



MID-TERM EVALUATION OF THE IMPLEMENTATION OF THE EUROPEAN MARITIME AND FISHERIES FUND IN THE REPUBLIC OF SLOVENIA FOR THE 2014–2020 PERIOD

FINAL EVALUATION REPORT

LJUBLJANA, 8 MARCH 2019



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LIST OF ABBREVIATIONS

ARSKTRP	Agency of the Republic of Slovenia for Agricultural Markets and Rural Development
CLLD	Community-led Local Development
CPVO	Strategic Environmental Assessment
DG MARE	Directorate-General for Maritime Affairs and Fisheries
DOPPS	Birdlife Slovenia
EC	European Commission
EX-Ante	Ex-Ante Evaluation of the OP EMMF 2014–2020
EU	European Union
FAME	Fisheries and Aquaculture Monitoring and Evaluation
FARNET	Fisheries Areas Network
FLAG	Fisheries Local Action Group
GZS	Chamber of Commerce and Industry of Slovenia
KGZS	Chamber of Agriculture and Forestry of Slovenia
KIS	Agricultural Institute of Slovenia
LAG	Local Action Group
MF	Ministry of Finance
MGRT	Ministry of Economic Development and Technology
MIZŠ	Ministry of Education, Science and Sport
MK	Ministry of Culture
MKGP	Ministry of Agriculture, Forestry and Food
MOP	Ministry of the Environment and Spatial Planning
MSP	Small and medium-sized enterprises
MZZ	Ministry of Foreign Affairs
MzI	Ministry of Infrastructure
NIB	National Institute of Biology
NSNA 2014–2020	National Strategic Plan for Developing Aquaculture in the period 2014–2020
NUV II 2016–2021	Water Management Plan for the Danube River Basin for the Period 2016–2021 and the Water Management Plan of the Adriatic Sea for the Period 2016–2021
OECD DAC	Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)
OP EKP 2014–2020	Operational Programme for the Implementation of the European Cohesion Policy in the 2014–2020 period
OP ESFR 2014–2020	Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the Period 2014–2020
OPN	Municipal Spatial Plan
OzS	Steering Committee
OZS	Chamber of Craft and Small Business of Slovenia
OU	Managing Authority
PC	Specific Objective
PNU	Union Priority
PO	Intermediate body
PRP	Rural Development Programme
RS	Republic of Slovenia
SKD	Standard Classification of Activities
SOS	Association of Municipalities and Towns of Slovenia
SLR	Strategy of Local Development
SRRS	Slovenian Regional Development fund
SURS	Statistical Office of the Republic of Slovenia
SVRK	Government Office for Development and European Cohesion Policy
TC	Thematic Objective
ZPS	Slovenian Consumers' Association
ZRSVN	Institute of the Republic of Slovenia for Nature Conservation

SUMMARY

The subject of the report is a mid-term evaluation of the implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the 2014–2020 period (hereafter: the OP ESPR 2014–2020).

Through its strategy, the OP ESPR 2014–2020 contributes to the implementation of the reformed Common Fisheries Policy and the Integrated Maritime Policy, and thus aims to support the fisheries sector in Slovenia in the direction of competitive and sustainable development. At this stage, the implementation of the programme lags behind the intended intensity in terms of certain priority tasks of the European Union. Major discrepancies are evident in the number of approved projects and absorption of funds in view of the method of allocating funds (public tender, CLLD or public procurement). The lowest realisation and absorption rate can be seen in relation with the measures implemented in the form of public tenders. The reasons for this are varied.

The time factor is the first of these reasons. Time delays in the adoption of legislation and guidelines at the EU level have delayed the implementation of the operational programme on national level.

The objective limiting factor is the small size of the sector and its capability of absorption in view of the European and national rules concerning the allocation of funds. These certainly influence the effectiveness of the implementation of measures through public tenders. The main reasons mentioned by potential applicants include achievement of the indicators' target values and consequently the system of sanctions, inadequate co-financing rates, as well as the complex and time-consuming nature of application procedures.

OP ESPR 2014–2020 was drafted in close cooperation with all social partners and potential applicants. Therefore, it includes measures that were, together with all participating stakeholders, identified as feasible. Considering the cut-off date, 14 out of the 25 measures defined in the OP are on-going, meaning that they involve projects underway and funds allocated. Out of those, funds have been allocated to beneficiaries in the framework of 9 measures. No projects have been recorded in 11 measures, nor have funds been allocated. At the level of the entire OP, a third (33.7 %) of the funds was allocated and less than a tenth was paid out (8.8 %). If we deduct the funds for technical assistance, 6.7 % (EUR 2,018,767.24) of all the funds available for the implementation of measures were paid out.

In the forthcoming period of the programme (2019–2023), comprehensive corrective actions must be carried out at the implementation level. Solutions must be reflected in a reduced administrative burden both for beneficiaries and programme authorities and bodies (namely for the intermediate body of the Managing Authority). It should also be noted that the replacement of the management at the intermediate body showed that the main problem was not the administrative burden but its way of work, priorities and long duration of procedures at the intermediate body.

It is necessary to reconsider the feasibility of certain measures and adopt corrections of the programme, including only feasible measures in the OP. They can provide the sector with appropriate support it needs, while at the same time contributing to the achievement of the objectives of the Common Fisheries and Integrated Maritime Policy at the EU level. Guidelines on how to approach and implement this step are set out in this mid-term evaluation report.

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PART A: MID-TERM EVALUATION

1 SUBJECT, PURPOSE, AND OBJECTIVES OF EVALUATION

The subject of the report is the mid-term evaluation of the implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the 2014–2020 period.

The purpose of the mid-term evaluation is for an independent external evaluator to identify the progress made by the OP ESFR 2014–2020 in achieving impact indicators, to assess the reasons for the current implementation stage, and to make recommendations for improving the effectiveness and efficiency of the OP ESFR 2014–2020 in the 2019–2023 period.

The objective is to assess the effectiveness and efficiency of implementing the OP ESFR 2014–2020 at the level of specific objectives and measures, and to evaluate the implementation process. The main focus is on the evaluation of implementing the OP in the period from 1 January 2015 to 31 December 2018. Another objective is to identify the potentials of commercial marine fishing, aquaculture, and processing. As the findings will represent a baseline for further implementation of the OP ESFR 2014–2020, the evaluation includes a proposal for the reprogramming of the OP ESFR 2014–2020, which involves excluding some of the measures and recommends correcting the implementation of others.

The aim of the evaluation is to provide the Contracting Authority with relevant, credible and applicable information. Based on different data sources and their triangulation, the Evaluation Team identified problems that hinder the implementation of the OP ESFR 2014–2020. The evaluation report provides recommendations for mitigating or eliminating such problems, and identifies other solutions and suggestions for improvement of the effectiveness and efficiency of the OP.

The mid-term evaluation is carried out pursuant to Article 53 of Regulation (EU) No. 1303/2013, which requires the Managing Authorities and the Member States to form an evaluation plan for the programming period. It should cover an assessment of the programme's effectiveness, efficiency, and impact. The outcomes of the evaluation should be made known to the Monitoring Committee and the European Commission. This will facilitate decision-making on further programme implementation, which is based on Chapter 10 of the OP ESFR 2014–2020 (Evaluation Plan).

2 METHODOLOGY

The mid-term evaluation of the OP ESPR 2014–2020 is based on the evaluation questions that, according to the Terms of Reference, derive from the EMFF evaluation toolbox (final document CT03.1, October 2017). This includes evaluation questions that refer to the evaluation of the process, as well as evaluation at the level of specific objectives/measures. In the course of elaborating and implementing the methodological approach, the Evaluation Team followed established methodological approaches and guidelines for evaluating the European Cohesion Policy measures (Results-Based Monitoring and Evaluation System and OECD DAC Evaluation Network).

2.1 METHODS USED

A set of evaluation methods was presented to the Contracting Authority within the Initial Evaluation Report. The methods and approaches described below were adapted to the objective factors such as available time, target groups, etc.. The methods used were harmonised at the meetings with the Contracting Authority.

- Analysis of primary data (literature overview)

The documentation provided directly by the Contracting Authority (OP ESPR 2014–2020, Ex-ante evaluation, SEA, annual reports, data related to the implemented measures, documentation of the tenders, applicants, and beneficiaries, etc.) served as primary data sources, along with other relevant data obtained by the Evaluation Team.

- Statistical data

The relevant, publicly available statistical data were analytically reviewed to support the evaluation of impact and identification of potentials of the fisheries sector.

- Interviews

Based on the analysis of primary data and identification of key target groups, interviews with key stakeholders were conducted. The purpose was to clarify individual phases of programme implementation and to gain insight into the programme and project aspect of the implementation of the OP. The interviews were performed with programme structures (OU, PO), as well as applicants and beneficiaries of the OP ESPR 2014–2020.

- Focus group

To gain insight into the state of the commercial marine fishing sector and their experience with the implementation of the programme, a focus group of maritime fishermen was organised in Koper with the support of the Istria FLAG. This method was used to obtain a broader view of the problems and needs of the target group, as well as to identify the potential of the commercial marine fishing sector.

- Meetings with the Contracting Authority

To carry out a high-quality evaluation, continuous cooperation with the Contracting Authority was crucial. During the evaluation, several meetings and consultations were held with the representatives of the Contracting Authority in order to clarify certain issues.

We find that the key players in the evaluation process (in particular the Ministry's Hunting and Fishing Division) are aware of the importance of the evaluation. They gave special priority to the cooperation with the Evaluation Team and were very responsive and proactive. Consequently, the evaluation results are concrete and justified.

- Triangulation

By combining the different methods described above, the Evaluation Team gained a better understanding and a comprehensive insight into the subject of the evaluation. Based on the findings of various methods, the problem was highlighted from different angles. This allowed us to provide the Contracting Authority with relevant and applicable recommendations for further implementation of the OP.

2.2 EVALUATION TIMELINE

The evaluation process was carried out according to the time dynamics presented in the table below. Key milestones (marked bold) have been summarised from the Terms of Reference of the public procurement, the contract, and the Initial Evaluation Report.

Table 1: Evaluation timeline

PERIOD	ACTIVITY
3 September 2018	Contract signing
13 September 2018	Introductory meeting with the Contracting Authority
13 September to 3 October 2018	Initiation of evaluation (collection of primary data – programme documents and evaluation guidelines) and preparation of the Initial Evaluation Report
2 October 2018	Submission of the draft Initial Evaluation Report
2 to 4 October 2018	Coordination with the Contracting Authority on the Initial Evaluation Report, proposed methodology, and timeline
4 October 2018	Submission of the final Initial Evaluation Report and its approval by the Contracting Authority
11 to 12 October 2018	Meetings with the Contracting Authority to obtain data for process evaluation
5 October to 2 November 2018	Review of received documentation and preparation for interviews and focus groups
5 to 13 November 2018	Interviews with the heads of measures, head of secretariat and head of the OU of the OP ESPR 2014-2020
16 November to 5 December 2018	Focus group and interviews with applicants, beneficiaries, and FLAGS
26 to 30 November 2018	Interview with the Intermediate body – ARSKTRP
18 December 2018	Meeting with the representatives of the EC (DG MARE) and participation at a workshop for FLAGS
19 December 2018	Participation in the 5 th OzS meeting and presentation of the evaluation process
21 January 2019	Workshop with the Managing Authority on proposals and recommendations for improving the implementation of the programme
3 December 2018 to 31 January 2019	Preparation of the draft Final Evaluation Report
31 January 2019	Submission of the draft Final Evaluation Report
4 to 15 February 2019	Coordination with the Contracting Authority, preparation of the Final Evaluation Report
15 February 2019	Submission of the Final Evaluation Report

2.3 LIMITATIONS OF THE EVALUATION

The main limitation identified by the Evaluation Team was a small number of approved projects within the measures that are implemented through public tenders and CLLD. The low level of achieved output indicators thus represents a methodological limitation for complete compliance of the evaluation with the guidelines set by the Fisheries and Aquaculture Monitoring and Evaluation. As a result, the evaluation of the effects of the programme and its contribution to the result indicators was limited. The mid-term evaluation is therefore more focused on the evaluation of the implementation process of the OP and making recommendations. They were formed based on the findings about the activities carried out thus far within the measures of each Union Priority.

3 DESCRIPTION OF THE CURRENT SITUATION IN MARITIME AND FISHERIES SECTOR IN THE REPUBLIC OF SLOVENIA

Through its strategy, the OP ESPR 2014–2020 encourages the implementation of the reformed Common Fisheries Policy and the Integrated Maritime Policy. It is therefore aimed at supporting the fisheries sector in Slovenia in the direction of competitive and sustainable development. The implementation of the programme so far lags behind the intended intensity in terms of certain priorities of the Union. The reasons for this are varied.

In addition to the socio-economic analysis, this section provides an overview of identified objective factors that influence the absorption capacity of the fisheries sector. They impact its successful implementation but are not necessarily directly linked to the OP ESPR 2014–2020.

3.1 SOCIO-ECONOMIC ANALYSIS

Before reviewing in detail, the implementation process of the programme and the implementation of measures within the six priorities of the Union, it is worthwhile to outline the socio-economic conditions of commercial marine fishing, aquaculture, and processing industry sectors. This provides an insight into a possible change in selected result indicators, which have arisen in the period from the preparation of the programme to the mid-term evaluation.

Such analysis also identifies the potential of the sectors, which was taken into account in the guidelines for further implementation of the programme measures.

3.1.1 SOCIO-ECONOMIC ANALYSIS OF THE COMMERCIAL MARINE FISHING SECTOR

Slovenian commercial marine fishing sector, which includes fish and molluscs, has been in constant decline since the beginning of 2012. This is indicated by the selected socio-economic indicators related to the size of the fishing fleet and the amount of catch.

Table 2: Overview of the trends of selected socio-economic indicators in the sector of commercial marine fishing

INDICATOR	UNIT	INITIAL VALUE (YEAR; SOURCE)	CURRENT VALUE (YEAR; SOURCE)	INDEX 2017/2012	TREND (▲/●/▼)
INDICATORS OF THE OP ESPR 2014–2020					
1.1.a – Fishing fleet	number of vessels	181 (2012; MKGP, 2015)	171 (2017; KIS, MKGP, 2018)	94.5	▼
1.1.b – Fishing fleet	kW	10,096 (2012; MKGP, 2015)	8,821 (2017; SURS, 2018)	87.4	▼
1.1.c – Fishing fleet	GT	841.2 (2012; MKGP, 2015)	604.0 (2017; SURS, 2018)	71.8	▼
1.2 – Gross value added per FTE employee	in thousand EUR per person in full time equivalent	25.60 (2012; MKGP, 2018)	26.37 (2016; Zavod za ribištvo RS, 2018)	103.0	▲

INDICATOR	UNIT	INITIAL VALUE (YEAR; SOURCE)	CURRENT VALUE (YEAR; SOURCE)	INDEX 2017/2012	TREND (▲/●/▼)
1.8.a – Number of male and female workers employed	full time equivalent	63 (2012; MKGP, 2015)	69.7 (2016; Zavod za ribištvo RS, 2018)	110.6	▲
1.10.a – Coverage of Natura 2000 sites identified under the bird and habitat directives	km ²	18.1 (2013; ; MKGP, 2015)	18.1 (2018; ; MKGP, 2015)	100.0	●
ADDITIONAL INDICATORS					
Catch of marine animals: <ul style="list-style-type: none"> • Fish • Molluscs • Total 	tons	Fish: 279.2 Molluscs: 48.9 Total: 329.4 (2012; SURS, 2018)	Fish: 105.3 Molluscs: 21.7 Total: 128.4 (2017; SURS, 2018)	37.7 44.4 39.0	▼

The Commission Implementing Decision (EU) 2016/1251 defines the number of vessels of the fishing fleet. Active vessels are vessels that have been engaged in any fishing operation (one day or more) during a calendar year. This is disclosed by the number of submitted fishing logbooks. Based on this definition, there are currently 133 vessels with active fishing licences in the Republic of Slovenia.

The main reasons for the constant decline of the commercial marine fishing sector include:

- The scrapping of fishing vessels within the measures of the previous programming period (2007–2013) and consequently reducing sector capacity. Today, the Slovenian fishing fleet consists mainly of vessels of up to 6 meters in length (47 % of all vessels) and vessels between 6 and 18 meters in length (44 %). A number of vessels over 12 meters long covers only 8 % of the total fleet (KIS, MKGP, 2018).
- Small surface of Slovenian sea (213.7 km², NIB 2018), where fishing is additionally limited due to waterways and disregard of the arbitration agreement on the border between the Republic of Slovenia and the Republic of Croatia.
- Limited fishing capabilities due to the small aquatory, outdated equipment, dominant mixed seasonal fishing (limited possibilities of specialisation) and shared/migratory stock, which are exploited to a lesser extent by the Slovenian fishing fleet.
- A limited number of businesses and individuals that operate within the sector, their weak competitiveness and poor socio-economic status of fishermen.
- The discrepancy between owners of fishing vessels. On the one hand, there are active fishermen who work on a daily basis and for whom commercial marine fishing is the basic (or at least predominant) economic activity. On the other hand, there are many occasional fishermen who submit much fewer logbooks (e.g. only one), and for whom commercial marine fishing is less important (e.g. self-supply, leisure time, etc.). This leads to an excessive cumulative number of fishing vessels in relation to the aquatory and available stock.

