	65,912	193,196	73,604
- Shellfish	29,528	57,789	57,834	97,723
Total landing at all ports	272,876	189,031	278,632	221,358
Aquaculture Production*				
-				
-				
-				
- Finfish	20,565	75,362	12,726	61,412
-				
-				
-				
-				
- Shellfish	31,110	21,510	44,696	63,248
Total Aquaculture*	51,280	96,872	57,422	124,660
Total - Fishing and Aquaculture	324,156	285,903	336,054	346,198

Source: Department of Agriculture, Fisheries and Food and BIM

The volume and value of fish landed by Irish vessels in 2006 amounted to 278,632 tonnes and €221 million. In volume terms, the bulk of landings comprise pelagic species (i.e. herring, mackerel and horse mackerel) at 193,196 tonnes valued at €73.6 million. Landings of shellfish amounted to 57,834 tonnes valued at €97.7 million and whitefish amounted to 27,601 tonnes valued at €50.1 million. The value of output from the aquaculture industry reached €124 million in 2006 from 57,422 tonnes of fish and shellfish. The shellfish sector contributed 44,696 tonnes of this output valued at €63.2 million while output from finfish farms was 12,726 tonnes valued at €61.4 million. By 2010, fish landings amounted to 230,609 tonnes valued at €206 million.

Table 3.6 Irish Seafood Exports 2000 - 2006

Product Categories	2000		2006	
	Tonnes	€'000	Tonnes	€'000
Freshwater Fish	17,554	68,143	8,476	44,597
Pelagic	126,134	110,473	74,252	81,272
Demersal	28,875	43,753	19,766	63,776
Shellfish	29,858	102,954	41,723	147,365
Fishmeal/Oil	13,835	6,270	19,444	18,495
Total Exports	216,256	331,593	163,661	355,505

Source: Central Statistics Office

Between 2000 and 2006, total seafood exports increased in value by 6.95% from €331 million to €355 million. During the same period, the total volume of exports decreased by 24% from 216,256 tonnes in 2000 to 163,662 tonnes in 2006. The shellfish category accounted for the largest increase in sales value during the period, total sales of shellfish grew from €102.9 million in 2000 to €147.4 million in 2006.

3.1.12 Impact of decommissioning on employment in the fleet sector.

The impact of the current (2008) decommissioning scheme on employment within the catching sector will, ultimately, depend on the number and size of vessels decommissioning as well as the re-employment opportunities within the sector. Based on the applications received (at the time of writing) it is likely that up to 250 individual will be directly affected; that is, they are or have been crew (in the period leading up to the introduction of the scheme) on vessels likely to decommission.

- It is the case, in Ireland, that current crew shortfalls within the sector will ensure that a percentage of those directly affected by decommissioning will find immediate and effective re-employment on vessels remaining in the fleet.
- It is also projected that a significant number of those affected by the decommissioning scheme are experienced fishermen from countries other than Ireland.

- Others may opt for re-training and *Bord Iascaigh Mhara* is currently investigating possibilities in this area; especially in the context of those wishing to retrain for the Merchant Marine.

- Additionally, it is intended that as part of the wider initiative to be introduced under AXIS 4, a *Community Support Scheme* will be incorporated aimed specifically at crew directly affected by decommissioning. While grant aid under this scheme will NOT include individual payments to affected fishermen, projects that include re-employment/diversification opportunities for these fishermen will score additional marks in the selection process.

3.2. Brief Description of the Fishing Sector in Ireland in 2011

Ireland's natural resource based seafood industry provides an important source of economic activity in the remote coastal regions. It provides jobs on fishing vessels, on fish farms, in processing operations, in distribution and marketing seafood at home and to export markets and in a large number of smaller ancillary companies that provide services to the mainstream industry operators.

3.2.1 Industry Overview

The seafood industry supports the economic viability of many coastal communities, directly generating or supporting some 10,600 jobs. This includes full and part time/casual employment in fisheries, aquaculture, processing and in ancillary service sectors and is the most recent survey data available.

Table 3.7 – Industry Employment 2006-2010

Industry Employment 2006-2010						
	2006			2010		
	Full Time	Part Time	Total	Full time	Part Time	Total
Fisheries	3924	1063	4987	3867	1063	4930
Aquaculture	718	1218	1936	693	1023	1716
Processing	2205	662	2867	2200	660	2860
Ancillary	1185	0	1185	1100	0	1100
Total	8032	2943	10975	7860	2746	10606

Fisheries:

By 2010 the number of vessels on the Register of Fishing Vessels shows that the fleet comprises 2046 vessels. Allowing for initial impact of decommissioning, the reason for the larger number is that smaller vessels which were not required to register in 2006 have more recently been obliged to do so. On the basis of 2.41 fishermen employed per vessel, there were 4,930 fishermen in the sector in 2010.

Aquaculture:

In 2006 the numbers engaged in aquaculture production was 1,963 of which 718 were full time and 1,218 were part time. Employment in this sector fell back to 1,716 in 2010 reflecting a fall in new aquaculture activity and restrictions in licensing sites in Natura 2000 areas. Full time employment was 693, while part time/ casual employment was 1,023.

Seafood Processing:

In 2006 the number employed in the fish processing sector, comprising 198 firms, mainly small and micro companies, was 2,867 of which 2,205 was full time and 662 was part time. In the following two years there was some decline in job numbers in this sector reflecting constraints in raw material supply from quotas and from aquaculture production.

In 2010 BIM's data is derived from a cohort of companies that account for 60% of total seafood sales. Returns from these companies are used to arrive at an indicative employment for the total sector. In 2010 this was 2,860 of which 2,200 was full time and 660 part time.

Over the course of the Seafood Development OP the seafood industry has contributed approximately €700 million annually to national income and continues to employ approximately 10,600 people, mainly in coastal counties from Donegal to Louth.

Table 3.8 Primary Production from Fisheries and Aquaculture 2006-2010

	2006		2010	
	Tonnes	€'000	Tonnes	€'000
Total landings at all ports	278,632	221,358	230,609	206,135
of which:				
- Demersal	27,601	50,031	41,322	79,690
- Pelagic	193,196	73,604	164,517	60,880
- Shellfish	57,834	97,723	24,770	65,565
Total landing at all ports	278,632	221,358	230,609	206,135
Aquaculture Production*				
-				
- Finfish	12,726	61,412	17,215	76,950
- Shellfish	44,696	63,2248	29,330	38,226
Total Aquaculture*	57,422	124,660	46,545	115,176
Total - Fishing and Aquaculture	336,054	346,198	277,154	321,311

The four main activities in the Irish seafood industry are covered by:

- a. **Fishing fleet** – The top fishing ports in Ireland are Killybegs, Castletownbere, Dingle, Dunmore East and Kilmore Quay, but fishing vessels also land into numerous small ports around the coast.
- b. **Fish farming** - Aquaculture activity includes growing finfish, such as salmon and trout and shellfish farming, including the cultivation of mussels, oysters and scallops.
- c. **Processing** - Seafood companies produce high value products from salmon, whitefish, shellfish and pelagic fish species (e.g. herring, mackerel and horse mackerel) all of which generate substantial export earnings to the sector.
- d. **Market** - Irish seafood is sold at home (€340 million) and in international markets (Europe, Africa and the Far East) where exports are valued at €375 million.

3.2.2 The Fishing Fleet 2007-2012

As of November 2011 the Irish fishing fleet consists of 1,914 vessels registered in 5 segments (polyvalent, beam trawl, pelagic, specific, and aquaculture).

- The Polyvalent sector comprising 1,899 vessels, representing 87.5% of the vessels in the fleet and 53.7% of capacity (GTs).
- The Beam trawl segment comprising 9 dedicated vessels or <1% of the fleet.

- The Pelagic sector currently comprises 23 Refrigerated Sea Water Tank Vessels ranging in size from 27 to 71 meters, which together comprise 1% of the overall fleet (in numbers) and 35.3% of the capacity.
- The Specific segment comprising 144 vessels, which account for 6.6% of the fleet.
- The Aquaculture segments comprising 96 vessels, which account for 4.4% of the fleet and 7.3% of the capacity

Table 3.9- Structure of Irish Fishing Fleet 2007-2011

		2007					2011				
		Number	Average Length (m)	GT	kW	Average Age	Number	Average Length (m)	GT	kW	Average Age
Polyvalent	Inshore - Potting (LOA < 12m)	487	6.7	1,108	14,559	20.7	461	6.64	979	13,036	23.04
	Inshore - General (LOA < 12m)	962	7.7	3,924	30,963	24.2	1207	7.42	4,379	34,232	24.17
	Coastal (12m ≤ LOA < 18m)	109	14.5	3,842	16,231	29.4	92	14.23	3,178	13,109	28.76
	Near-water (18m ≤ LOA < 24m)	103	21.1	13,869	38,503	22.8	76	21.45	10,263	29,084	22.88
	Offshore (LOA ≥ 24m)	55	28.2	13,918	33,136	18.5	55	27.68	13,475	30,716	20.31
	RSW Tank	4	28.7	1,247	2,881	20.3	4	28.7	1,247	2,881	20.3
	Vivier Tank (Crab)	6	21.8	1,179	2,108	9.2	4	22.32	848	1,441	12.5
Beam Trawl	13	25.2	1,813	6,645	25.6	9	21.95	879	2,445	23.2	
Pelagic	22	49.4	21,810	35,164	10	23	49.9	22,603	43,891	13.13	
Specific	127	13.1	3,249	14,880	32.5	144	11.72	2,681	13,001	31.12	
Sub Total – wild capture fisheries	1,888	10.2	65,959	195,069	23.7	2,075	9.46	59,285	180,955	24.6	
Aquaculture	26	27.7	4,478	10,468	24.7	96	12.76	4,688	12,673	25.33	
Grand Total	1,914	10.5	70,437	205,537	23.7	2,171	9.61	63,973	193,628	24.63	

3.2.3 Aquaculture Sector 2007-2012

Aquaculture activities are located right around the coast with particular concentration in Donegal, Connemara, West Cork, Waterford, Wexford and Carlingford Lough. The sector includes the farming of finfish species such as salmon and trout, arctic char and perch and shellfish species such as mussels and oysters and to a lesser extent clams, scallops, abalone and sea urchins.

There are 13 operations producing salmon and six producing freshwater and sea-reared trout as well as three perch farming operations. There are about 80 mussel farms with sites in the southwest and western coastal areas as well as a substantial bottom-mussel fishery. This provides raw material for 5 mussel-processing plants, which produce a range of value-added products. There are 150 operations producing Pacific oysters concentrated mainly in Wexford, Waterford, Cork, Mayo and Donegal but also at other locations around the coast.

Table 3.10 – Aquaculture Production 2006-2010

	2006		2010	
	Tonnes	€'000	Tonnes	€'000
- Finfish	12,726	61,412	13,942	81,125
- Shellfish	44,696	63,248	30,145	40,716
Total Aquaculture	57,422	124,660	44,087	121,841

3.2.4 Processing Sector 2007-2012

There are 180 companies with processing facilities in Ireland. These range from three larger companies with turnover in excess of €30 million per annum to very small scale operators engaged in handling and distributing fish in a local port or coastal area. The current structure of the sector is that the majority of companies are family owned SMEs. There is one major operator with a turnover in excess of €40 million per annum, a further six with a turnover between €20 and €30 million per annum and a large cohort of companies have turnover between €3 and €10 million per annum. A major objective of policy is to build scale within the sector.

Table 3.11 - Breakdown of the Seafood Processing Companies by Turnover

	2006				2011			
Annual Turnover (Million €)	No. of Companies	Bulk Seafood	Fresh/Live Seafood	Prepared Seafood	No. of Companies	Bulk Seafood	Fresh/Live Seafood	Prepared Seafood
< 1	103	0	71	32	80	0	60	20
1-5	62	9	34	19	35	9	10	25
5-10	14	3	4	7	25	4	10	11
10-20	11	3	1	7	30	8	4	18
>20	8	1	1	6	10	2	1	7
Total	198	16	111	71	180	23	85	81

3.2.5 Seafood Market Sector 2007-2012.

During 2010, the seafood sector had a strong export performance although trading conditions in the home market continued to be difficult. Overall, Irish seafood sales grew to €712 million which was up €8 million on the 2009 level.

When compared with the level of trade in 2006 Irish seafood exports had by 2010 increased by 7% in value to €379m and by 70% in volume to 276,000 tonnes. This is accounted for mainly by a 40% increase in exports of salmon to €62m in 2010, predominantly organic in fresh fillet product form, as well as a 50% increase in the value of pelagic exports to €122m, due mainly to bulk trade in frozen mackerel and blue whiting.

The increase in volume compared with 2006 is accounted for by this trade in pelagic, and by exports of fishmeal which increased by 35,000 tonnes in 2010. Trade in the main whitefish and shellfish products remained at a constant level over the four year period with shellfish products valued at €130m in 2010. Geographic destination of exports is largely unchanged. The EU accounts for 80% of seafood exports followed by markets in Nigeria, Russia and Egypt.

Total domestic market sales were down 11.6% at €333m reflecting the general economic difficulties and declines in consumer spending and a shift in purchasing to cheaper seafood products.

Table 3.12 - Irish Seafood Exports 2006 -2010

Product Categories	2006		2010	
	Tonnes	€,000	Tonnes	€,000
Freshwater Fish	8,476	44,597	10,200	62,297
Pelagic	74,252	81,272	129,316	122,155
Whitefish	19,766	63,776	36,892	49,560
Shellfish	41,723	147,365	40,056	135,875
Fishmeal/Oil	19,444	18,495	59,440	9,518
Total Exports	163,661	355,505	275,904	379,405

3.3. Driving Forces, Challenges and Opportunities Facing the Irish Seafood Industry

The Irish seafood industry has recorded significant progress as a result of the investment made under the NDP 2000 – 2006. However, the industry is currently in transitional phase and is facing a range of developmental challenges, primarily relating to declining stocks and a consequent structural imbalance at catching and processing levels. In order to deliver a sustainable and profitable seafood industry, it is paramount that the challenges facing the industry are addressed in the coming years. This will require a concerted effort on the part of all industry stakeholders – including fishermen, industry representative organisations, Government Department and State Development Agencies.

The challenges and opportunities are grouped under seven core themes. Four of these: (i) Fleet Restructuring, Development and Management, (ii) Aquaculture, (iii) Processing Restructuring & Development and (iv) Market Development & Innovation are of a sectoral nature, while the remaining three: (v) Competitiveness, (vi) Education & Training and (vii) Environment, have relevance to the entire industry. The *key drivers* of these core themes are outlined below:

3.3.1 Fleet Restructuring, Development and Management.

Over 75% of the fish stocks in the waters around Ireland are below safe biological limits and many urgently need to be rebuilt from their present low levels. Irish demersal quotas (whitefish and prawns) have fallen by 37% since 1995; the mackerel quota is down 40% in

the same period; herring quotas are down 35%; and horse-mackerel is down 55% since 1998. As Ireland's quota share of all the key commercial stocks is fixed under the Principle of Relative Stability, accessing additional catching opportunities through changes to the CFP is not an option. Consequently, reducing fleet capacity, effort, and fishing mortality on fish stocks as well as developing long term management plans must drive thinking on fisheries management for many years to come.

Increasing the resource base by gaining access to overseas fisheries through third country and private agreements remains a possibility, although such opportunities represent a new departure for Irish vessels and are only appropriate for a small component of the pelagic fleet. In addition these opportunities are, generally, only important for the individual companies involved and from a national perspective do not deliver significant direct returns to Ireland's coastal communities. If however, they result in reduced competition for traditional stocks in home waters then, clearly, third country and private agreements impact directly on the viability of the remaining fleet.

It is abundantly clear that, decommissioning to date notwithstanding, the catching capacity in key fleet sectors currently exceeds the resources available to Irish vessels in EU waters. This is exacerbated for certain stocks, particularly monkfish and mackerel, where the number and catching capacity of vessels engaged in these fisheries greatly exceeds the resources available. This has led to difficulties within the sector and also has increased tension between vessel owners and the control authorities as vessels have striven to maintain economic viability.

The critical challenge now facing the fishing fleet remains the timely and appropriately managed evolution of a catching sector that is adjusted to a scale consistent with available resources; that operates under and supports a Fisheries Management Regime (comprising both a Quota Management System and a Fleet Management and Licensing policy) that is equitable and transparent; that incorporates effective control and enforcement mechanisms; that delivers biologically sustainable stocks; that promotes economic viability and stability for vessel owners; and which generates a greater focus on market needs.

Similarly, the balanced development and sustainable management of inshore stocks based on an integrated Inshore Development Strategy and developed in partnership with the key stakeholders involved is the critical challenge facing the inshore fleet.

Additionally the introduction of effective technical measures supplemented with strong control and enforcement must be a key part of future management. Scientists, managers,

and stakeholders must continue to work together through the Regional Advisory Councils to ensure accurate data are available to develop the long term management measures that will be required to rebuild and sustainably manage the resource.

Finally, pursuing strategies that increase landings from non-Irish fleets is another significant challenge for the future. Such landings, whilst not directly contributing to the catching sector, provide increase throughputs and economic activity in Irish fishing ports.

3.3.2 Aquaculture

The aquaculture industry still has some way to go to achieve its development potential, despite state support, the absence of quotas and the scope at national level that exists to influence this sector's development. One of the factors constraining the further expansion of the aquaculture sector in Ireland, as identified in the *Steering a New Course* strategy document, is that there is significant public concern regarding perceived environmental impacts arising from the activity. Demonstrating the environmental sustainability of the aquaculture sector (e.g. compliance with the objectives of the EU water and nature legislation) will help dispel any undue concerns.

3.3.3 Environment

It is clear from the foregoing that Ireland's fishing and aquaculture industry remains an important and valuable source of economic activity both on a national scale and, particularly, in the remote coastal communities in which it is largely based. It is an industry that has seen steady market growth, is a strong exporter of fish products and despite recent contractions, the catching sector alone continues to provide in excess of 5,000 direct jobs while an additional 10,000 jobs onshore are dependent on catches from Irish vessels. Despite this there is widespread concern about the future of the industry. This concern comes not only from a wider population keen to foster a better environment, but also from within the fishing industry itself. There are more complex driving forces:

- There are concerns about the apparent inability of our current approach to deliver healthy stocks whose exploitation is sustainable and where fishing is undertaken without negative impact on the wider marine environment.
- There is concern too about the critically low size of some fish stocks and the fishing pressure exerted upon many others that are outside safe biological limits. There is also a growing anxiety that some previously non-quota, particularly deep-water,

species have been fished too heavily in some areas; that damage to the seabed may be widespread and that this could ultimately impact on other species, including fish, that depend on these habitats and the communities that build up around them.

- Poorly understood food webs are possibly being damaged with unknown but potentially significant consequences.
- Marine mammals too may be at risk as they are taken as an incidental by-catch in some fisheries. For some of these species this unwanted, but all too often disregarded, exploitation coupled with wider unseen environmental degradation may render local populations unsustainable.
- As elsewhere in the European Union, Ireland's marine environment is faced with a number of threats including loss or degradation of biodiversity and changes in its structure, loss of habitats, contamination by dangerous substances and nutrients and impacts of climate change.

Critically, the long-term sustainability of both the fisheries and aquaculture sector is directly linked to our ability to maintain healthy fish stocks *and* to maintain a healthy marine environment. The challenge of achieving both of these becomes an opportunity for the future. As the evolution of an economically viable and socially stable seafood sector remains a central tenet of this operational programme, *de facto* a key driving force is to address *inter alia* the environmental challenges set out here.

- Stewardship of the marine environment is one pillar upon which EU policy decisions reflect national, international, and public concerns on the environment. Fostering a new and deeper understanding throughout the seafood industry of its obligation to maintain a diverse and robust marine environment is both a challenge and an opportunity identified in this OP.
- Achieving a better stewardship of the marine environment will also depend on a sensible and responsible approach to conservation and to the industry's environmental performance, which will require strong policy support at EU and national level.

The initiatives set out in this Operational Programme - Fleet Restructuring, the introduction of Environmental Management Systems, and improved Fisheries Management – have been selected to individually (and in combination) provide a new platform to meet head-on the environmental challenges identified. Additionally, they will, in combination with other

initiatives set out elsewhere in this Operational Programme and in the National Strategic Plan ensure that the opportunities to be gained by meeting these challenges are fully realised.

3.3.4 Processing Restructuring and Development

Similar to other sectors within the food industry, seafood processing operates in an increasingly difficult environment. In order to establish a profitable, competitive and sustainable seafood-processing sector, significant restructuring and consolidation to the current processing configuration needs to occur, accompanied by a major performance uplift.

3.3.5 Market Development and Innovation

The development of effective marketing and innovation strategies will enable the maximum possible value to be achieved for each tonne of fish landed or harvested.

Recognising the current challenges faced by the processing and marketing sector, the National Seafood Strategy will aim to address critical supply chain and marketing weaknesses, support a greatly enhanced innovation and new product development (NPD) performance within the sector and develop a significant uplift in management capability and knowledge.

The key growth opportunities in international markets in addition to the domestic market include:

- **Natural health and well-being products:** Focused on the natural goodness of fish and the proven nutritional benefits.
- **Products that are convenient and easy to prepare:** Targeting the premium end of the convenience category.
- **Snacking, grazing and flexi-eating opportunities:** Within the snacking category currently valued at €66 billion across Europe.
- **Eco-friendly, organic and environmentally responsible products:** Responding to consumer concerns on the welfare of the marine environment.
- **Functional foods and ingredients:** Tapping into a developing sector currently valued at €19 billion worldwide.

- **Emerging markets in new EU Member States:** As increased affluence leads to higher spend on food, especially luxury items.
- **Strong growth projected in Asian markets for nutritionals and food ingredients, in particular, China:** Accelerating market-led R&D activity in conjunction with the wider food industry.

3.3.6 Competitiveness

Given that this industry is operating in an increasingly competitive market, there is a critical requirement to ensure that it is operating at maximum efficiency.

3.3.7 Education and Training

Significant increased focus will be given to commercially focused education and training programmes, in addition to regulatory driven and developmental, educational and training programmes on a lifelong learning basis. Diversification training for those wishing to leave fisheries will be provided.

3.3.8 SWOT analysis of the fisheries sector

Articulating the strengths, weaknesses, opportunities for, and threats to, the fisheries sector is recognized as a critical element of the strategic planning process central to this Operational Programme. A general SWOT analysis of the Irish Seafood industry is presented below. Additionally, and recognizing the central role the marine and coastal environment now plays in national policy, the Common Fisheries Policy, as well as other EU and national legislation, a separate SWOT analysis is presented covering fisheries and the marine environment.

SWOT Analysis of the Irish Seafood Industry

STRENGTHS	WEAKNESS
<p><u>SEAFOOD INDUSTRY:</u></p> <p>INDIGENOUS INDUSTRY</p> <p>USING A RENEWABLE AND HIGHLY PRIZED RESOURCE</p> <p>ECONOMIC OPPORTUNITIES FOR COASTAL COMMUNITIES</p> <p>GENERATING OVER €700M IN ANNUAL VALUE</p> <p>DIRECTLY EMPLOYING OVER 11,000 PEOPLE IN</p>	<p><u>SEA FISHING:</u></p> <p>IMBALANCE BETWEEN CATCHING CAPACITY AND RESOURCE SUPPLY</p> <p>HISTORICAL LACK OF BUY-IN TO CONSERVATION ACTION</p> <p>QUALITY OF INDEPENDENT, INDUSTRY BASED DATA</p> <p>LOW SHARE OF TAC IN IRISH FISHING GROUNDS</p>

<p>MARGINAL COASTAL COMMUNITIES WHERE EMPLOYED OPPORTUNITIES ARE LIMITED</p> <p><u>SEA FISHING:</u></p> <p>PRODUCTIVE FISHING GROUNDS</p> <p>STRONG TRADITION OF FISHING AND SEA-FARING BUILT UP OVER MANY GENERATIONS</p> <p><u>INSHORE FISHING & COASTAL COMMUNITIES:</u></p> <p>PRODUCTIVE FISHING GROUNDS</p> <p>TRADITIONAL, ENVIRONMENTALLY FRIENDLY METHODS</p> <p>MAXIMUM ECONOMIC RETURN TO LOCAL COMMUNITIES</p> <p><u>AQUACULTURE:</u></p> <p>POTENTIAL TO PROVIDE SUSTAINABLE SOURCE OF SEAFOOD TO MEET GROWING DEMAND</p> <p><u>PROCESSING & MARKETING:</u></p> <p>POTENTIAL TO ADD VALUE TO SEAFOOD PRODUCTS THEREBY MAXIMIZING ECONOMIC RETURN</p>	<p>INSHORE FISHING & COASTAL COMMUNITIES:</p> <p>HISTORICALLY, LACK OF EMPHASIS ON INSHORE FISHERIES MANAGEMENT</p> <p><u>AQUACULTURE:</u></p> <p>SUB-OPTIMAL LEVELS OF INVESTMENT</p> <p>LACK OF BUY-IN BY ALL STAKEHOLDERS TO COASTAL ZONE MANAGEMENT</p> <p>LACK OF CLEAR CONTINGENCY PLANNING FOR DISEASE AND BIOTOXIN OUTBREAKS</p> <p>SUPPLY FAILURES OF AQUACULTURE PRODUCT</p> <p><u>PROCESSING & MARKETING:</u></p> <p>POOR VALUE GENERATION CAPABILITY</p> <p>LACK OF COMMERCIAL AWARENESS OF MARKET OPPORTUNITIES THROUGHOUT SEAFOOD INDUSTRY</p>
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<p><u>SEAFOOD INDUSTRY:</u></p> <p>DEMAND FOR SEAFOOD GROWING</p> <p>POTENTIAL FOR HIGH VALUE GENERATION FROM EVERY PART OF SEAFOOD PRODUCTION CHAIN</p> <p>INDUSTRY PARTICIPATION IN THE PROCESS OF IMPLEMENTATION FOR THE SEAFOOD STRATEGY 2007-13</p> <p>TO BALANCE ENVIRONMENTAL NEEDS WITH MARKET ORGANISATION</p> <p>POTENTIAL OF TRAINING ELEMENT OF OPERATIONAL PROGRAMME 2007-13 TO SUPPORT ACHIEVEMENT OF OBJECTIVES RE HIGHER VALUE GENERATION AND ENVIRONMENTALLY SOUND PRODUCTION PRACTICES, AS WELL AS IMPROVED SAFETY PRACTICE</p> <p><u>SEA FISHING:</u></p> <p>TO ACHIEVE A BALANCE BETWEEN CATCHING CAPACITY AND RESOURCE SUPPLY AND THEREBY STABILIZE THE ECONOMIC AND SOCIAL DYNAMIC OF THE CATCHING SECTOR AND THE COMMUNITIES THAT DEPEND ON IT</p>	<p><u>SEAFOOD INDUSTRY:</u></p> <p>THE ABILITY TO MAINTAIN A HEALTHY MARINE ENVIRONMENT</p> <p>VERY LOW INVESTMENT IN THE AREA OF INNOVATION, TECHNOLOGY TRANSFER AND NEW PRODUCT DEVELOPMENT</p> <p><u>SEA FISHING:</u></p> <p>SUSTAINABILITY OF FISH STOCKS - 75% OF STOCKS OUTSIDE SAFE BIOLOGICAL LIMITS</p> <p>UNSUSTAINABLE EFFORT LEVELS</p> <p><u>INSHORE FISHING & COASTAL COMMUNITIES:</u></p> <p>LACK OF AWARENESS OF MARKET OPPORTUNITIES</p> <p>LACK OF BUY-IN TO MANAGEMENT ARRANGEMENTS</p> <p><u>AQUACULTURE:</u></p> <p>MARKET CONDITIONS AND POOR COMPETITIVENESS</p> <p>DISEASE OUTBREAKS</p>

<p>INDUSTRY COMMITMENT TO IMPROVED CONSERVATION PRACTICES AND PARTICIPATION IN CONSERVATION ACTIONS</p> <p><u>INSHORE FISHING & COASTAL COMMUNITIES:</u></p> <p>HIGH QUALITY, ENVIRONMENTALLY SOUND, SMALL SCALE FISHING FOR HIGH VALUE LOCAL CONSUMPTION</p> <p>WORK WITH THE SECTOR TO STRENGTHEN MANAGEMENT ARRANGEMENTS</p> <p><u>AQUACULTURE:</u></p> <p>INCREASING ENVIRONMENTALLY SUSTAINABLE PRODUCTION CAPACITY TO MEET DEMAND FOR SEAFOOD</p> <p>DEVELOP AND IMPLEMENT CODES OF BEST PRACTICE FOR AQUACULTURE – IN TERMS OF ITS REGULATION AND ITS PRODUCTION METHODS</p> <p>ADDED VALUE, HIGH VALUE PRODUCTION FOR NICHE MARKETS</p> <p>EMBED A COHERENT COASTAL ZONE MANAGEMENT STRATEGY</p> <p>ACTION ON FOOT OF SHELLFISH WATERS DIRECTIVE WILL ULTIMATELY PRODUCE A HIGHER QUALITY PRODUCT AND LEAD TO SUBSTANTIAL IMPROVEMENTS IN WATER QUALITY IN SHELLFISH WATERS</p> <p>DIVERSIFICATION INTO NEW SPECIES AND PRODUCTION TECHNIQUES</p> <p><u>PROCESSING & MARKETING:</u></p> <p>THROUGH A FUNDAMENTAL RESTRUCTURING PROGRAMME, TO TACKLE LACK OF PROFITABILITY AND POOR MARKET FOCUS SO AS TO ACHIEVE WELL ORGANISED, COMMERCIALY FIT PROCESSING AND MARKETING SECTORS</p> <p>TAKE ADVANTAGE OF THE RESULTS OF THE FUNCTIONAL FOODS RESEARCH INITIATIVE TO ADD VALUE TO SEAFOOD PRODUCTS</p>	<p>BIOTOXIN CLOSURES (SHELLFISH)</p> <p>LACK OF ENGAGEMENT BY INDUSTRY WITH ENVIRONMENTAL INTERESTS</p> <p>LACK OF ABILITY TO PROVIDE RELIABLE SUPPLY TO PROCESSING SECTOR</p> <p>DESIGNATION UNDER SHELLFISH WATERS DIRECTIVE YET TO BE COMPLETED AND APPROPRIATE WATER QUALITY ACTION PROGRAMMES YET TO BE FULLY IMPLEMENTED</p> <p><u>PROCESSING & MARKETING:</u></p> <p>FRAGMENTATION AND LACK OF PROFITABILITY IN THE PROCESSING SECTOR</p> <p>UNCERTAINTY OF SUPPLY AND SHORTAGE OF RAW MATERIAL</p>
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3.4. Description of Marine Environment and Labour Market Conditions

3.4.1. Description of Marine Environment

Europe's marine environment is faced with increasing and severe threats. The evidence of the deteriorating status of our seas and oceans has continued to accumulate over the past three years. Europe's marine biodiversity is decreasing and continues to be altered. Marine habitats are being destroyed, degraded and disturbed. The principal threats to the marine environment that have been identified include:

- The effects of climate change;
- Pollution;
- Litter;
- Microbiological pollution;
- Oil spills as a result of accidents as well as pollution from shipping and offshore oil and gas exploration;
- Pollution from ship dismantling;
- Noise pollution;
- Certain types of fishing gear;
- The impacts of illegal or unregulated fishing;
- The introduction of harmful non-native species principally through discharge of ships' ballast water and leisure craft;
- Nutrient enrichment (eutrophication) and associated algal blooms;
- Discharges of radionuclides.

Water Framework Directive

The directive establishing a framework for Union action in the field of water policy, commonly known as the Water Framework Directive (WFD), was formally adopted by the EU Parliament and Council in October 2000 and incorporated into Irish law by Regulation in December 2003. These Regulations identified Ireland's Environmental Protection Agency (EPA) and local authorities as the competent authorities for the implementation of the directive. In addition, the Regulations identify other public bodies that are required to assist in the implementation process.

- The Regulations identify four River Basin Districts (RBDs) wholly within the State (Eastern, South-Eastern, South-Western and Western) and three International River Basin Districts shared with Northern Ireland (Shannon, North-Western and Neagh-Bann).
- Implementation at RBD level is being undertaken by the local authorities with the assistance of consultants.
- Special arrangements have been made with the Northern Ireland authorities to undertake the implementation in the three International River Basin Districts.
A national steering committee was convened by the Department of the Environment, Heritage and Local Government in 2001 to oversee the implementation of the directive. In January 2004, the EPA convened a Technical Co-ordination Group to deal with this at a more detailed level; a number of Working Groups have been established under the former to investigate and make proposals on specific matters.
- Water Quality in most estuaries and bays around Ireland is high. Some areas experience de-oxygenation and a number of areas, mainly in the east and south, have been classified as eutrophic.
- The quality of shellfish waters is generally good and the further designation of 54 new sites in addition to the existing 14 shellfish waters will ensure greater protection of areas where shellfish are grown.
- Harmful Algal Blooms (HABs) - a naturally occurring phenomenon when micro-algal species that produce toxins become concentrated in shellfish and pose a risk to human health - can lead to extended closure periods for harvesting of shellfish. Sampling for Harmful Algal Blooms is ongoing.
- Work is currently being undertaken by both the EPA and the Marine Institute to monitor nutrient content in the Irish and Celtic Sea. While it is noted that there is no excessive nutrient enrichment in these areas it is recognized that there is a need to expand activities into the remaining coastal areas will be necessary in the next few years to fill this major gap in our information on the quality of Ireland's coastal and offshore waters.
- The Geological Survey of Ireland and the Marine Institute is currently undertaking a major study - INFOMAR -to map the physical, chemical and biological features of the Irish seabed

Marine Directive

The Marine Strategy Framework Directive (MSFD) became law on 17th June, 2008. The MSFD (EU Directive 2008/56/EC) is a strategy for marine environmental protection. MSFD will constitute the environmental pillar of the new EU Maritime Policy and requires Europe's Oceans to achieve "good ecological status". MSFD foresees the creation of "European Marine Regions" and "Sub-Regions" to act as "management units" for its implementation and obliges member states to co-operate on developing the marine strategies for their waters that lie within these regions. Measures to "achieve or maintain good environmental status" must be developed by 2015 to enter into operation by 2016 at the latest in order to achieve the 2020 targets. MSFD will embrace the ecosystem based approach to managing all human activities in the marine. It will enable a sustainable use of marine goods and services and promote adaptive management of the oceans. It will undergo a 6 year cycle of revision & review and will seek to ensure cooperation between Member States and regional conventions (e.g. OSPAR). The MSFD states that "The Common Fisheries Policy, including in the future reform, should take into account the environmental impacts of fishing and the objectives of this Directive".

Natura 2000

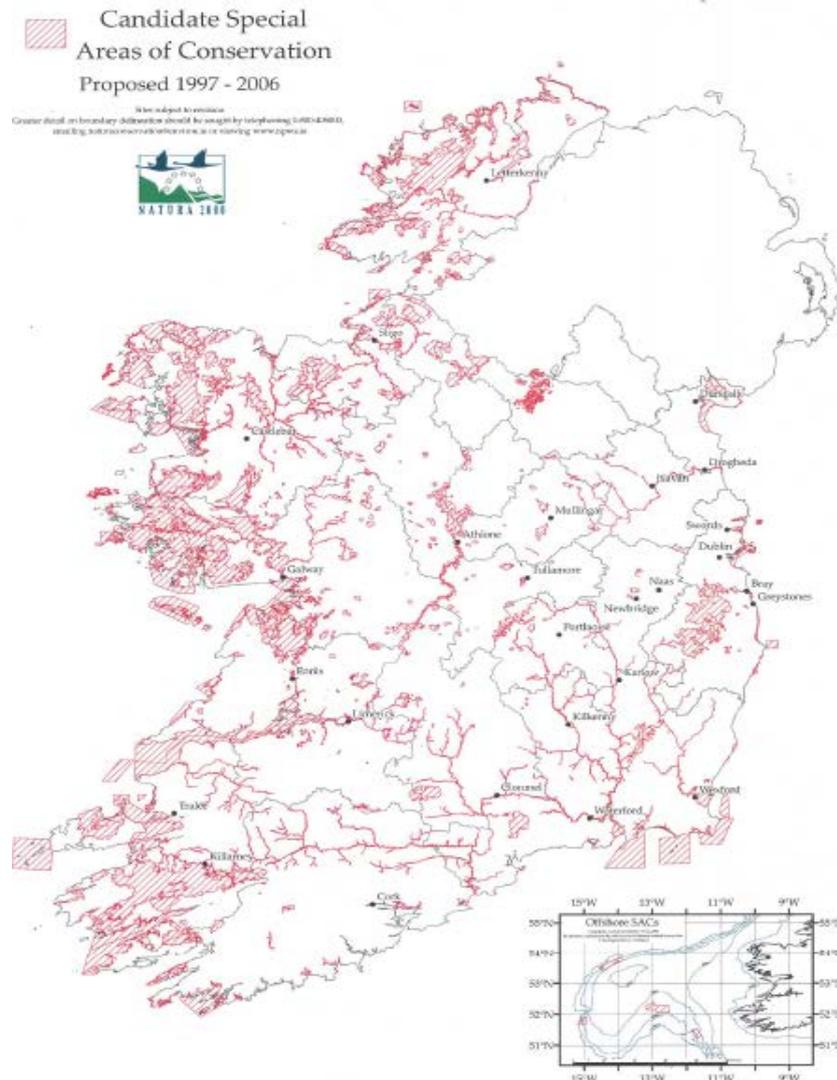
In its submission to the EU Maritime Green Paper Ireland noted that "increasing knowledge of both the marine environment and obligations on Member States under the Habitats Directive will lead to an increasing number of designations of Marine Protected Areas. Ireland has identified and submitted 96 such Areas to the Commission for inclusion under the Natura 2000 sites, four of which lie beyond territorial waters. Ireland believes that a European Maritime Policy could usefully address the relationship between these Member State obligations under the Habitats Directive and the common policy management arrangements under the Common Fisheries Policy, for sites proposed outside territorial waters but within Member States EEZs'.

The legal basis on which SACs are selected and designated is the EU Habitats Directive, transposed into Irish law in the European Union (Natural Habitats) Regulations, 1997 as amended in 1998 and 2005. The Directive lists certain habitats and species that must be protected within SACs.

Irish habitats include raised bogs, blanket bogs, turloughs, sand dunes, machair (flat sandy plains on the north and west coasts), heaths, lakes, rivers, woodlands, estuaries and sea

inlets. The 25 Irish species which must be afforded protection include Salmon, Otter, Freshwater Pearl Mussel, Bottlenose Dolphin and Killarney Fern.

The areas chosen as SAC in Ireland cover an area of approximately 13,500 square kilometres. Roughly 53% is land, the remainder being marine or large lakes.



Special Protection Areas (SPAs)

Ireland is a special place for wild birds. We are at the end of major flyways of waterfowl migrating south for the winter from North America, Greenland, Iceland and the Arctic. In spring and summer, Ireland provides important breeding grounds for species from the continent of Europe or Africa. Our long coastlines provide safe breeding and wintering grounds for large numbers of seabirds. In addition we have resident species which are scarce or rare in other parts of Europe.

Because birds migrate long distances, it is not sufficient to protect them over just part of their range, so the EU Birds Directive provides for a network of sites in all Member States to protect birds at their breeding, feeding, roosting and wintering areas. It identifies species which are rare, in danger of extinction or vulnerable to changes in habitat and which need protection.

In Ireland, we have 25 of these species regularly occurring. They include Bewicks and Whooper Swan, Greenland White-Fronted and Barnacle Geese, Corncrake, Golden Plover, Bar-Tailed Godwit, five species of tern, birds of prey including Hen Harrier, Peregrine, Merlin as well as the Nightjar, Kingfisher and Chough.

The EU Birds Directive (79/409/EEC) requires designation of SPAs for:

- Listed rare and vulnerable species such as those mentioned above.
- Regularly occurring migratory species, such as ducks, geese and waders.
- Wetlands, especially those of international importance, which attract large numbers of migratory birds each year. (Internationally important means that 1% of the population of a species uses the site or more than 20,000 birds regularly use the site.)

In Ireland 121 SPAs have been designated since 1985. Twenty-five other sites enjoy legal protection and will shortly be designated as SPAs. However, further designations are required pursuant to the Birds Directive. The Minister for the Environment will be publishing his proposals for the designation of additional sites on an on-going basis in autumn 2007 and spring 2008. It should be noted that many existing and future SPAs overlap with SACs. The Irish SPAs join a total of around 3,000 sites across the European Union.

Natural Heritage Areas (NHAs)

The basic designation for wildlife is the Natural Heritage Area (NHA). This is an area considered important for the habitats present or which holds species of plants and animals whose habitat needs protection.

To date, 75 raised bogs have been given legal protection, covering some 23,000 hectares. These raised bogs are located mainly in the midlands. A further 73 blanket bogs, covering 37,000ha, mostly in western areas are also designated as NHAs.

In addition, there are 630 proposed NHAs (pNHAs), which were published on a **non-statutory** basis in 1995. These sites are of significance for wildlife and habitats. Some of the pNHAs are very small, such as a roosting place for rare bats. Others are large - a woodland or a lake, for example. The pNHAs cover approximately 65,000 hectares and designation will proceed on a phased basis over the coming years.

The Geological Survey of Ireland (GSI) is compiling a list of geological/geomorphological sites in need of protection through NHA designation. A committee of expert geologists provides an initial list of sites which then undergo a process of survey, reporting and review, to provide recommendations regarding NHA status or otherwise. The GSI has completed its list of karst (i.e. exposed limestone) and early fossil sites.

Prior to statutory designation, pNHAs are subject to limited protection, in the form of:

- Rural Environment Protection Scheme (REPS) plans which require conservation of pNHAs and operate for a period of 5 years
- Forest Service requirement for NPWS approval before they will pay afforestation grants on pNHA lands
- Recognition of the ecological value of pNHAs by Planning and Licencing Authorities.

Under the Wildlife Amendment Act (2000) NHAs are legally protected from damage from the date they are formally proposed for designation.

Biodiversity action Plan

Ireland's marine and coastal sectors are of great importance. The main threats to biodiversity in the coastal zone occur as a result of pressure from the growth in human population, demographic change, inadequate planning and infrastructure, tourism and overexploitation of resources. The results can involve the loss of habitat, pollution, eutrophication, and the introduction of alien species.

In areas of the North Atlantic, the composition of fish stocks has undergone major change because of over fishing, with a decline in major commercial fish species. Irish waters are among the most important areas in Europe for Cetacea and contain important feeding and breeding areas for those species. In light of the threats to marine biodiversity, there can be

little doubt about the need to promote a greater appreciation of the importance of such biodiversity and of its value both in ecological and economic terms.

The concept of Integrated Coastal Zone Management has come to prominence in recent years in the CBD and other fora as a key means of providing for the conservation and sustainable use of marine biodiversity. Ireland is in the process of developing an integrated coastal zone management strategy. Such a strategy should play a critical role in habitat conservation to maintain biodiversity and have, as a core objective, the conservation of the best remaining areas of importance for biodiversity in the coastal context; the biodiversity in question is an irreplaceable part of Ireland's heritage.

There is a tradition of marine research in Ireland and there are currently a range of biodiversity-related research projects being undertaken by the Marine Institute and third level institutions. Commercial Sea Fisheries have a considerable impact on marine biodiversity. They impact directly on target fish and shellfish stocks, on non-target fish species and on non-fish species as 'by-catch,' and on benthic species and communities. They may also have indirect effects on species and the marine ecosystems. Many commercial fish stocks in waters off Ireland are heavily exploited and several are considered to be outside safe biological limits in some areas. Gaps and deficiencies in fishery statistics (e.g. on discards or in respect of fish landings) are also a problem.

For aquaculture to be successful and sustainable, it requires a high quality environment and clean waters. With regard to the marine finfish sector concerns have been raised regarding possible negative interaction with wild salmonid and benthic impacts. These issues are the subject of mitigating actions on the part of the State regulatory system and there are specific protocols in place to manage these impacts.

In estuarine, coastal and marine areas of Ireland pollution is usually localised and often of short duration. Problems usually arise from land based discharges, mainly of sewage or industrial origin or dumping from ships. Continuation, and where necessary enhancement, of ongoing programmes and measures in relation to direct pollution of the marine environment and to the control of inputs arising from polluted inland will be necessary to ensure pollution does not impact adversely on the biodiversity of coastal and marine ecosystems. There is also a need for adequate and reliable data on inputs and this will

require the continuation and extension of existing monitoring programmes and their refinement where necessary to overcome gaps in knowledge.

Ireland's National Biodiversity Plan, published in 2002 and reviewed in 2006, contains seven marine & coastal actions which are being put in place by the relevant authorities. Ireland is currently reviewing the status of this plan and developing its 2nd National Biodiversity Plan for 2008-2012.

BIM, the state's seafood development agency along with the Marine Institute have embarked on a new working partnership with other state departments, particularly the Parks & Wildlife Service of the Department of the Environment in this area.

SWOT Analysis of Irish Seafood Industry from an Environmental Perspective

STRENGTHS	WEAKNESS
<p>Sea fishing:</p> <ul style="list-style-type: none"> • Indigenous industry using a renewable and highly prized resource • Productive fishing grounds • Irish marine ecosystems are largely in a healthy state. • Strong interest in the catching sector to improve the state of fish stocks and to embrace environmentally direct technical change. <p>Inshore fishing & Coastal Communities:</p> <ul style="list-style-type: none"> • Productive fishing grounds • Traditional, environmentally friendly methods • Resilient stocks; should respond well to management <p>Aquaculture:</p> <ul style="list-style-type: none"> • Ability to meet seafood market demand and reducing pressure on fisheries resources. 	<p>Sea fishing:</p> <ul style="list-style-type: none"> • Lack of historical data on some important stocks • Imbalance between catching capacity and resource supply • Historical lack of buy-in to conservation initiatives • Quality of data from industry • Low share of TAC in Irish fishing grounds • Current poor image in relation to the environment and over-fishing • Initial high cost levels of implementing environmental initiatives • Lack of applied research opportunities in universities, other learning institutions and research communities <p>Inshore fishing & Coastal Communities:</p> <ul style="list-style-type: none"> • Historically, lack of emphasis on inshore fisheries management • Lack of historical data on some

<ul style="list-style-type: none"> • Controlled and regulated production process with monitoring requirements as a condition of licence. • Strong interest within the sector to continually improve environmental performance. 	<p>important stocks</p> <ul style="list-style-type: none"> • The current licensing arrangements do not effectively manage fishing effort levels on inshore stocks. <p>Aquaculture:</p> <ul style="list-style-type: none"> • Negative perception and low public understanding of the sector. • Current reporting rates for monitoring.
OPPORTUNITIES	THREATS
<p>Seafood Industry:</p> <ul style="list-style-type: none"> • Increased demand for ethical food sources from environmentally aware consumers <p>Sea fishing:</p> <ul style="list-style-type: none"> • Through a fundamental restructuring programme of the national fleet, to tackle over capacity in the sector and achieve a balance between catching capacity and resource supply • Industry commitment to and participation in improved conservation practices • Industry commitment to implementing EMS as a first step towards ISO certification and sustainability • To reduce fishing costs through the use of environmental management systems <p>Inshore fishing & Coastal Communities:</p> <ul style="list-style-type: none"> • Environmentally sound, small scale fishing for high value local market • Strengthen environmental management arrangements for the sustainable exploitation of fisheries within SACs and 	<p>Sea fishing:</p> <ul style="list-style-type: none"> • The ability to maintain a healthy marine environment • Sustainability of some critical fish stocks • Imbalance between effort and stock sustainability • Currently, low uptake by industry of selective gears to protect marine biodiversity • High turnover of crew may compromise quality of environmental training and impact on a vessels' ability to implement environmentally responsible practices <p>Inshore fishing & Coastal Communities:</p> <ul style="list-style-type: none"> • Lack of awareness of market opportunities presented by the use of eco-labels • Lack of buy-in to new management arrangements • Lack of awareness of issues surrounding Natura 2000 and the marine environment • Restricting access to Natura 2000 sites is not currently addressed in the licensing

<p>SPAs.</p> <ul style="list-style-type: none"> • Work with the sector to increase understanding of the management requirements in Natura 2000 sites <p>Aquaculture:</p> <ul style="list-style-type: none"> • Manage production within the carrying capacity of the growing area, to restore shellfish stocks. • Industry commitment and participation in improved conservation practices • Industry commitment to continuous improvement of environmental performance through the adoption of ECOPACT and eco standards. SMEs producing high quality, environmentally sound seafood products 	<p>arrangements.</p> <p>Aquaculture:</p> <ul style="list-style-type: none"> • Potential excessive nutrient loading, benthic impacts, disease transfer • Lack of awareness of the environmental performance and market opportunities presented by the use of eco-labels • Lack of awareness by operators of issues surrounding Natura 2000 and the marine environment • Limited understanding of aquaculture issues giving rise to poor public perception of aquaculture
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Managing Impacts

Notifiable Actions

Currently under Irish law, in SACs, SPAs and NHAs, certain activities or operations that might be damaging can only be carried out with the permission of the Minister for the Environment, Heritage and Local Government. These are called Notifiable Actions and vary depending on the type of habitat that is present on the site.

The activities listed in the Notifiable actions are not prohibited but require the landowner/occupier/etc to consult (in practice with the local Conservation Ranger) in advance. In the case of NHAs, 3 months written prior notice is required before undertaking any notifiable activities.

A list of Notifiable Actions is issued according to habitats present. As an example, the activities for which consultation is needed on an offshore island SPA are:

- Commercial or private recreational activities liable to cause significant disturbance to birds

- Construction or alteration of fences, tracks, paths, roads, embankments, car parks or access routes
- Deliberate scaring of birds
- Dumping, burning, disposal or storing of any materials including wastes
- Introduction (or re-introduction) into the wild of plants or animals of species not currently found in the area
- Planting of trees
- Reclamation, infilling, ploughing or otherwise disturbing the substrate
- Removal of soil, mud, sand, gravel, rock or minerals
- Removing or altering walls or ruined buildings
- Broad-scale application of any pesticide or herbicide

Notifiable Actions do not apply:

- Where a licence or permission is needed from a planning authority (e.g. planning permission) or another Minister (e.g. a fishing licence or planning permission)
- To activities covered in a REPS or NPWS farm plan.

Other Actions

For special areas of conservation generally, and specifically for those marine SACs, SPAs, NHAs and MPAs that fall within the influence of this Operational Programme, Ireland is committed to establishing the necessary conservation measures involving, if need be, appropriate management plans specifically designed for the sites or integrated into other development plans, and appropriate statutory, administrative or contractual measures which correspond to the ecological requirements of the natural habitat types in Annex I and the species in Annex II of the Habitats Directive present on the sites.

Likewise Ireland is committed to taking appropriate steps to avoid, in the special areas of conservation, the deterioration of natural habitats and the habitats of species as well as disturbance of the species for which the areas have been designated.

Non technical summary of the Strategic Environmental Assessment

Introduction

Fitzpatrick Associates, in association with *ERM Environmental Resources Management Ireland Ltd.* (ERM Ireland) was commissioned in April 2007 by *Bord Iascaigh Mhara* (BIM) to undertake an Ex-Ante Evaluation and strategic environmental assessment (SEA) of the Irish Seafood Development Operational Programme (Seafood OP) 2007 - 2013. ERM Ireland's role in the project is to provide SEA-related inputs. The requirement to undertake SEA is derived from Article 11 of the SEA Directive. S.I. 435 of 2004 is the Irish regulation of relevance in relation to the Seafood OP and is referred to as the SEA Regulation hereafter.

ERM Environmental Resources Management Ireland Ltd. (ERM Ireland) was also commissioned in July 2008 by *Bord Iascaigh Mhara* (BIM) to undertake a Strategic Environmental Assessment (SEA) of the Irish National Seafood Plan. The requirement to prepare the National Seafood Plan arose from amendments made to the original Irish-EC Co-Funded Seafood OP: these amendments resulted in interventions of the Co-Funded OP being re-located to the National Seafood Plan. In combination, the SEA's for both the Co-funded OP and the National Programme incorporate all measures that are implemented in this document.

Screening was the first stage in the SEA process, regarding the Seafood OP, it was decided to forego the formal screening stage and prepare a Scoping Report and then the SEA Environmental Report. This reflected a consideration of the scale and potential environmental effects which are likely to arise from the implementation of the Seafood OP.

Scoping was the second stage in the SEA process. The purpose of scoping is to determine the environmental issues, and the level of detail, to be considered in the Environmental Report. The SEA scoping methodology ERM undertook was to outline the environmental issues in a SEA Scoping Report and then consult with the designated environmental authorities (in Ireland) and other Member States (transboundary consultations). The DEHLG's SEA guidelines were used as a guidance document during the SEA scoping process. In all consultation-cases, consultees were invited to make submissions on the Scoping Report.

The scoping consultation period was 6 weeks from the date of the submission of the draft Scoping Report, which concluded on Friday 19th June 2007. The designated environmental authorities in Ireland are:

- Environmental Protection Agency (EPA);
- Department of Environment, Heritage and Local Government (DEHLG); and
- Department of Communications, Energy and Natural Resources (DCENR); formerly DCMNR (Department of Communications, Marine and Natural Resources).

Given the scale (national-level programme) and nature of the Seafood OP (addressing seafood issues in waters which may be fished by other Member States and which border other Member States' territories), transboundary consultation was undertaken with the following Member States and their Regional Authorities (those with devolved powers):

- Northern Ireland,
- Scotland,
- Wales,
- England,
- France,
- Spain,
- Netherlands, and
- Belgium.

A six week transboundary consultation period (which involved sending the draft Scoping Report to the above Member States) was provided for, which concluded on Friday 29th June 2007.

Preparation of the Environmental Report

Following completion of the scoping stage of the SEA process, preparation of the Environmental Report was started. The assessment of the potential significant impacts on the environment as a result of the implementation of the four interventions OP was undertaken using a series of Environmental Objectives (which were consulted upon in the Scoping stage).

Consultation

Following preparation of the Environmental Report, both the draft OP and the Environmental Report were made available for public and statutory consultation. Submissions on the content of the draft Seafood OP and on the Environmental Report was invited from the fishing industry, other marine and coastal stakeholders and the interested public. The consultation period was of six weeks duration and concluded on Friday 18th January 2008.

1. A draft SEA Statement (March 2008) has been prepared as is available as a separate document to the draft OP. In summary, this draft SEA Statement provides:
2. A summary of how environmental considerations and the environmental Report were factored into the plan,
3. Summary of how submissions/consultations were taken into account;
4. Reasons for choosing the plan as adopted, in the light of other reasonable alternatives considered; and
5. Monitoring measures.

The information for item No. 1 is contained in Section 4 of the draft SEA Statement, where comment – response tables were prepared for the submissions received. Amendments to the OP and Environmental Report are placed in bold for ease of reference. As the comment – response tables are 28 pages in length, it is not possible to outline all of the submissions received, BIM's responses and subsequent amendments in this section but these are detailed in Section 4 of the draft SEA Statement.

Briefly and in summary, the key amendments to the OP and Environmental Report relate to further descriptions and detail on the four measures in the OP. Additional detail was required as there was a level of misunderstanding regarding the scope, focus and purpose of the individual measures contained in the OP. Additional text on related plans and programmes was also added to the Environmental Report, on the request of a number of consultee authorities. Additional text was also added in relation to data gaps, cumulative impacts, consultation undertaken and SEA scoping.

One of the key amendments was the development of an application assessment and monitoring protocol. The objective of this post-SEA assessment procedure is to ensure that

any significant adverse impacts which might arise during the implementation of the four interventions. This was a key issue raised by the National Parks and Wildlife Service of the Department of the Environment, Heritage and Local Government. Finally, additional text has been added to update the baseline and future baseline sections of the Environmental Report.

.The main objective of the SEA Directive is to “provide for a high level of protection for the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development.” The authority responsible for preparing the plan or programme is usually responsible for undertaking the SEA.

This part of the Environmental Report is the Non-Technical Summary (NTS), which summarises the key aspects of the Environmental Report, the key document in the SEA process.

The legal context of SEA is based on Directive 2001/41/EC, which provides for the assessment of the effects of certain plans and programmes on the environment (“SEA Directive”) came into force in Ireland on 21st July 2004. The Directive applies to plans and programmes for which the first formal preparatory action is taken on or after 21 July 2004. The relevant Irish Regulation is European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004 (S.I. 435 of 2004). Further information on the SEA process can be found in *Section 3* of the Environmental Report.

Irish Seafood OP 2007 - 2013

The overall objective of the Seafood OP is to produce a sustainable, profitable, competitive and market-focused seafood industry. The OP is seeking to make the maximum, long-term, economic and social contribution to coastal communities and Ireland as a whole.

The purpose of the OP is to provide a framework and conduit for EU funding into initiatives aimed at supporting and promoting a sustainable future for the Irish Seafood industry.

The OP is produced by the Department of Agriculture, Food and the Marine (DAFM) in co-operation with Bord Iascaigh Mhara (BIM) which is the implementing body for a majority of schemes under the OP.

The Seafood OP is informed and guided by a number of more strategic documents, both at a European Union level and at a national (Member State) level. These are:

1. Council Regulation (EC) No. 1198/2006 on the European Fisheries Fund;
2. Commission Regulation (EC) No. 498/2007 on laying down detailed rules for the implementation of EC No. 1198/2006;
3. Ireland's National Strategic Plan; and
4. Outcomes of the ex-ante evaluation (referred to in Article 48 of Regulation (EC) No. 1198/2006).

Further information on these other, more strategic, plans and programmes can be found in *Section 2.2* of the Environmental Report.

An earlier draft of the Irish Seafood OP contained a greater number of interventions. However, advice and guidance from the European Commission resulted in some of these being removed from the OP as they did not comply with the requirements of Council Regulation (EC) No. 1198/2006 and Commission Regulation (EC) No. 498/2007. One of the key requirements of the inclusion of an intervention in this OP is that all interventions must be co-funded (i.e. be jointly-funded by the EU and the relevant Member State). Some of the interventions which were subsequently removed were not being co-funded by the EFF and were thus removed.

Relevant environmental protection objectives

The SEA Regulations require a description of "the environmental protection objectives, established at international, European Union or national level, which are relevant to the plan or programme, or modification to a plan or programme, and the way those objectives and any environmental considerations have been taken into account during its preparation". Regarding the Seafood OP, these are:

- EU Sustainable Development Strategy;

- Common Fisheries Policy;
- OSPAR Convention;
- Convention on Biological Diversity;
- Water Framework Directive (and associated Directives);
- Convention on Wetlands;
- EU Birds Directive and EU Habitats Directive;
- Bathing Water Directive ;
- Urban Wastewater Treatment Directive ;
- SEA Directive;
- EIA Directive;
- European Union Eco-Management and Audit Scheme; and
- Aquaculture (Licensing Application) (Amendment) Regulations.

Details of the above environmental protection instruments can be found in *Section 2.4* of the Environmental Report.

Alternatives considered

The consideration of Alternatives is an important part of SEA. The consideration of alternative ways to achieve a plan or programme's objectives can often result in a minimisation of negative environmental impacts. However, the scope for the consideration of alternatives within the Seafood OP is somewhat limited by European Fisheries Fund (EFF); Council Regulation No. 1198/2006 and the National Strategic Plan, both of which sets the scope of the Seafood OP. Thus, the axes and interventions in the OP are pre-defined in their scope and specific objectives. The implication of this for the consideration of alternatives is that the OP cannot consider priorities which are outside eligible EU funding areas and criteria. Additionally, comment and guidance from the Commission has resulted in certain interventions in an earlier draft of this OP being removed as they were not completely co-funded by both the Commission and the Irish Member State.

Furthermore, the Seafood OP cannot overlap its funding with other EU and national programmes taking place in parallel with it.

However, in determining the detail and the specifics of the interventions which are included in the OP, significant attempts were made to ensure that environmental considerations were included, where possible. Furthermore, the implementation of the OP and its associated intervention has considerable scope for the consideration of alternatives through careful selection of various funding applications and the development of individual projects.

Scoping consultation

The purpose of scoping is to determine the environmental issues, and the level of detail, to be considered in the Environmental Report. The SEA scoping methodology ERM undertook was to outline the environmental issues in a SEA Scoping Report and then consult with the designated environmental authorities (in Ireland) and other Member States (transboundary consultations). In all consultation-cases, consultees were invited to make submissions on the Scoping Report and a six-week period (May – June '07) was allowed for.

The designated environmental authorities (as defined in the Irish Regulation S.I. 435 of 2004) in Ireland who were consulted were:

- Environmental Protection Agency (EPA);
- Department of Environment, Heritage and Local Government (DEHLG); and
- DCMNR (Department of Communications, Marine and Natural Resources).

Member States (or devolved authorities) who were consulted were:

- Northern Ireland,
- Scotland,
- Wales,
- England,
- France,
- Spain,
- Netherlands, and
- Belgium.

Responses were received for all three of the designated environmental consultees in Ireland and a single response was received (from the Netherlands) during the course of the transboundary consultation. All responses were considered and appropriate responses prepared. These were outlined in *Section 4* of the Environmental Report.

Description of the existing environment and identification of existing environmental problems relevant to the Seafood OP

Baseline environmental information is provided in *Section 5* of the Environmental Report. *Table 3.13* provides a short summary of the key baseline environmental issues.

Table 3.13 Summary of baseline environmental issues and environmental problems relevant to the Seafood OP

Environmental topic	Summary of baseline issues
Biodiversity, flora and fauna	<p>Fish stock levels: In 2004, an estimated 1.5 million tonnes of fish were harvested from Irish waters. However, over 75% of fish stocks in these waters are outside safe biological limits (i.e. at low stock size or unsustainable levels of exploitation). General trends in fish stocks show that over the period 1999-2003, all significantly fished pelagic (open water fish species) and demersal (bottom-dwelling species) stocks showed decreases (apart from mackerel).</p> <p>Pressure on the marine environment is exacerbated by the non-commercial fish and undersized commercial fish being discarded when brought up with the target fish species. Discarding is largely a repercussion of the management measures in place (in particular TACs and quotas); fishermen must discard so that they land only the species for which they have quotas. Data on the rate and volume of discards is limited. The International Council for Exploration of the Seas notes that North Sea discards corresponds to approximately 22% of total North Sea landings.</p> <p>Designated sites: Ireland has formally advertised 424 such</p>

Environmental topic Summary of baseline issues

conservation sites as proposed candidate SACs (pcSACs), of which 410 have been transmitted and formally adopted by the EU as candidate SACs (cSACs). The remaining 14 pcSACs are either only recently advertised (marine offshore sites) or under appeal (as part of the site designation process) (EPA 2006). Ireland has designated 128 sites as SPAs. An additional seven advertised sites are awaiting formal designation. Of the 59 designated habitat-types (covering all habitats, not just those relevant to the OP), over 45% are classified as being in a bad condition, with an additional 45% being in an inadequate overall state.

Water Framework Directive data: Data relating to the status of Ireland's coastal and transitional water bodies was obtained. The majority of coastal and transitional water bodies are not classed as being 'at risk' of meeting future Water Framework Directive requirements, although six coastal areas were identified as potentially being at risk.

Benthic monitoring: Based on reports submitted by license holders to the former DCMNR (now DAFM), all the sites which reported were fully compliant. However, the level of reporting covers only 66% of the active aquaculture sites in Ireland (an improvement on previous years). The Marine Institute carried out audits at two sites to verify the findings, which the audit confirmed. Non-reporting is due to the fact that some older licenses do not have a monitoring requirement as a licensing condition. In addition when sites are in fallow, the operators often choose not to incur the expense of monitoring as there are no fish.

Population

Fishing, aquaculture and seafood process activities are primarily based in rural and coastal communities. Thus, the sector provides a vital source of employment in these

Environmental topic Summary of baseline issues

communities. Fishing activities and seafood processing is concentrated in coastal Counties such as Donegal, Galway, Cork, Kerry, Waterford, Wexford, and Dublin. Ports such as Killybegs (Donegal), Castletownbere (Cork), Dunmore East (Waterford), Rosseveal (Galway), Dingle (Kerry) and their hinterlands are heavily dependent on the seafood processing and services industries. Aquaculture activities are concentrated at coastal locations in Kerry, Cork, Clare, Galway, Mayo, Sligo, Donegal, Louth, Wexford and Waterford.

Due to the poor state of most commercial fish stocks landings of the Irish Fleet have been declining in most areas for many years, consequently employment in fishing and related industries has declined. In 1996, there were 2,892 people in Ireland employed in fishing and related works (this does not include aquaculture and seafood processing employment). This fell by almost 26% to 2,142 in 2002 (employment data from Census 2006 was not available at the time of writing). The fall off the fishing and related employment has been somewhat off-set by the increase in the aquaculture industry.

Fisheries-related employment pays considerable less than the national average income. Using average earning levels, the national earnings average in Ireland in 2003 was €35,411 (index level = 100), whereas the average income from fisheries was €21,163 (index level = 60), 40% lower than the national income average. Income from fishing was an average of €9,500 (index level = 27). While income from the fisheries sector is considerably lower than Ireland's average income, the sector still provides valuable employment for remote and isolated populations where there is limited alternative employment available.

Human Health

Microbiological classification of shellfish: In 2005, 30% of sites were Class A (can be consumed directly), compared to

Environmental topic Summary of baseline issues

23% the previous year. However, in 1991 - 1994, 55% of sites were Class A. No class C (can be consumed following relaying for at least two months) sites were reported in 2005. The EPA notes that "overall, Ireland has a proactive approach to the protection of health through monitoring of shellfish waters, but the general decline in class A stocks since 1994 is a cause for concern". Causes of the decline in shellfish quality can usually be attributed to pollution of waters from anthropogenic sources, such as inadequate treatment of wastewater effluent.

Shellfish monitoring: Annual monitoring data for contaminants in shellfish is undertaken annually by the Marine Institute. During 2005, shellfish samples were taken at 36 locations and analysis was undertaken for metals. Results show that all shellfish samples tested for mercury and lead were well within the standard value limit, set by the European Commission. All samples were within the cadmium limit. No specific area growing shellfish stood out with regards to having elevated levels of zinc, chromium, silver or nickel. However, compliance was not complete with regards to pH and dissolved oxygen.