Changes of guidelines for report preparation on the capabilities of the fishing fleet on the EU level should be considered. The methodology for the calculation of the technical, biological and economic indicators should be revised so that characteristics of small scale fishing sectors are taken into consideration.

As evident from the table above, the catch of marine animals has decreased by more than half during the observed period, but the number of fleet vessels decreased to a significantly smaller extent. This again signals that the fishing fleet is not balanced. Consequently, more and more individuals and enterprises active in commercial marine fishing engage in part-time or additional employment in other economic activities, such as tourism, trade, transport, and gastronomy.

Despite this, the number of employees and gross added value (measured in full-time equivalent) have increased. However, this is not a result of increased business performance in the commercial marine fishing sector, but diversification of fishermen. Due to the unfavourable socio-economic situation, employees in the commercial marine fishing sector are forced to diversify their activities (e.g. gastronomy, trade, etc.). This is reflected in the business performance and a rise in employment. We estimate that such diversification should be further encouraged since it represents a high potential of the sector in relation to tourism.

3.1.2 SOCIO-ECONOMIC ANALYSIS OF THE SITUATION IN THE AQUACULTURE SECTOR

Slovenian aquaculture sector of today includes breeding freshwater (exclusively fish breeding) and marine organisms (breeding of fish and molluscs). As indicated by selected socio-economic indicators in the observed period, the entire aquaculture sector is on the rise, unlike sea fishing. This relates to the breeding of freshwater fish as well as breeding of marine fish and molluscs.

Table 3: Overview of the trends of selected socio-economic indicators in the aquaculture sector

INDICATOR	UNIT	INITIAL VALUE (YEAR; SOURCE)	CURRENT VALUE (YEAR; SOURCE)	INDEX 2017 / 2012	TREND (▲/●/▼)
INDICATORS OF OP ESPR 2014–2020					
2.1 – Volume of aquaculture production	tons	1,154.6 (2012; MKGP, 2015)	1,729.6 (2017; SURS, 2018)	149.8	▲
2.2 – Value of aquaculture production	in thousand EUR	3,070.29 (2012; MKGP, 2015)	4,569.20 (2017; SURS, 2018)	148.8	▲
2.6.a – Number of male and female workers employed	Full time equivalent	145.0 (2012; SURS, 2018)	147.1 (2017; Zavod za ribištvo RS, 2018)	101.5	▲
2.5 – Volume of production recirculation system	tons	0.00 (2012; MKGP, 2015)	54 (2017; MKGP, 2018)	/	▲
ADDITIONAL INDICATORS					
Production capacities in aquaculture:					

INDICATOR	UNIT	INITIAL VALUE (YEAR; SOURCE)	CURRENT VALUE (YEAR; SOURCE)	INDEX 2017 / 2012	TREND (▲/●/▼)
Ponds for breeding freshwater fish	hectares	227 (2012; SURS, 2018)	234 (2017; SURS, 2018)	103.1	▲
Pools for breeding freshwater fish	in thousand m ³	60 (2012; SURS, 2018)	65 (2017; SURS, 2018)	108.3	▲
Impoundments for freshwater fish breeding	hectares	272 (2012; SURS, 2018)	272 (2017; SURS, 2018)	100.0	●
Cages for breeding marine fish	in thousand m ³	18 (2012; SURS, 2018)	z* (2017; SURS, 2018)	100.0	●
Breeding facilities for mollusc– lines	hectares	45 (2012; SURS, 2018)	48 (2017; SURS, 2018)	106.7	▲

z* – Statistically confidential data

The volume and the value of aquaculture production increased in the observed period (index in 2017/2012 = 149.8 and 148.8, respectively). Production capacity in aquaculture has also increased. The largest increase is detected in the production within a water recycling system, while a lesser increase is recorded in the volume of freshwater fish pools. A substantial part of this growth can be attributed to the investments in aquaculture within the OP ESPR 2007–2013. These investments were completed in 2015 and are therefore reflected in the statistics. The above table indicates that an almost unchanged number of employees increased the value of aquaculture production by 50 %. This can be attributed to a combination of increased production capacities, technological upgrades, improvement of legal regimes (proper registration of enterprises and official sale), and partly to the methodological consideration regarding the keeping of records of the staff working time in enterprises, where aquaculture is not the only (or predominant) activity.

It should be emphasised that both the volume and the value of aquaculture reached its peak in 2016 (index 2016/2012 = 158.1 and 162.1, respectively). In 2017, values dropped (see the image below).

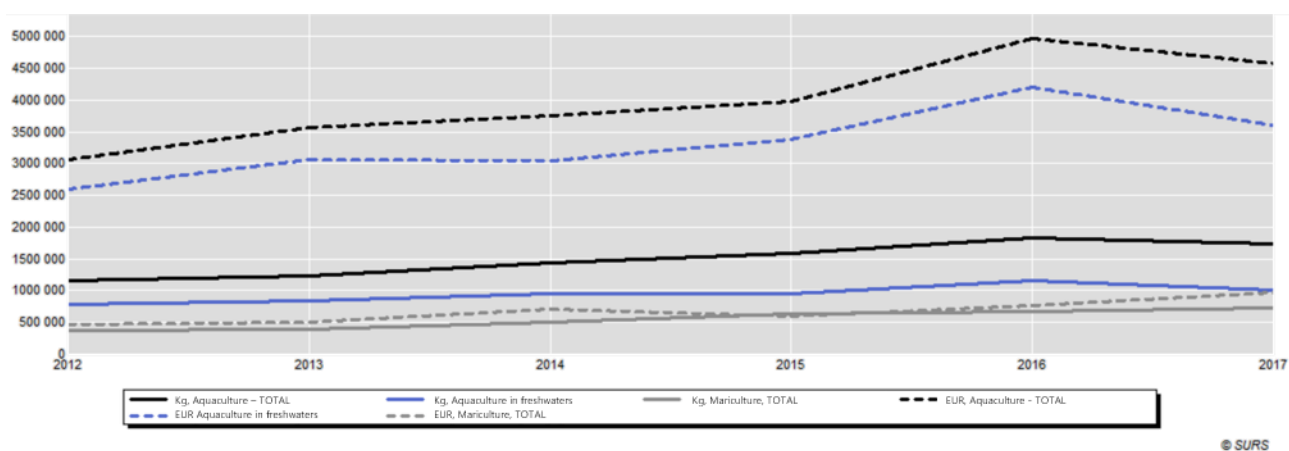


Image 1: Aquaculture – the volume of production in kg (SURS, 2018).

The main cause for the decline in 2017 can be attributed to summer droughts and the resulting lesser inflow of water into fish farms (where minimum water flows have to be guaranteed). In contrast to the freshwater aquaculture, the volume and value of production in mariculture continued to grow in 2017 and doubled compared to the year 2012. In addition, there has been a significant decrease in the production of warm-water aquaculture (especially carp). This is mainly the result of abandoning breeding in larger impoundments due to mud (resulting from insufficient or poor management) and higher temperatures. This indicates the vulnerability of aquaculture in inland waters to the effects of climate change and the need for future adaptation.

3.1.3 SOCIO-ECONOMIC ANALYSIS OF THE SITUATION IN THE PROCESSING SECTOR

Today, Slovenian processing sector (the processing of fish and fish-related products) is almost exclusively based on the import of fish and other freshwater and marine organisms. According to the selected socio-economic indicators, the processing sector has been in constant decline since 2012. The latest valid available data refer to 2015, but the Evaluation Team acquired opinions from competent experts that confirm that trend.

Table 4: Overview of the trends of selected socio-economic indicators in the processing sector

INDICATOR	UNIT	INITIAL VALUE (YEAR; SOURCE)	CURRENT VALUE (YEAR; SOURCE)	INDEX 2017 / 2012	TREND (▲/●/▼)
ADDITIONAL INDICATORS					
Number of male and female workers employed	Full time equivalent	354 (2012; Zavod za ribištvo RS, 2018)	209 (2017; Zavod za ribištvo RS, 2018)	59.0	▼
Annual revenue	EUR	32,261,504.98 (2012; Zavod za ribištvo RS, 2018)	25,689,482.00 (2017; Zavod za ribištvo RS, 2018)	79.6	▼
Cost of raw materials (fish and other marine organisms)	EUR	11,207,740.26 (2012; Zavod za ribištvo RS, 2018)	8,832,129.00 (2017; Zavod za ribištvo RS, 2018)	78.8	▼
Gross value added per employee	EUR/employee	23,452 (2012; Zavod za ribištvo RS, 2018)	12,115 (2017; Zavod za ribištvo RS, 2018)	51.7	▼

Given the fact that the sector is almost exclusively based on the import of raw material, we cannot link the trend to the situation in commercial marine fishing and aquaculture. According to the figures above, the sector generates extremely low added value (probably at the expense of the increase in the price of raw material), which affects the number of employees. Although the number of employees decreased more than the annual revenue and the cost of raw materials, the added value was reduced practically by half. The reasons for this are multi-layered, ranging from the effects of the economic crisis to the differences between large and small companies. Depending on the size of the sector, the withdrawal or

redirection of one major food processing plant into other products can have a significant impact on the value of the selected indicators.

U 1	All three sectors (commercial marine fishing, agriculture, and processing) are small and economically weak. Certain indicators point that the situation deteriorated in comparison with the period in which the programme was drafted. The OP ESPR 2014–2020 with its measures addresses the key needs of all three sectors.
P 1	The implementation of the OP ESPR 2014–2020 has to be reinforced so that the envisaged measures can address the three sectors in a timely manner, thus contributing to their preservation and strengthening.

3.2 OBJECTIVE FACTORS

In addition to the socio-economic situation, fund absorption and the OP ESPR 2014–2020 implementation effectiveness are also influenced by objective factors. These create conditions that discourage potential applicants from implementing investments through the OP ESPR 2014–2020.

Objective factors are therefore those that affect the success of the implementation of measures through the public tenders intended for:

- owners of fishing vessels or fishermen (natural persons) or
- enterprises and sole proprietors with registered aquaculture farming activity or
- enterprises and sole proprietors with a registered activity of processing and preserving fish, crustaceans, and molluscs.

There are 11 such measures. By the cut-off date of the evaluation (31 January 2018), 5 projects were approved. The total amount of allocated public funds was EUR 1,406,062.18, of which the amount of EUR 107,656.72 was paid out.

This chapter does not deal with the reasons relating to the implementation process of the OP ESPR 2014–2020 or the individual measures since they are specified later in the evaluation.

Analysis of time delays in the process of implementing the OP ESPR 2014–2020

Immediately after the OP ESPR 2014–2020 approval, the OU started to prepare the management and control system, which is crucial for the proper and legal implementation of the programme. The operational programme implementation system has changed in comparison with the 2007–2013 programming period. The ESPR has become part of the common strategic framework for five European structural and investment funds, which are subject to the same rules of the implementation system. The principle of proportionality is not taken into account since the same rules apply to programmes with a multi-million budget (e.g. European Cohesion Fund) and programmes such as the Slovenian OP ESPR 2014–2020 with a 32-million budget for the period of 7 years. This led to an increase of administrative burdens for all the implementing bodies.

The following are the main new features in relation to the 2007–2013 programming period:

- Targeted strategic approach of programme implementation, i.e. the establishment of target values of result indicators at the level of individual operation and at the level of the programme, instead of merely focusing on spent funds without measurable results.
- Establishment of performance framework for the year 2018 and definition of the values of output indicators and financial indicators
- Establishment of a system for programme implementation by calendar years and parallel establishment of a system for obtaining data for individual accounting periods running from 1 July of year N to 30 June of year N+1 (preparation of instructions for submitting information at the level of accounts: financial statements, management declaration of assurance and yearly summary, audit opinion and the control report).
- Establishment of a system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, for which it is necessary to establish an information system that enables storage of more than 150 pieces of information on individual operations in accordance with Regulations 480/2014/EU, 1242/2014/EU and 1243/2014/EU, that consequently affects the beneficiaries' data gathering.
- Introduction of operation selection and verification system at the OU level for the measures implemented through public procurement. In the programming period 2007–2013, the data collection, control over and enforcement in the fisheries sector, as well as implementation of the operations within the European integrated maritime policy were under the direct management of the European Commission, while partial management was introduced in the 2014–2020 period. This required the OU to establish an entire system, from selection to payment of these operations. It was also necessary to determine selection criteria, even though only one beneficiary is allowed for data collection and supervision in fisheries per country. This resulted in additional administrative burdens.
- Introduction of a common community-led local development approach, which includes three European structural and investment funds. This led to the establishment of a new system at the Ministry of Agriculture, Forestry and Food, the Agency of the Republic of Slovenia for Agricultural Markets and Rural Development, and the Ministry of Economic Development and Technology.
- Taking into account the individualities of and rules in effect for each fund, and harmonisation where possible
- Preparation of a common national decree on the implementation of CLLD, establishment of a CLLD coordination committee and preparation of instructions for the implementation of measures.

- Animation on freshwater fish farmers for their inclusion in local action groups. As a result, local action groups covering the freshwater aquaculture have joined the OP ESFR 2014–2020 as the local communities were not prepared for the measure implementation, nor did they possess sufficient knowledge and competences to prepare the SLR.

The Managing Authority, its intermediary body and Certifying Authority have prepared all the necessary instructions and manuals for proper and legal implementation of the programme in order to meet the demands of the relevant European legislation. In the framework of partial management, the implementing bodies are fully responsible for the fulfilment of the management, control and audit obligations, and assume the resulting responsibilities laid down in the rules on shared management set out in the Financial Regulation and the fund-specific rules. The OU is obliged to ensure that the management and control system is established in accordance with the rules and that the system functions effectively. We would like to point out that the number of EU regulations has increased from two in the 2007–2013 programming period to around 50 legislative acts. All are publicly available at the fund's central information point: <http://www.ribiski-sklad.si/Evropska>.

The implementation process was slowed down due to the additional task of auditing the entire system. It was carried out with the help of external expertise with the purpose to designate authorities to fulfil the criteria relating to internal control, risk management, management and control activities and monitoring referred to Annex XII to Regulation 1303/2013/EU. The Member State has to inform the European Commission on the authorities' designation prior to submitting the request for interim payment. The decision on designation of authorities was adopted by the Slovenian Government on 23 March 2017.

In the Republic of Slovenia, the system of implementing the OP ESFR 2014–2020 functions similarly as the system of implementing the Rural Development Programme 2014–2020. This means that a national implementation regulation must first be adopted for the implementation of the measures by the Slovenian Government, followed by preparation and implementation of a public procurement procedure or a public tender. It is necessary to take into account that the procedure of regulation adoption may take several months as it must be consistent with many stakeholders (including inter-ministerial discussion) and that a public hearing must be held.

The OU has prepared three regulations for the implementation of the measures within OP ESFR 2014–2020.

- Regulation on the implementation of measures and technical assistance from the Operational Programme for the implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the period 2014–2020 carried out in line with the public procurement regulations (Official Gazette of the Republic of Slovenia, No. 39/16).
- Decree on the implementation of community-led local development in the programming period 2014–2020 (Official Gazette of the Republic of Slovenia, Nos 42/15, 28/16 and 73/16).
- In March 2017, the last decree was adopted, i.e. the Decree on the implementation of measures from the Operational Programme for the Implementation of the European Maritime and

Fisheries Fund in the Republic of Slovenia for the period 2014–2020 carried out through public tenders (Official Gazette of the Republic of Slovenia, Nos 14/17, 16/18 and 80/18).

The implementation of public tenders for the OP ESPR 2014–2020 took place in the middle of 2017. The delays occurred due to time delays in the adoption of documents at the EU level and thus also at the national level.

Table 5: The timeline of the preparation of the OP ESPR 2014–2020

PERIOD	ACTIVITY
December 2012	Appeal for the nomination of representatives to the working group for the preparation of the OP ESPR 2014–2020
August 2013	Implementation of workshops with stakeholders for SWOT analysis preparation and definition of potential measures
December 2013	1 st draft of the OP ESPR 2014–2020
First half of 2014	Informal coordination with the European Commission; preparation of environmental report and ex-ante evaluation of the program, preparation of partnership agreement together with SVRK
March 2014	Consultation with experts on the implementation of quality schemes for fishery products
May 2014	Approval of the European regulation on ESPR (Regulation (EU) No. 508/2014)
August and September 2014	Interministerial coordination and public discussion on the content of OP ESPR 2014–2020
29 th October 2014	Decision of the government of RS on the mandate for official submitting of the programme to the European Commission
October 2014	Confirmation of the partnership agreement
29 th October 2014	Submitting the OP ESPR 2014–2020 for official coordination with the EC
November 2014 – April 2015	Formal coordination of the programme with the European Commission
May 2015	Submitting the coordinated version of the OP ESPR 2014–2020 for approval by the EC
22 nd July 2015	Approval of the Slovenian OP ESPR 2014–2020 as ninth of 27 operational programmes on the EU level
January 2016	Establishment of Steering Committee and approval of the first version of the criteria for the operation selection for all the measures within the OP ESPR 2014–2020
October 2016	FAME Support Unit, Definitions of Common Indicators, Version 4.0
March 2017	Adoption of the Decree on the implementation of measures from the Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the period 2014–2020 carried out through public tenders (Official Gazette of the Republic of Slovenia, Nos 14/17, 16/18 and 80/18)
June 2017	Publishing of the 1 st public tender – under the measure Productive investment in aquaculture (points a, b, c, d, f, g and h of the first paragraph of Article 48 of Regulation 508/2014/EU)

The key to launching public tenders (mid-2017) was the Definition of result indicators (FAME Support Unit, Definitions of Common Indicators, Version 4.0, October 2016) and the adoption of the Decree on the implementation of measures from the OP ESPR 2014–2020 carried out through public tenders where indicators are already taken into account or where the indicators have already been entered. The implementation of public tenders without defined indicators coordinated with the EC could bring potentially stricter conditions after the submission of individual applications.

A late definition of the result indicators at the EU level means that the programming was done without knowing all the conditions. The link between some of the measures and the result indicators does not reflect the real capacities of maritime commercial fishing, aquaculture and processing sectors. Consequently, the OP includes measures for which, under the given conditions and demands, there is no real interest. According to the study titled Implementation and impact of key ESPR measures on the Common Fisheries Policy (Ballesteros, M.; Chapela, R.; Santiago, J. L.; Norte-Navarro, M.; Kęsicka, A.; Pititto, A.; Abbagnano, U.; Scordella, G.; 2019), the establishment of the output indicators was a challenging task for most of the Member States. Determining the estimated values for individual indicators at the level of operations is a particular challenge, especially because they can only be measured a few years after the completion of the operation, while the Managing Authority has to report the indicator values on an annual basis. The selected indicators at the EU level are also too complex, e.g. net profit changes. This report identified that the common monitoring and evaluation system was set poorly, without guidelines, but has the potential to become a strategic tool in the future.

U 2	The above-listed reasons caused time delays in the process of preparing the OP ESPR 2014–2020, especially for the measures implemented through the public tenders, which resulted in the public tender not beginning until mid-2017.
P 2	In the forthcoming period of the OP ESPR 2014–2020, tenders for the measures that are not being implemented should be published as soon as possible to enable the absorption of funds.

Selected measures in relation to SWOT analysis of the sector and EU Regulation No. 508/2014

The OP ESPR 2014–2020 measures have been selected according to the widely expressed interest among the social partners, ministries, NGOs and the European Commission. Due to a very fragmented set of measures divided between individual PNUs (20 articles with numerous paragraphs are applied to PNU 1 and 11 articles to PNU 2 of Regulation EU 508/2014). The measures chosen by the Republic of Slovenia reflect compliance with the strategy as defined in Chapter 3.1. of the OP ESPR 2014–2020 and with the National Strategic Plan for the Development of Aquaculture for the Period 2014–2020.

The OP ESPR 2014–2020 thus includes 11 measures, which are implemented in the form of public tenders intended for natural persons or businesses and sole proprietors, namely:

- three in the field of maritime commercial fishing,
- six in the field of aquaculture and
- two in the field of marketing and processing.

As part of these measures, 15 public tenders (11 in the field of aquaculture and 4 in the field of marketing and processing) were carried out. Together, 11 different applicants applied for the public tenders in the field of aquaculture, marketing and processing.

Table 6: Information on the implementation of public tenders by the cut-off date of the evaluation (31 December 2018)

FIELD OR PNU	NO. OF MEASURES	NO. OF MEASURES WITH PUBLISHED PUBLIC TENDERS	NO. OF PUBLIC TENDERS	NO. OF DIFFERENT APPLICANTS	NO. OF APPROVED APPLICATIONS
Maritime commercial fishing	3	0	0	0	0
Aquaculture	6	4	11	7	2
Marketing and processing	2	1	4	5	3
TOTAL	11	5	15	11	5

The limited absorption capacity of the sector has an impact on the ability of implementing measures in a way that would contribute to the achievement of indicators at the level of the operational programme. In the future, it would make sense to implement more activities within one measure or support area. The actual sizes of the sectors (SURS, 2017 and NSNA 2014–2020, 2014, MGKP, 2018) are as follows:

- maritime commercial fishing: 133 vessels with active maritime commercial fishing permits, 128 tons of landed fish products, 96 persons in employment (45 full-time);
- aquaculture: ~200 facilities/areas for breeding, 1.730 t of reared aquatic animals, 198 persons in employment (83 full-time), 74 enterprises (SCA A03.2 Aquaculture);
 - cold-water aquaculture: ~55 facilities with production above 5 t (1 – 250 t, 4 -> 50 t, 10 – 20–50 t) with an annual production of 819 t;
 - warm-water aquaculture: 20 facilities for growing warm-water fish (5 large with a total area of about 250 ha) with an annual production of 184 t;
 - mariculture: 3 areas intended for growing maritime organisms with a total area of 118 ha and 726 t of reared aquatic animals;
- processing – 7 enterprises (SCA C10.2 Processing and preserving of fish, crustaceans and molluscs);
- marketing – 63 enterprises with wholesale trade (SCA G46.38 Wholesale of other food, including fish, crustaceans and molluscs), and 28 retail enterprises (SCA G47.23 Retail sale of fish, crustaceans and molluscs in specialised stores)

Public tenders within each individual PNU are therefore intended for a small number of potential applicants. The actual possibility of one applicant applying for more than one tender is small due to their limited financial and personnel capacities.

The lack of interest is also influenced by specific situations in which individual potential applicants find themselves, for example:

- problems in the company's management (e.g. change of management or ownership),

- restructuring of the company or redirection to another activity,
- credit inability due to repayment of loans for investments made in the previous financial perspective,
- problems with obtaining licenses – water permit, building permit, etc.

It should be pointed out that the permits required for the implementation of the activities are also changing and therefore introduce additional uncertainty and confusion in the implementation of activities.

In the field of mariculture in 2018, for example, there was a claim for payment of building rights on water land owned by the Republic of Slovenia. In the evaluation of the seabed, the factor used was one usually applied to the coastal area, which is regarded as a building plot. In reality, this means thousands of euros and a major financial burden for the applicant, which they did not anticipate. This can result in the potential applicant not applying for a public tender since this cost is not an eligible expenditure.

U 3	A large number of measures intended for a small number of potential applicants can be very problematic for the overall success of fund absorption if there are problems with individual beneficiaries.
P 3	A smaller number of measures should be implemented in the next implementation period of the programme. This would result in timely implementation, reduce the administrative burdens on the OU and increase the number of applicants.

U 4	Applicants are faced with time-consuming procedures and administrative burdens in the process of obtaining licenses and consents (such as building and water permit). Procedures for obtaining permits often change and new administrative burdens emerge.
P 4	The awareness of the consequences of long-term procedures in the light of achieving the objectives and European funds absorption should be reinforced with the relevant public authorities (especially Slovenian Environment Agency - ARSO and Slovenian Water Agency - DRSV), agencies and departments. This can be achieved through consultation between the sector (as well beneficiaries) and ARSO and DRSV representatives in order to clarify the key issues, identify the key burdens and define what should be done to speed up procedures.

Selection criteria/achieving the result indicators/co-financing rate

There were reservations among the potential applicants for public tenders published by the cut-off date of the evaluation (31 December 2018), which were caused by the selection criteria and the urgency of attaining the indicators specified in the public tender on the one hand, and the co-financing rates on the other. In accordance with the provisions of Regulation EU No. 508/2014, the latter is lower for the measures than in the previous programming period. For projects in aquaculture and processing, it has decreased by 10 % (from 60 % to 50 %). Result indicators are set at the EU level, while their target values are defined in business plans by applicants themselves.

The Managing Authority introduced the sanctions system following the mandatory recommendation of the European Commission's audit. Because this obligation was a new feature in the ESPR implementation, which, however, was already included in the PRP, the scale of sanctions was

summarised and adjusted to the OP during the implementation that turned out to be too strict. The sanction rates were significantly reduced in the last revision of the national regulation.

From the applicants' point of view, the most problematic selection criteria and related result indicators defined at the EU level and applied to all Member States are:

- the extent of the aquaculture activity which must be at least equal to 0.5 of full-time equivalent (hereafter: FTE) and
- creating at least 1 FTE if the total value of the operation is at least EUR 500,000, excluding VAT.

Potential applicants also fear they will not be able to retain these jobs in the event of an economic crisis, escalation of climate change or other factors.

There is also a problem with ensuring increased production since the potential applicants from the aquaculture sector are already encountering:

- the reaching of the maximum defined values of water abstraction in relation to the acquired rights – any increase in these values is not realistic;
- difficulties in ensuring minimum flow in drought years – which may worsen in the future and lead even to terminating the implementation of the activity.

As a mitigation factor, beneficiaries are allowed to assert cases of force majeure and unforeseen circumstances. The Decree on the implementation of measures defines them as severe accidents, demolitions of facilities or aquatic organism mortality that severely disrupt the economic activity of the beneficiary. In any of these cases, the beneficiary should immediately (within 15 working days) notify the ARSTKP in writing and provide evidence of the damage. The intermediary body then adopts the decision on the basis of which the mitigating circumstances are acknowledged to the beneficiary. Based on the interviews conducted with the beneficiaries, we believe that they are under-informed about the possibilities or the manner of reporting the damage and its consequences. This belief is also supported by the experiences of the intermediary body. Although it adopts decisions that are positive for beneficiaries in the majority of the submitted requests, the problem is that some requests arrive much too late (e.g. in the phase of reporting the achievement of objectives, as an argumentation for achievements that are lower than planned).

Sectors of maritime commercial fishing and aquaculture are, to a certain extent, supplementary activities. We therefore conclude that reservations about applying for public tenders are most likely the result of wrong impressions regarding the purpose of the OP ESPR 2014–2020 that the applicants may have.

There is discontent among those involved or those familiar with the PRP grant schemes because there is no such distribution of funds in the fisheries sector at the EU level in line with the provisions of the implementation of the European Maritime and Fisheries Fund 2014–2020. ESPR is a fund that mainly represents investment support to increase the added value of the sector. The criteria reflect the quality of the project that follows the objectives of the ESPR and the indicators. Operations need to be comprehensive as they contribute to production volume and value at the EU level, as well as to

maintaining and increasing the number of jobs. In cases of co-financing this means that the EU and, consequently, the Slovenian policy steer in the direction of accelerating the development and increasing the added value of the sector with public funds by maintaining and increasing the number of jobs, and increasing the production volume and value in aquaculture. Currently, it is only possible to obtain compensation from the OP ESPR 2014–2020 for implementation of environmental services on large hot-water ponds due to the damage caused by cormorants, and in the event of biotoxins appearing in marine molluscs.

Among the potential applicants for public tenders under PNUs 1, 2 and 5, there was also discontent over the co-financing rate (50 %), which is defined under Article 95 of Regulation (EU) No. 508/2014 and applies to all Member States. In the previous programme period, the co-financing rate was 10 % higher (60 %). For aquaculture and processing measures, the co-financing rate is 50 %, for measures in small-scale coastal fishing 80 % and for the CLLD measures between 50 % and 100 %, depending on the operation. Economic weakness is the main problem for the major part of both the commercial marine fishing and aquaculture sectors.

Provision of bridging funds for the implementation of investments also presents an obstacle. According to the terms of the tender documentation, the beneficiaries must first implement and pay for the entire investment, after which they receive a grant based on proof in the form of a reimbursement claim. Beneficiaries of the OP ESPR 2014–2020 still have the possibility of obtaining pre-financing offered by the Slovenian Regional Development Fund, but this option should be better presented to the beneficiaries. Unlike the PRP beneficiaries, however, they do not have the possibility of obtaining investment loans.

U 5	The beneficiaries also had reservations about applying for public tenders for fear of sanctions due to failure to reach the target values of the result indicators they set in the business plan to receive the support and not proper understanding of the possibility of so called "force majeure" in case that the set values cannot be reached. A financing rate also presents a problem given the economic weakness of the predominant part of the fisheries sector. For measures in aquaculture and processing, the co-financing rate is 50 %, for the measures of small-scale coastal fishing 80 % and for the CLLD measures between 50 % and 100 %, depending on the operation.
P 5	<p>The Public Advisory Service for Fisheries should serve as an coordination and organisational link between the Managing Authority and the beneficiaries. In this regard, it is crucial to prepare a set of quality projects which will be approved and will lead to the economic strengthening of beneficiaries and improvement of their productivity and competitiveness. In the event of the Public Advisory Service for Fisheries being unable to increase the range of work tasks in this area, the OU could engage an external contractor.</p> <p>In order to provide better conditions for drawing grants, we propose to establish contact between the MKGP and the SRRS management as soon as possible. The existing and potential additional inclusions of beneficiaries in public tenders should be identified. Publication of tenders is expected in 2019 in the schemes or tenders for pre-financing and refundable funds from favourable loans for the implementation of investments in approved projects. The possibility of coordinating the content is even greater now, at the beginning of the calendar year when the SRRS is preparing its annual plan.</p>

Time-consuming procedures for obtaining water permits and other permits

The process of obtaining water permits for the purpose of establishing a new aquaculture facility (managed by the MOP) is often time-consuming (sometimes taking over 10 years). The problem has been identified for some time and has been addressed, for example, in the Mid-term evaluation of the Operational programme for fisheries development in the Republic of Slovenia 2007–2013 and the National Strategic Plan for Aquaculture Development 2014–2020 (NSNA 2014–2020). In order to find a solution, a measure called Increasing the potential of aquaculture sites (Article 51, point a) is defined within the OP ESPR 2014–2020 set of measures, and within the Water Management Plan NUV II 2016–2021 a measure called System for water rights (R1a) and preparation of the marine spatial plan. There have been no results because the implementation of both measures is complex and still ongoing. They will be implemented by 2020. The studies will provide expert support in preparing spatial solutions on the sea and inland water usage.

Possible causes of time-consuming procedures:

- According to the authors of the NSNA 2014–2020, the MOP lacks adequate knowledge and understanding of aquaculture, as well as information on the negative effects of aquaculture on the environment. This leads to the use of a "precautionary approach" (i.e. prohibition over-regulation) when granting water rights.
- Unsuitable placement of aquaculture facilities in the basins – in Slovenia, there is a large proportion of torrential and karst waters, where the difference between large and small flow

rates can be substantial. This poses a problem in the drought periods when the minimum flow defined in the water permit must be ensured. Simultaneously, a rise in temperature and a lack of oxygen becomes a problem in the fish breeding pools.

- Unused granted water rights which, because of their potential use, prevent the granting of new water rights that would actually be used.

In addition to the acquisition of a water right, the placement of a new aquaculture facility is even more problematic if the selected area is not defined with proper land use in the municipal spatial plan (hereafter: OPN). According to the Court of Audit, the procedures for adopting a municipal spatial plan (from draft to adoption) take an average of 4 years. It should be noted here that giving incentives to change the land use, once the OPN is in the draft phase, is no longer possible.

At the national level, the complexity and length of official procedures led to a situation where, in addition to inadequate knowledge of procedures, there is also a lack of interest to gather all the necessary documentation¹. Potential applicants who do not have all the required documentation cannot apply for public tenders, naturally.

U 6	The preparation of projects and the timely absorption of funds are limited by the complexity and prolonged nature of official procedures for acquiring water rights, building permits, adoption of OPNs and other required procedures.
P 6	Cooperation between the public services responsible for granting permits and consents needs to be improved. The locations for the development of aquaculture and mariculture should be identified as acceptable based on the studies and cartographic findings. If it is estimated that the procedure through a number of OPNs will be too lengthy, they should be defined by the national spatial plan (hereafter: the DPN).

¹ In 2017, the Construction Inspectorate issued an inspection decision pursuant to Article 152 of the Construction Act, i.e. ZGO-1 (inspection measures for illegal construction – removal of the building/restoration of the previous state) in 3,517 cases. In 2016, there were 3,290 such cases.

4 EVALUATION OF THE PROCESS

The Operational Programme for the Implementation of the European Maritime and Fisheries Fund in the Republic of Slovenia for the 2014–2020 Period was confirmed by the European Commission (hereafter: the EC) with the Implementing Decision No. C(2015) 5168, on 22 July 2015. In May 2013, the competent ministry appointed two working groups for the preparation of the operational programme and the National Strategic Plan for the development of aquaculture in the Republic of Slovenia for the 2014–2020 period. These groups included representatives of ministries and governmental bodies responsible for the implementation of the fisheries, environmental and marine sectors' policies, and for the preparation of the Partnership Agreement, as well as numerous other public agencies, institutions and institutes, NGOs, social and economic partners, and other interested parties.

Based on the recommendations given by participating stakeholders and implemented thematic workshops about the current state and aspects of future development of the commercial marine fishing sector, aquaculture and mariculture, the OP ESFR 2014–2020 included measures that address the needs of individual fisheries sectors and sectors for which an interest has been expressed in the use of non-refundable funds and their implementation was identified as realistic.

Authors of the previous evaluation and environmental report have been actively involved in the preparation of the OP.

In the years from the OP adoption to the implementation of the mid-term evaluation, two amendments to the OP ESFR 2014–2020 have been prepared and approved by the EC.