Designated shellfish areas: There are currently 14 designated shellfish areas in Ireland. For each of these areas, an action programme is established to ensure good water quality with a view to ensuing good quality production of shellfish food. An additional 54 shellfish water across all the major bays in Ireland are currently undergoing designation.

Water

Water Framework Directive data: Data regarding nutrient loading was obtained. On a national-basis, aquaculture accounts for 0.1% of the total nitrogen input, and 0.3% of the phosphate input.

Sea lice: There is a national inspection scheme monitoring the

Environmental topic Summary of baseline issues

average number of ovigerous female sea lice per fish. In 2007 the overall level of inspections for which results were below the trigger levels was 70.03%. This rate of meeting the trigger standard has progressively fallen ('04: 79.5%, '03: 80.7%, '02: 87%, '01: 91%) and the reasons for this are thought to be a combination of increasing infestation pressure because of the higher seawater winter temperatures allowing a greater number of lice to overwinter and increasing difficulty in carrying out effective treatments due to other issues, such as resistance and problems with fish health.

Material assets **Ireland's polyvalent fishing fleet:** As of September 2007, Ireland has a total of 1,889 vessels, consisting of 66,019 gross tonnes. In excess of 65% of these vessels were inshore vessels, of less than 12m in length.

Identification of likely significant effects on the environment

A series of Environmental Objectives were developed to identify the likely significant effects on the environmental result of the implementation of the Seafood OP. These Environmental Objectives were presented in the Scoping Report and comment was invited on them. Each of the interventions was tested/assessed against the various Environmental Objectives. The results were classified into major and minor positive, neutral and minor and major negative. In some cases, insufficient detail in the OP was available to allow an assessment to be made. However, it should be noted that this is often due to the fact that the OP is a high-level, strategic programme aimed at facilitating further, more specific and often site-based actions. It should be noted that the Irish Seafood OP is only focused on a limited portion of Ireland's overall seafood industry and that the OP can only focus on co-funded aspects in relation to the interventions specified in Table 1 above. The assessment results below should not be taken to be a wider or global assessment of all of the various seafood sector and related activities which are undertaken in Ireland.

A summary of the assessment is provided below. Further detail on the assessment can be found in *Section 6* of the Environmental Report.

The Irish Seafood OP is predicted to have significantly positive effects under **population**, which, in the context of the OP, is defined as rural community and coastal-based populations. Such areas have higher than average unemployment and offer limited job and economic opportunities. The OP will greatly increase these population's quality of life and future economic prospects.

Under **biodiversity and flora and fauna**, minor positive effects are predicted for the fishing industry under fleet decommissioning, EMS and inshore management interventions. However, there may be localised negative impacts, due to resultant changes in the patterns of fishing effort. A key aspect of this assessment is the fact that BIM will be applying an application assessment and monitoring protocol to all applications received as part of the implementation of the OP. The objective of this application protocol is to ensure that any applications received under the various schemes (which is the mechanism with which each of the interventions will be implemented) will be assessed for potential significant environmental effects.

Some unknown effects (which maybe potentially negative) are predicted for the aquaculture enterprise intervention in relation to **biodiversity and flora and fauna**. The basis for this decision is that the increase in total production from aquaculture may have minor negative effects on the environment; it is too early in the OP implementation programme to determine this issue. It should be noted that BIM will only consider applications under this intervention which have successfully obtained all required consents and licenses. The process that the applicant would have completed to obtain these consents would, typically, involve a consideration of environmental effects.

Unknown impacts (which may be minor negative) are predicted for the aquaculture enterprise intervention in relation to **water**. A key consideration is future higher water quality requirements as a consequence of compliance with the Shellfish Waters Directive and the Water Framework Directive.

Minor positive impacts are predicted for **water** under the fleet decommissioning and EMS interventions. Unknown impacts against water are predicted for the inshore management intervention.

Minor positive impacts under **material assets** are predicted as the reductions in the polyvalent fishing fleet will reduce the amount of boats, all of whom are trying to operate within catch constraints. Thus, the economic yields and conditions for the remaining boats will be improved.

Unknown impacts (which may be minor negative) are predicted for **landscape** under the aquaculture interventions. The basis for this assessment is that this intervention may result in additional sites being constructed. However, the EMS intervention may have some positive impact on the landscape through minimising the visual impacts of existing and future activities.

Mitigation measures

Mitigation measures are proposed below to address any likely negative effects as a result of the implementation of the Seafood OP. These are:

- The Water Framework Directive requires the preparation of River Basin Management Plans (RBMPs) for all the identified River Basin Districts (RBDs) within the island of Ireland and these RBMP are to be in place by December 2009. It is recommended that any recommendations in these RBMP are fully considered by BIM and other interested parties. It is also recommended that the individual CLAMS Groups specifically consider information in the various WFD Catchment Reports, especially the risk assessment information and data.
- BIM are developing a site-specific Appropriate Assessment protocol for aquaculture licensing. Such a tool is essential in ensuring that potential site-specific impacts of aquaculture activities are addressed at this appropriate level. It is recommended that BIM commit to a 3-year review of this protocol with NPWS with a view to ensuring that it is a developing tool and one that is constantly learning from past experiences with its practice and implementation.
- It is recommended BIM should consider developing a formal and nation-wide labelling system for the fishing sector, following the principles of the existing ECOPACT system for aquaculture. Additionally, BIM should undertake their own quality audits of EMS practice and implementation to ensure that the EMSs being

developed are of good quality and addressing the range of potential operational impacts of aquaculture and fishing activities. Further to this, the adoption of the recently developed ISO65/EN45011 accredited Eco-standards for farmed salmon and rope mussels should be encouraged and supported.

- It is recommended that all national, regional and local management plans have a specific environmental component to them and that BIM develop a set of guidance principles for each tier (i.e. national, regional and local) of management plan to ensure that all plans are developed within a consistent framework and address a minimum set of issues and environmental objectives.

- It is recommended that BIM consider developing an Appropriate Assessment licensing protocol for the fishing sector (similar to that being developed for aquaculture activities).

Monitoring

Monitoring of the environmental effects of the implementation of the Seafood OP is a requirement under the SEA Regulations. The purpose of monitoring is to determine if unforeseen effects have arisen during the implementation of the OP and to take remedial action, if required.

BIM, as the plan-making authority, is responsible for this monitoring programme (although BIM is not responsible for generating the monitoring data or undertaking specialist studies to supplement the existing data, unless BIM is listed as a source for the data in *Table 3.11* below).

It is recommended that the SEA-related monitoring be tied-in with the monitoring of the implementation of the Seafood OP. It is proposed that SEA monitoring results are presented in the Annual Implementation Report of the Seafood OP.

Note that it is the authorities with responsibility for the data sources (such as the DAFM or DTM, Marine Institute, EPA, local authorities etc.) to provide up-to-date data. The only responsibility for BIM is to obtain the latest data from these sources and present the results, and comment on emerging trends, in its Annual Implementation Report.

Table 3.14 Irish Seafood OP SEA monitoring programme

Environmental topic	Monitoring requirement	Source
Material assets	Rate of progress of the decommissioning of the Irish demersal and shellfish fleets	DAFM or DTM
Population	Seafood-based employment	BIM
Biodiversity, flora & fauna, Water	Reporting rates for aquaculture monitoring (currently at 66%)	DAFM or DTM
	Fishing landings (TAC and non-TAC species)	DAFM or DTM
	Fleet statistics	DAFM
	Regional nutrient loading (and other relevant environmental data) from aquaculture and fishing activities	Water Framework Directive Basin District Reports
	Compliance with recommendations in RBMP and PoM	Relevant RBD
	Aquaculture monitoring results <ul style="list-style-type: none"> • Water Column Monitoring • Benthic Monitoring • Sealice Monitoring • Biotoxin Monitoring • Shellfish Waters Directive Monitoring • Compliance with Licence Conditions 	DAFM or DTM Marine Institute FSAI
	Rate of EMS uptake across the sector in fisheries and aquaculture	BIM
	Development and implementation of inshore management plans	BIM
	NPWS Conservation Status Report (required under Article 17 of the Habitats Directive)	NPWS
Human health	Molluscan Shellfish Safety Committee reports - biotoxin and microbiological monitoring	DAFM or DTM
Individual Project Assessment for Grant aid (i.e. application assessment and monitoring protocol)	Step 1	
	• Applications for grant aid to be received and evaluated by BIM in the normal manner.	BIM MI UNaG

<ul style="list-style-type: none"> • An additional protocol whereby the applications would also be assessed to determine the potential for significant environmental impacts not already taken into account in existing processes, would be conducted by both BIM and the M.I.
<ul style="list-style-type: none"> • Where judged to have the potential to have significant environmental impact, additional submission(s) may be required from the applicant, to provide whatever extra information is deemed necessary.
<ul style="list-style-type: none"> • This additional information would be assessed by both BIM and the M.I. The input of other experts may also be brought into the process if necessary.
<ul style="list-style-type: none"> • A report would be then be prepared and submitted to the implementing body to take into consideration when finally assessing the project.
<ul style="list-style-type: none"> • Project approval may be subject to associated conditions.
<p>Step 2</p>
<p>Annual Audit by Implementing Body to cover compliance with environmental protocol for project selection</p>
<p>Results of Audit to be furnished to Department who will present to the OP Monitoring Committee</p>
<p>Step 3</p>
<p>Independent Assessment of impact of the programme from an environmental perspective to be carried out at 2 yearly intervals;</p>
<p>Any recommendations from that Assessment to inform future support for projects.</p>

Justification for Adoption of the Irish Seafood OP

The Irish Seafood OP has been subject to SEA procedures, including public, statutory and transboundary consultation. In addition, BIM has engaged in consultation with the European Commission on the scope and focus of the OP. Following the consultation stage of the SEA

process, BIM has made significant amendments to the four interventions which comprise the OP.

As noted previously, the scope for the consideration of alternatives within the Seafood OP is somewhat limited by European Fisheries Fund (EFF); Council Regulation No. 1198/2006 and the National Strategic Plan, all of which set the scope of the Seafood OP. Thus, the axes and interventions in the OP are pre-defined in their scope and specific objectives. The implication of this for the consideration of alternatives is that the OP cannot consider priorities which are outside eligible EU funding areas and criteria. As noted previously, comment and guidance from the Commission has resulted in certain interventions in an earlier draft of this OP being removed as they were not completely co-funded by both the Commission and the Irish Member State.

Furthermore, the Seafood OP cannot overlap its funding with other EU and national programmes taking place in parallel with it.

However, in determining the detail and the specifics of the interventions which are included in the OP, significant attempts were made to ensure that environmental considerations were included. Furthermore, the implementation of the OP and its associated intervention has considerable scope for the consideration of alternatives through careful selection of various funding applications and the development of individual projects. Thus, it is during the implementation of the OP (post-SEA) that the application of alternatives will be of greatest benefit and application.

The development of the application assessment and monitoring protocol will also consider alternatives, in that each application will have to demonstrate that environmental factors and impacts have been considered in the development of the application. Furthermore, BIM shall ask for amendments to the application, if it decides that unwarranted or unacceptable environmental impacts might arise if the application is successful.

3.4.2. Description of Labour Market Conditions

Equality in the Labour Market

Over 10,975 jobs have been generated predominately along the coastal regions of Ireland. The Irish seafood industry is male dominated. However, downstream activities such as fish processing and packaging provide employment opportunities for women living in coastal communities. Therefore, investment in seafood production facilities will provide job opportunities for women and will contribute to greater equality of opportunity between men and women.

Table 3.15: Industry Employment 2006 by Gender

	Male	Female	Total
Fisheries	4985	2	4987
Aquaculture	1696	240	1,936
Processing	1577	1290	2,867
Ancillary	N/A	N/A	1,185
TOTAL	8258	1532	10,975

There is also a wide cultural diversity of personnel involved in both the catching and aquaculture sectors. A number of nationalities contribute to the development of the industry. Countries such as Poland, Latvia and Lithuania are well represented within the Irish seafood sector.

Education and training has a vital role to play in ensuring the long-term development of the industry and in promoting equal opportunities for all and particularly for female participation within the sector. There is an ongoing need to develop and provide specific training programmes for the Irish seafood sector and to encourage female participation within training programmes. Training for women in the seafood sector will be an integral part of BIM's training programme for the period 2007 to 2013. Currently, overall participation by the industry in non-statutory education and training programmes is disappointingly low; the contribution that training and education can make to the sector is not fully appreciated. It is envisaged that these training and education objectives will contribute significantly to the overarching goal of this Operational Programme to support

the delivery of the highest possible value generation from all sectors of the seafood industry based on environmentally responsible production practices.

It is envisaged that the composition of the monitoring group will include representation of specific interest groups such as “Mna na Mara” i.e. “Women of the Sea”, which will promote the participation of women in the seafood industry. State aid support will be made available to Coastal Action Groups to which women will be encouraged to become engaged in.

The Employment Equality Act 1998 provides the basis of employment equality law in Ireland and outlaws discrimination on a wide range of grounds. The act provides that it should be discriminatory to treat a person less favourably than another is, has been or would be treated on the basis of their:

- Gender
- Marital status
- Family status
- Sexual Orientation
- Religious belief
- Age
- Disability
- Race, colour, nationality, ethnicity or national origins or
- Membership of the travelling community.

Gender based discrimination is dealt with specifically in Part 3 of the Act.

3.5. Main Outcomes of the Analysis

The analysis outlined in this Chapter shows that the sustainable viability of the industry in commercial and environmental terms can only be secured if action is taken to address fundamental problems facing the sector. Overall, the industry’s approach to the market and its performance within the marketplace is well below what exists in other sectors of the Irish food industry. Consequently, the maximum potential value for both fisheries and aquaculture is not being achieved. The fish-processing sector is fragmented, operating at significant over capacity and generating little profit. A declining supply of raw material has contributed to the poor state of the sector. The imbalance that exists between the current catching capacity of the Irish fishing fleet and the resources available to Irish vessels is the key issue facing the industry. The aquaculture sector must build up critical mass in

production and become more competitive in the international marketplace and environmental sustainability must be placed at the forefront of the industry's development from now on. These areas are treated in the National Seafood Strategy 2007-2013 and this Seafood e Operational programme will specifically focus on adjustment of the fishing fleet, development of the inshore fisheries sector, measure to promote good environmental practice, building scale in aquaculture production and encouragement of small scale activity geared to counteracting the decline of fishing activity and thereby improving the livelihoods in communities in remote coastal areas.

3.5.1. Adjustment of Fishing Effort

The introduction of the decommissioning programme for older whitefish vessels was the first in a series of initiatives aimed at ensuring the long-term sustainability of the sector. However, there was insufficient uptake on this decommissioning programme and therefore more serious adjustment will be required in the Operational Programme 2007-2013.

At the time of its inception the Fleet Development Measure 2000-2006 supported the introduction of new vessels and modern second hand vessels into the Irish fleet with the aim of reducing the average age from 35 years. This proved successful and the average age now stands at 25 years. Similarly funding was available to modernise vessels within the fleet: this however, in the same way as the replacement of older vessels with modern, more efficient vessels, had the effect of increasing the effective fishing effort of the fleet and was discontinued under the CFP review in 2002.

Over the past eight years the renewal programme has brought about improvement in safety and operational standards of the current fleet while decommissioning has removed some larger, older vessels. The completion of the twin-track approach of renewal and restructuring is vital to the future success of the catching sector as it will deliver a smaller fleet that is modern, efficient and safe.

3.5.2. Aquaculture

With assistance from the FIFG and the National Development Plan over the last decade the aquaculture sector has achieved reasonable success. The sector comprising 25 finfish farming operations and some 300 shellfish farming units has become an increasingly important source of fish and shellfish with an annual output in excess of €100 million.

However, in spite of such progress the aquaculture has not yet delivered on its full potential and there are a number of reasons for this, including:

- The emergence of significant competition from countries with low cost/large-scale aquaculture industries competing, sometimes unfairly, on traditional EU markets;
- Increased production costs due to disease outbreaks/stocks health issues
- Difficulty in attracting investment and loan finance for fixed and working capital requirement.

The three areas which must be addressed to enable the aquaculture sector realise its full economic potential are improving efficiency and cost effectiveness, improving environmental impact including visual impact and building up critical mass in production.

3.5.3. Environment

While public perception has hitherto focused on the issue of over-fishing, increasingly the wider environmental issues raised by sea fisheries are beginning to impinge on consumer consciousness and have moved up the agenda of environmental regulators and NGOs alike. Chief among these concerns has been the issue of sustainability and while for some fish stock (primarily those managed by TAC and quota) this is primarily a matter for the CFP; it is not a duty that can be shunned and left for Europe to deal with at a macro-management level.

In the past, insufficient attention was paid to fish conservation, the impacts of fishing practices on the marine environment and ecology, and more general environmental impacts of the industry. Now, with the increased understanding on the part of fisheries operators of the need to provide a high-quality product produced in an environmentally responsible way, this Operational Programme has been developed with these issues at the forefront. This Operational Programme will provide interventions and measures which will focus on the major concerns facing the industry including, managing for resource sustainability, testing into alternative uses for bycatch, implementing environmentally responsible fishing practices on vessels, tackling discarding through testing and development of more selective gear types, decommissioning to reduce effort and improved testing in environmentally sensitive areas to facilitate the development of Natura 2000 conservation management plans.

The Operational Programme will also be looking at ways to engage stakeholders in order to encourage greater uptake of the environmental programmes offered. This work will include education, awareness, the central involvement of stakeholders in management, the development of EMS accreditation including eco-labelling.

It has been recognised by the industry that the progress made in moving towards the sustainable management of inshore fisheries at a national level presents opportunities in the marketplace. Certification and accreditation will facilitate the market differentiation of the products produced in a more environmentally responsible manner and therefore offer fisheries operators the opportunity to consolidate market share and improve their economic performance. Whilst product quality was once a point of differentiation in the marketplace for sea fisheries products, it is now regarded as a given. In the same way 'Responsible Fishing' is now becoming the next given expected by the consumer. This type of market-led innovation presents an opportunity to significantly enhance the seafood industry's environmental performance.

3.5.4. Inshore fishing

The traditional importance of the off-shore sector at a European level and the lack of a clear and coherent resource management policy remains a threat to the sustainable development of the inshore sector. While the majority of inshore stocks are relatively resilient and have not shown radical decreases in recent years, nevertheless many are showing patterns of persistent long term decline mirrored by increasing fishing effort. These fisheries, which hitherto have been managed by a limited suite of Technical Conservation Measures, now need a coherent resource management policy. Nationally, the 2005 'Shellfish Management Framework' (developed during the 2000 -2006 programming period) offers a comprehensive, coherent, stakeholder inclusive approach to this issue through the development of species specific management plans. However for the Inshore Framework to be successful, aspects of current national policy will need strengthening, particularly in the area of effort management and access arrangements for inshore stocks. Such changes will also be necessary if we are to better manage fishing activities in NATURA 2000 sites.

Moving the inshore industry *with local agreement* to species based management plans incorporating managed access to stocks is seen as an important target for the operational programme 2006 – 2013. Species based management plans will also lead to increased profitability for operators while reducing fishing effort and improving the security of supply

to market. These new management arrangements will also provide opportunities for the more effective marketing of inshore seafood, as well as increased exploitation of niche markets through the use of restrictive geographic designations or eco-labels.

In conclusion, the balanced development and sustainable management of inshore stocks based on an integrated Inshore Development Strategy needs to be encouraged and enhanced institutional support for inshore fisheries and the communities that it supports must be provided.

3.5.5. Conclusion

It is envisaged that by 2015 the concerted efforts under the National Seafood Strategy and the Operational Programme will collectively lead to a sustainable sea fisheries and aquaculture industry.

The intervention measures to address the challenges and opportunities identified in this Section which will enable the continued viability of the sector and enhance its contribution to the socio economic fabric of remote coastal communities are set out in detail in Section 6 of this Operational Programme.

Section 4: Strategy at Operational Programme Level

4.1. Overall Objective of the Seafood Development Operational Programme using impact indicators

The overarching objective of the Seafood Development Operational Programme 2007 – 2013 is to contribute to the development of a sustainable, profitable and self-reliant seafood industry that will maximise the long-term contribution of the seafood sector to coastal communities. This will see the emergence of a restructured, environmentally sustainable, commercially focused, self-reliant industry with market forces driving success and founded on a well-managed fisheries resource and a healthy and diverse marine environment.

The implementation of the proposed investment programme will result in a sizeable direct and indirect benefit to the seafood industry, the Irish economy and in particular to coastal/rural and island communities where this industry is located, thus making a

key contribution to realising the aims for sustainable Regional Development central to Ireland’s National Development Plan 2007-2013 of which this OP forms a part.

To enable Ireland to review and monitor if the main objective of the Seafood Development OP 2007-2013 is being achieved, the following impact indicators are being proposed:

<i>Overall Objective</i>	<i>Impact Indicator</i>	<i>Unit</i>	<i>Baseline</i>	<i>Target</i>
The development of a sustainable, profitable and self-reliant seafood industry that will maximise the long-term contribution of the seafood sector to coastal communities.	Profitability of the Irish Fishing Fleet	€/GT	3,140 (2007)	4,691 (2015)
	Irish Seafood Sales Value	€	720 million (2007)	875 million (2015)
	GT Irish Fishing Fleet	GT	70,437 (2007)	61,533 (2015)
	KW Irish Fishing Fleet	KW	205,537 (2007)	180,587 (2015)

4.2. Specific Objectives which the Operational Programme aims to achieve using Result Indicators

The Seafood Development Operational Programme 2007-2013 will contribute directly to the achievement of the following objectives

- **Fleet Restructuring and Development**

To eliminate the imbalance between the available resource and catching capacity of the whitefish fleet, thereby ensuring the future profitable and sustainable development of the whitefish sector.

- **Business Development / Innovation**

The development of a seafood industry with the capability to establish a leading position in delivering market-led innovation with specific focus on R&D, value-added development and application of appropriate technology to remain competitive and profitable into the future.

- **Processing Sector Restructuring and Development**

The establishment of a strengthened seafood-processing sector with the appropriate scale and operational efficiency to compete in an increasingly cost competitive market and with the capability to invest in value-added development to meet customer demands and take advantage of new market opportunities.

- **Aquaculture Development**

To support small and medium aquaculture enterprises to build scale, enhance competitiveness and secure differentiation and market premium through certified quality products.

- **Marine Environment and Conservation**

The adoption by the industry of an environmentally conscious, responsible, and compliant approach to all their activities is fundamental to the successful implementation of the *Strategy for the Irish Seafood Industry 2007 -2013* (the *Strategy*). This Operational Programme will work to fulfil the requirements of the *Strategy* and achieve a sustainable seafood industry which respects the marine environment.

- **Social and Economic Development**

To improve quality of life in communities reliant on fisheries and aquaculture, by supporting them to identify ways to deal with the challenges to their socio-economic stability.

To review and monitor if the specific objectives described above are being achieved, the following result indicators are being proposed:

<u>Objectives</u>	<u>Result Indicator</u>	<u>Unit</u>	<u>Baseline</u>	<u>Target</u>
To eliminate the imbalance between the available resource and catching capacity of the whitefish fleet, thereby ensuring the future profitable and sustainable development of the whitefish sector.	• Gross Tonnage in the Irish Fleet	GT	70,437 (2007)	61,533 (2015)
	• KW's in the Irish fleet	KW's	205,537 (2007)	180,587 (2015)
The development of a seafood industry with the capability to establish a leading position in delivering market-led innovation with	• Irish Seafood Sales Value	€	750 million (2011)	875 million (2015)

specific focus on value-added development and application of appropriate technology to remain competitive and profitable into the future.	<ul style="list-style-type: none"> Irish Seafood Value of Exports 	€	€331 million (2009)	€366 million (2015)
The establishment of a strengthened seafood-processing sector with the appropriate scale and operational efficiency to compete in an increasingly cost competitive market and with the capability to invest in value-added development to meet customer demands and take advantage of new market opportunities.	<ul style="list-style-type: none"> Seafood Processing Jobs in key targeted companies 	#	1213 (2012)	1394 (2015)
	<ul style="list-style-type: none"> SMEs supported to invest in value-added development 	#	18 (2012)	60 (2015)
To support small and medium aquaculture enterprises to build scale, enhance competitiveness and secure differentiation and market premium through certified quality products.	<ul style="list-style-type: none"> SME's involved in developing new technologies 	#	0 (2011)	20 (2015)
	<ul style="list-style-type: none"> Aquaculture industry farmed in conformity with the ECOPACT EMS/Organic certification 	%	0 (2011)	75% (2015)
The adoption by the industry of an environmentally conscious, responsible, and compliant approach to all their activities is fundamental to the successful implementation of the Strategy for the Irish Seafood Industry 2007 -2013 (the Strategy). This Operational Programme will work to fulfil the requirements of the Strategy and achieve a sustainable seafood industry which respects the marine environment.	<ul style="list-style-type: none"> Vessels covered by Environmental Management Systems 	#	0 (2011)	100 (2015)
	<ul style="list-style-type: none"> Irish caught or farmed fish produced in an environmentally friendly fashion 	%	0 (2011)	15 (2015)
	<ul style="list-style-type: none"> Seafood output certified under the BIM Stewardship Standard 	%	0 (2011)	15 (2015)
To improve quality of life in communities reliant on fisheries and aquaculture, by supporting them to identify ways to deal with the challenges to their socio-economic stability.	<ul style="list-style-type: none"> Projects implemented under Local Area Strategies 	#	0 (2011)	200 (2015)
	<ul style="list-style-type: none"> Creation of Jobs in FLAG areas 	#	0 (2011)	20 (2015)

4.3. Calendar and Intermediary Objectives

The key implementation steps of the Operational Programme included:

- Once the OP was approved by the Commission, the monitoring committee was set up within three months. The selection criteria were adopted within six months of the adoption of the OP.
- An Interim evaluation was carried out by an independent body in the 1st Quarter Of 2011 to examine the effectiveness of the OP with the aim of adjusting it to improve the quality of assistance and its implementations. The interim evaluation referred to the interim objectives for impact and result indicators described in section 4.2 above. This evaluation was then submitted to the EU Commission by 30th June 2011 as required under Article of the Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The two tables below describe the Evaluation and implementation timetables of the measures within the OP.

		Measure Implementation Timetable 2007 to 2015																																							
Priority Axis 1		2007				2008				2009				2010				2011				2012				2013				2014				2015							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Fleet Development & Diversification Measure	[Redacted]																																							
Priority Axis 2		2007				2008				2009				2010				2011				2012				2013				2014				2015							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Seafood Processing Business Investment	[Redacted]																																							
	Aquaculture Development	[Redacted]																																							
Priority Axis 3		2007				2008				2009				2010				2011				2012				2013				2014				2015							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Fisheries Development	[Redacted]																																							
	Processing Business Development & Innovation	[Redacted]																																							
Priority Axis 4		2007				2008				2009				2010				2011				2012				2013				2014				2015							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Sustainable development of coastal fisheries areas	[Redacted]																																							
Priority Axis 5		2007				2008				2009				2010				2011				2012				2013				2014				2015							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Technical Assistance	[Redacted]																																							

		Evaluation Time Table 2007-2015																																			
		2007				2008				2009				2010				2011				2012				2013				2014				2015			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Ex-ante Evaluation		■																																			
Interim Evaluation		■																																			

Section 5: Summary Evaluations

5.1. Summary of the Ex-Ante Evaluation

Introduction

The Ex-ante Evaluation Report of the Seafood Development Operational Programme (OP) for Ireland 2007-13 was prepared by Fitzpatrick Associates on behalf of the Department of Agriculture, Food and the Marine and Bord Iascaigh Mhara (BIM).

- BIM prepared the Operational Programme on behalf of the Department of Agriculture, Fisheries and Food, which will be the Managing Authority for the Programme.
- A separate Strategic Environmental Assessment (SEA) report was prepared in parallel by ERM Ltd.

This report drew on:

- The Working Paper on Ex Ante Evaluation for the European Fisheries Fund²;
- The Working Paper on Indicators for Monitoring and Evaluations³;
- The European Fisheries Fund⁴ and;
- The Implementing Regulation⁵.

²Doc EFFC/7/2007/EN 21 March 2007

³ Doc EFFC/8/2007/EN 21 March 2007

⁴ Council Regulation (EC) 1198/2006 of 27 July 2006

⁵ Commission Regulation (EC) 498/2007 of 26 March 2007

Ex-ante evaluations are designed to improve EU fund programming before it commences, drawing on the experience of previous similar programmes. The detailed Terms of Reference for the evaluation therefore closely follow EU guidelines for such evaluations, which include:

- a) an appraisal of the socio-economic analysis and relevance of the draft Programme to the needs identified;
- b) an evaluation of the rationale of the draft Programme and its consistency;
- c) an appraisal of the coherence of the strategy with regional, national and Union policies;
- d) an evaluation of the expected results and impacts of the Programme;
- e) an appraisal of the proposed implementation systems.

The Ex-ante Evaluation report reviews the draft Programme dated 11 May 2007, and incorporates comment on changes made to an earlier draft dated 25 April 2007.

Socio-economic Analysis and Relevance

Socio-economic Analysis: The situation analysis in the draft Operational Programme contains a considerable amount of detailed evidence which helps the reader to understand the Programme Strategy, Priority Axes and Measures that follow. The profile of national circumstances gives a brief overview of output and employment, the size of the fishing fleet, exports and imports, and a brief description of the aquaculture and seafood processing sectors. This analysis is supplemented by the description of lessons learned in the previous programming period, informing some of the key issues pertaining to the objectives and structure of the OP.

The context indicators are also generally well presented, and they cover important areas such as primary production, exports, processing, and the structure of the fishing fleet. There is some repetition of earlier material presented in the profile of national circumstances, however.

More use of statistics or explanatory information could have been made in places, but particularly where assertions are made without fully documenting the evidence or where it would serve to support the discussion of key issues presented. For example, more statistical evidence could be used to demonstrate the growth in consumer demand for seafood, while statistics on trends in fish stocks could also be used in conjunction with the information on

fleet size to better articulate the issue of structural imbalance. In addition, further reference could be made to the findings of the report of the Seafood Industry Strategy Review Group, which provides the basis for much of the content of the Operational Programme and the National Strategic Plan.

SWOT Analysis: The SWOT analysis in the draft Operational Programme is also thorough and comprehensive in nature. It benefits greatly from the work of the Seafood Industry Strategy Review Group and the National Strategic Plan, and the use of core themes identified in these documents is an effective tool to demonstrate a link between the OP, the Review Group report and the National Strategic Plan.

In most cases, there is an evident link between the key conclusions in the SWOT analysis in the Operational Programme and the evidence provided to support them in the Operational Programme itself, the Review Group report and the National Strategic Plan. Possible improvements that could be made to the SWOT analysis in this regard include more discussion in the situation analysis regarding challenges and opportunities for (a) market development and innovation and (b) education and training.

Programme Rationale and Consistency

Objectives: Sections 4 and 6 of the draft Operational Programme outline the overall Programme objectives and the objectives under each Priority Axis. At the Operational Programme level, the key aim is:

“to deliver on this strategy (recommended by the Seafood Industry Strategy Review Group), resulting in the emergence of a restructured, commercially-focused, innovative, self-reliant industry, with market forces driving success and founded on a well-managed fisheries resource, a sustainable aquaculture industry that is competitive and profitable and operating in a healthy and diverse marine environment”.

Underlying this aim is a series of specific objectives, which largely correspond to the core themes identified in the report of the Seafood Industry Strategy Review Group and the National Strategic Plan. These are grouped according to key Priority Axes:

- for Priority Axis 1, the Operational Programme deals with the core theme of fleet

restructuring and development, with the key objective being to eliminate the imbalance between the available resource and catching capacity to ensure the future profitable and sustainable development of the whitefish sector;

- Priority Axis 3 objectives seek to address five core themes identified in the Review Group report and the National Strategic Plan. These are marine environment and conservation, enhancing competitiveness, education and training, market development and market-led innovation;
- Finally, Priority Axis 4 introduces another additional theme, economic and social development, which seeks to develop and improve the quality of life in eligible fisheries areas with particular emphasis on socio-economic actions and greater financial and socio-economic stability.

Rationale: The suite of interventions proposed under the Operational Programme can be linked to the challenges and needs identified for the industry. The interventions chosen also take account of the lessons of the 2000-06 period, including the assessments in previous evaluations. The rationale for public intervention under the Operational Programme also appears grounded in the findings of the Seafood Industry Strategy Review Group and the National Strategic Plan, the results of the situation and SWOT analysis, and the identification of challenges and needs arising.

A possible weakness is that the Operational Programme contains relatively little overt consideration of alternative interventions, which would show the extent to which the Strategy has been tested against alternative policy mixes. The lessons drawn from the work of the Seafood Industry Strategy Review Group and the National Strategic Plan, however, could be useful in this regard.