In addition to some redaction corrections and baseline indicator supplementation (level of discards), the first amendment² also introduced important corrections to result indicators. Result indicators have been connected to individual measures, as the final guidelines of the supporting unit FAME for identification of these indicators have only become available in October 2016, which was after the approval of the first version of OP. This issue is also pointed out in the study entitled *Implementation and Impact of Key EMFF Measures on the Common Fisheries Policy* (Ballesteros, M.; Chapela, R.; Santiago, J. L.; Norte-Navarro, M.; Kęsicka, A.; Pititto, A.; Abbagnano, U.; Scordella, G.; 2019), identified at the EU level. Initially, the common monitoring and evaluation system at the EU level was insufficient and lacked essential directions. The corrected values of result indicators have a higher regard for the capacity and specifics of sectors, which the funds are planned for; and results that can be achieved.

Regarding the first priority of the EU, only the level of discards indicator is monitored within the first Specific Objective; for the fourth Specific Objective, however, target values for indicators 1.1, 1.3, 1.7 and 1.8 have been reduced by more than a half. These are based on the production and employment in the commercial marine fishing sector. Three new indicators have been introduced. The result indicator, to which the Health and Safety measure is contributing, was already identified (1.9.a – Change of the number of injuries and accidents at work). For similar reasons (considering the scope, capacity and

² The first amendment to the OP ESFR 2014–2020 was approved by the EC with the Implementing Decision No. C(2017) 6542, on 10 October 2017.

absorption capability of the aquaculture sector), values of result indicators for the second Specific Objective have been reduced by more than two thirds. For the third Specific Objective, these have been reduced by a little less than a half, and by 95 % for the fifth Specific Objective of PNU 2. As three of all four Local Action Groups involved were bound exclusively to aquaculture, these three indicator values have been reduced accordingly (by about one third) within PNU 4. For PNU 5, the values of both indicators concerning the value and scope of the processing have been reduced by more than 60 %. In the framework of PNU 6, there has been an indicator replacement, as the indicator of Natura 2000 coverage change (for which the previous target value was set to 0 by 2023) was replaced with a more relevant one, i.e. the change in coverage with the improved status of management/conservation.

The second amendment to the programme³ refers to the extension of the range of beneficiaries and, consequently, the improved possibilities for drawing in the framework of aquaculture measures for larger companies as well. From this change onwards, the ESPR measures are meant for all companies (regardless of their size) registered for the economic activity of cultivating aquatic organisms and approved by the Administration of the Republic of Slovenia for Food Safety, Veterinary and Plant Protection.

U 7	Based on the scope and size of changes to result indicators, it is apparent that their identification within the preparation of the OP ESPR 2014–2020 was an extremely demanding process for all Member States. The objective reason for this was the lack of timely and appropriate methodology for the calculation of the value of result indicators by the European Commission.
P 7	For the preparation of operational programmes for future financial perspectives, the EC must define and ensure the methodology for the calculation of values of the indicators on time. Based on that, the Member States can assess the capacity of the fisheries sector. This will ensure the setting of indicators in an achievable way. Consequently, there will be fewer unnecessary administrative burdens for the Managing Authority in the phase of implementing the programme due to the need to retrace the steps of indicator value setting (returning to the programming phase).

4.1 PARTNERSHIP

Based on provisions from the EC⁴ and the organisational scheme for the OP ESPR 2014–2020 implementation, the OP implementation includes several stakeholders and partners, which are to a great extent the same as those involved in the preparation of the programme.

In addition to the representatives of implementation structures of the programme, the Steering Committee (hereafter: OzS) includes: the Managing Authority (MKGP), the intermediary body and the Certifying Authority (ARSKTRP), the Audit Authority (MF), representatives of other ministries (MzI, MIZŠ,

³ The second amendment to the OP ESPR 2014–2020 was approved through a simplified procedure with the EC's letter No. Ares (2018)3203122, of 15 June 2018.

⁴ Regulation (EU) No. 1303/2013 and Regulation (EU) No. 508/2014

MK, MF, MGRT, MOP, MZZ, SVRK), an inspectorate (the Agriculture Inspection Service), public institutions (ZRSVN, SURS), an institute (NIB), a representative of the local community (SOS), economic and social partners (KGZS, OZS, GZS, ZPS), and NGOs (DOPPS, Morigenos).

The partnership, therefore, includes a wide range of partners and stakeholders. The majority of partners are from the public sector (ministries, agencies, institutes), which are also the recipients of the programme's funds in the form of public procurement procedures.

By the completion of the mid-term evaluation, five sessions of the Steering Committee were held (the first one taking place on 20 January 2016 and the fifth on 19 December 2018). Based on the Decision of the government of the RS on the appointment of its members and deputies and amendments to said Decision, the Steering Committee consists of 49 members and deputies, of which more than half (53 %) are women. Individual meetings have never been attended by more than 55 % of all members and deputies; especially inadequate was the participation of the economic sector (GZS and OZS). Meetings have been attended by members of the EC, which were present at four out of the five meetings. All invitations, records, and material are published on the official website of the programme (www.ribiski-sklad.si).

In addition to other functions, the Steering Committee plays an important role in examining the questions and findings on the programme's functioning. If needed, it can suggest recommendations to improve effectiveness to a Managing Authority. It can also examine and approve the operations selection criteria.

Partners are included in the preparation of the progress report, which the MKGP is preparing in collaboration with the SVRK and is approved by the Steering Committee of the OP EKP 2014–2020, and in the preparation of the annual report, which is discussed and approved by the OzS.

U 8	The majority of the Steering Committee members are public sector employees (especially from ministries and agencies, which implement the programme). This is beneficial from the aspect of addressing different opinions and presenting work methods, but there are insufficient representatives of the programme's target groups, i.e. beneficiaries from the commercial marine fishing sector (especially small-scale fisheries sector) and aquaculture. The OU is regularly meeting with the representatives of target groups in the form of public tender presentations and meetings; however, they are represented in the OzS only indirectly through economic partners (chambers).
P 8	The OzS membership should be extended to include representatives of associations and societies in the field of marine fishing (e.g. representatives of the Istria FLAG, advisory offices for fishermen, etc.) and aquaculture (e.g. Society of aquatic animal breeders). Representatives of sectors should give suggestions and, together with ministry representatives and programme structures, look for solutions for faster implementation of procedures for acquiring licenses and faster/more efficient processing of received applications.

4.2 IMPLEMENTATION

4.2.1 EFFECTIVENESS

Implementation structures are implementing the programme as a project; implementing processes are copied from the processes of managing and implementing the rural development OP for 2014–2020. In both programmes, the MKGP and ARSKTRP have the same roles, but through different services. From the system's aspect, the role of the Managing Authority is held by the MKGP, while the ARSKTRP holds the role of an intermediary body of the Managing Authority and of the Certifying Authority, with corresponding division of functions. The established structure of management and the processes of managing shows continuity from the previous programme period (2007–2013).

According to the head of secretariat and the OU, both authorities have adequate staff for the implementation of the OP. Within the OU, the programme fully employs 15 people and 2 within the PO, all of them seeking better mutual communication and more efficient meetings at operational levels. In the first period of programme implementation (since the adoption in December 2018), coordination meetings have taken place mostly between leaders (e.g. the head of the secretariat – the head of the OU and the Director of the ARSKTRP). Operatively, these figures are less involved in the measure implementation and thus agreements have not been fully and effectively transferred to the implementation level. This is one of the reasons for the current level of the programme's effectiveness.

Based on previous experiences, we estimate that both structures have the necessary knowledge and skills for the implementation of their tasks. Moreover, they both have an option of additional training if they express interest.

From the beginning of the programme until the end of 2018, a total of 27 employees participated at additional training. From these, 15 were from the Managing Authority, 10 from the intermediary body and Certification Authority, and 2 from the Audit Authority. The training courses covered various fields, from enhancing competences by means of computer programmes (e.g. Excel), specific knowledge from the field of national legislation (e.g. public procurement, bookkeeping, preparation of public procurement procedures and tenders), as well as EU provisions (e.g. the establishment and functioning of a management system and monitoring of ESPR).

The approval of the OP (22 July 2015) was followed by preparation of national implementing regulations in late 2015 and in 2016, which served as a basis for the actual implementation of the OP. By the end of 2016, a management and monitoring system was established. All authorities included in the implementation have prepared guidelines and manuals needed for the implementation of measures. Therefore, the first operations based on public procurement procedures were selected and public tenders were published in 2017.

There are three different methods of selecting and monitoring approved projects within a project cycle, from its application to completion:

- In the form of public procurement procedures – for measures where the MKGP acts as the beneficiary, prepares the terms of reference and implements the public procurement. A contract

is signed with the chosen provider, and once the service is implemented, it is followed by reimbursement of 100 % of eligible costs. These are mostly measures in the framework of PNUs 3, 5 and 6.

- In the form of public tenders prepared by the MKGP and operatively implemented by the ARSKTRP (revision and selection of applications, assessment of reimbursement claims and remittance of funds). Based on the selection of the applications received, approved projects are issued a decision on funds allocation. After the investment (or parts thereof) has been implemented, funds are paid out based on enclosed evidence. This method is used mostly for measures within PNUs 1, 2 and 5.
- In the form of support to CLLD implementation, where implementation of FLAG strategies is financed. In addition to financing the FLAGs, other projects chosen by FLAGs based on their own public tenders can be financed, too. These are financed based on reimbursement claims checked and approved by the ARSKTRP. These projects are finally approved by the ARSKTRP, which pays out funds based on requests. This is how PNU 4 is implemented.

Project timeline depends on the method of project selection. Operations in the form of public procurement procedures get approved the fastest, as no adjustments to extensive documentation is needed due to the subject of such projects (mostly soft content). Application processing for operations by the intermediary body takes the longest for PNU 5 (support for running costs and FLAG animation and selection of operations within FLAG strategies), namely more than eight months to process an application, which is unacceptable. For measures implemented through public tenders, a public tender must be prepared after the adoption of supporting legal acts. The deadline for a public tender is usually two to three months. There are also many tenders of an open nature, where the application deadline is open until all the funds are spent. We welcome this solution, as it brings tenders closer to beneficiaries. Concerning the length of application processing, it is important to keep in mind that entrepreneurship requires quick realisation of ideas in order to be competitive.

After receiving applications, the ARSKTRP begins the review procedure. First, applications are reviewed from the aspect of administrative suitability, checking if all the necessary attachments are enclosed. If an application is incomplete, the applicant is requested to supplement it, mostly through an official letter sent by mail. If the application is in order, it is then verified for its content. The entire processing procedure takes 1.5 to 6 months.

After implementing a tender, the OU and the intermediary body prepare an analysis and, based on recommendations, corrections for the public tender. If needed, the selection criteria are changed and the corresponding regulation is corrected. Up to present-day, this has happened twice, with the purpose of bringing the tenders closer to target groups and enhancing the spectrum of potential applicants. The second, more extensive correction of criteria was confirmed at the 5th meeting of OzS (19 December 2018). The effect of changes will be seen in public tenders published in 2019.

The application process hinders the process of beneficiaries applying to public tenders. According to the beneficiaries, the issue is not the application form itself, as it is relatively simple, but in the supporting documents that must be enclosed to the application. These are different depending on the public

tender. In principle, they involve three bids, building permits, consents, water permits, and a bank guarantee. Partially, the problem is also the requirement for the application to be handed in an electronic as well as physical form with supporting documents. This presents double work for the applicants as well as the intermediary body.

We suggest that the Managing Authority and the intermediary body re-examine the application procedure. To decrease administrative burdens for beneficiaries and to ensure simplification of public tenders that would be friendlier to the applicants, they should review which documents have to be provided within the application. All the projects and investments have to be implemented in accordance with the legislation and the necessary permits.

Table 7 below illustrates the progress of the OP ESPR 2014–2020 against the milestones and objectives for each measure and PNU, while Table 8 shows the progress of the programme in light of achieving the effectiveness framework.

Table 7: The overview of the impact indicators' status and funds allocated/spent for the OP ESPR 2014–2020 by 31 December 2018

PNU	PC	ARTICLE	AMOUNT OF FUNDING FOR THE OP (ESPR+RS) (EUR)	TARGET VALUE FOR IMPACT INDICATOR	NO. OF APPROVED PROJECTS	ALLOCATED FUNDS (EUR)	SHARE** (%)	PUBLIC FUNDS SPENT (EUR)	SHARE*** (%)
1	1	37	333,334.00	3	0	0.00	0	0.00	0
	2	40.1.b–g	733,333.00	10	2	200,983.30	27.4	0.00	0
	4	32	133,333.00	12	0	0.00	0	0.00	0
		33	200,000.00	28	0	0.00	0	0.00	0
		42	266,667.00	12	0	0.00	0	0.00	0
		43.1 + 3	2,400,000.00	3	0	0.00	0	0.00	0
2	1	47	400,000.00	3	0	0.00	0	0.00	0
	2	48.1.a–d, f–h	4,133,333.00	25	0	0.00	0	0.00	0
	3	48.1.e, i, j	2,266,667.00	3	1	289,050.04	12.8	0.00	0
		51	200,000.00	1	3	240,215.24	120.1	0.00	0
		53	133,333.00	10	0	0.00	0	0.00	0
	4	54	200,000.00	3	1	10,500.00	5.3	0.00	0
		55	266,667.00	8	0	0.00	0	0.00	0
	5	50	400,000.00	10	0	0.00	0	0.00	0
3	1	77	2,929,343.00	2	3	1,464,671.50	50.0	753,671.69	25.7
	2	76	2,295,213.00	15	8	2,295,213.00	100	607,610.45	26.5
4	1	62.1.a	29,169.00	4	4	29,168.06	100	29,168.06	100
		63	6,458,840.00	4	19	2,207,002.17	34.2	190,356.89	3
		64	178,658.00	4	3	101,684.40	56.92	0.00	0
5	1	67	102,806.00	0	0	0.00	0	0.00	0
		68	1,266,667.00	12	13	174,085.21	13.74	113,305.78	9
	2	69	3,340,361.00	10	3	1,117,012.14	33.4	107,656.72	3.2
6	1	80.1.a	333,334.00	2	1	48,690.20	14.6	48,690.20	14.6
		80.1.b	300,000.00	2	2	140,736.04	46.9	129,552.93	43.2
		80.1.c	700,000.00	3	1	38,754.52	5.5	38,754.52	5.5
7	/	/	2,646,306.00	/	7	2,646,306.00	100	772,862.84	29.2
TOTAL			32,647,363.00	189	71	11,004,071.82	33.71	2,791,630.08	8.6

*Regulation (EU) 508/2014, ** Share of funds allocated (ESPR+RS) by the cut-off date of the evaluation based on the funding amount defined in the OP ESPR 2014 (ESPR+RS). *** Share of funds paid out (ESPR+RS) by the cut-off date of the evaluation based on the funding amount defined in the OP ESPR 2014 (ESPR+RS). Data source: MKGP, January 2019, based on Infosys, ESPRA.

The table above includes all operations that were entered into the monitoring system called Infosys – ESPRA. The allocated funds therefore include suspended operations (within the measure under Articles 51 and 68).

According to the table with an overview of the effect indicators' status and funds allocated and spent, the OP ESPR 2014–2020 included, by the cut-off date, 25 identified measures, of which 11 did not have any projects approved, resulting in no funds allocated and paid out. Most of these measures fall under PNU 1. As many as 14 are being implemented and have approved projects as well as funds allocated. Of those, 9 have already resulted in funds being paid to beneficiaries. By the cut-off date, 33.7 % (EUR 11,004,071.82) of the OP funds were allocated to beneficiaries and 8.8 % (EUR 2,791,630.08) were paid out from the whole OP ESPR 2014–2020 budget. Subtracting from the sum of these values the technical assistance funds, which represent the means for the implementation of the programme (by the evaluation cut-off date, they constituted EUR 772,862.84 of funds allocated), 27.9 % (EUR 8,357,765.82) of the funds were allocated to beneficiaries and 6.7 % (EUR 2,018,767.24) of all available funds were spent for the implementation of measures.

Similar implementation effectiveness of the European Maritime and Fisheries Fund is evident in other Member States. This is concluded in the study entitled *Implementation and Impact of Key EMFF Measures on the Common Fisheries Policy* (Ballesteros, M.; Chapela, R.; Santiago, J. L.; Norte-Navarro, M.; Kęsicka, A.; Pititto, A.; Abbagnano, U.; Scordella, G.; 2019). At the EU level, the lowest implementation intensity is recorded in PNU 1 measures. These are the measures prioritised for support of the marine fishing sector. Some Member States are therefore already planning to transfer funds from this priority. All Member States are facing the fact that, up until now, the OU's priority has been the understanding of the programme and preparation of necessary supporting acts. This means that implementation was focused more on coordination than efficiency.

According to the study, it is evident from the identified priorities of the EU that the fund does not address the fisheries sector as such, but the "fisheries" instead. This reinforces the thinking in the fisheries sector (especially among the representatives of the commercial marine fishing sector) that the European Fund is not intended for them. High costs and time-consuming procedures for drawing funds that are not outweighed by the benefits of a granted financial support are factors that additionally contribute to the dissatisfaction of the fisheries sector.

The share of funds allocated and paid-out under the OP ESPR 2014–2020 does not lag behind the average compared to the other Member States. According to the latest available data from the EC at the time of this report preparation on 31 December 2017 (EC, 2019), 23 % of funds were allocated and 7 % paid on that day at the EU level. On that day, Slovenia disclosed 19 % of allocated and 4 % of spent funds. Malta leads in the share of allocated funds (60 %), followed by Scandinavian countries (Finland and Denmark). The highest share of funds paid out by the end of 2017 is seen in Finland (24 %) and Ireland (23 %).