Each of the main Operational Programme Measures can be classified into one of the four broad classifications for public investment (public good, corrective intervention, targeted intervention or redistribution). This further suggests that the overall rationale for public investment in the seafood industry is sound. For most of the Measures, the main rationale for intervention can be classified as either a public good or a targeted/corrective intervention, though some Measures incorporate a combination of characteristics.

Consistency: The Programme Strategy, as presented in the draft Programme, demonstrates a reasonable degree of consistency. The main objectives under each Priority Axis demonstrate a good fit with (a) the overall Programme objective and (b) the key challenges and needs that have been identified for the Irish seafood industry, which suggests that each Priority Axis has a clear link both to the overall Programme objective and to key challenges and needs.

In addition, there are no obvious conflicts between the Priority Axes and Measures chosen, and there are probably few risks from a policy perspective given (a) the guidance provided for Member States through the EFF and (b) the extensive stakeholder consultation that informed the preparation of the Review Group report and the National Strategic Plan.

No information is provided on the proposed geographic concentration of the Programme, but it is likely to follow the geographic distribution of the industry, which is very concentrated. The proposed thematic concentration of activity also appears well-founded; given the amount of testing, analysis and consultation that has informed the industry's strategy for the 2007-13 period.

However, a few Measures – Seafood Industry Training, Marine Environment Protection and Socio-economic Sustainability – cover more than one Priority Axis. This means that it is difficult to distinguish the specific contribution of these Measures within each of the Priority Axes affected, although their financial contribution within each Axis has been provided.

Coherence with Key Policies

Coherence: At a broad level, the draft Programme demonstrates an appropriate degree of coherence with both EU and national policies. The suite of interventions proposed has the potential to support and complement relevant policy objectives in Ireland and the EU.

Programme activities have a strong link to eligible activities under the EFF, which suggests that the Programme can make a clear contribution to meeting EFF objectives in Ireland. The Programme also displays the potential to contribute to other key European policies and guidelines, including the key objectives outlined in the Lisbon and Gothenburg Agendas, by establishing interventions that promote innovation, help to manage natural resources more responsibly, and improve job quality.

The draft Programme's fit with national and regional policies appears strong. Firstly, the planned activities demonstrate a clear link with the core themes of the Seafood Industry Strategy Review Group and the National Strategic Plan. Secondly, the interventions will in some cases complement the objectives of both the National Strategic Reference Framework 2007-13 (NSRF), the National Reform Programme (NRP) and the National Development Plan 2007-13 (NDP), particularly in areas such as skills and lifelong learning, innovation, and the environment and sustainable development. Finally, the emphasis on local development strategies under Priority Axis 4 complements the recommendations of the National Spatial Strategy (NSS) for such areas, which are reflected in the Regional Planning Guidelines.

Complementarity: Section 6 of the draft Programme, in line with the Commission template, is required to include a sub-section that explains how activities funded under the Operational Programme will be demarcated from other activities funded under the NSRF and NDP. At present, this sub-section of the Programme remains incomplete. However, the following comments on the issue of complementarity can be made:

- By its nature, the Programme is very sector-specific. This reduces the potential for overlap and duplication with other programmes, and it therefore improves the potential for deriving synergies and complementarities;
- co-financed initiatives with which the Programme may have to ensure complementarity include the Human Resources Development Operational Programme 2007-13, the Rural Development Operational Programme 2007-13, the Border, Midland and Western (BMW) Regional Operational Programme 2007-13 and the Southern and Eastern (S+E) Regional Operational Programme 2007-13. The greatest potential for overlap and duplication may lie within the NDP. Sub-programmes of the NDP which the Operational Programme may possibly have to take account of are listed in the main report;
- During the implementation of the Programme, structures should be put in place to ensure that the Managing Authority can liaise with the Managing Authorities for other relevant programmes to detail the demarcation lines and ensure co-ordination and complementarity between programmes.

Expected Results and Impacts

The key indicators proposed for the draft Programme consist of output, result and impact indicators, in line with EU requirements.

In total, there are 22 output indicators with quantified targets – 11 of these relate to Priority Axis 3, six relate to Priority Axis 1, four relate to Priority Axis 4, and one relates to Priority Axis 2. Seven result indicators have been provided, with quantified targets, with four of these relating to Priority Axis 2, two relating to Priority Axis 3, and one relating to Priority Axis 1. Finally, three impact indicators with quantified targets have been identified: increase in the value of total seafood sales; increase in the value of exports; and increase in the value of domestic sales.

The development of a set of indicators is itself an example of good practice, and the suite of indicators provided appears relevant to planned activities under the Priority Axes and focuses on sizeable or strategically important Measures within the Programme (in line with the principle of proportionality).

There is scope to expand the suite of result indicators, including possible result indicators for Priority Axis 4. A useful result indicator for Priority Axis 4 would be the number of local action plans developed, which could be tied to the formation of Coastal Action Groups (CAGs) under the Axis.

Other important points regarding the indicator system for an Operational Programme are:

- The realism, reliability and data quality for the indicators used needs to be robust. Allied to this, definitions for each indicator need to be clear and uniformly applied across the Programme;
- The assumptions underlying targets for the Programme need to be robust and based on solid grounds. Otherwise, the data that the Programme produces for monitoring and evaluation purposes can have limited value;
- Allied to this, indicators are always more useful if there is a clear “cause-and-effect” relationship between the investment and interventions proposed and the targets being set. However, this is probably less of an issue for impact indicators for the seafood industry, given its relatively small size and its concentration in certain locations.

Implementation Arrangements

The description of the implementation arrangements in the draft Programme to a large extent reflects the requirements of the relevant EU regulations, including the principle of separation of functions. From a regulatory point of view, therefore, the arrangements appear to be acceptable, subject to further detail becoming available when planning the implementation of the OP.

There are a few specific items that need to be added to the description of implementation arrangements in order to fully comply with the regulatory requirements. These include:

- a more detailed description of the information and publicity arrangements, which is required of the Operational Programme in accordance with Article 28 of the Commission Regulation on detailed rules for implementing the EFF;
- details on proposals for carrying out interim evaluations under the OP, as per Article 49 of the Council Regulation on the EFF.

Other issues to consider, particularly in the more detailed planning for the OP's implementation, are as follows:

- further details could be provided on the proposed tasks for the key bodies involved in implementing the OP;
- allied to this, Article 48 of the Commission Regulation on detailed rules for implementing the EFF requires specific information to be provided on the implementing bodies;
- for monitoring and evaluation purposes, further work could be undertaken to explore the potential use of data being collected within the industry, e.g. firm-specific data in aquaculture and processing, which could allow the Operational Programme to monitor the performance of OP-supported firms in comparison to that of non-supported firms;
- once they are confirmed, further information could be provided on arrangements for the computerised exchange of data.

The level of partnership adopted in developing the OP, and in particular the role of the Seafood Industry Strategy Review Group, is a very welcome development that should prove a valuable tool in facilitating a successful implementation of the OP. The work of the Review

Group is in turn now being taken forward by the Seafood Strategy Implementation Group, which has been set up to oversee the implementation of recommendations made in the Review Group report and the National Strategic Plan. A key issue in this regard, however, will be to ensure that the co-existence of the Operational Programme Monitoring Committee and the Seafood Strategy Implementation Group does not lead to both (a) confusion of roles and (b) overlap and duplication.

Summary of Recommendations

There are a number of conclusions and recommendations contained in the main report for the Ex-ante Evaluation. A summary of the key recommendations is provided below.

R1: There are a number of sections of the Operational Programme which need to be completed. The main sections that remain outstanding include:

- the geographic analysis in Section 3 of the OP, which could be used to provide confirmation of the importance of the seafood industry in remote coastal communities;
- the information on demarcation from other activities, which is required in Section 6 of the Operational Programme and which is important in understanding how the Operational Programme will avoid overlap and duplication with other programmes;
- the specific information required for each Priority Axis, also required in Section 6 of the OP, which has been partially but not fully completed;
- the description of information and publicity arrangements, required in Section 8 of the OP, which needs to comply with the requirements of Article 28 of the Commission Regulation on detailed rules for implementing the EFF.

R2: There are also sections in the Operational Programme which are either repetitive and/or unnecessarily detailed, and which could therefore be made more concise. For example, the analysis in Section 3 of the Operational Programme occasionally drifts into a discussion of future objectives and required actions, while the description of context indicators (also Section 3) is repetitive of earlier material and unnecessarily discusses future projections. In Section 4, the description of result and impact indicators is also quite lengthy, and it sometimes drifts into a discussion of objectives and actions.

R3: The situation and SWOT analysis, which is provided in Section 3 of the OP, could in places use more statistics and explanatory information to provide evidence for some of the assertions and conclusions made. For example, statistical evidence could be used to demonstrate growth in consumer demand for seafood or to better explain the nature of the structural imbalance in fisheries. More reference to the findings of the Seafood Industry Strategy Review Group and the National Strategic Plan could also be used here.

R4: The description of the lessons learned from the previous programming period, which is also provided in Section 3 of the OP, should make more explicit reference to the findings of previous evaluations.

R5: The SWOT analysis in Section 3 of the Operational Programme would also benefit from more discussion and justification (in the situation analysis) of the challenges and opportunities for the core themes, but particularly (a) market development and innovation and (b) education and training.

R6: The heading and numbering systems used in Section 4 and Section 6 of the Operational Programme are quite cumbersome and could be simplified.

R7: Further elaboration on how the Seafood Industry Training Measure, the Marine Environment Protection Measure and the Socio-economic Sustainability Measure will specifically contribute to each of the Priority Axes affected would be welcome, though the detailed breakdown of planned financial expenditure helps to clarify these roles in some cases.

R8: During the implementation of the OP, structures should be established to ensure that the Managing Authority can liaise with the Managing Authorities for other relevant programmes to detail the demarcation lines and ensure co-ordination and complementarity between programmes.

R9: There is scope to slightly expand the suite of result indicators being used. In particular, the number of local action plans developed could be used as a relevant result indicator for Priority Axis 4.

R10: For monitoring and evaluation purposes, further work should be undertaken during Operational Programme implementation to explore the potential use of data already being collected within the industry (e.g. firm-specific data in aquaculture and processing), which could allow the Operational Programme to monitor the performance of OP-supported firms in comparison to that of non-supported firms. Further information on proposals for carrying out interim evaluations of the Operational Programme would also be welcome.

R11: While the establishment of the Seafood Strategy Implementation Group is a welcome development, the Managing Authority for the Operational Programme must ensure that its co-existence alongside the Operational Programme Monitoring Committee does not lead to (a) a confusion of roles and (b) overlap and duplication.

5.2. Summary of the Interim Evaluation

Financial Recommendations

While spend to date under the Programme has been very good in overall terms, it has been driven by Axis 1 and has been slow to happen under Axes 3 and 4. As a result, and given current pressures on the Exchequer finances, it is clear that on present trends the Programme will not be able to draw down most of the remaining EFF support unless adjustments are made.

Also, it has been noted that changes in the external environment have led to the re-emergence of job creation and job protection as a crucial short-term policy priority in Ireland, and that the need to support policy objectives in this area warrant a re-adjustment of Programme spend towards more jobs focused activities.

In proposing a re-profiling of financial allocations under the Programme, taking account of what has already been spent or committed to date a number of additional issues have been taken into consideration in making these proposals, including:

- what is currently happening in funding schemes under either the Seafood Development Operational Programme 2007-13 and the Irish National Seafood Programme 2007-13;
- what might be feasible or possible in an overall funding context, given the external environment;
- what complies with the EFF Regulation;
- what priorities are likely to be post-2013?

The table below provides a scenario for drawing down an additional €14.4mn in EFF support through (a) further investment in existing EFF schemes and (b) the introduction of other schemes into the Operational Programme Ireland 2007-13, which are already being operated and funded under the Irish National Seafood Programme 2007-13 via BIM. It has been prepared in consultation with BIM. This plan includes the re-profiling of the remaining EFF support as follows:

- using a further €3.5mn to fund interventions under Axis 1;
- allocating another €3.5mn to introduce new activities to the Programme, which are eligible for EFF support under Axis 2;
- using a further €4.4mn to fund both existing and new interventions under Axis 3;
- using €0.8mn to begin the roll-out of existing plans for Axis 4;
- allocating €2.1mn to provide funding for technical assistance under Axis 5.

Priority Axis	EFF (€000s)	National (€000s)	Total Public (€000s)	Private Matched Funding (€000s)	TOTAL (€000s)
Completed Scheme					
Axis 1 – Decommissioning	27,279	9,093	36,372	-	36,372
Axis 3 – cMEPS (2010-11)	613	697	1,310	803	2,113
TOTAL	27,892	9,790	37,682	803	38,485
Adjusted Schemes					
Axis 1 – Decommissioning	1,875	625	2,500	-	2,500
Axis 1 – Development and Diversification	1,658	1,658	3,316	4,973	8,289
Axis 2 – Seafood Processing	3,000	3,000	6,000	18,000	24,000
Axis 2 – SEEDS	550	550	1,100	1,650	2,750
Axis 3 – cMEPS (2012-2015)	1,700	1,700	3,400	600	4,000
Axis 3 – Business Development	1,842	1,842	3,684	650	4,333
Axis 3 – SEEDS	850	850	1,700	300	2,000
Axis 4 – Coastal Fishing Areas	788	788	1,576	675	2,250
Axis 5 – Technical Assistance	2,113	-	2,113	-	2,113
TOTAL	14,376	11,013	25,389	26,848	52,235
OVERALL TOTALS	42,267	20,803	63,071	27,651	90,720
<i>Note: Figures are subject to rounding.</i>					

In addition, under this revised financial reallocation, the level of Exchequer matched funding would fall from an original planned investment of €24.1mn down to a revised planned investment of €20.8mn. Table 7.2 below, in turn, gives the proposed co-financing rates across the various schemes.

TABLE 7.2: REVISED FINANCIAL ALLOCATIONS – CO-FINANCING RATES				
Priority Axis	EFF (%)	National (%)	Total Public (%)	Private Matched Funding (%)
Finished Scheme				
Axis 1 – Decommissioning	75.0%	25.0%	100.0%	0.0%
Axis 3 – cMEPS	29.0%	33.0%	62.0%	38.0%
New Schemes				
Axis 1 – Decommissioning	75.0%	25.0%	100.0%	0.0%
Axis 1 – Development and Diversification	20.0%	20.0%	40.0%	60.0%
Axis 2 – Seafood Processing	12.5%	12.5%	25.0%	75.0%
Axis 2 – SEEDS	20.0%	20.0%	40.0%	60.0%
Axis 3 – cMEPS	42.5%	42.5%	85.0%	15.0%
Axis 3 – Business Development Innovation	43.0%	43.0%	86.0%	14.0%
Axis 3 – SEEDS	42.5%	42.5%	85.0%	15.0%
Axis 4 – Coastal Fishing Areas	35.0%	35.0%	70.0%	30.0%
Axis 5 – Technical Assistance	100.0%	0.0%	100.0%	0.0%
Note: "SEEDS" is an abbreviation for Socio-economic Enhancement Development Scheme.				

The detailed recommendations underlying these allocations are contained in the box below. The allocations have tried, as best as possible, to recommend the transfer of eligible schemes into the Seafood Development Operational Programme 2007-13, which are operated under the Irish Seafood National Programme 2007-13 via BIM. Also, the recommendations take account of the need to place a higher priority on job creation and job protection through the introduction of interventions under Axis 2 and Axis 3.

However, this scenario would still require some additional Exchequer funding, over and above current planned capital funding to BIM in the coming years, which is estimated at approximately €1.1mn per annum in total expenditure. To draw down the full EFF support without additional Exchequer funding being required would necessitate either:

- transferring into the OP some existing non-capital BIM expenditure from its directly provided services to the sector. This would necessitate confirmation that these are eligible, and that the OP funding can be provided without use of competitive procedures;
- transferring into the OP (but outside BIM) some of the existing EFF eligible Departmental allocation.

Axis	Recommendations – EFF Support
Axis 1	R1: Set aside a fund of up to a maximum of €1.9m for possible co-financing of a further fleet re-structuring measure, subject to ex-ante assessment of the need for such a measure, consideration of the Value for Money Review of the 2005/2006 and 2008 Decommissioning Schemes and consideration of competing funding priorities during the remaining years of the Programme.

	R2: Allocate over €1.6mn for support of existing fleet development and diversification schemes, currently funded under the Irish National Seafood Programme 2007-13, including fleet safety, young skippers, onboard quality, environmentally friendly fishing gear etc.
Axis 2	R3: Allocate €3.0mn to support the Seafood Processing Business Investment Scheme, currently funded under the Irish National Seafood Programme 2007-13, which provides supports to seafood processing enterprises that are micro-enterprises or SMEs.
	R4: Allocate just over €0.5mn to provide Axis 2 type capital supports for processing in line with Articles 34 and 35 of the EFF Regulation.
Axis 3	R5: Allocate €1.7mn for the continuation of supports under cMEPS, though with less anticipated focus on certification than in 2010-11.
	R6: Allocate over €1.8mn to support the Business Development Innovation Scheme, currently funded under the Irish National Seafood Programme 2007-13, which facilitates projects that support market development, seafood innovation and processing.
	R7: Allocate about €0.9mn for support of Axis 3 type interventions, currently eligible for funding under the Irish National Seafood Programme 2007-13*, which can support job creation and protection in line with Articles 37-41 of the EFF Regulation.
Axis 4	R8: Allocate €0.8mn to promote the development and operation of one FLAG on a pilot basis and to facilitate the formation, prior to operation, of another five FLAGs before the end of the EFF Programme.
Axis 5	R9: Provide €2.1mn in funding for technical assistance to support the management and administration of the EFF Programme, i.e. 100% funding at a maximum of 5% of the total EFF allocation to the Programme.

Other Axis-specific Recommendations

The purpose of this section is to list other key recommendations, outside of financial reallocations, that are specific to particular Axes. Each of the Axes is therefore dealt with separately in the box below.

Axis	Recommendations – Axis-specific
Axis 1	R10: As recommended in the draft Value for Money Review of the 2005-06 and 2008 Decommissioning Schemes, a detailed ex-ante assessment should be carried out to determine the extent to which any further decommissioning is required and any decision to proceed with such a scheme should await the findings of this assessment.
Axis 2	R11: Potential supports for aquaculture, which have been delayed because of issues regarding Natura 2000 designations at aquaculture sites, should be examined again (a) if and when such issues are resolved and (b) if money is not being spent elsewhere in the Programme.
Axis 3	R12: Published brochures on overall Measures and Sub-measures need to be updated, in particular to reflect changes to the Measures and Sub-measures, e.g. changes to the project selection system.
	R13: The project selection system needs to make procedures around conflict of interest inclusive of both personal and institutional conflicts.
	R14: The role of and procedures around BIM as a beneficiary as well as the Intermediate Body needs to be made more transparent
	R15: Greater use of Axis 3 for pilot/demonstration projects should be encouraged with a view to broadening the range of beneficiaries and enhancing impact.
Axis 4	R16: The steps needed to proceed with Axis 4 as planned need to be taken without delay, including: selecting the pilot FLAG; convening the National Implementation Board; agreeing its Terms of Reference; preparing and issuing guidance to the pilot FLAG on the requirements of its strategic plan; and ensuring that the pilot FLAG is operational and has conducted sufficient promotional work to enable it to begin project and expenditure activity in 2012.

<p>R17: Strategic plans of FLAGs need to be comprehensive, and include details and proposals on: the FLAG itself, its members, role and structure; governance and management proposals; a local needs assessment and consultation process; proposed strategic objectives and priorities; specific actions, measures and activities; performance indicators, monitoring and evaluation proposals; targeting; reporting; financial plans; co-ordination with wider policies and programmes; and networking and co-operation.</p>
<p>R18: It would be beneficial if some degree of multi-annual financial planning and implementation was facilitated under Axis 4, whereby project applications, appraisal, approval, activities and full financial drawdown did not necessarily need to occur in the same calendar year.</p>
<p>R19: The services and supports of FARNET should be utilised in full by BIM, the National Implementation Board and prospective FLAGs at all stages of the roll-out of Axis 4.</p>
<p>R20: Following the establishment of the pilot FLAG in 2011, a detailed schedule and timetable for the process of preparing for, and establishing the remaining FLAGs should be put in place and agreed, to include target dates for all the necessary intermediary steps involved.</p>
<p>R21: Maximum flexibility should be applied to the operation of the pilot FLAG to enable lessons to be learned and put in place ahead of the extension of Axis 4 to the remaining areas.</p>
<p>R22: A mechanism should be put in place between Axis 4 and the National LEADER Programme, at the level of senior officials within the Department of Agriculture, Food and the Marine and the Department of the Environment, Community and Local Government (assumed to take over the national management of LEADER), to ensure the necessary authority and oversight is in place to ensure effective co-ordination at a national level.</p>
<p>R23: Additional support should be considered for Axis 4 if progress is made ahead of target and if money is not being spent elsewhere in the Programme.</p>

The problems regarding Natura 2000 designations at aquaculture sites should be addressed as soon as possible because it is hampering investment in a sector that is regarded as being a major growth prospect in an EU context. Also, it should be noted that both aquaculture (under Axis 2) and the development of coastal fisheries areas (under Axis 4) are likely to be major priorities in an EFF context in the 2014-2020 funding round, so Ireland needs to be well positioned in these areas if it is to maximise future EFF support.

General Recommendations

The purpose of this section is to list other key recommendations, outside of financial reallocations, that apply to general Programme issues. The recommendations are provided in the next box.

Recommendations – General

<p>R24: New and more targeted promotion and awareness activities should be introduced in order to further build the level of interest in and applications to the Programme. Funded by technical assistance, this could include the use of seminars and workshops at a regional or local level and further use of the BIM network of local officers to generate interest in the Programme and further develop project ideas.</p>
<p>R25: Seminars and workshops could also be used to inform potential applicants about the processes to be followed in making an application, and similar support could be provided to successful applicants that are unfamiliar with processes for reporting progress, making payment claims etc.</p>
<p>R26: More information about the Programme should be provided on the website of the Department of Agriculture, Food and the Marine, not just the BIM website.</p>
<p>R27: Indicators and the indicator collection and reporting system needs to be reviewed once decisions regarding financial reallocations have been made, and a properly functioning routine system of data collection and reporting needs to be established and agreed.</p>
<p>R28: There needs to be greater clarity around the OP, especially via the websites of both the Department and/or BIM, e.g. lists of beneficiaries, membership of selection and appraisal panels.</p>
<p>R29: With a reduction of full Monitoring Committee meetings to one annually, consideration should be given to establishing a small OP Management Sub-committee or Working Group* which continues to meet at least twice yearly to help bring a sense of focus, coherence, and continuity to the OP, especially in the context of expanding its coverage to Axes 2 and 5. An EU co-financed OP should not become an entirely routine part of the normal Departmental/BIM relationship.</p>
<p>R30: Where some BIM activities are otherwise eligible for co-financing, and BIM is the only realistic implementing body, consideration should be given to mechanisms for doing this that do not involve artificial competitive processes.</p>
<p>R31: There should be a second Interim Evaluation at end-2012 in order to review progress of absorption, and the need/potential for further financial reallocation in the light of the prevailing circumstances, e.g. appropriateness of aquaculture for EFF support.</p>
<p>R32: The likely increased role of both employment generation (Axis 2) and bottom-up initiatives (Axis 4) in the post 2014-20 EFF period** should influence their role in the 2011-13 period in order to help prepare for the later period.</p>
<p>R33: The practice of multiple overlapping programmes, schemes and scheme brands should be rationalised both during the remainder of this period and for the 2014-20 period.</p>

Section 6: Programme's Priority Axes

6.1. Coherence and justification of the priority axes chosen:

National Strategic Plan

When the National Seafood Plan 2007-2013 was developed, the imperative policy for the seafood industry was to align the fleet catching capacity with the available fish stocks. To

address this issue, a major element of the funding available under Council Regulation No. 1198/2006, the European Fisheries Fund was allocated under Priority Axis 1, measures for the adaptation of the EU Fishing fleet. In addition to measures to protect the environment and those to sustain coastal communities, this comprised the main elements of the co-funded operational programme for the seafood sector namely 'The Seafood Development Operational Programme 2007-2013'.

A separate programme was devised, to run concurrently, funded primarily by the Exchequer, to support measures in respect of processing and marketing of seafood, development of aquaculture and socio economic development projects in the seafood sector.

In 2008, the first decommissioning scheme was introduced under the co-funded programme. A substantial allocation of funding was made available and there was a significant uptake of the scheme by the industry. However, it became apparent when the scheme was completed that there would only be small demand for another decommissioning scheme.

In Axis 3, based on the performance of the marine environmental scheme as it was presented in 2010, it was also considered unlikely that there would be full uptake of the funding allocated to that part of the programme. By the time the Interim Evaluation of the Programme under article 49 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund was taking place, it was apparent that there would be levels of EFF funding outstanding, originally allocated to areas for which demand would be insufficient.

In the period since 2007, the enormous changes in Ireland's fiscal position and deteriorating public finances, has sharply reduced the availability of funding for all elements of the National Development Plan. The independent consultants, Fitzpatrick Associates, who undertook the Interim Evaluation of the Irish Seafood Operational Programme, recommended that the outstanding allocations of funding within the operational programme should be re-assigned to cover some of the development measures for the seafood processing sector and for aquaculture, contained in the separate Exchequer only funded programme. This is particularly significant, as the critical fiscal situation makes national funding support potentially very limited to the seafood sector although it is acknowledged that the sector presents opportunities for adding value and generating much need jobs.

The planned deployment of resources as described in this section between the various priority axes reflects the achievement of the vision set down in Section 3 of the National Strategic Plan which is aimed at bringing about “a sustainable, profitable, competitive and market-focused seafood industry making the maximum long-term economic and social contribution to coastal communities and Ireland as a whole”. This vision is as relevant today as when it was proposed in 2007 and the Operational Programme continues to ensure that this vision is realised during the lifetime of the strategy period.

This vision is of the emergence of a re-structured, commercially focused, self-reliant industry with market forces driving success and founded on a well-managed fisheries resource and a healthy and diverse marine environment. The detailed objectives and priorities to give effect to this vision have been set out in Section 4 of the Operational Programme alongside the expected result and impact indicators. The Operational Programme has eight Measures, in addition to a technical assistance measure, all of which will be implemented over the period through a range of schemes to be co-funded by the EFF and the Exchequer.

Guiding Principles of the Operational Programme

Ireland’s National Development Plan for 2007 – 2013 provided for combined EU (from the European Fisheries Fund) and national aid support of €216 million for the development of Ireland’s seafood industry. The National Development Plan also provided that a further €118 million national funds may be made available over the life of the plan, which will be available to the seafood industry on the basis of verified progressive change in terms of restructuring and sustainable development, as set out in the National Strategic Plan.

In light of changed economic circumstances since the publication of the NDP, in particular Ireland’s entry into the EU/IMF Programme of Financial Support in December 2010, these envisaged levels of investment during the period 2007-2013 will not now happen. The precise level of investment that will now take place cannot be stated at this time and will be subject to budgetary considerations.

The Operational Programme takes full account of the guiding principles set out in Article 19 of the Council Regulation (EC) 1198/2006 on the European Fisheries Fund. In particular the

coherence with the following guiding principles will be achieved by the programme's establishing linkages with EU priorities in the following areas:

- Consistency with the principles of the common fisheries policy and the national strategic plan in order to achieve, in particular, a stable and enduring balance between fishing capacity and fishing opportunities;
 - The Fleet Development & Diversification Measure under Priority Axis 1 as described below and some of the Measures under Priority Axis 3 are being implemented and monitored to ensure consistency with this guiding principle.

- Enhancement of a harmonious, balanced and sustainable development of economic activities, jobs and human resources, as well as protection and the improvement of the environment;
 - The overarching objective of the Seafood Development Operational Programme 2007 – 2013 is to contribute to the development of a sustainable, profitable and self-reliant seafood industry that will maximise the long-term contribution of the seafood sector to coastal communities. This will see the emergence of a restructured, environmentally sustainable, commercially focused, self-reliant industry with market forces driving success and founded on a well-managed fisheries resource and a healthy and diverse marine environment and as such all priority axis implemented in the Operational Programme will contribute to this guiding principle.

- an appropriate allocation of the available financial resources between the priority axes and, particularly, where relevant, an appropriate level of financing for operations under Chapter I of Title IV (Priority axis 1: measures for the adaptation of the EU fishing fleet);
 - The allocation of financial resources has been decided upon with this guiding principle in mind. In combination with this principle, available resources have been prioritised to ensure that the main objective of the strategy will be achieved. The indicative allocation of financial resources per Priority axis is as follows:
 - **Axis 1:** 70.8% of the total EFF aid available is being allocated to enable the restructuring and modernisation of the Irish fishing fleet.
 - **Axis 2:** 14.8% of the total EFF aid available is being allocated to measures aimed at the sustainable development of aquaculture, processing and marketing of the fisheries products in order to increase the competitiveness of the Irish fisheries sector and to create or maintain jobs.
 - **Axis 3:** 11.9% of the total EFF aid available is being allocated to measures that will aid the implementation of the common policy objectives in the Irish fisheries sector. This axis includes in particular measures that aim to enhance the business of the seafood sector

and improve the environment in which fisheries and aquaculture operate. Axis 3 measures will also aim to increase awareness and response to environmental policies and assist operators to meet the requirements under the Habitats and Birds Directives

- **Axis 4:** 1.9% of the total EFF aid available is being allocated to this axis to establish the formation of Fisheries Local Action Groups (FLAG) and the development of local development strategies
 - **Axis 5:** 0.6% of the total EFF aid available is being allocated to axis 5 to ensure that there is sufficient preparatory, monitoring, administrative and technical support, evaluation and audit measure necessary for implementing the Council Regulation No.1198/2006.
-
- promotion of the operations contributing to the Lisbon and Gothenburg strategies;
 - The OP contributes to the achievement of the Lisbon and Gothenburg Strategies by promoting innovation, competitiveness, environmental protection, sustainability and good governance particularly in the aquaculture and seafood processing sectors.

 - improvement of the situation of the human resources in the fisheries sector through operations aiming at upgrading and diversifying professional skills, developing lifelong learning and improving working conditions and safety;
 - Included in the programme are objectives intended to promote retraining and upgrading of professional skills for those working in the fisheries sector under axis 3, as well as enhanced working and safety conditions under Axis 1. Also under Axis 1, assistance will be given young fishermen to enable entry to the fisheries sector.

 - encouragement of operations with high added value through the development of innovative capacities that provide for high quality standards and meet consumer needs for fisheries and aquaculture products;
 - under Axis 2 support will be provided for increasing the efficiency of seafood processing and aquaculture operations, optimising returns from fisheries activity and maximising product quality in these sectors, also support will be allocated to improve facilities for the landing, processing and storage of fish and the high value added processing of caught and farmed finfish and shellfish.

 - contribution to a better supply to, and to a sustainable development of, the EU market of fisheries and aquaculture products;
 - Under Axis 3 support will be allocated to improve the marketing and promotion of the Irish fisheries sector, including the marketing of new products and developing new markets.

6.2. The Outcomes of Ex Ante Evaluation

A summary of the *Ex Ante* evaluation is included in Section 5 and the following section describes the outcomes of the *Ex Ante* evaluation process:

- R1: All sections of the Operational Programme have now been completed.
- R2: This has been further addressed and material strictly edited in line with comments made by the Commission on 20th September 2007.
- R3: Initial changes were made to the SWOT analysis following the ex-ante recommendation with available statistics provided to demonstrate growth and demand. A more detailed SWOT analysis was prepared having regard to the Seafood Industry Strategy Review and the National Strategic Plan. Finally, comments from the Commission on 20th September 2007 have also been incorporated in the SWOT analysis.
- R4: The findings of the Mid-term Update Final Evaluation (MTUE) of the Productive Sector Operational Programme have been referred to in respect of lessons learned (Section 3) in the sea fisheries development measures, as has the recommendation in the Mid-term Review of the Regional Programmes in respect of targets for the aquaculture sector.
- R5: This for the most part deals with Non Co-financed interventions and is not deemed to be of direct relevance to the OP.
- R6: This has been addressed and has been further revised following Commission comments dated 20th September 2007.
- R7: This had been addressed in relation to the Marine Environment and Protection Measure. The other measures mentioned are non co-financed and therefore not deemed to be of direct relevance to the OP.
- R8: This has been addressed in each of the sections dealing with demarcation under each Priority Axis.
- R9: Where possible result indicators have been expanded and quantified.
- R10: This specific recommendation was not incorporated because we are of the view that the Commission's Data Collection Regulation (EC) No 1639/2001 of 25 July 2001, when fully implemented will provide adequate data to assist in monitoring the performance of all seafood activities in catching, aquaculture production and processing/marketing. Proposals for carrying out interim evaluations of the Operational Programme will be a matter for the Managing Authority.

- R11: It will be ensured that the monitoring committee for the OP will be the exclusive committee for the execution of tasks as laid down under article 65 of the Council Regulation (EC) 1198/2006 .A formal reporting structure will be established between the OP Monitoring Committee and the Seafood Strategy Implementation Group to ensure complementarity and cohesion between both the programme and the strategy.

6.3. The Outcomes of the Interim Evaluation

A summary of the *Interim* Evaluation is included in Section 5.

- R1: Managing Authority has allocated funding to Decommissioning in the OP
- R2: Managing Authority has allocated funding to Fleet development and diversification schemes in the OP
- R3: Managing Authority has allocated funding to Seafood Processing Scheme in the OP
- R4: Managing Authority has allocated funding to Axis 2 capital type projects in processing
- R5: Managing Authority has allocated funding for the continuation of supports under cMEPS.
- R6: Managing Authority has allocated funding to Business Development Innovation Scheme in the OP
- R7: Managing Authority has allocated funding to Axis 3 type interventions which supports job creation in the OP
- R8: Managing Authority has allocated funding to implement 6 FLAGS and not one pilot FLAG as indicated.
- R9: Managing Authority has allocated funding to Technical Assistance but adjustments were made to amount allocated as it was deemed excessive in that there would not be the required eligible expenditure to justify full recoupment of this amount.
- R10: In the design of any future decommissioning schemes, the Managing Authority will consider this recommendation in conjunction with the recommendations of the Value for Money Report on Decommissioning.
- R11: Managing Authority has allocated funding to Aquaculture Development in this revised OP with the same conditionality as included under the National Programme, i.e.:
- R12: Managing Authority will review with Implementing Agencies all brochures and manuals and update where required.

- R13: Managing Authority will review selection systems in conjunction with Implementing Agencies and update where required
- R14: Managing Authority will review procedures and update as required
- R15: Managing Authority will discuss with Implementing Agency.
- R16: Under the OP 6 FLAGS will in operation in 2012.
- R17: The National Implementation Board (NIB) will review requirements and update guidelines where required
- R18: Managing Authority will consider the recommendation with regard to requirements for budgetary discipline.
- R19: Managing Authority in conjunction with Implementing agency will ensure that FARNET is involved in all aspects of FLAG development process
- R20: Under the OP 6 flags will be in operation in 2012. The NIB will consider all aspects of FLAG development process
- R21: Under the OP 6 flags will be in operation in 2012. Any lessons learned by individual FLAG will be disseminated to other FLAGS through the NIB
- R22: Managing Authority will consider future mechanism to ensure necessary oversight in conjunction with Implementing Agency, LEADER and NIB
- R23: Managing Authority will monitor progress in Axis 4 and review allocations if required.
- R24: Implementing Agency will review information and publicity strategies and update where required
- R25: Implementing Agency will examine possibilities for potential seminars during the course of the OP
- R26: Managing Authority accepts this recommendation and has updated its website.
- R27: The Managing authority has reviewed all indicators and amended where required in the OP
- R28: Managing Authority and Implementing Agency will review website information, with particular regard to the issues identified in the recommendation.
- R29: OPMC has approved proposal for minimum of 1 OPMC meeting a year, but this is just a minimum. In practice, at 2 meetings per year are often likely to be needed.
- R30: Managing Authority will review mechanisms in place in conjunction with the Implementing Agency
- R31: Managing Authority will give due consideration to a second interim evaluation as the OP progresses

- R32: Managing Authority has increased focus on Axis 2 in the revised OP. All 6 FLAGs will be established in 2012.
- R33: The Managing Authority will consider this recommendation in conjunction with the Implementing Agency.

6.4. Priority Axis 1: Measures for the adaptation of the EU Fishing Fleet

6.4.1. Main Objectives of Priority Axis 1

Support from the EFF for Priority Axis 1 targets measures for the adaptation of the EU fishing fleet. Measures for the adaptation of the fishing fleet are presented in Articles 21 to 27 inclusive of Council Regulation No.1198/2006.

The decommissioning scheme will target the fishing vessels in the polyvalent and beam trawl segments of the fleet. The vessels in these segments of the fleet operate mainly in the mixed whitefish fisheries in EU waters which are currently subject to recovery plans. The other segments of the fleet and vessels in the polyvalent fleet targeting shellfish are not being prioritised for decommissioning, these vessels do not target recovery plans stocks; Thus priority is given to recovery plans.

Due to declining fish stocks, reduced quotas, and the requirement for strict regulatory compliance, a significant imbalance currently exists between the available fish resources, which can be sustainably harvested and the catching capacity of the national fleet. Essentially this means that the current quota allocations are below viability levels for large sections of the whitefish fleet.

The future profitable and sustainable development of the whitefish sector can only be achieved when this imbalance between the available resource and catching capacity has been eliminated while at the same time providing grant aid to eligible vessels to improve safety standards, fish quality and fuel efficiency on board. Therefore the main objectives in the implementation of Axis 1 type projects are the following:

- To restructure the national fleet through decommissioning;
- To provide entry level assistance to young fishermen under 40 years of age;
- To increase the operational efficiency and safety of the fleet;

6.4.2. Baseline and Quantified Targets for Priority Axis 1

The following indicators will be used to monitor the progress being made during the implementation of Axis1 throughout the course of the OP.

Indicator	Quantification		
	Unit	Baseline	Target
Gross Tonnage in the Irish Fleet	GT	70,437 (2007)	61,533 (2015)
KW's in the Irish fleet	Kw	205,537 (2007)	180,587 (2015)
Young Skippers assisted in purchasing their first vessel	#	0 (2011)	40 (2015)
Vessels safety and quality standards upgraded	#	0 (2011)	300 (2015)

6.4.3. Justification for Average rate of co-financing, target groups/sectors/areas and/or beneficiaries Priority Axis 1

The Fleet Restructuring and Diversification Measure will underpin the future success of the Irish whitefish fleet, as well as the commercial and environmental sustainability of the seafood industry. There is an urgent need to achieve the correct balance between the available resource and catching capacity in accordance with Article 22(1) of Council Regulation 1198/2006. It is a major priority of the National Strategic Plan, which will be implemented through the Seafood Development Operational Programme under Priority Axis 1.

Such is the importance of this measure, and its contribution to the overall Common Fisheries Policy, a large proportion of the available EFF contribution (approximately 70%) will be allocated to this measure to ensure the success of the intervention.

To ensure that there is a positive take up of the interventions being implemented under priority axis 1, the maximum percentage of EU Aid and the maximum intensity provided for

by Annex II of the Council Regulation (EC) 1198/2006 is being applied. As a result of this, and taking into account the provisions of Article 53 of the EFF regulation (Council Regulation (EC) No 1198/2006), the overall co-financing rate for priority axis 1 will be 72.98%

Axis	Co-financed Expenditure	Funding Source	%	Total ('000)	Article
1		EFF	65.1%	€ 29,937	23,25,26,
		Exchequer	24.1%	€ 11,084	27
		Private	10.8%	€ 4,973	
		Total	100%	€ 45,994	

The beneficiaries of EFF aid under priority axis 1 will be fishing vessel owners.

6.4.4. Description of Measures under Priority Axis 1

The Fleet Development & Diversification (Measure) will contain four schemes and these are outlined in the Table below.

Measure	Scheme	Legal basis EFF Article
Fleet Development & Diversification	Decommissioning Scheme	23
	Fleet Safety Scheme	25/26
	Fleet Modernisation Scheme	25/26
	Young Skipper scheme	27

Fleet Development & Diversification Measure

Reductions in the quotas of key traditional and deepwater stocks, increasing fuel costs and a relatively static financial return for landings have affected profitability throughout the sector but most significantly in the whitefish fleet.

The measure provides funding to redress the significant imbalance that exists between the available resource of fishing quota and catching capacity of the Irish fishing fleet, through the introduction of a whitefish decommissioning scheme, while at the same time providing grant aid to those vessels remaining to improve safety standards, fish quality and fuel efficiency on board. The Measure will also provide assistance to young fishermen (under 40 years) to acquire their first vessel through the provision of a premium of up to €50,000.

Decommissioning Scheme

The Decommissioning scheme is being implemented under article 23 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. Ireland's marine fishing industry continues to be an important and valuable source of economic activity nationally and, particularly, to the coastal communities where it is based. However it is abundantly clear that, decommissioning to date notwithstanding, the catching capacity in key fleet sectors continues to exceed the resources available to Irish vessels. This is exacerbated for certain stocks where the number and catching capacity of vessels greatly exceeds the available resources. For whitefish, the economic analysis carried out for the 2005 report into the Decommissioning Requirements for Ireland's Demersal and Shellfish Fleets (the White Report⁶) demonstrated that overall whitefish stocks generally, and available quota in particular, would have to be some 30% greater to yield a viable and attractive return for the whitefish fleet.

An updated analysis indicates that whitefish stocks generally, and available quota in particular, would have to be some 45% greater to yield a viable return for the vessels now in the whitefish sector. On this basis, and taking into account the current capacity of the polyvalent and beam trawl segments of the fleet it is appropriate that, in total, 14,318 gross tonnes should be decommissioned of which 3,178 gross tonnes has been scrapped between 2005 and 2006. Thus the revised target for this intervention is set at 11,140 gross tonnes, of which the removal of 8,904 gross tonnes will be achieved through the co-financed intervention.

⁶ White, P. (2005), *Decommissioning Requirements for Ireland's Demersal and Shellfish Fleet*,

As required by Article 22 of the Council Regulation No.1198/2006 a fishing effort adjustment plan will be submitted to the Minister(s) for adoption and following on from this, the plan will then be submitted to the Monitoring Committee on completion and approval of the Seafood Development OP 2007-2013.

The process of decommissioning is complementary to the whitefish fleet renewal programme delivered over the past 8 years. The latter has seen the safety and operational standards of a large section of the whitefish fleet vastly improved, while decommissioning has removed some larger, older, and less safe vessels that are every bit as resource demanding as their modern counterparts. The completion of this twin-track approach, renewal and restructuring, is vital to the future success of the catching sector as it will ultimately deliver a smaller fleet that is modern, efficient and safe.

The intervention presented here continues to focus on the permanent decommissioning of polyvalent and beam trawl vessels. While it also targets larger, older vessels, it recognises that there are situations where younger vessels in the fleet can have a significant impact on certain stocks. For that reason it provides for a lowering of the qualifying age for vessels to 10 years but only in specific cases where the vessels in question can demonstrate a significant track record of catching and landing key whitefish stocks.

Likewise, while accepting that older vessels can catch as much fish as newer vessels in some cases, the residual value of the former is less. Consequently decommissioning grants continue to be abated for older vessels as in previous interventions.

The decommissioning scheme is open to vessels owners in respect of fishing vessels licensed and registered in either the polyvalent or beam-trawl segment of the national fleet and are 10 years or more in age and which have carried out a fishing activity for at least 75 days at sea in both of the two periods of 12-months preceding the launch of a scheme, or, have carried out a fishing activity for at least 150 days at sea in the 12-month period preceding the launch of the scheme. The scheme will be implemented having regard to the recommendations of Ireland's Value for Money Review of Fisheries Decommissioning Schemes 2005-2008 (published 2012).

- Priorities for decommissioning include vessels catching quantities of cod, haddock, whiting, monkfish, hake, plaice, sole, Nephrops, and in the case of certain vessels mackerel and herring.

- Withdrawal premiums (decommissioning grants) consist of a payment made up of two parts as follows. The first part of every payment is in respect of a qualifying vessels capacity and consists of i) a basic premium, ii) a 'tradable' tonnage premium and iii) a pelagic incentive premium. These payments are all based on the GTs of individual vessels, however only the basic premium is guaranteed to a successful applicant. Thereafter vessels qualify for either or both of the 'tradable' tonnage and/or the pelagic incentive premia based on their specific circumstances.
- The second part of every withdrawal premium (decommissioning grants) consists of a payment linked to the declared landings of the qualifying vessel in the two calendar years prior to the introduction of the scheme (2006 – 2007).
- In every case, the maximum rate of decommissioning is limited to an upper threshold and thereafter adjusted downwards depending on the age of the qualifying vessel.
- It should be noted that selection criteria also apply in respect of this scheme and are subject to approval by the OP Monitoring Committee. These selection criteria have already been the subject of a state aid decision and will hereafter be confirmed by the Monitoring Committee before expenditure for the de-commissioning scheme is eligible for EU support under the OP.

Fleet Safety Scheme

The Fleet Safety scheme is being implemented under articles 25 and 26 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The scheme provides public expenditure of up to 40% for vessels over 12 metres and provides 60% for vessels under 12 metres for the purchase and installation of safety items including lifesaving, fire-fighting, navigation and communication equipment that go beyond the legal requirements under EU and national law. The EFF will contribute 50% of the public expenditure Article 53(3) of Council Regulation (EC) 1198/2006 on the European Fisheries Fund.

This scheme continues the success of the White Fish Fleet Renewal Programme (1998-2001) and Fleet Development Measure (2002-2009) and is intended to further improve the overall safety standards onboard Irish fishing vessels. The scheme is introduced pursuant to Article 25 of Council Regulation (EC) No 1198/2006 and Commission Regulation (EC) No. 736/2008.

The rules of the European Fisheries Fund and its implementing and other regulations apply in every case.

In implementing this Scheme, Ireland will ensure that any operations funded in accordance with Article 25 are compliant with the Interpretation Note, received under cover of a letter from the Director General for Maritime Affairs and Fisheries in December 2011, and will carry out a case-by-case ex ante verification of each application for financial assistance under Article 25(2) to determine whether the supported project could lead to increased ability to catch fish by the vessel concerned and will exclude any project that may lead to increased ability. The beneficiaries of this scheme will complete a written declaration to this effect.

Fleet Modernisation Scheme

The Fleet Modernisation scheme is being implemented under articles 25 and 26 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. This scheme will support the acquisition of non mandatory capital items required for the improvement of on board:

- Working conditions
- Hygiene and product quality
- Energy efficiency
- Environmentally friendly fishing practices (gear selectivity)

The Scheme will allow for up to 40 % funding towards approved items for vessels over 12 metres and 60% for vessels less than 12 metres.

In implementing this Scheme, Ireland will ensure that any operations funded in accordance with Article 25 are compliant with the Interpretation Note, received under cover of a letter from the Director General for Maritime Affairs and Fisheries in December 2011, and will carry out a case-by-case ex ante verification of each application for financial assistance under Article 25(2) to determine whether the supported project could lead to increased ability to catch fish by the vessel concerned and will exclude any project that may lead to such increased ability. The beneficiaries of this scheme will complete a written declaration to this effect.

Special Assistance for Young Fishermen

The Special Assistance for Young Fishermen scheme is being implemented under article 27(2) of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. This scheme will provide special assistance for young fishermen to establish themselves in the industry. Young fishermen (under 40 years of age at the time of application), who have not previously owned or part owned any fishing vessel and are acquiring for the first time a second-hand white fish vessel, can avail of grant aid of 15% of acquisition costs or an amount not exceeding €50,000, whichever is the lower.

This scheme continues on the success of the Special Assistance for Young Fishermen Scheme under the Fleet Development Measure (2000-2006) and is intended to encourage new entrants into the fishing industry.

6.4.5. Information on demarcation with other activities

The action to be taken under the EFF co-funded Fleet Decommissioning Scheme is clearly distinct from those to be taken under other funding instruments and will not be considered for funding outside the Seafood Development Programme/EFF. It is stressed that Fleet Decommissioning will be funded under the EFF and no other EU assistance instrument.

Similarly, the actions to be taken under the EFF co-funded schemes for fleet safety, special assistance for young fishermen and fleet modernisation will not be considered for funding outside the Seafood Development Programme/EFF.

Nevertheless, there are strong linkages with other Programmes and Funds that will be very important for the remaining - post decommissioning - whitefish fleet to maximise their overall return on Ireland's NDP investment in the Seafood sector.

Marine Research (ERDF)

The most notable of these is the SeaChange⁷ research programme led by Ireland's Marine Institute, which will be delivered under the Marine Research Sub-Programme of the NDP and will benefit from €5m in funding from the ERDF. Specific objectives of the Marine Research programme which complement this Operational Programme in the areas of stock conservation, competitiveness and innovation are:

⁷ <http://www.marine.ie/home/SeaChange.htm>

- Improving scientific knowledge on which advice on conservation of fish stocks is based.
- Increasing our understanding of the ecology and socio-economic role of fish stocks
- Improving the transparency of scientific advice and participation of fishers in the scientific advisory process.
- Building integrated data capacity to support the above.
- Contributing to aiding the competitiveness of the seafood industry through research aimed at developing market innovation for functional foods and other ways of adding value to seafood output in a manner that ensures sustainability and protects marine environmental diversity and ecosystems.

This programme is critical to promoting environmental sustainability and therefore, both SeaChange and the Seafood Development Operational Programme show linkages to the Gothenburg Strategy.

Rural Social & Economic Development (EARDF)

This component of the NDP shows strong linkages with the Seafood Development Operational Programme in so far as it deals with the wider supports needed by rural and coastal communities to deal with the social and economic difficulties they face.

6.5. Priority Axis 2: Measures for Aquaculture, processing and marketing of fishery and aquaculture products.

6.5.1. Main Objectives of Priority Axis 2

Support from the European Fisheries Fund under Priority Axis 2 targets measures for the support of aquaculture and for processing and marketing of fishery and aquaculture products. The Measures put forward aim to promote investment in the sustainable development and modernisation of aquaculture SME's, create a restructured seafood processing sector with the appropriate scale and operational efficiency, and address critical factors along each stage of the industry value chain that are undermining competitiveness enhance the business of the seafood sector. The Measures to be implemented under Axis 2 comply with Articles 28 to 35 of Council Regulation (EC) No 1198/2006.

The main objectives in the implementation of Axis 2 type projects are the following:

- Create a restructured seafood processing sector with the appropriate scale and operational efficiency to compete in an increasingly cost competitive market;
- Strengthen the processing sector so that it is capable of competing internationally and delivering high quality and innovative products to meet market requirements;
- Create additional income and employment in peripheral coastal regions by promoting the production of those species with the potential for added value;
- Support innovation and other structural initiatives to improve the efficiency/competitiveness, safety, product quality/fish health and welfare and environmental impact of aquaculture;
- Promote the introduction of new technology to open up offshore locations for aquaculture and to improve infrastructural support for the sector;
- Build a critical mass in the production of key species with higher added value potential;
- To facilitate the entrance of suitable new investors into the aquaculture sector;
- Promote the diversification of the aquaculture industry by encouraging the commercial development of new species.

6.5.2. Baseline and Quantified Targets for Priority Axis 2

The following indicators will be used to monitor the progress being made during the implementation of Axis 2 throughout the course of the OP.

Indicator	Quantification		
	Unit	Baseline	Target
Irish Seafood Sales Value	€	€720 million (2007)	€875 million (2015)
Seafood Processing Job in key targeted areas	#	1213 (2009)	1394 (2015)
Aquaculture industry farmed in conformity with the ECOPACT EMS/Organic certification	%	0 (2011)	75% (2015)
Aquaculture SME's supported in modernisation and development of new technologies/ species	#	0 (2011)	20 (2015)

6.5.3. Justification for average rate of co-financing, target groups/sectors/areas and/or beneficiaries under Priority Axis 2

The need to build up scale and strong competitive companies in the seafood sector that are able to capitalise on the strong market opportunities for seafood both at home and abroad and re-inforced with new well co-ordinated route to market structures and promoting investment in the sustainable development and modernisation of aquaculture SME's provides the rationale for measures being implemented under Axis 2.

To ensure that there is a positive take up of the interventions being implemented under priority axis 2, the maximum percentage of EU Aid and the maximum intensity provided for by Annex II of the Council Regulation (EC) 1198/2006 is being applied. As a result of this, and taking into account the provisions of Article 53 of the EFF regulation (Council Regulation (EC) No 1198/2006), the overall co-financing rate for priority axis 2 will be 50%. All measures in Axis 2 will be funded accordingly

		Funding Source	%	Total ('000)	Article
Axis 2	Co-financed Expenditure	EFF	16.6%	€6,245	28-32, 34, 35
		Exchequer	16.6%	€6,245	
		Private	66.8%	€25,000	
		Total	100%	€37,490	

The Measure is aimed at providing grant assistance to small and medium sized companies engaged in both production and processing in the seafood sector. In the prioritisation of projects supported under priority axis 2, a greater score will be accorded to micro and small enterprises vis a vis medium enterprises.

6.5.4. Description of Measures under Priority Axis 2

Under Axis 2 there will be 2 measures which will contain a suite of 2 schemes. These are described in the following table:

Measure	Scheme	Legal basis EFF Article
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Seafood Processing Business Investment	Seafood Processing Business Investment Scheme	34-35
Aquaculture Development	Commercial Aquaculture Development Scheme	28-32

Seafood Processing Business Investment Measure

The Seafood Processing Business Investment Measure is being implemented under articles 34 and 35 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund, relating to Eligible Measures in Processing and Marketing. The measure contains the “Seafood Processing Business Investment Scheme” seeks to create a restructured seafood processing sector with the appropriate scale and operational efficiency to compete in an increasingly cost competitive market and with the capability to invest in R&D and value-added development to meet customer demands and take advantage of new market opportunities.

The Seafood Processing Business Investment Scheme provides public expenditure of up to maximum allowable of 40% for the purchase new machinery and equipment for the purposes of adding value to seafood products and the construction, extension or modernisation of seafood processing enterprises. The rationale for the scheme is based on the recognition that there is a declining supply of raw material and the industry is fragmented thus highlighting the need for increasing operational efficiency and capacity utilisation in processing, increased investment in new product development (NPD) and technology are all required to survive in an a competitive, modern processing sector and to ensure its development for the future.

The scheme recognises the need for a sustained action to overcome the major obstacles impeding the sector’s development and to maximise returns from available supplies. Equally, and notwithstanding the increased pressure from low cost producing countries such as China and Chile, the sector requires a continuous improvement in productivity, capacity utilisation, operational efficiency and technology transfer to compete internationally.

The fragmented structure of the sector is a challenge and there will be a focus on developing strategic alliances and partnerships to develop economies of scale and help strengthen the performance of the sector.

From a positive perspective, the sector possesses excellent knowledge and experience of seafood processing and a good track record in producing high quality seafood products for

both domestic and international markets. There are a number of innovative, well-performing businesses within the sector that have achieved international success demonstrating the potential to create a viable, more profitable and competitive sector for the future.

Aquaculture Development Measure

The Aquaculture Development Measure is being implemented under article 29 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund, relating to measures for productive investment in aquaculture. The Aquaculture Industry Development Measure contains the “Commercial Aquaculture Development Scheme” which is aimed at promoting investment in the sustainable development and modernisation of aquaculture SME’s.

The scheme is aimed at providing grant assistance to small and medium aquaculture enterprises in the sector. The scheme is designed to promote the commercial development of aquaculture on a basis which is financially, technically and environmentally sustainable. To qualify for assistance under this Measure, all aquaculture projects must, inter alia, be licensed under the Fisheries and Foreshore Acts. This process is subject to a high level of public consultation.

The Commercial Aquaculture Development Scheme provides public expenditure of up to 40% for the modernisation and expansion of aquaculture SMEs and the development of handling facilities for quality improvement and efficiency. The scheme recognises the need for a sustained action to overcome the major obstacles impeding the aquaculture sector’s development and to maximise returns from available supplies.

6.5.5. Information on demarcation with other activities

The actions to be taken under EFF co-funded seafood processing investment schemes, the Commercial Aquaculture Development Scheme are clearly distinct from those to be taken under other funding instruments and would not be considered for funding outside the Seafood Development Programme/EFF. The key objective of this Measure is to address the need to drive competitiveness in Irish seafood companies through innovation and technology transfer, new product development, cost efficiencies in both aquaculture production and seafood processing. Nevertheless, there are strong linkages with other Programmes and Funds, which will be very important in maximising the overall return on Ireland’s NDP investment in the Seafood sector.

BMW & S& E Regional OP 2007-2013 (ERDF)

It is stated that the BMW Regional OP will support complementary investment in research and innovation capacity including the marine and fisheries sectors, SME start-up and expansion including in coastal areas and renewable energy and broadband provision that will benefit peripheral and coastal communities.

R & D Fund (National Funding)

Small Projects provision is to support companies that want to achieve the following:

- Establish or increase R&D activity leading to an on-going R&D commitment in driving company development.
- A demonstrable connection between R&D and the overall business objectives.
- A culture of innovative thinking throughout the company which aims to harness the skills of all staff towards defined business goals.
- Establish or increase the R&D capability of a company.
- Establish or develop quality R&D management systems and procedures.

All implementing agencies / Regional Assemblies of the above schemes will be represented on the Approvals Board Meetings for both Commercial Aquaculture Development and Seafood Processing Business Investment Schemes to ensure that projects are not being funded through other EU funds or the same investment.

6.6. Priority Axis 3: Measures of Common Interest

6.6.1. Main Objectives of Priority Axis 3

Support from the European Fisheries Fund under Priority Axis 3 targets Measures of Common Interest with a broader scope than measures normally undertaken by private enterprises and which help to meet the objectives of the common fisheries policy.

The Axis put forward aim to enhance the business of the seafood sector and improve the environment in which fisheries operate. The Axis also aims to increase awareness and response to environmental policies and assist operators to meet the requirements under the Habitats and Birds Directives. The Measures of Common Interest are presented from Article 36 to Article 42 of Council Regulation No. 1198/2006.

When support is granted for operations corresponding to measures laid down in other axes, the relevant conditions and the scales of contribution per operation as laid down for such measures in Council Regulation (EC) No 1198/2006 of 27 July 2006 shall apply.

Priority Axis 3 will be implemented through of the following measures:

- Collective actions for Fisheries Development
- Processing, Business Development and Innovation

The main objectives in the implementation of Axis 3 type projects are the following:

- Adoption by industry of an environmentally conscious, responsible and compliant approach to all industry activities.
- Encourage the catching sector to take a leading role at national and EU level in conservation practice and advocacy thereby ensuring strengthened compliance with conservation needs and regulatory requirements
- Enhance and strengthen industry knowledge and understanding of the market and supply chain of the various seafood categories

6.6.2. Baseline and Quantified Targets for Priority Axis 3

The following Indicators will be used to monitor the progress being made during the implementation of Axis 3 throughout the course of the OP.

Indicator	Quantification		
	Unit	Baseline	Target
Irish Vessels covered by Environmental Management Systems (EMS)	#	0 (2007)	100 (2015)
Irish caught or farmed fish produced in an environmentally friendly fashion	%	0 (2009)	15 (2015)
Seafood output certified under the BIM Stewardship Standard	%	0 (2011)	15% (2015)
Irish Seafood Value of exports	€	331 million (2009)	366 million (2015)

6.6.3. Justification for average rate of co-financing, target groups/sectors/areas and/or beneficiaries Priority Axis 3

The NSP recognises the importance of adopting a sensible and responsible approach to conservation and to the industry’s environmental performance. It also recognises that the performance of the seafood industry in the area of innovation, technology transfer, performance improvement and new product development (NPD) has historically been low and not sufficient to have a meaningful impact on the market value generated. This position is further weakened by the low level of investment in seafood-related innovation, technology transfer and NPD activity within publicly funded research and development institutions. In addition, where such activity does occur, it lacks co-ordination and well informed market direction.

It is within this context that a major focus on EFF funding within Priority Axis 3 will be to allow EFF intervention to support the Processing, Business Development and Innovation Measure and the Marine Environment Protection Measure.

This will allow Ireland to support development of the industry’s capability to deliver market-led innovation with a focus on value-added development and the introduction of new technology while also engendering growth of the sector through business planning.

To ensure that there is a positive take up of the interventions being implemented under priority axis 3, the maximum percentage of EU Aid and the maximum intensity provided for by Annex II of the Council Regulation (EC) 1198/2006 is being applied. As a result of this, and taking into account the provisions of Article 53 of the EFF regulation (Council Regulation (EC) No 1198/2006), the overall co-financing rate for priority axis 3 will be 50%. All measures in Axis 3 will be funded accordingly:

		Funding Source	%	Total ('000)	Article
Axis 3	Co-financed Expenditure	EFF	40.5%	€5,046	36-42
		Exchequer	40.5%	€5,046	
		Private	19%	€2,353	
		Total	100%	€12,445	

The beneficiaries will be organisations/bodies acting on behalf of producers or other organisations recognised by the Member State. The managing authority shall determine with respect to operations mentioned above whether they fall under groups 1 or 3 of Annex II of Council Regulation (EC) No 1198/2006 of 27 July 2006. If the aid granted covers cost incurred by investment eligible under other axes the aid intensities for such investment will be respected for that component of the support.

Priority Axis 3 projects must demonstrate common interest: Support under this measure covers measures of 'common interest' with a broader scope than measures normally undertaken by private enterprises and which help to meet the objectives of the Common Fisheries Policy:

- Schemes are “of common interest” when they are contributing to the interest of a group of beneficiaries or the general public;
- Schemes of common interest should not be of a directly commercial nature;
- Any profit generated of operations supported under measures of common interest should be deducted from the public aid granted to the operation.

Priority Axis 3 projects, under article 37 of the Council Regulation (EC) No 1198/2006, must also demonstrate a Collective Action: that is, projects implemented with the active support of operators themselves or by Qualifying Organisations, that is, organisations acting on behalf of producers or other organizations recognised by the Member State:

- For the purposes of these schemes, qualifying organisations include registered producer organisations, processor associations, other organisations with legal identity and recognised by the implementing authority, and in certain circumstances private companies;
 - In the case of an application made by a private company acting on behalf of producers or processors, the company must demonstrate, to the satisfaction of the implementing authority, that it is working in the common interests of the sector and that information and learning will be publicly available;
 - The implementing authority shall determine the above on the basis of the following considerations:

- Collective versus individual interest.
- Collective versus individual beneficiary.
- Access to the results of the operation versus private ownership and control.
- Financial participation.

6.6.4. Description of Measures under Priority Axis 3

Under Axis 3 there will be 2 measures which will contain a suite of 6 schemes. These are described in the following table:

Measure	Scheme	Legal basis EFF Article
Fisheries Development	Marine Environment Protection Scheme	37/38
	Socio-Economic and Educational Development Scheme	37/39/40/41
Processing, Business Development and Innovation	Seafood Category Management Scheme	37/40/41
	Seafood Market Quality Scheme	37/40
	Seafood Graduate Development Scheme	36/37
	Market Development & Promotions Scheme	40

Fisheries Development Measure

One of the main lessons learned over the programming period of the 2000-2006 operation programme was the need for a more competitive seafood sector at all stages in the supply chain. This is especially the case in the context of static or declining quotas and particularly when faced with increasingly competitive markets and growing pressures from imports and large-scale buyers. While significant progress was made in this area during the last OP, it remains the case that, at every stage in the supply chain, the industry must strive to operate at maximum efficiency and cost effectiveness.

Significant opportunity exists for ongoing improvement in this area and the industry must be encouraged to be more innovative; to improve product quality and other standards; to develop environmental management systems (EMS); and to engage in accreditation programmes that lead towards recognised and accepted eco labels and responsible fishing brands. In particular, attention must be paid to identifying how standards can be maintained

both onboard vessels, in sales entities, and throughout the supply chain. Nor can there be any doubt that the long-term sustainability of the fisheries sector is directly linked to our ability to maintain healthy fish stocks and a healthy marine environment.

The challenge of achieving both of these objectives can, however, be an opportunity for the future. As the evolution of an economically viable and socially stable seafood sector remains a central tenet of the current operational programme, *de facto* a key driving force of this Measure is to help address the environmental challenges facing the sector.

The Fisheries Development Measure will consist of two schemes; the Marine Environment Protection Scheme (MEPS) and the Socio-Economic & Education Development Scheme (SEEDS).

Marine Environmental Protection Scheme

The Marine Environmental Protection scheme is being implemented under articles 37 and 38 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The Marine Environment Protection Scheme (**MEPs**) aims to develop Environmental Management Systems (EMS) for fishing operations, to promote their uptake in industry, and to capitalise on EMS by identifying and promoting seafood produced in accordance with such systems. This intervention is not of a directly commercial nature but a framework to improve the environmental performance of the catching sector.

Environmental management, responsible fishing, and stewardship of the marine environment, are all pillars upon which EU policy decisions reflect national, international, and public concerns on the environment. Fostering a new and deeper understanding throughout the seafood industry of its obligation to maintain a diverse and robust marine environment is both a challenge and an opportunity identified in the current operational programme and a central objective of the Marine Environment Protection Scheme. In particular the Scheme will promote the use of selective fishing methods and gears and the adoption of responsible fishing practices to reduce discarding and bycatch;

Another clear lesson from the 2000 – 2006 programme period is that a pre-occupation with supply related issues has meant that not enough attention has been paid to developments in environmental policies and their potential impact on the industry. A clear example of this has been the impact of implementing the NATURA 2000 network of Special Areas of

Conservation (SACs) and Specially Protected Areas (SPAs). Addressing this deficit is a critical feature of the Marine Environment Protection Scheme.

During the 2000 – 2006 programming period, significant progress was made developing a Shellfish Management Framework for Ireland's inshore fisheries sector and providing the information required to enable informed management decisions for the sector. A solid foundation was laid for the future sustainability of the inshore sector by the establishment of both local and species advisory groups for shellfish. Further developments including the full implementation of NATURA 2000 and the Marine Strategy Framework Directive have made this initiative ever more important and relevant. Renewed support for the Shellfish Management Framework, lobster v-notching, and other inshore conservation schemes is essential if we are to maintain the economic viability of the sector, the stocks on which it depends, and the fabric of coastal communities.