Table 8: Effectiveness of the programme based on the effectiveness framework

PNU	INDICATOR	MILESTONE 2018	STATUS AS AT 31 DEC 2018	REALISATION (%)
1	Financial (EUR)	587,333.00	0.00	0
	1.3 No. of projects with added value, quality, use of undesired catch and fishing ports, sites of landing, selling facilities and shelters	1	0	0
2	Financial (EUR)	762,666.00	0.00	0
	2.2 No. of projects on productive investments in aquaculture	8	2	25
3	Financial (EUR)	1,478,243.00	1,361,282.14	92.1
	3.1 No. of projects on the implementation of the EU system of surveillance, inspections, and enforcement	5	8	160
	3.2 No. of projects on the support for data collection, management and use	1	3	300
4	Financial (EUR)	1,229,333.00	219,524.95	17.9
	4.1 No. of chosen strategies for local development	4	4	100
5	Financial (EUR)	1,036,687.00	220,965.50	21.3
	5.3 No. of projects on processing	4	3	75
6	Financial (EUR)	156,806.00	216,997.65	138.4
	6.2 No. of projects on safeguarding and improving the knowledge about the marine environment	1	1	100

Data source: MKGP, January 2019, based on the Infosys, ESPRA.

The intensity of the implementation is reflected in the overview of the programme's effectiveness framework, where the milestone was reached only for 6 of the 13 indicators, which is less than half.

Within PNU 1, the value of both indicators is 0, which is why the milestone hasn't been reached. For PNU 2, there are two projects being implemented (25 % of the milestone reached), but no funds were paid out yet, so the milestones have not been reached. For PNU 3, both project milestones have been reached, including the financial ones. For PNU 4, the project milestone has been fully reached, unlike the financial one (17.9 %). For PNU 5, no indicator has reached 85 % of the milestone value. For PNU 6, both the financial and the project milestone have been reached. This means that three (PNUs 1, 2 and 5) out of six PNUs did not reach any milestones. At least one milestone has been reached for one of them (PNU 4), and both have been reached only for two of them (PNUs 3 and 6). Due to the low level of milestone reaching, the programme will be the subject of financial corrections by the EC, but the scope of these corrections was not known at the time of the current report preparation.

Regarding the effectiveness framework, it should be noted that, at its 5th meeting, the OzS has accepted the change of the programme, i.e. lowering the financial milestone within PNU 4 from the current EUR 1,229,333.00 to EUR 250,000.00. If the EC confirms the change to the OP, this will mean that the financial milestone for PNU 4 has been reached and this will lead to a reduced value of financial correction of the programme. By the time of preparing the final report, we have not received information on whether or not the EC has confirmed this change of the programme.

By now, the Managing Authority has already implemented certain correction measures:

- More meetings have been held with the intermediary body (ARSKTRP), the aim of which is faster review of applications and requests and a more efficient level of mutual communication. Based on the priorities set by the ARSKTRP management and active cooperation between both authorities, the handling of applications and reimbursement claims has sped up significantly since October 2018.
- The Managing Authority has implemented several consultations, meetings, and workshops with individual representatives of target groups for measures with the intention of bringing tenders closer to applicants. Due to the limitations of the tender documentation and supporting regulations, no major effects were seen. Nevertheless, these consultations resulted in valuable information, which served as an important entry data for the correction of selection criteria. As tenders have not yet been implemented based on the corrected criteria by the end of evaluation, we cannot assess the effect of corrected criteria on an increased of applications and approved projects.
- Preparers of public tenders (especially within PNU 2) have prepared several changes to tenders based on changes to the regulation and selection criteria. The last change was prepared at the end of 2018.

Under the national legislation, the OP ESPR 2014–2020 is adhering to the principle of equal opportunities and no discrimination. Based on the projects implemented in the past and at the moment, we cannot evaluate the contribution of the programme to the raise in the level of equality and non-discrimination. This horizontal principle mostly benefits from projects within PNU 5 (CLLD), which are “softer” and implemented in the form of inter-sectoral partnerships. All projects based on public tenders are being implemented by project partners that are legal entities, which is why the OU does not record data on male and female beneficiaries. In relation to compliance with the principle of gender equality, it should be pointed out that more than half of the Steering Committee members are female (53 %), while the structure of the wider managing body and the technical secretariat exhibits a balanced representation of both genders.

With the horizontal principle of sustainable development, great focus is placed in the OP on nature protection content, involving both the sea and inland waters. For beneficiaries to acquire funds, they must obtain and submit all the required nature protection permits and consents. The contribution of the programme to sustainable development is twofold. On the one hand, concrete measures are being implemented (e.g. compensation for damage to fish due to cormorants if a farm is located at a Natura 2000 site in the framework of providing environmental services in aquaculture), or indirectly through measures supporting the spreading of scientific and professional knowledge, monitoring of species and improvement of Natura 2000 sites management on the other. Implementation of the OP ESPR 2014–2020 also contributes to objectives related to climate change in accordance with the implementing Regulation EC No. 215/2014. The implementation of measures under Articles 33, 37, 53 and 54 contributes to the stabilisation of greenhouse gas emissions and bringing them to an acceptable level in different ways. Based on programme implementation thus far, only one project contributes to achieving these objectives, and this project is implemented within the aquaculture measure, which provided environmental services.

Based on the mentioned specific factors, it would be best if consultations with target groups were organised about the selection criteria after adopting the programme and before preparing public tenders. This would ensure a wider range of beneficiaries applying.

The implementation of individual measures is directly connected with certain administrative burdens, as every part requires preparation of supporting regulations, rules and public tenders or procurement procedures. In the future, measures that are feasible in a given situation should be identified, along with how they could be implemented, and all efforts should be directed towards their implementation. In the following programme period, we should aim to the greatest extent possible to ensure the support of many fields within one measure or tender. According to the EC representatives' assertions at the 5th Committee meeting, this will be possible in the future financial perspective. It is therefore even more important for the needs the Republic of Slovenia wishes to address in these sectors in the future financial perspective to be addressed on time and in a comprehensive manner.

U 9	Applications to public tenders are submitted in electronic and physical form. The application requires enclosing various pieces of evidence and supporting documentation (e.g. a building permit, a proof of ownership, water permit, bids, investment documentation, etc.).
P 9	In light of reducing the administrative burden, for applicants as well as for the intermediary body, the process of application should be simplified. The Managing Authority and the intermediary body should consult thoroughly about the necessary information the applicants need to acquire, and on the form in which they should be submitted. This should be done before publishing future public tenders. The application should be fully submitted in electronic form. An applicant should write a statement about the type of proof and consents obtained, and provide the numbers of documents, the credibility of which can be checked by the ARSKTRP. The electronic application should allow attaching a small number of documents that cannot be acquired legally by the ARSKTRP. It should include only required elements (e.g. investment documentation and business plan), which are relevant for public tender. The amount of investment should be determined based on individual costs, for which there is no need to enclose bids, as these are an integral part of the reimbursement claims, based on which funds will be actually paid out (this is also a practice applied by other operational programmes, such as Interreg). Although we recognise that the current process is performed based on recommendations made by the Court of Auditors, it is a pointless administrative burden, which should be eliminated.
U 10	Handling applications by the intermediary body is time-consuming. It takes two to six months for public tenders and even over eight months for applications received and forwarded by FLAGs. This was unacceptable and discouraged applicants from applying. In the last quarter of 2018, the application processing period at the intermediary body was reduced to 2–3 months.
P 10	The intermediary body must maintain the current time required for application handling. The application processing period should not take more than 3 months. This would enable the applicants to implement planned projects within the set time and financial frames.

U 11	The applicants' user experience with ARSKTRP accessibility is extremely poor. Obtaining additional information and resolving specific issues is difficult, as no contact e-mails or phone numbers of competent persons are available. The applicants must therefore turn to the ARSKTRP call centre, wait for a long time on the line, describe their problem and then receive the contact person's details. This process is extremely time-consuming. Supplementation of applications usually takes place through a legal letter, which the ARSKTRP sends to the applicants by mail.
P 11	We recommend the ARSKTRP to establish a more personal contact with the applicants. Telephone numbers and e-mails of contact personnel should become available in order to achieve a more efficient and constructive relationship between the ARSKTRP and the applicants. When documentation needs to be supplemented, the ARSKTRP personnel should work with the applicant by telephone and supplement their application in this way. The personnel should also do site visits.
U 12	In view of the indicator values achieved in the first period of programme implementation and the indicator values achieved in terms of effectiveness, the programme is currently faced with two important problems. Due to an insufficient level of fund drawing, the programme is subjected to financial correction by the Commission, meaning that fewer funds will be drawn than the Republic of Slovenia has negotiated in the phase of programme preparation. The second challenge is the consumption of still available funds both in the framework of measures which have not been implemented thus far (more than one third), but which are financially more sizeable, and within the measures that are being implemented but the implementation of which needs to intensify.
P 12	It should be examined as soon as possible which measures are being and will continue to be implemented, which are not being implemented as no projects are approved after the published tenders, and which cannot be implemented by the end of the programme implementation period due to various reasons. In the light of achieving the programme objectives, all capacities should be directed towards reducing the set of measures.
U 13	From the aspect of achieving formal requirements and adhering to supporting acts, the established structures and processes for programme management are successful. The problem is that they are inefficient in terms of achieving programme goals (effect as well as result) and fund extraction. As the programme is mainly addressing the needs of the fisheries sector, the key challenge for the future, especially in the light of preparing for the future programming period, remains to maintain the administrative performance while improving the efficiency.
P 13	There is a need to reduce unnecessary administrative burdens in procedures for the preparation and submission of project applications (e.g. documentation that can be obtained by the intermediary body itself, offers, etc.).

4.2.2 COST-EFFECTIVENESS OF THE PROGRAMME

At this stage of program implementation measurable results of implemented projects are not available yet. Therefore, the cost-effectiveness of the OP ESPR 2014-2020 can not be evaluated. However, it is worthwhile to evaluate this topic in the process of ex-post evaluation of the OP ESPR 2014-2020 if performed.

4.3 COMMUNICATION

Based on the scope of the ESPR 2014–2020 programme and EC Regulation No. 1303/2013, the OU decided that a communication strategy is not needed. Instructions on informing and labelling of operations have been made and are available on the programme website. Despite this, certain elements of internally accepted communication guidelines are being implemented. As there is no communication strategy, no defined indicators are available, based on which the effectiveness of implemented communication activities could be monitored.

Communication activities implemented by the OU in the framework of the programme are mainly focused on two target groups. The first target group are potential beneficiaries, i.e. applicants to projects which need to be familiarised with the opportunities that the OP is offering them. For this purpose, the following activities have been implemented:

- creation of the programme's visual identity,
- creation and setting up the website as a central information channel for the publication of all information connected with the programme,
- the production of the printed matter (pamphlets for individual PNUs),
- implementation of workshops and consultations with the purpose of introducing individual public tenders (after their publication).

Based on interviews with applicants, we assess that the fisheries sector (target group of applicants) is well acquainted with available measures. This is mostly due to the KGZS, which informs potential applicants about the current public tenders, mostly through email, and is regularly in contact with them.

The Public Advisory Service for Fisheries is again available to fishermen as of July 2018, acting as an expert link between the MKGP and fishermen. It can also offer information and help with applications to public tenders.

The second target group is represented by the wider public, for which events and campaigns are organised with the purpose of raising familiarity with the fisheries sector, or with the promotion of approved projects to encourage the wider public to buy fish and fish products.

For this purpose, the following events have been organised:

- regular participation at public fairs (agro-food fair AGRA and the Narava-zdravje fair),
- raising awareness about sustainable fisheries products and products from aquaculture,

- organisation of a round table about the importance of aquaculture development in the Republic of Slovenia.

The implementation of such activities is partially covered with the implementation of the Promotional Campaigns measure (Article 68), which is addressed in Chapter 5.5.5.

U 14	The Public Advisory Service for Fisheries is available to fishermen as of July 2018, acting as an expert link between the MKGP and fishermen.
P 14	<p>In the future implementing period of the programme (2019–2023), when public tenders are expected in this field as well, the Public Advisory Service for Fisheries should be more included in the implementation of the OP especially as the connection between the OU and fishermen. The activities suggested for the advisory office to enhance the implementation of the OP ESFR 2014–2020 are as follows:</p> <ul style="list-style-type: none"> • staying in touch with potential applicants • organises meetings • acts as a connection between the OU and fishermen • participate at the meetings connected with the OP. <p>With the purpose of improving communication between fishermen and the OU, the participation of the leader of the Advisory Office would be desirable at the Committee OzS.</p> <p>If the Public Advisory Service for Fisheries is unable to increase the range of work tasks in this area, the OU could engage an external contractor. In the future, it is necessary to bring the tenders closer to the beneficiaries. The step in this direction is to strengthen the communication with the target groups of each tender and to check the conditions before the calls are published. Preparation of projects and providing consultations on time, before the tender publication ensures better results (i.e. approved projects and extraction of funds).</p>

5 EVALUATION OF THE MEASURES

5.1 1ST UNION PRIORITY

Union Priority 1 (PNU 1) promotes environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries. The measures that Slovenia selected within PNU 1 for the OP ESPR 2014–2020 contribute to three Specific Objectives (PC):

- PC1: Reduction of the impact of fisheries on the marine environment, including the prevention and reduction of unwanted catches to the greatest extent possible
- PC 2: Protection and restoration of marine biodiversity and ecosystems
- PC4: Enhancement of the competitiveness and viability of the small-scale coastal fleet, and the improvement of safety or working conditions

Six measures were included in PNU 1 of the OP ESPR 2014–2020. Two are being implemented in the form of public procurement procedures awarded to the MKGP and four in the form of public tenders (all within PC4).

Table 9: Number of projects approved and financial realisation of the Specific Objectives of PNU 1

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	37	Support for the formation and implementation of conservation measures and regional cooperation	0	0.00	0.00	0	Is not being implemented
2	40.1.b–g	Protection and restoration of marine biodiversity and ecosystems	2	200,983.30	0.00	0	Ongoing, projects approved
4	32	Health and safety	0	0.00	0.00	0	Is not being implemented
	33	Temporary cessation of fishing activities	0	0.00	0.00	0	Is not being implemented
	42	Added value, product quality and use of unwanted catches	0	0.00	0.00	0	Is not being implemented
	43.1 + 3	Fishing ports, landing sites, auction halls and shelters	0	0.00	0.00	0	Ongoing, no projects approved

* Regulation (EU) No. 508/2014, ** share of funds paid out in relation to the funds defined in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

Table 9 shows that four out of the six measures of PNU 1 are not being implemented. A public tender was being prepared for one measure, but no projects were approved. By the cut-off date, the funds were allocated and paid out only for one measure.

Table 10: Realisation of target values set for PNU 1

PNU	OUTPUT INDICATOR	TARGET VALUE FOR 2018	SITUATION AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
1	Financial (EUR)	587,333.00	0.00	0
	1.3 No. of projects providing added value, product quality and use of unwanted catches and fishing ports, landing sites, auction halls and shelters	1	0	0

Data source: MKGP, January 2019, based on Infosys, ESPRA.

The table shows the situation of PNU 1 measures as at the cut-off date of 31 December 2018 in terms of achieving the target values set. Due to the state of implementation of the measures and projects and due to the fact that there were no funds paid out by the cut-off date, the realisation of the target value for 2018 is zero.

The measures of PNU 1 aim to realise two Thematic Objectives (TC) of the common strategic framework for smart, sustainable and inclusive growth as defined in Article 9 of Regulation (EC) No. 1303/2013.

For the realisation of TC3, i.e. enhancing the competitiveness of small and medium-sized enterprises (SMEs) in the fisheries and aquaculture sector, four measures were designed on the basis of Articles 32, 33, 42 and 43.1 + 3 (all within PC4) of Regulation (EU) No. 508/2014. Since none of the measures are being implemented or no projects were approved in the framework of these measures, we may conclude that the implementation of PNU 1 did not contribute to the strengthening of the ability of Slovenian enterprises in the fisheries and aquaculture sector to increase productivity and to improve their competitive strength.

Two measures within PNU 1 (Articles 37 and 40.1 b-g) contribute to the realisation of TC 6 – protecting the environment and cultural heritage, and promoting resource efficiency. One measure is being implemented. The projects of this measure will achieve the goals of biodiversity conservation and goals of management and control of non-indigenous invasive species. Since the projects are in the phase of implementation, there are no specific results and implementations on site, and it is thus not possible to evaluate their contribution to the achieving of the Thematic Objective.

The status report on the measures within PNU 1 and their future implementation plans is provided below.

Support for the design and implementation of conservation measures and regional cooperation (Article 37)

The measure is being carried out through public procurement procedures and includes studies, workshops, and seminars intended to achieve effective design and implementation of conservation

measures aimed at restoring fish stocks and the measures needed to fulfill obligations under the environmental legislation of the Union. In the process of designing and implementing mitigation measures, cooperation with other Member States is also supported.

The beneficiary of the measure (MKGP) has studied the need for the implementation of the measure. Results show that there are not enough fish caught in the Slovenian sea area and thus there are not enough fish discards. No further activities are planned in the 2019–2023 period.