The Marine Environment Protection Scheme aims to improve management and control of access conditions to inshore fishing areas through the development, facilitation and implementation of national and local species management plans under the Shellfish Management Framework.

The Marine Environment Protection Scheme (MEPS) will facilitate projects that address all of these issues and it is against this backdrop that the following specific objectives are set for the Scheme:

- a) Contribute sustainably to better management or conservation of resources and, in particular:
 - Increase industry awareness of and response to environmental policies;
 - Improve the public perception of the fisheries sector;
 - Develop and promote the use of selective fishing methods and gears, the development of management strategies and the adoption of responsible fishing practices to reduce discarding and bycatch;
 - Develop and promote fuel-efficient practices and fishing gear.
 - Protect and develop aquatic fauna and flora while enhancing the aquatic environment, specifically where this relates to the protection and enhancement of the environment in the framework of NATURA2000 where its areas directly concern fishing activities.

- b) Contribute to the transparency of markets in fisheries products including traceability:

- Promote the introduction of Environmental Management Systems, Responsible Fishing Schemes and eco-labels.
 - Improve quality and food safety;
- c) Contribute to the objectives laid down for small-scale coastal fishing, in particular;
- Promote the organisation of the production, processing and marketing chain of fisheries products;
 - Encourage voluntary steps to reduce fishing effort for the conservation of resources;
 - Encourage the use of technological innovations (more selective fishing techniques which go beyond existing regulatory obligations under Community law or innovations to protect the gear and catches from predators) that do not increase fishing effort;
 - Improve professional skills and safety training.
- d) Improve management and control of access conditions to fishing areas (in particular through the drawing up of local management plans approved by the competent national authorities);
- e) Increase environmental and conservation awareness, and promoting local area management strategies and the Coastal Zone Management approach in particular:

Introduce schemes to promote:

- Waste management and recycling of fishing gear.
- Monitor and reduce carbon footprint.
- Conduct energy audits.

There may projects implemented within the scheme which will contribute to the financing of equipment destined for fishing vessels, it may only do so only in respect of fishing vessels of five years of age or more as set out in Article 25 of Regulation (EC) No 1198/2006 and in accordance with the provisions of Chapter III of Regulation (EC) 2371/2002.

Any fishing vessel that receives aid through this scheme must further:

- Be registered on the Irish Fishing Boat Register and be in possession of a valid fishing licence at the time of grant payment.
- Comply with the rules and regulations of the Common Fisheries Policy and National Fisheries Policy.
- Support will not, under any circumstances, cover costs related to exploratory fishing.
- Under no circumstances will operations be financed where such aid leads, either directly or indirectly, to increased fishing effort or increases the ability of the vessel to catch fish.

Socio-Economic and Educational Development Scheme

The Socio-Economic & Educational scheme is being implemented under articles 37, 39, 40 and 41 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. Ireland's vision for its seafood industry is a sustainable, profitable, competitive and market-focused industry, making the maximum long-term economic and social contribution to coastal communities and Ireland as a whole. The Socio-Economic & Education Development Scheme (**SEEDS**) is designed to deliver on this objective with a primary emphasis on sustainable economic activity, job creation, product quality and value enhancement, safety and upgrading professional skills. Complementing, as it does, the Marine Environment Protection Scheme, this vision envisages the emergence of a restructured, commercially-focused, self-reliant industry with market forces driving success and founded on a well-managed fisheries resource and a healthy and diverse marine environment.

Environmental management systems, responsible fishing schemes, and stewardship of the marine environment not only serve to better manage and protect fish stocks and the wider marine environment, they also provide a platform for delivering a sustainable product to the consumer. Complementing initiatives delivered under the Marine Environment Protection Scheme (EMS, Responsible Fishing Schemes etc), funding will be provided under the Socio-Economic & Education Development Scheme to support measures of common interest directed at commercialising the products thus delivered⁸.

In the context of static/declining quotas and faced with increasingly competitive markets with growing pressures from large-scale buyers, it is of vital importance that at every stage in the supply chain the industry is operating at maximum efficiency. This will require fishermen to examine how they operate their business – with a view to reducing/eliminating costs and improving performance. On an ongoing basis, there will be a need to keep abreast with technology developments in order to ensure that the industry is operating at least in-line with competitors. In this context, for fishermen, fuel and gear efficiency will be key considerations.

Sound economic analysis and information critical to proper decision making are essential prerequisites to business planning, sustainable development and effective public

⁸ Note: As set out in Article 40.2 of COUNCIL REGULATION (EC) No 1198/2006 such operations may not be aimed at commercial brands or make reference to specific countries or geographical areas, except in case of products recognised under the terms of Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

intervention. The Socio-Economic & Education Development Scheme will assist the production, analysis, and strategic use of such reports.

To support the industry's development, increased investment in training will be required. This will address both professional and practical skills including appropriate certification (deck and engineering officers) as well as health and safety onboard fishing vessel and in the work place. It will also provide training directed at increased profitability, efficiency, environmental responsibility and sustainability across all sectors of the seafood industry. Training can also be provided to support those intending to diversify or seek alternative employment outside the industry.

The Socio-Economic & Education Development Scheme (SEEDS) will facilitate projects that address all of these issues and it is against this backdrop that the following specific objectives are set for the Scheme:

- a) The Scheme may support measures of common interest which:
 - Upgrade professional skills;
 - Develop new training methods and tools;
 - Support training that leads to improved safety and working conditions;
 - Support training that leads to improved quality and food safety;
- b) The Scheme may support measures of common interest that:
 - Support economic analysis and information critical to proper decision making.
 - Assist the production, analysis, and strategic use of such reports.
 - In specific circumstances building on the economic analysis (see above) an integrated local development strategy based on a bottom-up approach in agreement with the implementing authority.
- c) The Scheme may support measures of common interest which:
 - Contribute to the transparency of markets in fisheries products including traceability;
 - Improve quality and food safety;
 - Develop fuel-efficient practices and fishing gear;
 - Improve working conditions and safety;
 - Investments concerning production equipment including for waste treatment.
- d) The Scheme may support measures of common interest intended to implement a policy of quality and value enhancement. Investment shall relate, in particular, to:
 - Quality certification, including label creation and the certification of products caught using environmentally friendly production methods;
 - Campaigns to improve the image of fisheries products and the image of the fisheries sector;
 - Implementation of a quality policy for fisheries products;
 - Promotion of products obtained using methods with low impact on the environment;

- The supply to the market of surplus or underexploited species which are normally discarded or of no commercial interest;
- e) The Scheme may support investments to restructure landing sites and to improve the conditions for fish landed by coastal fishers. Investment shall relate, in particular, to:
- Improving the conditions under which fisheries products are landed, stored and auctioned including (under specific circumstances) the provision of ice;
 - Improving safety and working conditions;
 - The storage and treatment of waste;
 - Measures that reduce discards.
- f) The Scheme may support pilot projects, including the experimental use of more selective fishing techniques, aimed at acquiring and disseminating new technical knowledge. Pilot projects may:
- Test the technical or economic viability of an innovative technology with the aim of acquiring and disseminating technical or economic knowledge of the technology tested;
 - Enable tests to be carried out on management plans and fishing effort allocation plans, including, if necessary, the establishment of no-fishing zones, in order to evaluate the biological and financial consequences;
 - Develop and test methods to improve gear selectivity, reduce by-catches, discards or the impact on the environment, in particular on the sea bottom;
 - Test alternative types of fishing management techniques.
- A pilot project shall always include adequate scientific follow-up in order to yield significant results and the results of pilot projects shall be the subject of technical reports available to the public.
- g) The Scheme may contribute to the objectives laid down for small-scale coastal fishing as described above under MEPS scheme point (c)

Processing, Business Development and Innovation Measure

The Processing, Business Development and Innovation Measure is being implemented under articles 37, 40 & 41 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund relating to Collective Actions and Development of New Markets. This Measure is aimed directly at enhancing and strengthening industry knowledge and understanding of the market and supply chain of the various seafood categories. It is designed to take a commercially focussed approach, combining business development and innovation, to shape and ensure successful development of new product development (NPD) and technology application in the seafood sector. The Measure will focus on practical implementation of new technologies, innovation and NPD, together with increasing the number of Graduates entering the seafood sector, to improve overall quality, competitiveness and performance in the seafood processing sector.

The BDIP Measure encompasses a suite of schemes designed to assist collective actions within the industry. These are; the *Seafood Category Management Scheme*, the *Seafood Market Quality Scheme*, the *Seafood Graduate Development Scheme*, the *Market Development and Promotions Scheme*.

The strategy to achieve domestic and international sales growth will be founded on the basis of relevant commercially focused and robust market research and intelligence. The rationale for this Measure is based on the need to further develop detailed understanding of the seafood value chains and resolve the critical drivers and barriers that will ensure a sustainable and progressive seafood sector. Equally, trade and promotional activity within defined European markets will require further investment in understanding of market trends at both trade and consumer level. With a gradual shift away from commodity trading, it will become increasingly important to gain up to date relevant intelligence on the retail and foodservice sectors in addition to fully understanding the competition within these sectors.

A strong focus will be given to exploring the means of improving supply chain practices and distribution infrastructure. Through the projects and initiatives proposed under this Measure, the industry's ability to take advantage of market opportunities and position seafood products competitively will be strengthened. The Measure will seek to develop a range of projects and initiatives, in consultation with industry with the aim of driving value generation and competitiveness within the sector and this will be facilitated through the three schemes listed above.

Seafood Category Management Scheme

The Seafood Category Management scheme is being implemented under articles 37, 40 & 41 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The purpose of the scheme is to support key projects which drive the growth and competitiveness of Irish seafood in the main seafood categories; pelagic, whitefish, shellfish and salmon. Category planning allows for a thorough examination of all elements of the production and value chain for a particular product group. The analysis arising from the process informs industry where changes are necessary and where there are business opportunities to be exploited.

BIM will form industry working groups to develop category management plans for key species and product groups. Key issues identified in these plans will form the basis of projects applicable in the Seafood Category Management Scheme. The scheme will also support the development of new route to market structures which will increase the

collaboration between Irish seafood companies, enable companies to move up the value-chain, and better meet the needs of end customers, thus maximising the profitability of the sector.

Scope

- Scheme will support projects/issues consistent with the BIM Category Plans.
- Approved projects will be carried out on the basis of the common interest for the seafood sector. Project learning/information will be publicly available.

Approved projects will include:

- Projects which support product category planning through targeted business research and intelligence.
- Projects which exploit underutilized species.
- Projects which increase the value, profitability and employment potential within the specified category groups.
- Projects which improve processing plant operational efficiency and costs, and environmental practices.
- Projects which maximize the value of by-product.
- Projects which support business development including business planning, training and mentoring workshops.
- Projects which support the development of new route to market structures.
- Projects which include technical and commercial evaluation of new processing technologies.

Collective Organisations or Operators which support and implement measures of common interest in the fisheries sector can apply to this scheme.

In the cast of independent Operators, the scheme is limited to SME.

The scheme excludes the payment of individual aid in favour of an undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the common market.

Aid levels shall comply with applicable thresholds set out in Commission Regulation 736/2008.

Seafood Market Quality Scheme

The Seafood Market Quality scheme is being implemented under articles 37 and 40 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The purpose of the scheme is to assist the retail and foodservice sectors to achieve excellent standards in the supply, handling, presentation and service of seafood and where appropriate encourage the use of locally sourced, responsibly produced, quality seafood. The scheme relates to a common interest programme to be carried out by BIM to implement a retail and food service mentoring programme so as to promote and improve the “image, quality and value enhancement of fisheries products. Grant aid to investments relating to the retail trade is not included in the scheme.

Scope

- Assist in improving the quality of seafood and service offered by retail and foodservice outlets.
- Provide mentoring and up-skilling of retail and food service staff in areas to include: labelling, product knowledge, presentation, handling and cold chain management.
- Encourage correct product labeling and differentiation.
- Develop initiatives to increase seafood consumption and seafood sales through retail and food operators.
- Communicate benefits of scheme to create positive consumer awareness of quality retailers and foodservice operators.
- Develop programme for the processing sector, initially focusing on companies supplying wet fish to the domestic market.

The scheme is open to established Collective Organisations or Operators with expertise and trade knowledge, and which support and implement measures of common interest in the fisheries sector.

In the case of independent operators, the scheme is limited to SME.

The scheme excludes the payment of individual aid in favour of an undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the common market.

Aid levels shall comply with applicable thresholds set out in Commission Regulation

736/2008.

Seafood Graduate Development Scheme

The Seafood Graduate development scheme is being implemented under article 37(i) of Council Regulation (EC) 1198/2006 on the European Fisheries Fund. The purpose of the scheme is to upgrade the professional skills in the seafood industry in relation to innovation and new product development. The scheme aims to stimulate innovation and provide access to the processing sector for young people with the aim of developing seafood processing operations with high added value.

BIM has recognised the urgent need for seafood companies to become more 'market focused' in order to compete in the challenging conditions prevalent in all seafood markets. In order to grow profitably and provide sustainable high quality employment, the National Seafood Strategy has identified the need to develop professional managers with marketing, business and innovation/new product development skills. This will require the structured recruitment of graduates to increase these key competencies.

Scope

- Structured recruitment of food technology and business graduates to start development and training program in BIM Seafood Development Centre.
- In tandem with industry linked strategic projects and coaching, graduates will be provided with formal training in seafood technology, business development and innovation.
- Upon completion of training program, graduates will move to seafood companies in key defined roles with the aim of developing value addition. Support is provided for a further six months.

The scheme is open to applications from third level institutions with expertise in food technology and food business.

Market Development and Promotions Scheme

The Market Development & Promotions scheme is being implemented under article 40 of Council Regulation (EC) 1198/2006 on the European Fisheries Fund relating to the

Development of New Markets and Promotional Campaigns. In this context, projects and initiatives undertaken will be on a collective basis for the wider benefit of the industry.

The Market Development & Promotion Scheme seeks to capture the full potential value of Irish seafood through a market-focussed, customer-led development strategy supported by enhanced trade and promotional activity. The Scheme will be developed to give effect to this strategy and achieve a strong competitive position for Irish seafood in key markets in order to achieve the projected value generation targets set under the Seafood Development OP 2007-2013.

Growing consumer concern regarding the role of diet in health and the desire to take a more pro-active role in optimising personal well-being is a key driver in shaping food demands internationally. Equally, demand for convenient, easy-to-prepare meal options continues to grow to meet the need for shorter preparation times.

While overall per capita consumption is not projected to increase across Europe over the coming decade, recent trends show a positive trend towards the consumption of pre-packed, pre-prepared and convenience seafood products. This trend will continue to grow in line with the rate of population growth declining and a growing ageing population with greater levels of disposable income and a keen interest in health.

It is against this backdrop that the Market Development & Promotion Scheme seeks to position Irish seafood favourably in European markets and in the domestic market. The Measure recognises the positive opportunities that exist for Irish seafood while also equally recognising the challenges faced from low cost producers, strong competition from producers within the EU particularly in the area of innovation and new product development (NPD) and the need to market Irish seafood as a premium quality product.

6.6.5. Information on demarcation with other activities

The actions to be taken under EFF co-funded Business Development and Collective actions for fisheries measures and the six schemes therein is clearly distinct from those to be taken under other funding instruments and would not be considered for funding outside the Seafood Development Programme/EFF.

Nevertheless, there are strong linkages with other Programmes and Funds, which will be very important in maximising the overall return on Ireland's NDP investment in the Seafood sector.

Coastal Protection (National Funding)

The key objective of this Sub-Programme is to protect the coastline from erosion and manage the problem of coastal flooding so as to minimise its impact on the commercial and social activities of coastal communities. In areas where protection is not provided, the establishment of surge forecasting and warning systems can help to significantly mitigate flood damage. A list of prioritised capital projects to be carried out under the Plan will flow from the information framework developed under the Plan. Funding will be provided for the completion of the National Coastal Protection Strategy Study. This will identify areas at risk from erosion and flooding and will quantify damages arising. The situation, with or without global warming induced sea level rise, will be examined. Again, the objectives of this programme are clearly complementary to the aims of the Seafood Development Operational Programme in terms of their focus on providing economic and social support to coastal communities.

Fisheries & Coastal Infrastructure (ERDF)

The key objective of the Fisheries and Coastal Infrastructure Sub-Programme is to contribute to ensuring the future viability of the seafood industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

Agriculture & Food Development (EARDF)

While this element of the NDP focuses on agriculture specifically, there are aspects of complementary to the Seafood Development Programme in terms of objectives relating to improving water quality and maintaining biodiversity.

6.7. Priority Axis 4: Sustainable development of Coastal Fisheries areas.

6.7.1. Main Objectives of Priority Axis 4

Support under this priority axis will provide assistance, complementary to the other EU instruments, for the sustainable development and improvement of the quality of life in fisheries areas eligible as part of an overall strategy which seeks to support the implementation of the objectives of the common fisheries policy, in particular taking account of its socio-economic effects while maintaining the economic and social prosperity of these areas.

Implementation of this axis will be carried out by Fisheries Local Action Groups (FLAGS). Axis 4 type projects go beyond merely tackling the short term effects of the economic, social and environmental consequences of the depletion of fish stocks. The objective of this axis is to enable communities in fisheries areas to create new and sustainable sources of income and to improve their quality of life.

The importance of the contribution from the seafood industry to the peripheral, coastal regions which have traditionally been dependent on fishing cannot be under-estimated. These areas have few alternative economic opportunities from those made possible by the seafood sector.

Data extracted from the Irish Census for a range of mainly peripheral coastal districts, analysed by District Electoral Divisions, which serve to illustrate small areas into which data may be disaggregated, highlights the limited economic opportunity in these regions and the dependence of small local communities on livelihoods sustained by the various sectors of the seafood industry.

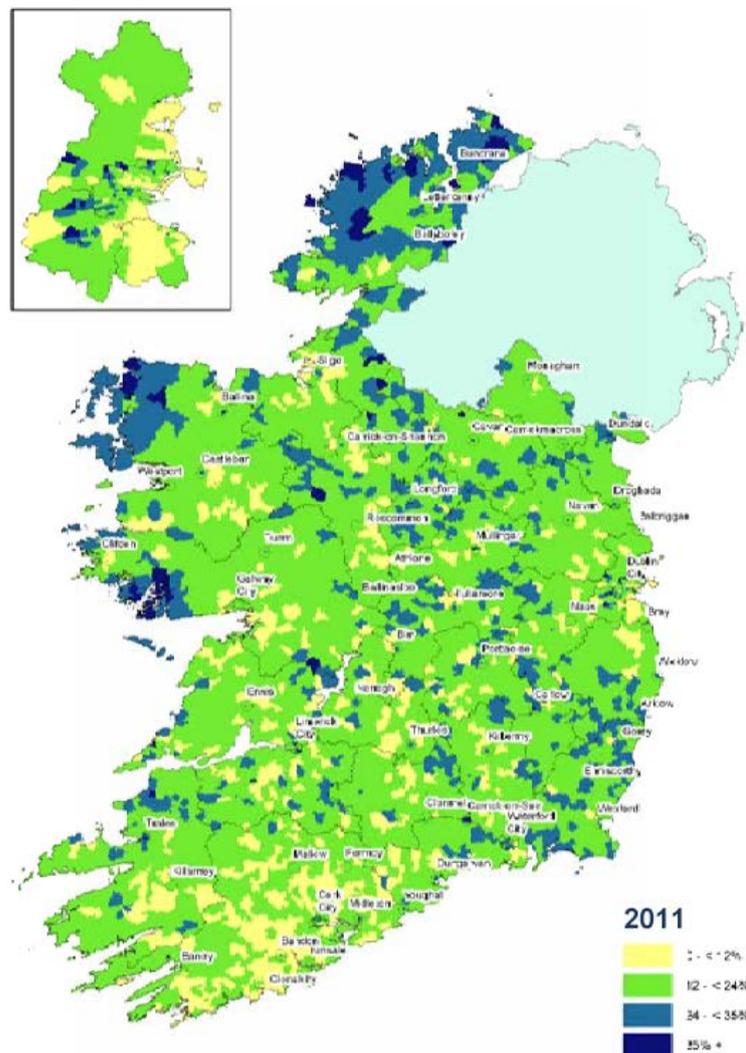
According to the 2011 Census, approximately 820,000 or 18% of Ireland's population live in rural, coastal areas. Census data for Electoral Districts where fishing ports and aquaculture operations are located and for contiguous Electoral Districts has been examined over a number of criteria to compare these areas with the national average and highlight the contribution of the seafood industry in coastal areas. The criteria include rates of unemployment, migration, education, age dependency and employment.

Net migration levels in these areas are high with many in the 15-19 age cohort who leave to attend third level education not returning and in fact most fishing areas are struggling to maintain their existing population.

The aim of each FLAG shall be to achieve the following objectives

- a. To enhance the economic and social prosperity of the areas concerned and to add value to fisheries and aquaculture products;
- b. To maintain and support job creation in the areas concerned through support for diversification and the economic and social restructuring of areas facing socio-economic difficulties as a result of changes in the fisheries sector;
- c. To promote the quality of the coastal environment

Unemployment Rates



6.7.2. Baseline and Quantified Targets for Priority Axis 4

The following indicators will be used to monitor the progress being made during the implementation of Axis4 throughout the course of the OP.

Indicator	Quantification
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	Unit	Baseline	Target
Projects implemented under Local Area Strategies	#	0 (2011)	200 (2015)
Creation of Jobs in FLAG areas	#	0 (2011)	20 (2015)

6.7.3. Justification for Average rate of co-financing, target groups/sectors/areas and/or beneficiaries under Priority Axis 4

Ireland's coastal areas reflect many of the central challenges facing the fisheries and aquaculture sectors both nationally and in the wider EU. Coastal areas around Ireland cover 8,400 km² or 10% of the territory and contains 820,000 people or 18% of the population. This includes some of Europe's most competitive centres of economic growth and much of its most precious environmental heritage. Many coastal areas are the preferred locations for new leisure and residential uses. Their very success can place enormous pressure on traditional activities like fishing and on natural resources.

At the other extreme, more remote coastal areas and, in particular, those areas that are heavily dependent upon fishing face a range of new problems today. Among other things, they have to cope with changes in the fisheries and aquaculture sector; developments on world markets; declining fisheries resources and the need to exploit natural resources and the environment in a sustainable manner; paying particular attention to the quality of fishing and aquaculture waters.

It is appropriate that Axis 4 intervention provides measures aimed at specific areas and in conjunction with the conversion of areas affected by the restructuring of the fisheries sector. So the aim of axis 4 under this Operational Programme is not just to tackle the short term effects of the Common Fisheries Policy and the economic, social and environmental impacts of the depletion of fish stocks, its purpose is to help fishing communities to create new sustainable sources of income and quality living.

It does this by providing the people who most understand both the problems and the realities of fishing communities with the tools for adapting the solutions to their real needs. The overall rates chosen for this intervention reflect these aspirations and display a strong national commitment to this axis and are in line with the provisions of Article 53.4.

Assistance under this priority shall be solely directed at implementing local development strategies by up to 6 FLAGs that shall propose and implement integrated local development strategies based on a bottom-up approach in agreement with the managing authority.

The local development strategy proposed by each group will be developed such that they are:

- a. Integrated and based on interaction between actors, sectors and operations and go beyond a mere collection of operations or a juxtaposition of sectoral measures;
- b. Consistent with the needs of the fisheries area particularly in socio-economic terms;
- c. Sustainable;
- d. Complement other interventions made in the area concerned.

Assistance under this Priority will be delivered as part of the Social & Economic Development Measure of the National Seafood Strategy and will target either areas of low population density, areas where fishing is in decline or small fisheries communities.

To ensure that there is a positive take up of the interventions being implemented under priority axis 4, the maximum percentage of EU Aid and the maximum intensity provided for by Annex II of the Council Regulation (EC) 1198/2006 is being applied. As a result of this, and taking into account the provisions of Article 53 of the EFF regulation (Council Regulation (EC) No 1198/2006), the overall co-financing rate for priority axis 4 will be 50%. All measures in Axis 4 will be funded accordingly:

Axis 4	Co-financed Expenditure	Funding Source	%	Total ('000)	Article
		EFF	35.0%	€ 788	43 - 45
		Exchequer	35.0%	€ 788	
		Private	30.0%	€ 675	
		Total	100%	€ 2,251	

6.7.4. Description of Measures under Priority Axis 4

Theme	Scheme	Legal basis EFF Article
Sustainable Development of Coastal Fishing Areas	Fisheries Local Action Groups (FLAG's)	43-45

The measure provides funding for the sustainable development and improvement of the quality of life in eligible fisheries areas as part of an overall strategy, which seeks to support the implementation of the objectives of the common fisheries policy, in particular taking account of its socio-economic effects. The measure - a bottom up approach with the fishing communities having a major input into how the measure will be spent thus aiming to tackle socio-economic problems in these areas while endeavouring to maintain economic prosperity and jobs in peripheral coastal communities.

The measures eligible are those specified in Article 44 of Council Regulation (EC) No 1198/2006. Assistance under this priority may be available towards the running costs of each group. Running costs for groups may not exceed, as a general rule, 10 % of the total budget allocated to a fisheries area. However, the Fisheries Local Action Group National Implementing Board may decide to exceed this threshold on a case by case basis, when the groups cannot be established on the basis of existing experienced organisation(s).

6.7.5. Information on demarcation with other activities

Owing to its wide scope the action to be taken under EFF co-funded Sustainable Development of Coastal Fisheries Areas has considerable potential to inadvertently duplicate funding under other programmes. As a result particular measures will be instituted to ensure that appropriate lines of demarcation are respected and duplication of funding does not occur.

The National Implementing Board will closely examine the local action plans submitted by the Groups and ensure that not only are they distinct from other development strategies and other EU funds that may be being implemented but that they contain appropriate demarcation lines to other local development strategies in the area. However the development of local action plans that are clearly complementary and that identify

opportunities for possible integrated projects which create synergies and additionalities with other development strategies and funding will be encouraged.

Agriculture & Food Development (EARDF)

While this element of the NDP focuses on agriculture specifically, there are aspects of complementary to the Seafood Development Programme in terms of objectives relating to improving water quality and maintaining biodiversity.

6.7.6. Specific Information for Priority Axis 4

Selection Criteria



Fisheries areas and FLAGs shall be prioritised and selected on the basis of the following criteria:

- Attributes of the area covered by the FLAG:
 - Geographical, economic and social coherence
 - Population density
 - State of fishing industry
 - Level of fisheries dependency
 - Number of fisheries communities
- Ability of FLAG to draw up and implement a development strategy for the area concerned as demonstrated by:

- Composition of FLAG, with a minimum of one third members representing seafood sector and the involvement of other sectoral groups.
- Allocation of tasks and responsibilities
- Capacity of partners to carry out anticipated tasks
- Administrative capacity of FLAG sufficient to demonstrate the satisfactory operation of the partnership as demonstrated by the presence of either:
 - A clearly defined administrative leader of Group or
 - Formation of a legally constituted common structure
- Ability of the FLAG to administer funds.

Methodology & Management

The implementation of the measure will be overseen by a FLAG National Implementing Board consisting of representative(s) of, *inter alia*, BIM, LEADER, Údúráis na Gaeltachta, the national Tourist Board and other relevant state agencies. The National Implementing Board will call for proposals from interested parties to set up FLAGs. It will select the FLAGs and at the same time they will select the areas covered by the FLAG's according to the criteria set down above.

Once selected, FLAGs will draw up their action plan which will be sent the National Implementing Board for approval.

Following approval of their action plan the FLAG's will proceed to implement their action plans.

Eligible projects will be selected and evaluated by the relevant FLAG.

In every case the evaluation of proposals will be based on the information provided in the application. A technical and investment evaluation will be carried out by a panel of independent evaluators selected because of individual expertise in a variety of fields relevant to the project proposal coming before a FLAG. Evaluators will come from within the FLAG.

The Intermediate Body (BIM) in conjunction with the chair of the FLAG may appoint external expert evaluators to assist with the evaluation of the project. The FLAG reserves the right to use any other information from public or specialist sources that may be deemed appropriate to the correct appraisal of the application, including previous projects, reports etc.

Evaluation of proposals is based on the following principles:

- Transparency, Equality of treatment
- Impartiality,
- Confidentiality,
- Efficiency and Speed.

The evaluation for each application will proceed in stages.

Only applications meeting the requirements of each stage will pass on to the next stage of the evaluation.

The evaluation stages are:

1. Eligibility (completeness, timeliness, compliance). (**Intermediate Body**).
2. Technical and Investment Evaluation carried out by a **sub-committee of the FLAG Board** - with access to independent expert evaluators.
3. Final Approval. (**FLAG Board**)

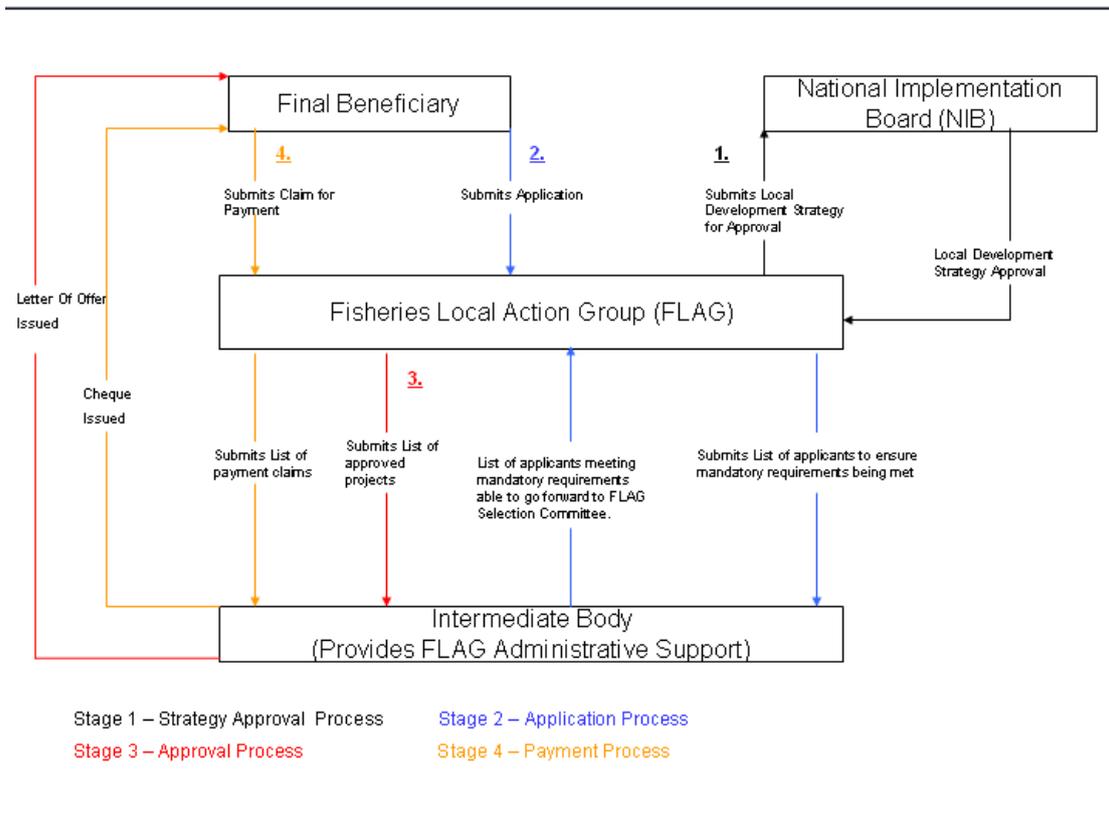
A manual of procedures will define and detail the financial management of the Measure. These will be consistent with the standard operating procedures used in the administration of public funds by BIM in implementing the Seafood OP.

The FLAG will be required to report periodically to The National Implementing Board on the progress of projects being supported under the local action plan. BIM will disburse funds to the successful project applicants, again in a manner consistent with established procedures.

The National Implementing Board will periodically convene meetings of representatives of the FLAGs to facilitate and encourage the exchange of experience and best practice in order to stimulate co-operation between the groups and disseminate information, it will also coordinate representation of Ireland's FLAGs at European Fora.

Coastal Action Group Selection Process

Overall Management Flow



6.8. Priority Axis 5: Technical Assistance

6.8.1. Main Objectives of Priority Axis 5

Support from the EFF for Priority Axis 5 targets measures that may finance the preparatory, monitoring, administrative and technical support, evaluation and audit measures necessary for implementing the Council Regulation No.1198/2006.

Technical Assistance Measures are presented in Articles 46 of Council Regulation No.1198/2006. The main aim of measures under Axis 5 is to assist and improve the administration of the European Fisheries Fund in Ireland and to promote and disseminate its benefits.

The main objectives in the implementation of Axis 5 are the following:

- To ensure that use of EU and national support funds is managed in a more efficient and transparent manner;
- To ensure and strengthen the administrative capacities of all designated bodies;

- To ensure efficient co-operation with the institutions of the EU and other Government Departments in the Republic of Ireland
- Promote access to the EFF funding

6.8.2. Justification for Average rate of co-financing, target groups/sectors/areas and/or beneficiaries under Priority Axis 5

All actions carried out under this measure will involve the Managing Authority and state agencies under its control to ensure that the use of EU and national support funds is managed in a more efficient and transparent manner, the administrative capacities of all designated bodies are in place and sufficient to monitor and manage OP, better implement the EU legal acts, promotion of access to EFF funding is delivered in a timely and transparent manner.

To ensure that there is a positive take up of the interventions being implemented under priority axis 5, the maximum percentage of EU Aid and the maximum intensity provided for by Annex II of the Council Regulation (EC) 1198/2006 is being applied. As a result of this, and taking into account the provisions of Article 53 of the EFF regulation (Council Regulation (EC) No 1198/2006), the overall co-financing rate for priority axis 5 will be 50%. All measures in Axis 4 will be funded accordingly:

		Funding Source	%	Total ('000)	Article
Axis 5	Co-financed Expenditure	EFF	50%	€ 250	46
		Exchequer	50%	€ 250	
		Private	0%	0	
		Total	100%	€ 500	

6.8.3. Description of Measure under Priority Axis 5

The measure provides 50% EFF co-funding to the State Organisations responsible for the implementation of the EFF schemes, to publicise the Programmes and to assist in the administration and auditing of the programmes.

Theme	Scheme	Legal basis EFF Article
Technical Assistance	Technical Assistance/Programme Administration	46

The measure provides 50% EFF funding to the State Organisations responsible for the implementation of the EFF schemes to:

- Publicise the Programmes;
- Assist in the administration and auditing of the programmes;
- Disseminate the results and benefits of the programmes supported by the EFF;
- Increase networking of actors in relation to sustainable development of fisheries areas.
- Preparation and development of future programmes

6.8.4. Information on demarcation with other activities

In line with Article 6 of Council Regulation 1198/2006 on the EFF, this section contains information on the both complementarity and demarcation with regard to other EU financed programmes and with Ireland’s funding priorities within the National Development Plan 2007-13⁹ as a whole. In respect of Article 6.2 of 1198/2006, the Managing Authority for the EFF will participate in the national committee for the coordination of EU Funds, thereby ensuring consistency and complementarity with other funding instruments.

National Development Plan (NDP) 2007-13

The NDP is Ireland’s plan for public grant aid to all sectors in the 2007-13 period and, as such, proposes an overall expenditure of €184 billion. This will be delivered through 5 Investment Priorities – Economic Infrastructure; Enterprise Science & Innovation; Human

⁹ <http://www.ndp.ie/viewdoc.asp?fn=%2Fdocuments%2FNDP2007-2013%2Foverview.htm>

Capital; Social Infrastructure and Social Inclusion. Among the key objectives that underpin the NDP are:

- Tackling infrastructure deficits;
- Enhancing enterprise development, Science, Technology & Innovation and training and skills provision;
- Regional development (in the context of the National Spatial Strategy¹⁰);
- Delivering a multi-faceted programme for Social Inclusion
- Providing value for public investment

Therefore, the Seafood Development OP has been designed from the first to fulfil these goals as appropriate and complementary with the range of programmes and Funds, which make up the NDP. In this way, the NDP process has been the driver for the development of Ireland's Seafood Development Strategy, and consequently this OP, with regard to the clarity of its coordination and complementarity with and demarcation from other national and EU funding instruments.

Demarcation

In the preparation of this Operational Programme, due consideration has been given to avoiding duplication with other EU co-funded programmes. As highlighted above, one of the tasks of the EFF Managing Authority will be to liaise on an ongoing basis with other Managing Authorities and the national body responsible for coordination of funding to ensure that appropriate lines of demarcation are respected and duplication of funding does not occur.

Following examination of other EU funded programmes to be implemented in Ireland 2007-13, the actions to be taken under both EFF co-funded and national funded measures appear to be clearly distinct from the actions to be taken under other funding instruments, in that such actions are clearly and specifically aimed at particular activities concerned with the Seafood sector and compliance with the CFP, which would not be considered for funding outside the Seafood Development Programme/EFF.

Complementarity with other Programmes/Funds

¹⁰ <http://www.irishspatialstrategy.ie/>

Nevertheless, there are strong linkages with other Programmes and Funds, which will be very important in maximising the overall return on Ireland's NDP investment in the Seafood sector.

Marine Research (ERDF)

The most notable of these is the SeaChange¹¹ research programme led by Ireland's Marine Institute, which will be delivered under the Marine Research Sub-Programme of the NDP and will benefit from €5m in funding from the ERDF. (It may be noted that both SeaChange and the Seafood Development programmes are placed within the wider Enterprise, Science & Innovation Priority of the NDP). Specific objectives of the Marine Research programme which complement this OP in the areas of stock conservation, competitiveness and innovation are:

- Improving scientific knowledge on which advice on conservation of fish stocks is based
- Increasing our understanding of the ecology and socio-economic role of fish stocks
- Improving the transparency of scientific advice and participation of fishers in the scientific advisory process
- Building integrated data capacity to support the above
- Contributing to aiding the competitiveness of the seafood industry through research aimed at developing market innovation for functional foods and other ways of adding value to seafood output in a manner that ensures sustainability and protects marine environmental diversity and ecosystems.

Given the importance of this programme for promoting environmental sustainability, it is of key importance to the actions to be undertaken as part of the Seafood Development OP. In this context, both SeaChange and the Seafood Development OP show linkages to the Gothenburg Strategy.

A mechanism is already in place to ensure coordination between actions taken under the Seafood Development OP and SeaChange through reciprocal representation on the implementing bodies for each programme.

Fisheries & Coastal Infrastructure (ERDF)

¹¹ <http://www.marine.ie/home/SeaChange.htm>

The key objective of the Fisheries and Coastal Infrastructure Sub-Programme is to contribute to ensuring the future viability of the seafood industry, to bring the Fishery Harbour Centers up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

There is substantial scope for increasing fishing activities operating out of Irish harbours through exploiting our geographical competitive advantage. As energy costs increase the global fishing industry will have to change patterns of traveling long distances to fish off Ireland. In order to capitalize on location and to attract a greater proportion of EU landings we must develop our harbour infrastructure to facilitate increased landing and downstream activities, thereby maximising the economic return of seafood related activity to these coastal communities.

The current situation of many fish stocks and the continuing need for sustainable management will continue to constrain the output from the Irish Sea fishing fleet. In that context and in order to sustain the communities dependent on fishing it will be necessary to attract as much business as possible from other fleets fishing in our area and to maximize the scope for diversification to marine leisure and other activities through the utilization and development of our Coastal infrastructure. It will therefore be necessary during the Plan period to develop other industries such as aquaculture, tourism and the leisure industry to provide alternate means of employment for these communities dependant on fishing. The development of port infrastructure and port service facilities will be necessary to accommodate these industries. The development will, in many instances, be at remote rural locations where there is limited, if any, employment apart from farming and fishing. Improved harbours and landing facilities will be vital for the sustainability of rural and coastal communities by enabling the development of other marine related economic activities.

Coastal Protection (National Funding)

The key objective of this Sub-Programme is to protect the coastline from erosion and manage the problem of coastal flooding so as to minimise its impact on the commercial and social activities of coastal communities. In areas where protection is not provided, the establishment of surge forecasting and warning systems can help to significantly mitigate flood damage. A list of prioritised capital projects to be carried out under the Plan will flow

from the information framework developed under the Plan. Funding will be provided for the completion of the National Coastal Protection Strategy Study. This will identify areas at risk from erosion and flooding and will quantify damages arising. The situation, with or without global warming induced sea level rise, will be examined. Again, the objectives of this programme are clearly complementary to the aims of the Seafood Development OP in terms of their focus on providing economic and social support to coastal communities.

Rural Social & Economic Development (EARDF)

This component of the NDP shows strong linkages with the Seafood Development OP. While the Seafood Development OP focuses on specific activities in line with EFF rules, the Rural Social and Economic Development Programme deals with the wider supports needed by rural and coastal communities to deal with the social and economic difficulties they face. A key part of this Programme is LEADER. This in turn links with Axis IV of the Seafood Development OP in that LEADER will be the mechanism through which support under that Axis to fishers and their communities will be actually delivered. In this context, the Rural Social Scheme Sub-Programme, which will provide support for low income farmers and fishers and their local communities, and the Rural Enterprise Development Fund, which will provide training (e.g. ICT) and support for enhancements of villages and the countryside, are highlighted. Also under this part of the NDP, the CLÁR Sub-Programme, which will support regeneration of areas where populations are declining by helping rural and coastal communities access vital infrastructural services, is of relevance to coastal communities, as is the Udarás na Gaeltachta Sub-Programme, which will support development of economic, social and cultural infrastructure for Irish speaking (Gaeltacht) areas, of which coastal communities form an important part.

Agriculture & Food Development (EARDF)

While this element of the NDP focuses on agriculture specifically, there are aspects of complementary to the Seafood Development Programme in terms of objectives relating to improving water quality and maintaining biodiversity. It is also a key objective of the Marketing Measure of the Seafood Development OP to place seafood squarely within the main stream of food product innovation and marketing, therefore there will be important lessons to be drawn for the Seafood industry from activities carried out under this Priority.

Human Resources & Training (ESF)

The Human Capital Priority of the NDP recognises the important role that investment in education, training and up-skilling has played in Ireland’s recent economic performance, hence the continued commitment to public investment to this area. It is also a key driver for Ireland’s progress on the Lisbon Agenda. In this way there is strong complementarity between this Priority and the Training element of the Seafood Development OP. It was decided to maintain the Seafood Training Measure as part of the overall Seafood Development OP rather than place it in the Human Capital Priority of the NDP (which does however note the importance of a distinct Seafood Training Measure elsewhere in the NDP) in order to ensure consistency between the Training Measure and the other Measures of the OP in terms of implementation and monitoring. Nevertheless, it is anticipated that Axis IV initiatives would look to utilise supports available for lifelong learning and up-skilling under this Priority to complement those available under the Seafood Training Measure of this OP.

Economic Infrastructure (ERDF)

Under the Economic Infrastructure Priority of the NDP, the Regional Broadband Measure of the Communications Sub-Programme shows clear complementarity with the Seafood Development OP. Part of the aim of this Measure will be to bring broadband to areas of low population, which will play an important part in tackling the economic and social deficits faced by coastal communities and pursuing the goal of the Lisbon Strategy towards making Ireland’s economy innovative, inclusive and knowledge based.

Section 7: Financial Provisions

Table I. Financing Plan of the operational programme giving the annual commitment of the EFF in the operational programme separately, where appropriate, for the regions eligible under the non-Convergence Objective.

Year by Source for the Programme, in EUR:

Non Convergence Objective regions

Year	EFF (€)
2007	0
2008	6,746,632

2009	6,862,613
2010	6,980,914
2011	7,101,580
2012	7,224,661
2013	7,350,203
Total EFF	42,266,603

Table II: Financial Plan of the Operational Programme giving, separately for the whole programme period, and for each priority axis, and separately (), where appropriate for regions eligible under the non-Convergence Objective, the amount of the total financial allocation of the EFF in the operational programme, the national public contribution and the rate of reimbursement by the priority axis.*

**Financial Table for Operational Programme by Priority Axis
Co-Financed Expenditure for Non Convergence Objective Regions**

Priority	Total Public	EFF Contribution	National Contribution	EFF
	$a = (b+c)$	(b)	(c)	Co-financing rate
				$(d) = (b)/(a) * 100$
	€	€	€	%
Priority axis 1	41,020,833	29,936,500	11,084,333	72.98%
Priority axis 2	12,491,206	6,245,603	6,245,603	50%
Priority axis 3	10,093,000	5,046,500	5,046,500	50%
Priority axis 4	1,576,000	788,000	788,000	50%
Priority axis 5	500,000	250,000	250,000	50%
Total	65,681,039	42,266,603	23,414,436	64.35%

Section 8: Implementing Provisions

In accordance with the provisions of Commission Regulation (EC) 498/2007 the section sets out the implementing provisions of the Operational Programme.

8.1. Designation of entities under Article 58 of the EFF:

8.1.1. Managing Authority

The designated Managing Authority for the 2007-2013 Seafood Development will comprise of nominated officers from the Marine Agencies and Programmes Division within the Department of Agriculture, Food and the Marine.

The Managing Authority will be responsible for managing and implementing the Seafood Development Operational Programme in accordance with the principle of sound financial management and, in particular:

- Ensures that operations are selected for funding in accordance with the criteria applicable to the Seafood Development Operational Programme and that they comply with applicable EU and national rules, for the whole of their implementation period;
- Verifies that the co-financed interventions are delivered and that the expenditure declared by the beneficiaries has actually been incurred and complies with EU and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis;
- Ensures that there is an IT integrated data system for recording and storing in computerised form accounting records of each operation under the Seafood Development Operational Programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation is collected. This system is in the process of being created and will be in place after the adoption of the OP.
- 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;
- Ensures that the evaluations of Seafood Development Operational Programme are carried out in accordance with Article 47 of the Council Regulation (EC) 1198/2006;
- Sets up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held;
- Ensures that the Certifying Authority and the Audit Authority receive all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification and audit respectively;

- Guides the work of the Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the Seafood Development Operational Programme to be monitored in the light of its specific goals;
- Draws up and, after approval by the Monitoring Committee, submits to the Commission the annual and final reports on implementation;
- Ensures compliance with the information and publicity requirements laid down in Article 51 of the Council Regulation (EC) 1198/2006.
- Provides the Commission with information to allow it to appraise major projects
- Chairing and providing secretariat for the Monitoring committee.

8.1.2. Certifying Authority

The designated Certifying Authority for the 2007-2013 Seafood Development comprises of officers within the Finance Unit in Department of Agriculture, Food and the Marine. The Certifying Authority carries out the following tasks:

- Draws up and submits to the Commission certified statements of expenditure and applications for payment;
- Certifies that:
 - I. The statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents,
 - II. The expenditure declared complies with applicable EU and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with the applicable EU and national rules;
- Satisfies itself that the information received on the procedures and verifications carried out in relation to expenditure included in statements of expenditure provide an adequate basis for certification;
- Takes account for the certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;
- Maintains accounting records in computerised form of expenditure declared to the Commission;
- Keeps an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered prior to the closure of the Seafood Development Operational Programme that are

due to be repaid to the general budget of the European Union following financial corrections shall be deducted from the next statement of expenditure.

8.1.3. Audit Authority

The designated Audit Authority for the 2007-2013 Seafood Development comprises of officers from the Internal Audit Unit within Department of Agriculture, Food and the Marine.

The Audit Authority carries out the following tasks:

- Ensures that audits are carried out to verify the effective functioning of the management and control system of the operational programme; this will include the compliance assessment of the management and control system as foreseen by Article 71 of the EFF regulation;
- Ensures that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- Ensures that the Managing Authority and the Certifying Authority receive all necessary information on the audits and controls carried out;
- 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 and reporting any shortcomings found in the systems for the management and control of the programme. Their first report which will 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;
 - (ii) 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;
 - (iii) Submits a declaration for partial closure assessing the legality and the regularity of the expenditure concerned;

- 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.
- Ensures that the audit work takes account of internationally accepted audit standards.
- Where the audits and controls referred are carried out by a body other than the Audit Authority, they will ensure that such body has the necessary functional independence.

8.1.4. Intermediate body

The designated intermediate bodies for the 2007-2013 Seafood Development Operational Programme will be Bord Iascaigh Mhara (BIM), Údarás Na Gaeltachta (ÚnaG) and Bord Bia. The intermediate body will carry out the following tasks on behalf of the Managing Authority. :

- Proposes and/or evaluates projects for EFF aid, in accordance with agreed selection criteria and operating procedures;
- Monitors implementation of investments using physical, financial and impact indicators;
- Processes claims and payment of EFF grants to beneficiaries, in accordance with agreed procedures;
- Financial control including the maintenance of records of expenditure and such other information as may be needed for monitoring or other purposes under relevant Regulations;
- Facilitates the Department of Agriculture, Food and the Marine and its agents in the exercise of its control functions under the Regulations;
- Reports periodically as required;
- Carries out on-the-ground verification of expenditure.

Financial management and control will involve a series of interlocking certification and verification operations across different tiers of management. In accordance with Article 71 (1) of the General Regulation, within twelve months of the approval of the Operational Programme, the Irish authorities will submit to the Commission a description of the systems, covering in particular the managing and certifying authorities and intermediate bodies, the audit authority and any other bodies carrying out audits under its responsibility.

This description will be accompanied by a report setting out the results of an assessment of the setting up of the systems and giving an opinion on their compliance with Articles 57 to 61. This report will be supplied by the Audit Authority.

8.2. Bodies responsible for receipt of Payments & Payments to Beneficiaries

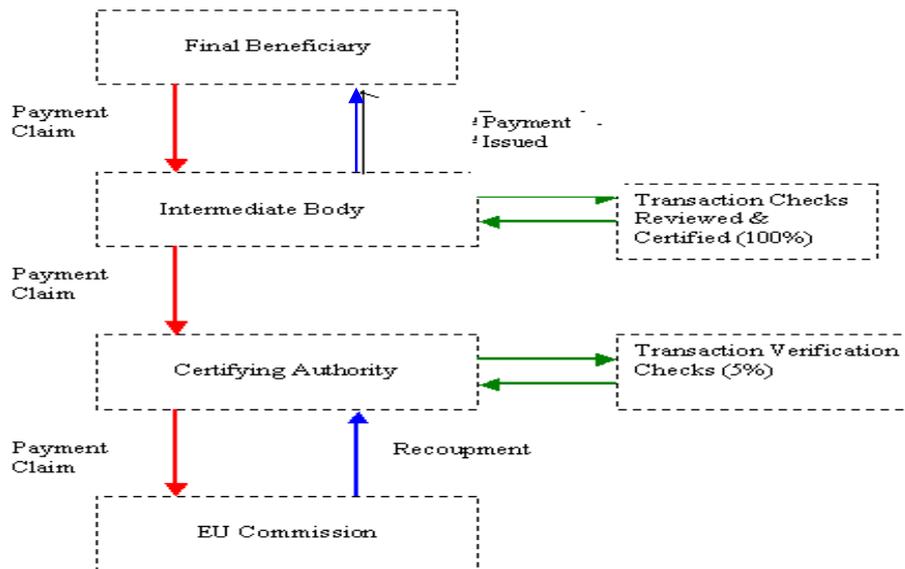
Payments are made by the Commission at OP level to the Exchequer Account in the Central Bank. The competent Authority for receiving EFF payments is the Department of Finance. The body responsible for receiving payments made by the Commission will be the designated Certifying Authority.

In the case of EFF funds, financing is usually transferred via the normal vote accounting system through the intermediate bodies to the beneficiary.

8.3. Financial Management and Control Arrangements

The gross amount in respect of projects funded under the Seafood Development Operational Programme is provided annually in the estimates of the Dept. of Agriculture, Food and the Marine (DAFM) to be made available to the Implementing Agencies. Grants will include both Exchequer and EFF contributions.

The Certifying Authority (CA) for the benefit of the Exchequer will recoup the EFF contribution of the grants paid by the Intermediate body. Claims in respect of EFF assistance will be submitted to the Commission by the Certifying Authority, having been approved and certified in accordance with the payment procedures outlined in the diagram below, which sets out the financial flow.



The final beneficiary will be required to have in place separate accounting arrangements in respect of expenditure by project under the appropriate priority axis. Final Beneficiaries will also be required to maintain proper records of account and detail of all costs including certified invoices, cheque statements etc., in respect of any claim for payment. These records must be made available on request, for examination by officials of the Intermediate body, the Certifying Authority and EU auditors. Records to support payments must be kept for three years after the final payments of structural funds assistance.

The Payments Process

There are three stages to the payments process

- (a) Commitment of European Fisheries Funds to the Operational Programme;
- (b) Draw down of European Fisheries Funds from the EU on the basis of certified payment claims;
- (c) Payments of funds to Final Recipients.

Commitments

The Certifying Authority will send to the Commission, before 30 April each year, updated forecasts of payment applications for the current year and the forecast for the following year. These estimates, which are essentially forecasts of receipts and payment applications, will usually be less than the annual commitments (which are forecasts of expenditure), due to the fact that the last payment application in each year must be made by 31 October in

order to be paid in that year. This effectively means that receipts for October, November and December each year will not be included in the forecasts.

Payment Applications to the Commission

The Certifying Authority has responsibility for the submission of Seafood Development payment applications to the Commission under the 2007-2013 Seafood Development OP. Payment applications will detail certified expenditure paid by the intermediate body under each priority axis incurred by year. The amounts must not exceed the corresponding amounts in the financial tables contained in the OP. Requests for payments from the Certifying Authority are forwarded to the EU. The Certifying Authority will endeavour, in so far as possible, to submit two annual payment applications to the Commission.

Receipt of Payments

Payments will be made by the Commission at OP level, to the Exchequer Account in the Central Bank of Ireland. The Commission will notify the Certifying Authority of the impending receipt who will in turn lodge the funds to Appropriations-in-Aid of the DAFM Vote.

8.4. Monitoring & Evaluation System

The Managing Authority will prepare the Annual Report for the Seafood Development OP. The Implementing Agency (An Bord Iascaigh Mhara, An Bord Bia and Udaras Na Gaeltachta) will provide the relevant information to the Certifying Authority, which will then in turn be forwarded to the Managing Authority. The Managing Authority will submit the proposed Annual Report to the Monitoring Committee for their approval.

The Annual Report will contain a description of any changes in the general operational environment e.g. socio- economic trends, changes in national/regional or sectoral policies, the progress in the implementation of priorities and measures or major projects with reference to indicators, progress on expenditure, steps taken by the Managing Authority and Monitoring Committee to address problems arising, changes in implementation arrangements, the use of technical assistance and measures taken in respect of publicity and compliance with EU policies.

Upon approval by the Monitoring Committee, the Annual Report will be submitted to the European Commission at the end of June each year. The Commission will review the

progress achieved in conjunction with the Managing Authorities and the Department of Finance (on behalf of the Member State).

The final report for the Seafood Development OP, containing similar information, but covering the period 2007 – 2013, must be submitted by the Managing Authority to the European Commission by end March 2017 (Article 67(1) of Regulation 1198/2006)

The Certifying Authority will also compile a twice-yearly report on performance indicators in respect of projects, each priority axis generally, setting out progress against initial objectives and targets. Progress reports will cover financial management details and qualitative information, where appropriate. A quarterly report on expenditure under each priority axis will also be provided. The Certifying Authority will agree the composition and format of these reports with the Monitoring Committee and submit these progress reports to the Monitoring committee. The SFC2007 system will be used to transfer information on the measure to the Commission.

A computerised system will be developed within the Department of Agriculture, fisheries & Food for the purpose of monitoring all EU co-financed expenditure. Data will be inputted by the intermediate body and mechanisms are being proposed to support data transmission from this body. This system will be designed to support programming, financial and physical monitoring and the making and monitoring of payments.

8.5. Monitoring the Environmental Impact of the Operational Programme

Monitoring of this Operational Programme's environmental impact is recognised as an integral part of the monitoring of the programme as a whole. At project assessment level, the environmental impacts will be evaluated and taken into account in the approval of projects. The annual audit of expenditure under the Operational Programme will be expanded to cover compliance with the procedures set down in respect of environmental impacts for project selection and the results of the audit will be furnished to the Operational programme Monitoring Committee. An Independent Assessment of the impact of the Operational Programme from an environmental perspective will be carried out at two yearly intervals and its findings will be furnished to the Operational Programme Monitoring

Committee. Any recommendations from that assessment will inform future support under the Operational Programme.

8.6. Monitoring Committee

The Seafood Development Operational Programme Monitoring Committee will be established within three months of the Commission decision approving the Operational Programme. Membership of the Monitoring Committee will comprise inter alia representatives from:

- Representatives of the Fishing Industry Sector (Sea Fisheries, Inshore Fisheries, Aquaculture, Processing and Marketing)
- Department of Finance (NSRF)
- BIM (An Bord Iascaigh Mhara)
- Údarás na Gaeltachta
- An Board Bia
- DG MARE
- Marine Agencies and Programmes Division (DAFM) (Managing Authority)
- Finance Unit (DAFM) (Certifying Authority)
- Environment (State and NGO)
- Regional Assemblies
- Marine Institute
- Enterprise Ireland
- Mna na Mara

The Commission's representation will serve on the Monitoring Committee in an advisory capacity. In General, membership will be confined to representatives for each of the above interests. Where feasible and appropriate, membership of the Monitoring Committee will additionally contain representatives of sectoral interest. The Managing Authority will provide the chairperson for the Monitoring Committee.

8.7. Computerised Exchange of Data

All Data relating to the management aspects (Monitoring & Reporting) of EFF Funds will be transferred using the SFC2007 standard Web-application, which provides a screen and menu-based interface and is accessible via Internet. This will allow DAFM to provide the following:

- Electronic Exchange of Documents (NSP, OP, other reports)

- Electronic signing of documents through user authentication
- Advance reporting, notifications and workflow throughout the course of the EFF program

All required financial and physical progress information, appropriately codified, including annual reports, to enable the European Commission to fulfil its responsibilities under the regulations, will relayed to the Commission through the SFC2007 system by the Managing & Certifying Authorities, as appropriate. The Frequency of electronic transmission will conform to the management requirements as agreed between the Commission and the Managing Authority.

The table below describes the roles involved in the Seafood development OP 2007-2013 and the access they will be given to the SFC2007 system.

Role	Access to SFC 2007
Managing Authority	Read / Update
Certifying Authority	Read/ Update
Audit Authority	Read

8.8. Seafood Strategy Review & National Strategic Plan

The commencement of a seafood strategy review process with the objective of devising a strategy for a sustainable and profitable Irish seafood industry over the period 2007 – 2013 was announced by the Minister in May 2006.

The process, which involved extensive consultation with the seafood industry and other stakeholders, was overseen by a three person independent Strategy Review Group chaired by Dr Noel Cawley former Chief Executive of the Irish Dairy Board, along with Mr Joey Murrin, Chairman, National Salmon Commission and Mr Ruán O’Bric former Chief Executive, Údarás Na Gaeltachta.

In undertaking the review a highly consultative approach was taken. This included engaging throughout the process with fishermen, fish farmers, processors, policy makers/regulators, industry representative organisations, the naval service and the relevant State research and development agencies. As a core part of the consultation process, four regional public meetings were held in Wexford, Kerry, Galway and Donegal. These public meetings were

widely advertised in the national and local media and through BIM's website. Any individual or other interested party was invited to attend and/or to make written submissions to the review group.

A total of 320 people attended the regional meetings. Delegates came from industry, industry representative groups, Government development agencies, environmental groups, community partnerships, veterinarians, the press, county development boards, regional assemblies, the banking sector, universities/technical institutes, and the wider public. The regional meetings were highly interactive and consisted of a morning plenary session, which allowed for questions and comments from the floor. Three parallel workshops were then held in the areas of fisheries, aquaculture and marketing/processing. The afternoon plenary sessions focussed on detailed discussions on topics that had been raised during the workshops and in the earlier presentations. All comments were recorded and given due regard by the Strategy Review Group.

In addition to the public consultation meetings, the Strategy Review Group convened meetings on 21 occasions in the course of the review, from July to November 2006.

In response to the public notice, inviting invitations, a total of 73 submissions were received and a list of those who made submissions is set out in Appendix 2.

In the event that the recommendations of the Strategic Review Group were accepted by Government and incorporated into the National Development Plan, the detailed report of the Group formed the basis and composition of the National Seafood Strategy. The Operational Programme has been drawn up having taking into account the strategy set out and recommendations made by the Group and this will give effect to the National Seafood Strategy.

Public aid for permanent cessation of fishery activities aims to address as comprehensively and closely as possible the views expressed during consultations with the industry, while at the same time having regard to factors such as the biological and economic data available which permitted the scheme to be accurately targeted at the relevant vessel segments and the scope for undertaking activity under the EFF ensuring that initiatives were of a sufficient level to encourage skippers to avail of the offer and allow them a dignified exit from the sector.

Concerns were expressed on the implications of decommissioning for the livelihoods of those displaced from fishing activity and the impact on the coastal communities dependant on fishing. The measures under Axis 4, including Sustainable development of fisheries, seeks to alleviate the displacement effect by engaging local action groups to work k together in a bottom up approach to small scale development including eco tourism and other locally based activities.

A number of issues were raised in relation to inshore fisheries which the Inshore Management Measure aims to address. The objective is to develop a sustainable, viable and environmentally conscious shellfish industry in Ireland through species, multi-annual management plans which will be developed and drawn up in co-ordination with industry.

The Environmental Management Systems Measure includes a number of projects which will address matters of conservation which were raised in public consultation.

A number of issues of concern to fishing industry raised in the course of consultation fall outside the scope of the European Fisheries Fund. This OP seeks where possible to address those matters which come within its scope.

To ensure continued satisfactory co-operation and demarcation between EU-funded programmes, a committee on co-ordination of EU funds is to be established. This is detailed in Ireland's national strategic reference framework (NSRF) for European Cohesion policy. The National Strategic Reference Framework (NSRF) under the Department of Finance provides that assistance under the ERDF, ESF, EAFRD and EFF is consistent with the activities, policies and priorities of the EU and complementary with other financial instruments of the EU and that no duplication of effort takes place. The committee to be established under the NSRF will seek to ensure synergy between operational programmes and may be called upon to resolve possible demarcation issues. It will include the Department charged with implementation of this programme together with the managing authorities for other operational programmes.

8.9. Information and Publicity

In accordance with Article 51 of the EFF, Ireland will provide information on and publicise the Seafood Operational Programme and operations and the Union contribution. Ireland will apply proportionality to Information and Publicity Measures under Article 2 of the Regulation.

Information and publicity measures to be taken by the Managing Authority aimed at potential beneficiaries:

Potential beneficiaries will be provided with clear and detailed information on conditions of eligibility, procedures for applying for funding and of eligibility criteria. Publicity and information arrangements will involve co-operation with representatives of the Social Partners as well as regional and local authorities and development agencies in order to ensure the widest possible dissemination of the programme; and beneficiaries will be made aware of their responsibilities for informing the public about the assistance obtained from the Funds. A Communications Action Plan will be drawn up in consultation with the Monitoring Committee, in accordance with article 2(2) of the Implementation Regulation 73. The Managing Authority will ensure that the information and communication measures are implemented in accordance with the communication plan aiming at the broadest possible media coverage using all suitable forms and methods of communication (including web-sites, brochures) at the appropriate territorial level. The Managing Authority will designate a contact person to be responsible for information and communication and inform the Commission accordingly.

Information and publicity measures to be taken by the Managing Authority aimed at the public:

The Managing Authority will, in accordance with the communication plan, ensure that the OP is disseminated widely, with details of the financial contributions from the Funds concerned, and that it is made available to all interested parties. It will also ensure that information on the financing opportunities offered by joint assistance from the EU and the Member State through the OP is disseminated as widely as possible. The Managing Authority will involve in information and communication measures, bodies such as national, regional and local authorities and development agencies; trade and professional associations; economic and social partners; non-governmental organisations; organisations

representing business; information centres on Europe and Commission representations in the Member States; and educational institutions, that can widely disseminate information on the OP. The Managing Authority will ensure that the information and communication measures are implemented in accordance with the communication plan aiming at the broadest possible media coverage using all suitable forms and methods of communication (including web-sites, brochures) at the appropriate territorial level. The Managing Authority will designate a contact person to be responsible for information and communication and inform the Commission accordingly.

The EU and NDP logos will be displayed along with the implementing body's logo on the following, produced in relation to projects or interventions in receipt of NDP and EU EFF funding, as required under the Article 51 and 67 of the EFF on Information and Publicity and in particular Articles 32 and 33 of Commission Regulation (EC) No 498/2007 laying down the rules for implementation of the EFF:

- Billboards/Publicity Signage
- Brochure/Literature
- Application forms
- Reports
- Display/Exhibition stands
- Videos
- Advertisements & Supplements
- Conference material
- CD-ROMs
- Websites
- Press releases/articles
- Launches/Awards
- Posters

Tagline: "Funded by the Irish Government and Co-financed by the European Union under the National Development Plan 2007-2013 and through the European Fisheries Fund."

- The Managing Authority will be assisted by the National Development Plan and European Fisheries Fund Information Officer in developing and implementing their information and publicity strategy for the EFF and NDP.

- The Managing Authority shall send the Commission an annual report by 30 June of each year, commencing in 2008, and a final report by 31 March 2017, on the implementation of the operational programme. In compliance with Article 67 (e) of the EFF Regulation, these reports will outline the measures taken to ensure information and publicity for the operational programme and an indication of how these measures were evaluated in terms of visibility and awareness of the Operational Programme and the role played by the EU.

- Bord Iascaigh Mhara, an Bord Bia & Údarás Na Gaeltachta will be responsible for the implementation of information and publicity measures set out above.