Due to the size of the fisheries sector and indicator values referred to in Chapter 3 of this document, as well as the minimum quantity of discarded fish, financial correction of the programme, the need to reduce unnecessary administrative burdens and the need to improve the cost-effectiveness of the programme, we recommend the discontinuation of the measure from the OP ESPR 2014–2020.

Protection and restoration of marine biodiversity and ecosystems (Article 40.1.b–g)

The measure is being implemented through public procurement procedures. It aims to enhance the protection of Natura 2000 sites and Marine Protected Areas. The Managing Authority completed two public procurement procedures for the implementation of Specific Objectives of monitoring the species (of community interest) and management and control of non-indigenous invasive species, thereby raising the awareness both among fishermen and other stakeholders.

Two projects are in the process of implementation. Less than a third of the funds available for the measure has been allocated. In the process of measure implementation, the OU cooperates constructively with the MOP and other competent public agencies (e.g. Slovenian Environment Agency) in order to identify the need for better protection and restoration of marine biodiversity.

In the future, the Managing Authority plans two more public procurement procedures. The Managing Authority estimates that they will not meet the target value of 10 projects, as the content of different measure topics will be the same. They anticipate that the full amount of funding will be committed.

In the course of implementing the OP, there arose the need to utilise the funds for the needs envisaged under Article 40 1a: collection of waste from the sea, such as the removal of lost fishing tools and marine litter. Pollution of marine environment with waste is identified as a predominant burden and pressure also by Plan for Maritime Environment Management for the period 2017-2021(hereafter: NUMO). The plan defines measures for improvement of current condition such as for example measures D10: TU3(1a) – Removing or cleaning pre-existing marine litter, D10: DU1(2a) – Establishment of a collection system for randomly collected waste in fishing nets and collection of waste fishing equipment (“Fishing for Litter”) and D10: DU3(2a) – Preparation of a plan for environmentally acceptable waste management for shellfish farming.

We recommend that Article 40 1a is included and adequately funded in the OP ESPR 2014–2020 amendments.

Health and safety (Article 32)

Under this measure, the beneficiaries (fishermen or owners of fishing vessels) are able to finance equipment. This leads to improved hygiene, health and safety, and working conditions. Since the financial scope of the measure is limited (funds in the amount of EUR 133,333.00 are available) and it does not contribute to the 2018 target values, the measure was not a priority for the OU. No public tender was published by the cut-off date. The measure was not in the process of implementation.

It should be noted that there is another restriction to the implementation of the measure, which influences the absorption capacity of potential beneficiaries. The equipment that is the subject of co-financing is welcomed by fishermen but not obligatory. As they fish close to the shore, the need for such equipment is minimal. Typically, Slovenian fishermen return to their ports within 24 hours. Also, the 50 % co-financing offer is not appealing enough.

The Managing Authority plans a public tender in 2019. We recommend that a shortlist of potential projects is prepared and the interest of fishermen and their absorption capacity is explored before the publication of the tender.

Temporary cessation of fishing activities (Article 33)

The measure provides the owners of fishing vessels with financial support for a maximum period of six months per vessel to compensate them for loss of income due to emergency measures referred to in Articles 12 and 13 of Regulation (EU) No. 1380/2013 or due to conservation measures referred to in Article 7 of said Regulation, including biological recovery period. Fishermen who have worked at sea for at least 120 days during the last two calendar years are included as well.

Until the end of 2018, there was no need to activate the measure and so no public tender was published. The measure was not implemented.

The Managing Authority plans to pay out the funds defined within the measure from the national funds, as the number of potential beneficiaries is low. As a result, the funds will be allocated by the MKGP according to national rules. This is also more cost-efficient. The measure will be exempted from the implementation of the OP ESFR 2014–2020.

Added value, product quality and use of unwanted catches (Article 42)

The measure entitles beneficiaries (owners of fishing vessels) to co-funding of investments that add value to fishery products. Investments that enable processing, marketing and direct sales of their catches are of priority. Investments into fishing vessels that add value to fishery products are also possible.

Since the financial scope of the measure is limited (funds in the amount of EUR 266,667.00 are available) and does not contribute to the target values for 2018, the implementation of the measure was not a priority for the OU. Up until the cut-off date, there was no public tender. The measure was not in the process of implementation.

We recommend that a shortlist of potential projects is prepared and the interest of fishermen and their absorption capacity is explored before the publication of the tender.

Fishing ports, landing sites, auction halls and shelters (Article 43.1 + 3)

In the scope of the measure, municipalities can get funding in the amount of up to 100 % of eligible expenditure for investments in fishing ports and landing sites. By the cut-off date of the evaluation, the Managing Authority has launched three public tenders with all the available funds committed. Municipalities were interested but did not submit proposals.

In 2019, the Managing Authority plans another public tender. Following the local elections held in 2018, we recommend a meeting between the OU and coastal municipalities. The capacity of the municipalities to submit proposals should be assessed, and whether the projects are prepared to the extent that enables applying for the tender (appropriate placement in the spatial plan, permits obtained, consents, etc.). If it is estimated that there is a realistic chance of successfully applying projects, the tender can be carried out. Otherwise, funds should be reallocated to other measures of the OP ESFR 2014–2020.

In the framework of the OP ESFR 2007–2013, the construction of berths was financed in the Municipality of Koper.

U 15	Four out of the six measures of PNU 1 are not being implemented. One measure was in the process of implementing a public tender, but no applications were submitted by the municipality. Projects were approved and funds allocated by the cut-off date only within one measure, which is being implemented through public procurement. The target values were not achieved.
P 15	<u>Art. 37</u> – The measure can be exempted from the OP ESFR 2014–2020. <u>Art. 40.1.b–g</u> – The OP framework should also include Article 1 a. <u>Art. 32</u> – We recommend that a shortlist of potential projects is prepared and the interest of fishermen and their absorption capacity is explored before the publication of the tender. <u>Art. 33</u> – The measure should be exempted from the implementation of the OP ESFR 2014–2020. Funds for the measure should be allocated from the national funds. <u>Art. 42</u> – We recommend that a shortlist of potential projects is prepared and the interest of fishermen and their absorption capacity is explored before the publication of the tender. <u>Art. 43.1+3</u> – A meeting between the OU and coastal municipalities should be held. The capacity of the municipalities to submit proposals should be assessed. The stage in the project lifecycle should be assessed in the context of spatial planning permits obtained and consents needed. If there is a realistic chance of successful applications, a public tender can be held. If there is no realistic chance of successful application, funds should be reallocated to other measures of the OP ESFR 2014–2020, and the measure should be exempted.

5.2 2ND UNION PRIORITY

Union Priority 2 (PNU 2) deals with fostering environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based aquaculture. Measures selected by Slovenia within PNU 2 for the OP ESFR 2014–2020 contributed to five Specific Objectives (PC):

- PC1: Support for strengthening technological development, innovation, and knowledge sharing
- PC2: Enhancement of competitiveness and viability of aquaculture enterprises, including the improvement of safety and working conditions, in particular of SMEs

- PC3: Protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture
- PC4: Promotion of aquaculture with a high level of environmental protection, and the promotion of animal health and welfare, and of public health and safety
- PC5: Development of professional training, new professional skills, and lifelong learning

There are eight measures included in PNU 2. This makes it the PNU with the largest number of measures included, funds allocated, and target values to be reached. The only exception is one measure (Article 51), which is implemented through a public procurement procedure, while all others are implemented through public tenders.

Table 11: Number of projects approved and financial realisation of Specific Objectives of PNU 2

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	47	Innovation	0	0.00	0.00	0	Ongoing, no projects approved
2	48.1.a–d, f–h	Productive investments in aquaculture	0	0.00	0.00	0	Ongoing, no projects approved
3	48.1.e, i, j	Productive investments in environmental aquaculture	1	289,050.04	0.00	0	Ongoing, projects approved
	51	Increasing the potential of aquaculture sites	3	240,215.24	0.00	0	Ongoing, projects approved
	53	Transition to eco-management and assessment schemes, and organic aquaculture	0	0.00	0.00	0	Ongoing, no projects approved
4	54	Aquaculture providing environmental services	1	10,500.00	0.00	0	Ongoing, projects approved
	55	Public health measures	0	0.00	0.00	0	Is not being implemented
5	50	Promotion of human capital and networking	0	0.00	0.00	0	Is not being implemented

* Regulation (EU) No. 508/2014, ** share of funds paid out in relation to the funds defined in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

Six out of the eight measures included in PNU 2 are being implemented, which means that a public tender or a public procurement procedure was announced for them. Three measures are being implemented with no projects approved. For three measures, projects were approved and funds assigned to two beneficiary companies and to the MKGP. Two measures are not being implemented, which means that no calls for tenders have been announced by 31 December 2018.

Table 12: Realisation of target values set for PNU 2.

PNU	OUTPUT INDICATOR	TARGET VALUE FOR 2018	SITUATION AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
2	Financial (EUR)	762,666.00	0.00	0
	2.2 No. of projects for productive investments in aquaculture	8	2	25

Source: MKGP, January 2019, based on Infosys, ESPRA.

The table shows the status of PNU 2 measures as at the cut-off date, 31 December 2018, with emphasis on the achievement of the target values set. Because no funds have been paid out, the financial realisation amounts to zero. Since the two aquaculture sector projects were approved, the realisation of the target value for projects is 25 %, which is still below the 85 % mark set for the milestone realisation.

Measures of PNU 2 aim at the realisation of three Thematic Objectives (TC) of the common strategic framework for smart, sustainable and inclusive growth as defined in Regulation (EC) No. 1303/2013.

For the realisation of TC 3 – enhancing the competitiveness of small and medium-sized enterprises and fisheries, and aquaculture sector, three measures were designed on the basis of Articles 47, 48.1. a-d, f-h and 55 of Regulation (EU) No. 508/2014. Since none of the measures are being implemented or no projects were approved in the framework of these measures, it can be concluded that the implementation of PNU 2 did not contribute to the increase of productivity and competitive strength of Slovenian enterprises in the aquaculture sector. Because no innovation projects are being implemented, PNU 2 did not contribute to the linkage of business and the scientific research sector that would enable innovation and development of new technologies in the aquaculture sector.

Four measures designed in accordance with Articles 48.1 e, l, j, 51, 53 and 54 contribute to the achievement of TC6 – preserving and protecting the environment and promoting resource efficiency. Five projects that are in the process of implementation will contribute to the limitation of activities that degrade the environment, including Natura 2000 sites. The measure for the exact determination of water abstraction sites in line with environmental constraints and climate change is being implemented. The expert background documentation that will result from this measure will incorporate findings that will serve as the basis for the preparation of new areas of Community support in the next financial perspective. Due to the time necessary for the completion of establishing production, from determining water abstraction sites to obtaining appropriate authorisations and consents for the establishment of production, the expert background documentation cannot be used as the grounds for investments in the current financial perspective as stated in the OP ESFR 2014–2020.

One measure contributes to the achievement of TC 8 – promoting sustainable and quality employment, and supporting labor mobility. Since the measure is not being implemented, the implementation of PNU 2 did not promote employment or support labour mobility.

The status report on the PNU 2 measures and their future implementation is provided below.

Innovation (Article 47)

The measure aims to promote innovation in aquaculture, the objective of which includes developing technical, scientific or organisational knowledge in aquaculture, developing or introducing on the market new aquaculture species and exploring the technical or economic feasibility of innovative products or processes. The measure is being implemented through public tenders. The beneficiaries are companies and sole proprietors (SMEs), whose professional activity is in aquaculture. All projects within this measure must be implemented in partnership with a research institution.

Two public tenders were published in 2018, the first one in March and the second in July. In both cases, all available funds were tendered and no applications were submitted.

The tender documentation shows that the application must demonstrate a technological aspect (e.g. reduced water consumption, new aquaculture species, etc.), an environmental aspect (e.g. reduction of wastewater impact on the environment, higher energy efficiency, etc.) and an economic aspect (increased revenues). These aspects serve as criteria in the tendering procedure. According to the criteria of a maximum of 80 points set in the two tendering processes, the threshold for participation was set at 20 points. The OzS lowered the threshold to 15 points at its 5th meeting.

Only labour costs resulting from the development of innovation are eligible and not the costs resulting from the purchase of raw materials or equipment that are associated with its actual implementation. The applicant must also cover the labour costs of the partner research institution prior to the reimbursement claim.

In addition to the formal tender requirements, the objective reasons for the lack of interest among potential applicants include the lack of research institutions in aquaculture and the lack of economic operators in the aquaculture sector that are capable of pre-financing a project and committing to the defined tendering criteria.

In the process of evaluation, we detected a potential applicant. We thus recommend interest of potential applicants in the aquaculture sector to be explored and a new tender to be published, with corrected criteria. If no proposal is submitted, the decided funds should be reallocated to other measures of the OP ESPR 2014–2020.

Productive investments in aquaculture (Article 48.1.a–d, f–h)

In the scope of the measure, the beneficiaries can get financial support for a wide range of investments relating to productive investments in aquaculture (e.g. diversification of output, upgrade of facilities, improvements for animal welfare, protection of facilities against predators, restoration of ponds or lagoons, development of complementary activities outside aquaculture). The measure is being implemented through public tenders. The beneficiaries are companies and sole proprietors (SMEs) engaged in professional activities in aquaculture.

For the implementation of the measure, four public tenders have been published. The first one was published on 9 June 2017 with four applications made, the second one on 20 October 2017 with four applications, and the third one on 16 February 2018 with one application made. No applications were submitted on the fourth public tender of 4 May 2018, which will be open until the funds are used up. In

all the public tenders combined, five applicants made nine applications, with no projects approved. All the applications were withdrawn because they did not meet administrative requirements (the applications were incomplete, some annexes were missing). No applications were assessed in terms of their content.

According to the applicants, the greatest obstacle in the application process is to obtain and submit the required documents (e.g. letters of consent, which are difficult to acquire in the time frame prescribed by a public tender). That makes the change made in the fourth tender, where no deadline for applications is set, all the more welcome. It should be pointed out that public funds can only be granted to legal entities, for which all the appropriate authorisations and consents are needed (in accordance with legislation).

The applicants point out the difference between the current and past financial perspective in terms of the scope of documentation required, whereby more extensive documentation is required in the current one. The difference is due to the harsher environmental legislation (e.g. the Nature Conservation Act and the Water Act), European regulations (e.g. Regulation (EU) No. 508/2014) and the commitment of the program on achieving EU objectives (including Thematic Objectives and the objectives of the Common Fisheries Policy). Therefore, according to national and European legislation, OU does not have the manoeuvring space to reduce the scale of demanded documentation. In Annex 1 to this document, we provide a comparison of the documentation that has to be provided by the applicants, which was prepared by the OU.

Another obstacle is the commitment to meet the target values of the result indicators set in the business plan. All the applicants contracted an external consultant to prepare the application.

There are 13 criteria with a maximum of 85 points for the selection of operations. A minimum threshold for project approval of 24 points was set. Because this is financially the largest measure of the OP ESPR 2014–2020 implemented through public tenders, with EUR 2.4 million available, and because the eligible costs and goals comply with the needs of the aquaculture sector to the greatest extent, the OU undertook thorough revisions of the criteria and lowered the threshold to 19 points. Large companies were added as potential beneficiaries of the measure.

We believe that there is a strong interest in submitting applications taking into account the following factors: experience acquired in the past financial perspective in which the absorption of funds grew in the latter stage of programme implementation, objective factors described in Chapter 3.2 of this document, interviews with the applicants in which most of them state the possibility of further applications made, and the corrected criteria in the public tender process. To reinforce the implementation of the measure, we recommend that the OU publishes another public tender based on the corrected criteria and recommendations made in Chapter 4.2.1 of this document. In the scope of the public tender, we recommend the organisation of a technical workshop with the aim of presenting the new, corrected, criteria to the potential beneficiaries. If a suitable arrangement can be made, the workshop should be organised in cooperation with the SRRS in order to provide information on pre-financing.

Productive investments in closed aquaculture systems (Article 48.1.e, i, j)

Similar to the previous measure, the beneficiaries can acquire funds for productive investments in aquaculture in this measure as well, the difference being that the aquaculture systems are closed. These are investments in closed aquaculture systems that reduce the negative impact or enhance the positive effects on the environment and increase resource efficiency through reduction of the amount of water or chemicals, antibiotics and other medicines used. The measure is implemented through public tenders. The beneficiaries are companies and sole proprietors (SMEs) engaged in professional activities in aquaculture.

Four public tenders were published, the first one on 7 July 2017. The sole application was dismissed because it failed to meet the administrative requirements. The second public tender was announced on 20 October 2017, with no applications made. The third public tender was announced on 16 February 2018, with one application accepted and confirmed. The fourth public tender announcement was on 27 July 2018, with no deadline, opened until the decided funds are used up. No applications were submitted by the cut-off date. Both applications mentioned above were made by the same applicant.

The approved project will, at the very least, double the production capacities of the beneficiary, which would be impossible without co-financing.

There are nine criteria with a maximum of 70 points for the selection of projects. In accordance with the current criteria, a minimum threshold for project approval is set at 17 points. Similarly to the public tenders in classic aquaculture, the OzS revised the selection criteria at its 5th meeting. One criteria was corrected. One point per one contract staff was cancelled, with the minimum threshold for approval of 16 points. Large companies were added as potential beneficiaries of the measure.

In the new criteria, the threshold for co-financing was lowered to a minimum and one point per one contract staff was cancelled in order to promote increased employment by large companies. This potentially resulted in a negative impact on the assessment of applications for small-scale investments.

According to the situation which is reflected in the realisation of the target values set for 2018, the OP ESFR 2014–2020 is facing a greater need for fund absorption. In order to fulfill the indicators set at the level of the operational programme, larger investments should be planned. On the basis of the recommendations from the EC regarding the necessity of the absorption of funds, OU accepted that the list of beneficiaries is extended to large companies. We welcome this solution in the light of reaching the milestones, however, the contribution of the OP ESFR 2014–2020 to the achievement of the specific objective 2 and the thematic objective 3 within the 2nd Union Priority will be smaller.

As established in the socio-economic analysis, the number of potential beneficiaries is extremely low. Only one business entity showed interest and the funds were approved. The spending and meeting of indicators relies upon the encouragement of other business entities to enter into the public tender process. It is therefore important that the public tender process enables optimum entry to potential beneficiaries.

To boost the implementation of the measure, we recommend the OU to announce another public tender based on the corrected criteria and recommendations made in Chapter 4.2.1 of this document. We propose an introductory consultation/workshop to present the new criteria to potential beneficiaries and, in the event of agreement with the SRRS, the workshop could also include information on pre-financing.

If greater interest in funding is detected in the scope of this measure, additional funds can be allocated from exempted measures.

Increasing the potential of aquaculture sites (Article 51)

The measure aims to identify and map the most suitable areas for developing aquaculture, taking into account, where applicable, spatial planning processes, as well as to identify and map areas where aquaculture should be excluded in order to comply with the restrictions of protective measures.

The funds within this measure represent the sum of all approved operations, specifically, of the funds allocated for absorption through public tenders. The decided but not allocated funds of the first public tender are included.

Two studies are being conducted, focused on increasing the potential of aquaculture sites. One of them focuses on the marine environment, and the other on inland waters. The OU plans another public tender with the focus on groundwater.

In view of the public tenders already completed, ongoing projects and the public tender in the process, we believe that the measure will be fully implemented. It will contribute to the identification of zones for the development of marine and inland water aquaculture. We believe that the results of the studies and suitable zone mapping are going to serve as a suitable basis for the estimation of the economic potential and the development potential of both sectors, which were needed already during preparations for this programming period. This is why the key findings and results of both studies must be available on time to serve as a basis for the design of the measures in the next programming period.

After the mapping, national funds must be allocated to aquaculture development projects. The ministries responsible must coordinate the preparation of all the necessary permits and consents required. In this way, they will address one of the key problems the OP faces – a small sector and a limited number of locations for the expansion of production. This will serve as preparation for the absorption of funds in the next programming period.

Conversion to eco-management and audit schemes and organic aquaculture (Article 53)

The measure is being implemented through public tenders. It encourages the development of organic and energy-efficient aquaculture. The beneficiaries are aquaculture enterprises and farms with aquaculture as a complementary activity. A specific condition of this measure is that the beneficiaries must be included in the EMAS Scheme (ECO – Management and Audit Scheme – a scheme for companies and other organisations to evaluate, report, and improve their environmental performance).

The beneficiary is entitled to a compensation for the loss of income due to the transition from conventional to organic aquaculture. The income loss occurs because of lower annual production of aquaculture, more expensive feed and extra measures needed in organic aquaculture.

By the cut-off date, the OU announced two public tenders. The first tender was announced on 20 October 2017, the second one on 27 July 2018. Both were unsuccessful as no applications were submitted. During the interviews with potential applicants, we were unable to detect any interest in the measure. One of the possible reasons for this is that the demand (on the local market) for fish farmers' products is larger than their potential supply. Most are interested in investments for the expansion of their production. The expansion potential is often limited by objective factors described in Chapter 3.2 of this document.

The OU revised the selection criteria at its 5th meeting and the minimum threshold for project co-financing was lowered by one point. The main factor hindering the implementation of this measure is its definition. On the one hand, the beneficiaries must comply with the requirements of organic aquaculture (and hence lower their annual production) and increase their income. This means that the local market must be prepared to buy a smaller amount of fish at a higher price. This is something that is unrealistic according to the producers and experts.

Due to no interest in the measure among the potential beneficiaries and due to objective factors, there is no real absorption potential for the funds allocated for this measure. We propose that the measure is exempted from the OP ESFR 2014–2020 and the funds allocated to other measures.

Aquaculture providing environmental services (Article 54)

The measure aims to develop aquaculture methods providing environmental services compatible with specific environmental needs subject to specific management requirements resulting from the designation of NATURA 2000 areas, the costs directly related thereto, and ex-situ conservation and reproduction of biodiversity. The project is implemented through public tenders. The beneficiaries are both legal entities and natural persons with the registered activity of rearing aquatic organisms.

At first, the measure was designed as a precautionary measure due to the restrictions posed by the Natura 2000 sites for the production of bivalve molluscs. Subsequently, it was revised and refocused on cormorants due to a lack of interest for the previous measure.

In the framework of the measure, the OU announced one public tender (15 June 2018), intended for the compensation of income loss in aquaculture in Natura 2000 sites. There is no deadline as the tender will remain open until all the funds are used up. By the cut-off date, one application was submitted successfully.

Since there are only two fish farmers that act as potential beneficiaries and both must submit annual applications for the reimbursement, there is a strong possibility that all available funds will not be used up. The OU revised the selection criteria at its 5th meeting and re-set the selection threshold from 6 to 5 points.

We recommend the OU to publish a new public tender based on the revised criteria and continues with the measure implementation.

Public health measures (Article 55)

The measure supports compensation to mollusc farmers for the temporary suspension of harvesting of farmed molluscs, where such suspension occurs exclusively for reasons of public health (e.g. the proliferation of toxin-producing plankton or the presence of plankton-containing biotoxins). By the cut-off date, the measure was not in the process of implementation. There are no beneficiaries and no funds allocated.

The OU has two possible ways of implementing the measure within the programme. The measure is retained and used in the event of a situation that leads to temporary suspension of molluscs harvesting, with ESPR funds used for the compensations paid to farmers. There is a chance that the measure will not be implemented by the end of the programming period and that the indicator values will not be met. The measure can be exempted from the OP ESPR 2014–2020 and the funds allocated to other measures. In the event of temporary suspension of molluscs harvesting, the compensations can be paid from national funds in accordance with the less strict national requirements.

Promotion of human capital and networking (Article 50)

The measure promotes professional training, lifelong learning, dissemination of scientific and technical knowledge and innovative practices, and the gaining of new professional skills in aquaculture. It also enables the improvement of working conditions and the promotion of occupational safety. Moreover, it supports networking and exchange of experiences and best practices among aquaculture enterprises.

The measure is implemented through public tenders. The beneficiaries are aquaculture enterprises and farms with aquaculture as their complementary activity. By the cut-off date, the measure was not in the process of implementation. No public tender was announced.

As stated in the OP ESPR 2014–2020, the measure is implemented in the framework of Specific Objective 5 and contributes to the achievement of indicators for the employment created and/or safeguarded. Bearing in mind the state of the sector (Chapter 3), we assess that the measure designed to promote the human capital can not contribute to higher employment rates.

We suggest that the OU finds a way to address the needs of the sector and thereby contribute to enhancing the human capital in the aquaculture sector.

U 16

There are 8 measures for the aquaculture sector included in the framework of PNU 2. Six measures are being implemented, while projects were approved by the cut-off date only in the scope of 3 measures. The target values were not achieved. The main problem in carrying out a successful public tender is the small size of the sector. During the programming period, a strong interest was exhibited and so a large number of measures was designed. However, there was no actual response to the public tenders. In measures designed to innovate and

	educate (Articles 47 and 50), more stringent criteria than discussed in the programming period (when no indicator values were set yet) cause a lack of interest.
P 16	<p><u>Art. 47</u> – With criteria revised, another public tender should be announced. If no applications arrive by the end of March, the measure should be exempted.</p> <p><u>Art. 48.1. a–d, f–h</u> – To strengthen the implementation of the measure, the OU should announce another public tender based on the revised criteria and recommendations made in Chapter 4.2.1 of this document.</p> <p><u>Art. 48.1. e, i, j</u> – The OU should announce another public tender based on the revised criteria and recommendations made in Chapter 4.2.1 of this document, and thus strengthen the implementation of the measure.</p> <p><u>Art. 51</u> – The key results of studies and mapping must be produced in time for the preparation of the next programming period to help determine the scope of its measures.</p> <p><u>Art. 53</u> – Due to no interest for the measure shown by the potential beneficiaries, we propose that the measure is exempted from the OP ESFR 2014–2020 and the funds are allocated to other measures.</p> <p><u>Art. 54</u> – A public tender should be published based on the revised criteria.</p> <p><u>Art. 55</u> – The measure remains in the OP, with the possibility of using national funds for implementation.</p> <p><u>Art. 50</u> – The measure should be exempted. We suggest that the OU finds a way to address the needs of the sector and thereby contribute to enhancing the human capital in the aquaculture sector.</p>

5.3 3RD UNION PRIORITY

The 3rd Union Priority (PNU 3) promotes the implementation of the CFP. The measures selected by Slovenia within PNU 3 for the OP ESFR 2014–2020 contributed to two Specific Objectives (PC):

- PC1: Improvement and supply of scientific knowledge as well as improvement of data collection and management
- PC2: Provision of support for monitoring, control, and enforcement, thereby enhancing institutional capacity and the efficiency of public administration, without increasing the administrative burden

Two measures are included in PNU 3. Both are implemented through public tenders.

Table 13: Number of projects approved and financial realisation of Specific Objectives under PNU 3

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	77	Data collection	3	1,464,671.50	753,671.69	25.7	Ongoing, projects approved
2	76	Control and enforcement	8	2,295,213.00	607,610.45	26.5	Ongoing, projects approved

* Regulation (EU) No. 508/2014, ** share of funds paid out in relation to the funds decided in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

The table above shows that all of the measures are being implemented through successful public tenders. Funds were allocated and paid out in both cases, cumulatively less than one-third of available funds.

Table 14: Realisation of target values set for PNU 3

PNU	OUTPUT INDICATOR	TARGET VALUE FOR 2018	SITUATION AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
3	Financial (EUR)	1,478,243.00	1,361,282.14	92.1 %
	3.1 No. of projects for the Union control, inspection, and enforcement system	5	8	160 %
	3.2 No. of projects for data collection, management and use	1	3	300 %

Data source: MKGP, January 2019, based on Infosys, ESPRA.

The table shows the status of PNU 3 measures at the cut-off date of 31 December 2018, with emphasis on the achievement of the target values set. The financial target values were achieved, as were both project target values. As regards the latter, the target values were surpassed, with the number of projects for data collection, management and use surpassing the target value set for the OP ESPR 2014–2020.

The PNU 3 measures aim to realise the TC 6 of the common strategic framework for preserving and protecting the environment and promoting resource efficiency as defined in Regulation (EC) No. 1303/2013. The implementation of both measures adequately contributes to the enhancement of maritime surveillance and to the Integrated Maritime Policy implementation.

The status report on the PNU 3 measures and their future implementation is provided below.

Data collection (Article 77)

The measure enables data collection, management and use for the purpose of scientific analysis and implementation of the CFP. It also enables national, transnational and subnational multiannual sampling programmes, provided that they relate to stocks covered by the CFP and also at-sea monitoring of commercial and recreational fisheries. The measure is obligatory for all Member States.

To implement the measure, each Member State must prepare a three-year cycle programme according to Article 10 of Regulation (EU) No. 1380/2013 based on background documentation provided by the EU. The measure is being implemented by the OU in close cooperation with the Fisheries Research Institute of Slovenia (hereafter: the ZZRS). The OU and the ZZRS formed a workgroup that prepares and implements action plans.

The target value set for the indicator of the measure within the OP ESPR 2014–2020 has already been surpassed. Instead of two three-year programmes cycles, eight action plans are going to be implemented.

The implementation of the measure contributes to the improvement of data collection and data management systems for scientific analysis at the national and community levels. The data collected is going to be used to identify the priority areas for the programme in the next financial perspective.

Control and enforcement (Article 76)

The measure provides support to the implementation of the Union's control, inspection and enforcement system. The purchase, installation and development of technology, equipment and components used for the purpose of control are supported. The measure is being implemented through public tenders. It is one of the most successful measures in terms of achieving financial and impact indicators. Eight projects were approved by the cut-off date, all funds allocated were paid out, with a realisation of 33 %. The realisation of the indicators set for the OP ESPR 2014–2020 is on track.

The measure enabled the Republic of Slovenia to modernise control equipment (terminals, telecommunications equipment and the vessel). The staff's professional competences were improved through expert exchanges and training. It is important that the projects implemented harmonised control systems of different supervisory and intelligence authorities (e.g. inspections, the Police, the port authorities, the Army). The safety of navigation, control, and responsiveness improved.

Public services that implement the measure in cooperation with the OU are interested in the coverage of operational costs and increased personnel capacities. This is not possible in the framework of this measure.

U 17	Up until the cut-off date, the financial and both impact indicators of PNU 3 were met. The measures are being implemented through public calls and support the implementation of the CFP.
P 17	<u>Art. 77</u> – The measure is being implemented in line with the requirements of the Union. No difficulties or bottlenecks can be detected. <u>Art. 76</u> – The measure is a success and meets the impact indicator. The realisation of the measure is not at risk.

5.4 4TH UNION PRIORITY

The implementation of the fourth Union Priority – increasing employment and territorial cohesion – is fully in line with the CLLD approach (local development led by the community). Measures within this Union Priority are allocated to finance preparation and implementation of Local Development Strategies by Local Action Groups. They also absorb funds from the European Maritime and Fisheries Fund.

All the three measures within PNU 4 contribute to the first Specific Objective (PC1) – promotion of economic growth, social inclusion and job creation, and supporting employability and labour mobility in coastal and inland communities, which depend on fishing and aquaculture, including the diversification of activities within fisheries and into other sectors of maritime economy.

Table 15: Number of projects approved and the financial realisation of measures within PNU 4

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	62.1.a	Preparatory support	4	29,168.06	29,168.06	100	Ongoing, approved projects
	63	Implementation of local development strategies	19	2,207,002.17	190,356.89	3	Ongoing, approved projects
	64	Cooperation activities	3	101,684.40	0.00	0	Ongoing, approved projects

*Regulation EU No. 508/2014, ** share of funds paid out in relation to the funds defined in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

It is evident from the table above that all the three measures within PNU 4 are being implemented. All of them are supported and have ongoing projects as well as allocated funds. The funds for two of the three measures have already been paid out.

Table 16: Achieving target values of the performance framework within PNU 4

PNU	INDICATOR	TARGET VALUE 2018	SITUATION AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
4	Financial (EUR)	1,229,333.00	219,524.95	17.9 %
	4.1 N° of local development strategies selected	4	4	100 %

Data source: MKGP, January 2019, based on Infosys, ESPRA.

The measures within PNU 4 are half-realised in terms of achieving the performance target values. The project target value has been fully achieved as the number of local development strategies in implementation equals the target value. The financial target value is at 17.9 % due to payment delay.

All the measures implemented within PNU 4 are contributing to the realisation of the 8th TC of the common strategic framework of the Union's strategy for smart, sustainable and inclusive growth –

promoting sustainable and quality employment and supporting labour mobility. The representatives of fishermen and of freshwater aquaculture are getting involved in FLAGs' projects. As a result, they promote local employment and develop innovative approaches and products, which will contribute to the recognisability and added value to the local areas.

The current situation and future implementation of individual PNU 4 measures are described below.

Preparatory support (Article 62.1.a)

Preparatory support is intended for the reimbursement of preparation costs incurred due to Local Development Strategies undertaken by Local Action Groups.

The partnership agreement between Slovenia and the EC for 2014–2020 specifies the manner of CLLD approach implementation for this period. Based on the agreement, LAGs prepare strategies and define the sources of financing. As a result, LAGs can be included in various funds (European Regional Development Fund, the Rural Development Programme and the European Maritime and Fisheries Fund). Based on the predominant financing share for the strategies, the leading fund is defined. In its capacity as the agreement coordinator, the SVRK had an important role in the harmonisation of the guidelines for all LAGs strategy preparation, regardless of the leading fund. The CLLD Coordination Committee played an important part in the unification of the rules for each of the funds (preparation of unified legislation). This accelerated the preparation and adoption of FLAGs and Strategies of Local Development. The LAG strategies included in the ESPR were adopted in October 2016. This is less than six months after the adoption of the OP ESPR 2014–2020 by the EC. Taking into account the fact that LAGs had to be formally re-established, we estimate that the timeline was appropriate and did not present an obstacle to fund absorption.

The strategies are consistent with all the operational programs from which they absorb funds. In addition to having to consider consistency in the strategy preparation phase, the specifics of individual funds, intervention logic, and planning had to be taken into account. We have noted that this is a new approach and a quantum leap in comparison with the previous programme period. We estimate this as an appropriate approach, in particular in terms of increasing the possibilities for achieving synergies between individual funds.