Appendix 1: List of Persons and Organisations That Made Submissions to the Seafood Strategy Review Group

- AIB Marine and Fishing Sector Steering Group
- Aidan Bates
- Alan Bates
- All in a Shell Ltd
- Aquafresh Fish Ltd
- Bord Iascaigh Mhara
- Castletownbere Co-op Society Ltd
- Cavankee Fishing Co Ltd
- Celtic Sea Herring Management Advisory Committee
- Charles McDaid
- CIM Trawlers Ltd
- Clogherhead Co-op Society Ltd
- Comhair Iascaire Eireann Teo
- Connemara Seafood Ltd
- Crab Species Advisory Group
- Department of Communications, Marine and Natural Resources.
- David Bates
- Denis Carbery
- Des Faherty
- Dundalk Bay Cockle Local Advisory Committee
- Fast Fish Ltd
- Fingal Celtic Ltd
- Fintra Trawling Company Ltd
- Foyle Fishermen's Co-op Society Ltd
- Frank Doherty
- Galway & Aran Co-op Society Ltd
- Iasc Mara Teoranta
- IFA Aquaculture
- Ilen Seafood Ltd
- Irish Association of Seafood Companies
- Irish Fish Cannery Ltd
- Irish Fish Processors and Exporters Association
- Irish Fish Producers Organisation
- Irish Fishermen's Organisation
- Irish Sea Whelk Local Advisory Committee
- Irish South & East Fish Producers Organisation
- Irish South & West Fish Producers Organisation
- Kerry Local Advisory Committee
- Kevin Boyle
- Killybegs Fishermen's Organisation
- Killybegs Fishing Enterprises Ltd
- Lobster Species Advisory Group
- Marine Harvest Ltd
- Mollusc Species Advisory Group
- MRI Carna, NUIG
- Mullglen Ltd
- New Millennium Aquaculture
- O'Cathain Iasc Teo
- O'Malley Fisheries Ltd
- Pat Fitzpatrick
- Shamrock Shellfish Ltd
- Sheehan's Fishing Co. Ltd
- Sherkin Island Marine Station
- Shrimp Species Advisory Group
- South East Scallop Local Advisory Committee
- South West Regional Fisheries Board
- Southeast Lobster & Crab Local Advisory Committee
- Southwest Local Advisory Committee
- Stephen McCahill

- The Marine Institute
- Tommy Conneely
- Union Hall - Fishermen's Co-op Society Ltd
- Wexford Mussels Ltd
- Woodstown Bay Shellfish Ltd

Appendix 2: Summary of views expressed during Consultation

Summary of the main views expressed during the consultation period of the Seafood Strategy Review. Note: These comments/views relate to the Co-financed Measures of the Irish Seafood Operational Programme only.¹²

Adjustment of Fishing Effort

Two conflicting views were expressed on fleet size and viability at the Regional Meetings. The minority viewpoint voiced was that market forces should be allowed to dictate the downsizing of the industry. In contradiction, there was a majority view that the fleet size was currently too large for the available resource and that capacity should be reduced through the judicious implementation of a sensible and practical decommissioning intervention.

It was agreed that the current decommissioning intervention should be re-structured. It should be voluntary and should allow for the dignified exit of targeted, non-viable boats, independent of age. In addition, it should be structured to provide support for all those affected and offer an incentive, for those displaced, to stay in their local communities.

Although a decommissioning rate of €6,000 per tonne was considered appropriate, mechanisms to maximise the net payment, whilst satisfying national and EU legislation, were considered necessary areas of investigation. It was also suggested that the rate of decommissioning per GT should be determined by the amount of quota historically caught by each vessel. It was felt that fishermen should be retrained & funding available if they wish to stay in the industry, other than catching and an intervention should be put in place for the crewmen, to compensate them and/or retrain them.

Also mentioned for consideration was the subject of temporary decommissioning or tie-ups, which could also be used as a means of reducing tonnage in the short term

Decommissioning of pelagic vessels was not deemed an immediate requirement but may be required in 12 to 18 months time.

Inshore Fisheries

A number of issues were raised during the course of the Strategy Review Group relating to Access and Effort Management, Licensing, Enforcement, Fleet modernisation, Conservation, Infrastructure,

Marketing/Value Added, Processing Capacity, Management outside 12nm, Quality Control, Recreational Fisheries and Social aspects, such as early retirement for fishermen and attracting young entrants.

In summary, the view expressed at the Regional Meetings was that economic efficiency has to be seen as a wider concept than merely the apparent efficiency of the individual vessel – smaller vessels provide a substantial volume of high-value landings & generate locally important economic activity over a widely dispersed area. There is, therefore, a need for fresh impetus to engage at central departmental level with the species advisory groups. Area access arrangements should be examined with respect to precluding large boats from some areas close inshore. International issues with crab and scallop, particularly days at sea restrictions should be progressed through the RAC. In addition, support and incentives for the provision and use of safety equipment and safety standards should be maximised urgently.

Conservation

Key testing programmes should be established and specifically focussed on; the conservation and restoration of habitats to meet international obligations in relation to the conservation of fish stocks and the maintenance of biodiversity targets; the development of a new suite of fisheries management frameworks that incorporate ecosystem and socio-economic considerations; provision of robust scientific advice on all stocks exploited by the Irish fleet and improved stock assessment methodology for offshore, migratory and inshore fisheries; a better understanding of the fisheries resource base; scientific advice that underpins improved Coastal Zone Management and maintenance of the Biologically Sensitive Area off the south west coast; an integrated knowledge product that provides a broader range of advisory options for fisheries and ocean management.

Furthermore, it was widely agreed that it will not be possible to prove that foreign vessels are over-fishing without the backing of the Government and that independent observers should be placed by the EU on freezer trawlers to monitor their high grading & discarding operations.

It was recognised that Technical Conservation Measures (TCMs) are critical and need to be tackled through the RACs. Mesh size was broadly discussed and it was felt that measures to increase mesh size should be introduced across the board, on an EU-wide basis and within an agreed timeframe, to help with the conservation of stocks and to reduce discarding. A minimum mesh size of 90mm was

discussed and broadly accepted, provided it does not reduce the number of days at sea. An agreed twine thickness should also be implemented.

With regard to control and enforcement of conservation measures, it was reasoned that control should be based on prioritisation and proportionality i.e. a fishery officer should not spend the same amount of time on board a vessel that catches 7000 tonnes as onboard a vessel that catches 7 tonnes. Discarding and high grading were noted as areas that need further control, along with the management of other non-commercial species and in particular, seals. Although some industry instigated closed areas exist (NW cod and SE herring), protection of spawning areas for pelagic stocks should be implemented and adhered to, unequivocally, by all vessels.

Aquaculture

There was general agreement that aquaculture needs to achieve a greater degree of acceptance and that it has not yet reached its full potential. The 1997 Fisheries Act should be fully implemented, to ensure that licence applications are dealt with in the specified timeframe in the Act. Delays in processing licensing applications results in commercial losses and allows competitors abroad to take advantage of new species and gain market share. New aquaculture licence applications should be subjected to a greater degree of scrutiny with regard to the business plans of the promoters and not just the possible environmental impact.

It was emphasised that there should be support for innovation in the creation of new forms of Irish aquaculture products. New research teams in state agencies; third level institutions and industry should be established to address research gaps in marine spatial planning, offshore aquaculture technologies and new species development. Established research teams should be strengthened in areas such as environmental management and monitoring, forecasting, fish health and production techniques and technologies

Special provisions should be made in the EFF suite of Measures for compensation to mussel farmers for prolonged bio-toxin closures, a contingency fund to deal with natural disasters, a contingency fund to do immediate practical applied research to deal with emerging disease or environmental issues and that a special provision be made for funding collective actions by aquaculturists through an extension of the current role and function of the CLAMS groupings.

A seed capital intervention should also be established to assist new species and new technology promoters to raise working capital.

The current effort being put in by the industry in terms of assisting the state with sampling and participating in the CLAMS process should be more formally recognised and communicated. In particular, the role of the shellfish industry whereby it acts as an environmental watchdog for water quality should be highlighted and used as a means of gaining acceptance for the sector.

Socio-economics

It was widely agreed that all sides of the industry need to work together to improve the image of the industry to the public, which would also help to attract young people into the industry.

The issues surrounding the taxation and social welfare payments being made by fishermen need to be addressed to ensure that the highest calibre of fisherman remains in the business.

Crewmembers should be compensated for loss of livelihood following decommissioning and crew members who have worked for at least 5 years should be offered a grant to diversify out of fisheries as per EU Regulation 2792/1999 Art 12 and should be offered re-training as early as possible in the process.

Appendix 3: Mid Term Evaluation of the Operational Programme

Report by Fitzpatrick Associates

1 Overview

The purpose of this chapter is to provide the conclusions and recommendations for the Interim Evaluation of the Seafood Development Operational Programme 2007-13.

Conclusions of the Interim Evaluation are discussed under the key headings of: relevance and consistency; effectiveness and progress; efficiency and processes; and best practice and lessons learned. Recommendations, on the other hand, include financial recommendations, other Axis-specific recommendations and other general recommendations.

2 Conclusions

2.1 Relevance and Consistency

As noted in the report, progress under the Programme has taken place against a background of recent tumultuous changes in the Irish economy. This includes falling output, shrinking employment numbers and rising unemployment, with GDP and GNP falling by 12% and 16% respectively between 2007 and 2010 and unemployment growing to 13.5%.

The changes in the economic landscape do not, however, have major implications for the ongoing relevance of the existing activities funded under the Programme, i.e. they have not altered the fact that the activities currently funded under each Axis are potentially good for the sector, and they continue to be priorities for the implementation of national and EU strategy. In this regard, for example, they still contribute directly to several of the core themes espoused in national seafood strategy, such as: fleet restructuring and development; fisheries management; marine environment and conservation; and dealing with the socio-economic impact of change. In addition, the Programme also retains the potential to contribute to key objectives of EU strategy, such as:

- providing sustainability in economic, environmental and social terms;
- promoting a sustainable balance between resources and fishing capacity;
- fostering the protection and enhancement of the environment and natural resources;
- encouraging sustainable development and improved quality of life in areas with activities in the fisheries sector.

However, as noted earlier, the changes in the economic landscape do have potentially serious implications for the future progress of existing activities under the Programme, and especially for its ability to draw down EFF support and for its contributions to recently emerging national and EU priorities, including job creation. In particular, it is clear that there is now serious pressure on the Irish Exchequer's ability to fund planned current and capital spending in the seafood sector. Falling tax revenues have led to unsustainable increases in the General Government Deficit, thereby creating pressures to reduce growth in public spending, which in turn have had a serious impact on fisheries-related spending. As a result, it already appears likely that the Exchequer will find it

difficult to provide full match funding for the scale of activities planned for in the OP, particularly under Axis 3 and Axis 4. Therefore, new eligible activities that have better prospects of providing Exchequer matched funding may need to be introduced into the Programme if all EFF funding is to be utilised.

Furthermore, the rapid contraction of the Irish economy has once again made job creation and job protection a hugely important policy priority at a national level, both for the economy as a whole and for the fisheries sector. As noted in Chapter 6 above, job creation and protection is not a key priority for the Programme in its current structure, so changes to the OP that would more directly respond to this issue (e.g. interventions eligible under Axis 2 of the EFF) should be considered.

In this context, it is also important to remember that the Programme forms only part of a wider suite of interventions targeted at meeting the needs of national and EU policy in fisheries. In particular, the Exchequer funded Irish Seafood National Programme 2007-13 includes a range of activities that are potentially eligible for EFF co-financing, some of which could be transferred to the Seafood Development Operational Programme 2007-13. This would also have the effect of broadening the relatively narrow focus of the OP as originally designed, which has funding heavily concentrated in Axis 1 and Axes 2 and 5 not included.

Finally, given the extent of the economic recession, both in Ireland and in a global context, it is also likely that job creation activities will take on an added importance in the plans for post-2013 EFF support. Furthermore, emerging European Commission policy proposals suggest some indication of other likely priorities for future EFF support, including a probable stronger role for interventions under Axis 4.

2.2 Effectiveness and Progress

As noted in the report, progress under the Programme has, in overall terms, been very good up to the end of 2010. In this period, total public expenditure of nearly €37.0mn has been paid out under the Programme, including EFF support of €27.6mn and Exchequer funding of €9.4mn. The Programme has therefore drawn down 66% of its total allocation of EFF expenditure, which gives Ireland the second highest commitment rate for EFF support among EU Member States as of late 2010.

Progress under the Programme has, however, varied greatly by Axis, and overall progress has been largely dependent on the progress achieved under Axis 1. Total public expenditure of €36.4mn, including €27.3mn in EFF support, had been paid out under Axis 1 at the end of 2010. This, in turn, is equivalent to 78% of both the total public expenditure and the total EFF expenditure available under Axis 1.

In addition, Axis 1 has achieved nearly 78% of its physical targets to remove over 8,900 GTs and nearly 25,000 KWs from the whitefish fleet. The unit cost of expenditure under the Axis is in line with original Programme targets, which implies a good level of efficiency of spend, while early indications suggest that it has been effective in improving quota uptake, productivity and viability for the remaining whitefish fleet.

Progress under Axis 3, on the other hand, shows that total public expenditure of just €577,000 had been paid out at the end of 2010, or less than 5% of both the total public expenditure

available and total EFF expenditure available. The low level of spending under the Axis also means that the level of physical progress has been similarly limited.

Furthermore, while preparation for implementation has been under way, there has been no financial or physical progress under Axis 4. Indeed, progress under the Axis is still very much at the planning stage, there are no FLAGs currently formed, and a National Implementation Board for the Axis is still to be formally established.

Several obstacles and constraints have contributed to the lack of progress under both Axis 3 and Axis 4. In particular, lack of Exchequer funding, restrictions on how funding is provided (including the requirement that projects be restricted to single calendar year expenditure) and lack of certainty about future levels of Exchequer support have been a key brake on progress. Other factors that have hampered progress include the late approval of the Programme, delays in launching funding schemes and industry difficulties in accessing credit.

Within this context, the outlook for further progress also looks mixed, and it is clear at this stage that the Programme, in its current format, will not be able to draw down all of the remaining €14mn allocation of EFF support that is available. Therefore, as noted in Section 7.2.1 above, the Programme will need to introduce changes to its content, which are eligible for EFF co-financing, but which are worthwhile interventions that justify public support and that have good prospects for progress. This may include, for example, interventions that are eligible for funding under Axes 2 and 5 of the EFF.

2.3 Efficiency and Processes

As outlined in the report, the main processes underpinning the Programme include the partnership processes, the overall management processes (e.g. promotion and awareness, selection and appraisal, payments and claims) and the monitoring and evaluation system. In general, the efficiency and effectiveness of these processes have displayed both positives and negatives.

For example, the size of the partnership involved in the Programme is extensive, and it involves a wide variety of different stakeholders and organisations. Partnership has been a feature of the Programme's development from an early stage, since the national seafood strategy was developed by the Seafood Industry Strategy Review Group, and some good partnership arrangements have continued during the implementation of the Programme.

Monitoring Committee meetings have also occurred at regular intervals since the Programme was approved, and there has been a good level of attendance and representation by stakeholders within the Monitoring Committee. Evidence for the level of engagement of stakeholders within the Monitoring Committee is a bit more mixed, however, with some suggestion that it is not a very good vehicle for meaningful interaction among the partners, but is instead too formalised a structure to have any constructive role.

Programme management, is showing considerable resilience in a time of unprecedented difficulties and uncertainties in the Irish context. The management of the Programme has nonetheless faced some challenges and difficulties, including in particular the steep learning curve that the Department of Agriculture, Food and the Marine has faced as the Managing Authority for the Programme. Also, a possible issue of concern for the future is the ongoing ability to provide the

resources to run the Programme, should activity under the Programme intensify. In this context, it is notable that the Programme currently does not allow for technical assistance funding under Axis 5 of the EFF.

In terms of promotion and awareness, the Programme has attracted a reasonably good response to its call for proposals, with 140 applications received and 66% of EFF support committed. On the minus side, however, the Programme has found it difficult so far to generate enough applications to produce a healthy level of project approvals and subsequent Programme expenditure under Axis 3, with the average size of project funded being smaller than was originally anticipated. This is partially explained by the new "same calendar year" rule introduced across Departmental programme spending.

Possible improvements to promotion and awareness activities might include more direct engagement with the industry organisations or wider stakeholders to let them know about Programme activities. Improvements could also incorporate more use of seminars or workshops at local or regional levels to promote and explain the Programme and more use of BIM's network of local officers to help promote the Programme and build awareness of its activities. Information on the Departmental and BIM website could also be made more easily accessible and more up-to-date.

Application, selection and appraisal procedures used under the Programme demonstrate a high level of good practice. In overall terms, the process clearly aims to embody the principles of transparency, objectivity, fairness, impartiality and equality of treatment, confidentiality and efficiency and speed. A possible downside, however, is whether both the procedures and the criteria have become too cumbersome, too complex and resource intensive, while there are some slight concerns about conflict of interest in cases where BIM and other State agencies are lead beneficiaries. Also, changes made to address this are welcome but are not openly publicised.

There does not appear to have been any major issues arising about the payments and claims processes for the Programme. However, it is clear that there have been very little payments and claims made under Axis 3 and Axis 4 to date and the processes will therefore be tested to a much greater extent if the volume of activity increases.

Finally, monitoring and evaluation arrangements under the Programme also remain somewhat untested because there has been so little financial and physical progress outside of Axis 1. Having said this, it does appear that monitoring arrangements have improved as the Programme has progressed. In addition, a suite of indicators has been in place for the Programme, in line with good practice. Key conclusions on these indicators are that:

- indicators used for Axis 1 have proved to be very useful, and give a reliable and timely account of the outputs that the Axis has sought to achieve;
- it is unlikely if the original Programme indicators for Axis 3 are still relevant to the activities being funded;
- other information reported to both the Monitoring Committee and the European Commission could be used as alternative indicator data, though no relationship appears to exist between this and indicators set out in the original OP.

All in all, the indicators to be used for monitoring and reporting purposes from here onwards need to be set out more clearly.

2.4 Best Practice and Lessons Learned

The findings of the Interim Evaluation show a number of examples of good practice that the Programme has demonstrated to date and should be acknowledged. These include:

- the strategy development process, and the partnership underpinning it, which delivered the Report of the Seafood Industry Strategy Review Group and the National Strategic Plan, upon which the Programme is based;
- efforts to incorporate wider EU priorities into the Programme partnership, in particular gender and environmental groups;
- the efficiency and effectiveness of the 2008 Decommissioning Scheme, which has driven the overall level of spend under the Programme and has shown evidence to suggest that it will deliver a wider effectiveness and impact;
- the use of application, selection and appraisal procedures that demonstrate a high level of best practice and that clearly aim to embody principles such as transparency, objectivity, fairness and impartiality;
- evidence of a clear effort to take on board “learning on the job” within the Programme management, e.g. such as the Managing Authority’s efforts to improve Programme reporting.
- Alongside this, however, the findings also show that there are a number of lessons that can be learned from the progress and implementation of the Programme to date. These lessons include:
 - the need to put financial planning for the OP, whether formally or informally, through some form of “sensitivity analysis”. In an Irish context, for example, it is clear that financial planning for fisheries development was based on a strong assumption that Exchequer monies would provide sufficient resources to meet much of the funding needs required, while EFF support was more targeted on a few key “core themes” within the national seafood strategy;
 - the benefits of putting forward a more broad mix of interventions for EFF support, both in strategic and practical terms. In particular, this would include the potential benefits of incorporating Axis 2 interventions into the EFF Programme as well as allowing for a greater range of interventions under Axis 1 and Axis 3;

- the need to explicitly allow for technical assistance (Axis 5) in the Programme to help guarantee that the necessary management and administrative resources can be provided over the course of the programming period. The OP is unique among 2007-13 OPs in the EFF in this regard, and this practice is also a “first” in Ireland’s long history of EU co-financed OPs across all funds;
- the overall importance of planning in a Programme context and the value that previous experience brings in getting programmes of this nature up and running. In this respect, the Managing Authority should be much better placed to plan for an EFF programme in the 2014-2020 funding period, assuming that the necessary corporate experience is retained.

3 Recommendations

3.1 Financial Recommendations

Section 2 above has highlighted the fact that, while spend to date under the Programme has been very good in overall terms; it has been driven by Axis 1 and has been slow to happen under Axes 3 and 4. As a result, and given current pressures on the Exchequer finances, it is clear that on present trends the Programme will not be able to draw down most of the remaining EFF support unless adjustments are made.

Also, it has been noted that changes in the external environment have led to the re-emergence of job creation and job protection as a crucial short-term policy priority in Ireland, and that the need to support policy objectives in this area warrant a re-adjustment of Programme spend towards more jobs focused activities.

Table 7.1 below therefore contains a proposed reshaping of financial allocations under the Programme, taking account of what has already been spent or committed to date. A number of additional issues have been taken into consideration in making these proposals, including:

- what is currently happening in funding schemes under either the Seafood Development Operational Programme 2007-13 and the Irish National Seafood Programme 2007-13;
- what might be feasible or possible in an overall funding context, given the external environment;
- what complies with the EFF Regulation;
- what priorities are likely to be post-2013.

The table below provides a scenario for drawing down an additional €14.4mn in EFF support through (a) further investment in existing EFF schemes and (b) the introduction of other schemes into the Operational Programme Ireland 2007-13, which are already being operated and funded under the Irish National Seafood Programme 2007-13 via BIM. It has been prepared in consultation with BIM. This plan includes the re-profiling of the remaining EFF support as follows:

- using a further €3.5mn to fund interventions under Axis 1;

- allocating another €3.5mn to introduce new activities to the Programme, which are eligible for EFF support under Axis 2;
- using a further €4.4mn to fund both existing and new interventions under Axis 3;
- using €0.8mn to begin the roll-out of existing plans for Axis 4;
- allocating €2.1mn to provide funding for technical assistance under Axis 5.

TABLE 7.1: REVISED FINANCIAL ALLOCATIONS – SUGGESTED ALTERNATIVE					
Priority Axis	EFF (€000s)	National (€000s)	Total Public (€000s)	Private Matched Funding (€000s)	TOTAL (€000s)
Completed Scheme					
Axis 1 – Decommissioning	27,279	9,093	36,372	-	36,372
Axis 3 – cMEPS (2010-11)	613	697	1,310	803	2,113
TOTAL	27,892	9,790	37,682	803	38,485
Adjusted Schemes					
Axis 1 – Decommissioning	1,875	625	2,500	-	2,500
Axis 1 – Development and Diversification	1,658	1,658	3,316	4,973	8,289
Axis 2 – Seafood Processing	3,000	3,000	6,000	18,000	24,000
Axis 2 – SEEDS	550	550	1,100	1,650	2,750
Axis 3 – cMEPS (2012-2015)	1,700	1,700	3,400	600	4,000
Axis 3 – Business Development	1,842	1,842	3,684	650	4,333
Axis 3 – SEEDS	850	850	1,700	300	2,000
Axis 4 – Coastal Fishing Areas	788	788	1,576	675	2,250
Axis 5 – Technical Assistance	2,113	-	2,113	-	2,113
TOTAL	14,376	11,013	25,389	26,848	52,235
OVERALL TOTALS	42,267	20,803	63,071	27,651	90,720

Note: Figures are subject to rounding.

In addition, under this revised financial reallocation, the level of Exchequer matched funding would fall from an original planned investment of €24.1mn down to a revised planned investment of €20.8mn. Table 7.2 below, in turn, gives the proposed co-financing rates across the various schemes.

TABLE 7.2: REVISED FINANCIAL ALLOCATIONS – CO-FINANCING RATES				
Priority Axis	EFF (%)	National (%)	Total Public (%)	Private Matched Funding (%)
Finished Scheme				
Axis 1 – Decommissioning	75.0%	25.0%	100.0%	0.0%
Axis 3 – cMEPS	29.0%	33.0%	62.0%	38.0%
New Schemes				
Axis 1 – Decommissioning	75.0%	25.0%	100.0%	0.0%
Axis 1 – Development and Diversification	20.0%	20.0%	40.0%	60.0%
Axis 2 – Seafood Processing	12.5%	12.5%	25.0%	75.0%
Axis 2 – SEEDS	20.0%	20.0%	40.0%	60.0%
Axis 3 – cMEPS	42.5%	42.5%	85.0%	15.0%
Axis 3 – Business Development Innovation	43.0%	43.0%	86.0%	14.0%
Axis 3 – SEEDS	42.5%	42.5%	85.0%	15.0%
Axis 4 – Coastal Fishing Areas	35.0%	35.0%	70.0%	30.0%
Axis 5 – Technical Assistance	100.0%	0.0%	100.0%	0.0%

Note: "SEEDS" is an abbreviation for Socio-economic Enhancement Development Scheme.

The detailed recommendations underlying these allocations are contained in the box below. The allocations have tried, as best as possible, to recommend the transfer of eligible schemes into the

Seafood Development Operational Programme 2007-13, which are operated under the Irish Seafood National Programme 2007-13 via BIM. Also, the recommendations take account of the need to place a higher priority on job creation and job protection through the introduction of interventions under Axis 2 and Axis 3.

However, this scenario would still require some additional Exchequer funding, over and above current planned capital funding to BIM in the coming years, which is estimated at approximately €1.1mn per annum in total expenditure. To draw down the full EFF support without additional Exchequer funding being required would necessitate either:

- transferring into the OP some existing non-capital BIM expenditure from its directly provided services to the sector. This would necessitate confirmation that these are eligible, and that the OP funding can be provided without use of competitive procedures;
- transferring into the OP (but outside BIM) some of the existing EFF eligible Departmental allocation.

Axis	Recommendations – EFF Support
Axis 1	<ul style="list-style-type: none"> ▪ Set aside a fund of up to a maximum of €1.9m for possible co-financing of a further fleet re-structuring measure, subject to ex-ante assessment of the need for such a measure, consideration of the Value for Money Review of the 2005/2006 and 2008 Decommissioning Schemes and consideration of competing funding priorities during the remaining years of the Programme. ▪ Allocate over €1.6mn for support of existing fleet development and diversification schemes, currently funded under the Irish National Seafood Programme 2007-13, including fleet safety, young skippers, onboard quality, environmentally friendly fishing gear etc.
Axis 2	<ul style="list-style-type: none"> ▪ Allocate €3.0mn to support the Seafood Processing Business Investment Scheme, currently funded under the Irish National Seafood Programme 2007-13, which provides supports to seafood processing enterprises that are micro-enterprises or SMEs. ▪ Allocate just over €0.5mn to provide Axis 2 type capital supports for processing in line with Articles 34 and 35 of the EFF Regulation.
Axis 3	<ul style="list-style-type: none"> ▪ Allocate €1.7mn for the continuation of supports under cMEPS, though with less anticipated focus on certification than in 2010-11. ▪ Allocate over €1.8mn to support the Business Development Innovation Scheme, currently funded under the Irish National Seafood Programme 2007-13, which facilitates projects that support market development, seafood innovation and processing. ▪ Allocate about €0.9mn for support of Axis 3 type interventions, currently eligible for funding under the Irish National Seafood Programme 2007-13*, which can support job creation and protection in line with Articles 37-41 of the EFF Regulation.
Axis 4	<ul style="list-style-type: none"> ▪ Allocate €0.8mn to promote the development and operation of one FLAG on a pilot basis and to facilitate the formation, prior to operation, of another five FLAGs before the end of the EFF Programme.
Axis 5	<ul style="list-style-type: none"> ▪ Provide €2.1mn in funding for technical assistance to support the management and administration of the EFF Programme, i.e. 100% funding at a maximum of 5% of the total EFF allocation to the Programme.
*While currently in principle fundable under the National programme, these are not currently being funded.	

3.2 Other Axis-specific Recommendations

The purpose of this section is to list other key recommendations, outside of financial reallocations, that are specific to particular Axes. Each of the Axes is therefore dealt with separately in the box below.

Axis	Recommendations – Axis-specific
Axis 1	<ul style="list-style-type: none"> As recommended in the draft Value for Money Review of the 2005-06 and 2008 Decommissioning Schemes, a detailed ex-ante assessment should be carried out to determine the extent to which any further decommissioning is required and any decision to proceed with such a scheme should await the findings of this assessment.
Axis 2	<ul style="list-style-type: none"> Potential supports for aquaculture, which have been delayed because of issues regarding Natura 2000 designations at aquaculture sites, should be examined again (a) if and when such issues are resolved and (b) if money is not being spent elsewhere in the Programme.
Axis 3	<ul style="list-style-type: none"> Published brochures on overall Measures and Sub-measures need to be updated, in particular to reflect changes to the Measures and Sub-measures, e.g. changes to the project selection system. The project selection system needs to make procedures around conflict of interest inclusive of both personal and institutional conflicts. The role of and procedures around BIM as a beneficiary as well as the Intermediate Body needs to be made more transparent. Greater use of Axis 3 for pilot/demonstration projects should be encouraged with a view to broadening the range of beneficiaries and enhancing impact.
Axis 4	<ul style="list-style-type: none"> The steps needed to proceed with Axis 4 as planned need to be taken without delay, including: selecting the pilot FLAG; convening the National Implementation Board; agreeing its Terms of Reference; preparing and issuing guidance to the pilot FLAG on the requirements of its strategic plan; and ensuring that the pilot FLAG is operational and has conducted sufficient promotional work to enable it to begin project and expenditure activity in 2012. Strategic plans of FLAGs need to be comprehensive, and include details and proposals on: the FLAG itself, its members, role and structure; governance and management proposals; a local needs assessment and consultation process; proposed strategic objectives and priorities; specific actions, measures and activities; performance indicators, monitoring and evaluation proposals; targeting; reporting; financial plans; co-ordination with wider policies and programmes; and networking and co-operation. It would be beneficial if some degree of multi-annual financial planning and implementation was facilitated under Axis 4, whereby project applications, appraisal, approval, activities and full financial drawdown did not necessarily need to occur in the same calendar year. The services and supports of FARNET should be utilised in full by BIM, the National Implementation Board and prospective FLAGs at all stages of the roll-out of Axis 4. Following the establishment of the pilot FLAG in 2011, a detailed schedule and timetable for the process of preparing for, and establishing the remaining FLAGs should be put in place and agreed, to include target dates for all the necessary intermediary steps involved. Maximum flexibility should be applied to the operation of the pilot FLAG to enable lessons to be learned and put in place ahead of the extension of Axis 4 to the remaining areas. A mechanism should be put in place between Axis 4 and the National LEADER Programme, at the level of senior officials within the Department of Agriculture, Food and the Marine and the Department of the Environment, Community and Local Government (assumed to take over the national management of LEADER), to ensure the necessary authority and oversight is in place to ensure effective co-ordination at a national level. Additional support should be considered for Axis 4 if progress is made ahead of target and if money is not being spent elsewhere in the Programme.

The problems regarding Natura 2000 designations at aquaculture sites should be addressed as soon as possible because it is hampering investment in a sector that is regarded as being a major growth prospect in an EU context. Also, it should be noted that both aquaculture (under Axis 2) and Axis 4 are likely to be major priorities in an EFF context in the 2014-2020 funding round, so Ireland needs to be well positioned in these areas if it is to maximise future EFF support.

3.3 General Recommendations

The purpose of this section is to list other key recommendations, outside of financial reallocations, that apply to general Programme issues. The recommendations are provided in the box below.

Recommendations – General

- New and more targeted promotion and awareness activities should be introduced in order to further build the level of interest in and applications to the Programme. Funded by technical assistance, this could include the use of seminars and workshops at a regional or local level and further use of the BIM network of local officers to generate interest in the Programme and further develop project ideas.
- Seminars and workshops could also be used to inform potential applicants about the processes to be followed in making an application, and similar support could be provided to successful applicants that are unfamiliar with processes for reporting progress, making payment claims etc.
- More information about the Programme should be provided on the website of the Department of Agriculture, Food and the Marine, not just the BIM website.
- Indicators and the indicator collection and reporting system needs to be reviewed once decisions regarding financial reallocations have been made, and a properly functioning routine system of data collection and reporting needs to be established and agreed.
- There needs to be greater clarity around the OP, especially via the websites of both the Department and/or BIM, e.g. lists of beneficiaries, membership of selection and appraisal panels.
- With a reduction of full Monitoring Committee meetings to one annually, consideration should be given to establishing a small OP Management Sub-committee or Working Group* which continues to meet at least twice yearly to help bring a sense of focus, coherence, and continuity to the OP, especially in the context of expanding its coverage to Axes 2 and 5. An EU co-financed OP should not become an entirely routine part of the normal Departmental/BIM relationship.
- Where some BIM activities are otherwise eligible for co-financing, and BIM is the only realistic implementing body, consideration should be given to mechanisms for doing this that do not involve artificial competitive processes.
- There should be a second Interim Evaluation at end-2012 in order to review progress of absorption, and the need/potential for further financial reallocation in the light of the prevailing circumstances, e.g. appropriateness of aquaculture for EFF support.
- The likely increased role of both employment generation (Axis 2) and bottom-up initiatives (Axis 4) in the post 2014-20 EFF period** should influence their role in the 2011-13 period in order to help prepare for the later period.
- The practice of multiple overlapping programmes, schemes and scheme brands should be rationalised both during the remainder of this period and for the 2014-20 period.

*As envisaged under Article 4.6 of the OP Monitoring Committee Rules of Procedures

** See the European Commission's Green Paper on Reform of the CFP.