The OU is in regular contact with FLAGs included in the OP ESPR 2014–2020. Besides exemplary communication, willingness to cooperate and pro-activity (on the OU as well as on FLAG level), the OU holds individual regular meetings with FLAGs and organises conferences, meetings or workshops for all FLAGs every two months.

The following FLAGs are included in the OP ESPR 2014–2020:

- Istria FLAG,
- Soča Valley FLAG,
- Gorenjska košarica FLAG,
- Posavje FLAG.

The ESPR is the lead fund for one of the four FLAGs included, the Istria FLAG. In the Republic of Slovenia, a total of 37 LAGs is established. More than one tenth of them are included in the OP ESPR 2014–2020.

Within the preparatory support measure, the FLAGs included were able to reimburse the preparation costs of the Local Development Strategies. By the cut-off date, all the funds were paid out in full, and the target value of the output indicator (4 strategies) was realised. The measure is completed and will no longer be implemented.

Implementation of local development strategies (incl. running costs and animation) (Article 63)

Two sets of operations are financed within the measure. The first set includes projects that are being implemented through public calls within the local development strategies. The second set involves the reimbursement of animation and current operating expenditures of local action groups.

a. Projects being implemented through public calls within local development strategies

The project approval process within this Article is complicated and, as evident from the current procedures, time-consuming. The first step is publication of the public call at the level of a FLAG, followed by applications. In the period between the public call publication and the deadline for the submission of applications, FLAGs are performing animation in accordance with the terms of their operation – they provide support and information on the public call. The animation is also performed before the public call. When the public call is published, the animation is even more intense and targeted. At the same time, FLAGs provide consultations and support to applicants to assist them with the scope of application. As a result, FLAGs can quickly find themselves in a situation that can lead to conflicts of interest.

Lead partners of the FLAGs involved note that the application forms are too extensive, complex and not adjusted to the target group in terms of the accessible funds that beneficiaries can obtain. Application forms are incomprehensible and inadequate. Procedures should have been adjusted to the bottom-up approach and not follow the major investments projects approach. In the case of public calls published by FLAGs, beneficiaries are small companies that often have no experience with applications and have no idea what procedures await them. The scope of documentation and duration of the procedures do not outweigh the (possibly) obtained funds. The declining interest for application represents a challenge for the FLAGs lead partners in performing the animation.

When the lead partner of the FLAG receives the application form, an administrative and substantive examination follows. Suitable applications are then forwarded to ARSKTRP for approval. The ARSKTRP conducts verification according to the provisions of the Regulation EU No. 508/2014 and approves adequate projects. Such procedure is necessary because Local action groups do not have a function of an intermediary body that is the only one who can legally and formally approve projects.

The ARSKTRP finds that applications are often administratively incomplete. One of the reasons according to the Agency is that FLAG assessment is not insufficiently critical because they are involved in the local environment, and so the decisions to reject an application is often left to the ARSKTRP.

Submission of administratively adequate applications to the PO contributes to faster examination and confirmation of received applications.

We estimate that the duplication of processes is ineffective and leads to lengthy examinations of applications, thus extending the period from the submission of the project to its approval.

By the cut-off date of the evaluation, 13 projects were implemented within this measure. Out of these:

- 4 within the Soča Valley FLAG,
- 5 within the Posavje FLAG and
- 4 within the Istria FLAG.

By the cut-off date of the evaluation, no projects funded by the ESPR have been approved within the Gorenjska košarica FLAG (no applications were submitted on the first public call). As all the projects are in the initial stages of implementation, progress towards the objectives and result indicators cannot be evaluated. The objectives of approved projects vary. An important contribution in addition to cross-sectoral partnerships in the local environment is the promotion of fish and fish products as well as the raising of awareness on aquaculture.

b. Reimbursement of running costs of operation and animation incurred by local action groups

The reimbursement claims for the running costs of operation incurred by local action groups represent the missing value between the FLAG projects (13) and the cumulative number of approved operations within the measure (19).

From the aspect of justifying costs and preparing reimbursement claims, the operational implementation of FLAGs strategies is a significant administrative burden. The full-time employed personnel of the FLAG lead partner, employed exclusively to perform the FLAG tasks, must attach a daily timesheet with the description of the tasks to the evidence of salary payment, along with physical evidence of the work performed. Personnel costs have to be evenly distributed between animation and running operating costs. The fact that certain expenses can be interpreted in different ways can lead to reduced values of validated (and reimbursed) expenses. The differences between the costs submitted by FLAGs in the form of reimbursement claims and the reimbursed funds burden the lead partner. Another issue is inaccessibility of the ARSKTRP controllers (no direct telephone numbers and e-mail addresses) who review the claims. This prevents personal contact and leads to correspondence through official letters requesting for application supplementation. This prolongs the payment period and represents an additional administrative burden.

In Chapter 12 of the strategies of assessed FLAGs, a system of monitoring and evaluation is described and the date 31 December 2018 is defined as a special milestone. It follows that the FLAGs plan mid-term evaluations in 2019. By the cut-off date of this report preparation, one of the four FLAGs (the Posavje FLAG) carried out the mid-term evaluation.

We propose to carry out the mid-term evaluations in a manner that includes the re-implementation of the socio-economic analysis as the basis for the definition of the absorption capacity for additional funds under the ESPR. These evaluations have to cover all the funds included in FLAGs strategies.

If the need for change is detected within evaluations, a change in local development strategies should be implemented. Changes may include a definition of new projects and corrections of the financial part and relevant indicators. In order to reduce the administrative burdens, accelerate the procedures and improve the achievement of result indicators, output indicators and funds paid out, the possibilities of identifying projects where the FLAG is applicant should be studied. In such cases, FLAGs as applicants assume the administrative implementation of the project, while the remaining partnership assumes the operative part. For such projects, a public call is not obligatory as the FLAG management board can approve them.

Cooperation activities (Article 64)

This measure aims to promote the interregional (within the country) and transnational cooperation of Fisheries Local Action Groups. Eligible funds include both the preparation and implementation costs of such partnership projects.

By the cut-off date of the evaluation, one project has been approved – assessment of fish products. The project links all the inland FLAGs. In addition to the lead partner, the Soča Valley FLAG, the Gorenjska košarica FLAG, and the Posavje FLAG participate in the project. The project has been implemented since October 2018 and will be completed by September 2020. In the Infosys system, the project is split into three projects, as each FLAG submits reimbursement claims for their activities.

Activities within the project will contribute to increasing the added value and establishing a long-term system. It will promote freshwater fish on the Slovenian market and raise awareness about the quality of fish. Moreover, the locations where consumers can buy fish will be presented. Generally, the project impact will be achieved indirectly (raising the consumer awareness) and with stakeholder networking (fish farmer – caterer – consumer).

We believe that this project addresses the key needs of the sector. Moreover, it increases the consumption of fish and fish products in Slovenia. We estimate that major untapped potential remains to be realised within this measure. New transnational cooperation projects should be defined as there are few FLAGs within the Republic of Slovenia. In the event of additional funds and corrections of strategies, FLAGs should allocate more funds to this field.

U 18	In terms of achieving the performance target values, the PNU 4 measures are half-realised. The project target value is achieved in full, but the payments are late. The problems arise from time-consuming procedures of project approval, huge administrative burdens and lack of interest among the beneficiaries.
P 18	<u>Article 63</u> – To reduce the administrative burdens, it is crucial that the current time dynamics of examination of applications and claims for reimbursement, which is now within three months, is maintained also in future. An important role in the achievement of this deadline

lies also on the side of FLAGS to prepare and/or submit qualitative applications and claims for reimbursement to the ARSKTRP. They must be, based on previous experience and new forms more quality based which can substantially speed up the process on the side of the PO. In order to achieve this, we suggest that ARSKTRP as the PO organizes a training for all FLAGS regarding the examination of applications.

We stress that the procedure of reviewing the applications has to be unified by all funds, which has to be ensured by the CLLD coordination committee.

It is recommended that controllers should contact FLAGS in person. This will lead to a more operational and faster examination of applications and reduce the period between application submission and fund reimbursement. We suggest that the full-time personnel employed by the FLAG lead partner, employed exclusively to perform FLAG tasks, are paid in the form of a lump sum proved by paid salary and not by fulfilment of timesheets. Such an approach should be applied within the whole CLLD mechanism.

We suggest organising a workshop to prepare the terms of reference for mid-term evaluations for all the FLAGS included in the OP ESPR 2014–2020 (since the FLAGS are financed by different funds, the workshop should be held for all the FLAGS in the Republic of Slovenia). Before the workshop, the key evaluation questions proposed by the EC and the OU for each fund have to be clear. We would like to point out that quality evaluation of local development strategies is especially important if additional funds for FLAGS are allocated from the OP ESPR 2014–2020.

Article 64 – If additional funds will be allocated to FLAGS, we suggest that the strategies of local development are corrected and additional funds allocated for implementation of a transnational project.

5.5 5TH UNION PRIORITY

The fifth Union Priority aims to promote marketing and processing. The three measures that are being implemented within PNU 5 contribute to two Specific Objectives (PC):

- PC1: Improvement of market organisation for fishery and aquaculture products
- PC2: Encouragement of investment in the processing and marketing sectors

PNU 5 comprises three measures. Of these, one is being implemented solely in the form of public procurement procedures, one in the form of public tenders, and one in a combination of the two forms.

Table 17: Number of projects approved and financial realisation of the measures within PNU 5

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	67	Storage aid	0	0.00	0,00	0	Is not being implemented
	68	Creating producer organisations, market analysis, contributing	13	174,085.21	113,305.78	9	Ongoing, approved projects

		to the transparency of production and traceability of products, promotional campaigns					
2	69	Processing of fisheries and aquaculture products	3	1,117,012.14	107,656.72	3.2	Ongoing, approved projects

*Regulation EU No. 508/2014, ** share of funds paid out in relation to the funds defined in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

The above table reveals that two of the three measures within PNU 5 are being implemented. Within those two measures, 16 projects are ongoing.

Table 18: Achieving performance target values within PNU 5

PNU	INDICATOR	TARGET VALUE 2018	SITUATION AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
5	Financial (EUR)	1,036,687.00	220,965.50	21.3
	5.3 No. of projects on processing	4	3	75

Data source: MKGP, January 2019, based on Infosys, ESPRA.

From the aspect of achieving the performance target values, the realisation of PNU 5 does not achieve the limit value of 85 %. The project target value is at 75 % and the financial only at 21.3 %.

All the measures implemented within PNU 5 are contributing to the realisation of the 3rd TC of the common strategic framework of the Union's strategy for smart, sustainable and inclusive growth – increasing the competitiveness of MSP as well as the fisheries and aquaculture sector. The greatest contribution to the realisation of this TC is recognised within the processing of fisheries and aquaculture products. The investments implemented will enable enterprises to improve their productivity and competitiveness.

The status and future implementation of individual measures within PNU 5 are explained further below.

Storage aid (Article 67)

The measure aims to aid storage of freshly caught fish. The measure makes sense for cases of large catches or landings of fisheries vessels, which give rise to the need to store large amounts of the catch. This enables a gradual sale of products, which in turn leads to stable prices on the market and prevents higher price fluctuations.

The measure is virtually impossible in Slovenia due to two objective reasons. The first reason is that sea fishing is carried out on a daily basis by low-capacity fishing vessels. A large amount of catch is impossible due to stock within the fishery zone. The catch is sold daily, practically directly upon fish landing either to local costumers or on the fish market in Trieste. The second reason is the legal form of the beneficiaries. Under Regulation EU No. 508/2014, beneficiaries are producer organisations and

their associations, but such organisations/associations are not present in Slovenia. The establishment of such a legal form is enabled and financially supported within measure 68 a – creating producer organisations, but there is no interest in it because no marketing cooperation is organised among stakeholders.

Both facts were already known in the programme period and Slovenia presented them to the EC. Nevertheless, the EC required the inclusion of the measure as the storage aid funds were proportionally distributed among all the Member States. Other Member States that do not need this measure took the same approach.

We note that the inclusion of the measure in the OP ESPR 2014–2020 was not needed and represents an unnecessary administrative burden.

Each project approved through a public tender must define and achieve the indicators in line with the requirements of the tender documentation. This is standard practice. The inclusion of the measure with the output indicator value of 0, while being aware in the programme period that its realisation is impossible, is something that should not have happened at the level of preparing and approving operational programmes for EU funds absorption.

Marketing measures (Article 68)

As the measure is divided into four sub-measures according to the implementation topic, they are treated separately.

68 a – Creating producer organisations

The objective of this sub-measure is creating producer organisations, associations of producer organisations or inter-branch organisations. The inclusion of the sub-measure in the OP ESPR 2014–2020 is directly related to the measure titled Storage aid (Article 67). The sub-measure aims to establish an organisation able to receive funds for marketing improvement, promotional campaigns and to obtain the storage aid after receiving the certificate.

No such organisation exists in the Republic of Slovenia as yet. In the first implementation period, the OU organised consultations to present the purpose and possibilities of the measure. No direct interest was observed among the stakeholders. During the evaluation process, we conducted numerous interviews with beneficiaries (applicants) who could create such an organisation, but they had no interest to do so. As it was already established in the SWOT analysis in the programming period, there is no organised marketing integration among the stakeholders in the Republic of Slovenia. We believe there are (at least) two reasons for that. Producers (fish farmers and fishermen) have no problems selling their product as the demand exceeds the production or the catch. The second reason is the legal framework. This type of organisation differs from the cooperative in terms of the enforcement of the responsibility as all the members within the organisation are liable with their own assets. A precondition for this is a high level of mutual knowledge and trust.

Due to the absence of a producer organisation and the lack of interest for establishing such an organisation, we recommend the discontinuation of the measure from the implementation of the OP ESPR 2014–2020.

The establishment of such an organisation in a more appropriate legal form would enhance cooperation within the sector (through an exchange of views and experiences) and representation of the common interests at the level of the line ministry and operational programme (with integration in the OzS).

68 d – Contributing to the transparency of production and the markets and conducting market surveys

The sub-measure aims to contribute to the transparency of production and the markets, and conduct market surveys and studies on the Union's dependence on imports.

In the first half of 2018, the OU implemented a survey entitled Assessment of the situation on the consumers market for fishery and aquaculture products in Slovenia. The aim of the study is to obtain a comprehensive assessment of the situation on the consumer market for the fisheries, aquaculture and processing sector and to assess the awareness about sustainable fishery products and aquaculture products for the segment of children in the first triade of primary schools.

We assume that the study results will be used as one of the most important input data for the development of the promotional campaign elements in the 2019–2023 period.

68 e – Contributing to the traceability of fishery products

The sub-measure aims to contribute to the traceability of fishery or aquaculture products and, where relevant, the development of a Union-wide ecolabel for fishery and aquaculture products. Its purpose is to improve the traceability for consumers by means of additional information on the provenance and origin of the product or foodstuff.

Beneficiaries include fishermen and companies with the registered activity of sea fishing and cultivation of marine organisms, including the operators of complementary activities and companies registered for the activity of processing and preserving of fish, crustaceans, and molluscs. This is the only sub-measure within PNU 5 intended to support marketing carried out in the form of public tenders. The latter have not been published yet.

So far, the OU has implemented two workshops with potential applicants to define the projects, but no interest was detected. We suggest that the OU contacts the potential applicants again and explores the potential for project applications. If interest for project preparation and implementation is not detected, FLAGs' interest in such projects should be checked. If no interest is detected there either, we recommend the measure to be discontinued from the implementation of the OP ESPR 2014–2020 and funds to be allocated to other projects within the marketing measures.

68 g – Conducting national and promotional campaigns

The sub-measure enables regional, national or transnational communication and promotional campaigns, as well as the raising of public awareness about sustainable fishery and aquaculture

products. The sub-measure is implemented in the form of public procurement procedures, with the MKGP as the beneficiary.

By the cut-off date, numerous marketing activities have been funded within this measure, e.g. printing of promotional material and presentation at trade fairs and other events. A range of preparatory content has also been developed (the vision, the objectives, subject of promotions, etc.). The results of all these activities will be seen in the second part of the OP implementation.

Since only 13.7 % of the funds have been allocated for the marketing measure, and less than 10 % of them have been paid out, and taking into account the significant need to raise the importance of and awareness about the aquaculture, the measure has great potential. Private applicants have high expectations in the field of marketing, too. We propose the development of promotional-marketing action plan for dedicated spending of the remaining funds, especially in the part where the measure is partly overlapping with the funds intended for the promotion of the operational programme itself as part of technical assistance. The OU already has a similar internal document, but it should be supplemented so as to include deadlines, target values and implementation steps.

In cooperation with the key stakeholders of all the three sectors, a comprehensive national promotion campaign should be created, and adequate communication channels should be defined. We propose outsourcing an advisory company in the field of creative communication management, which will, in cooperation with the OU, define what to promote and how, and also carry out the campaign.

Processing of fisheries and aquaculture products (Article 69)

The measure aims to support a wide range of investments in processing (from environmental protection to the processing of by-products). These will enable new or improved products and new or improved management systems and organisational schemes.

By the cut-off date of the evaluation, four public tenders have been published. At the first tender (published on 7 July 2017), two applications were received, one of which was rejected and the other withdrawn by the applicant due to administrative reasons. At the second tender (published on 20 October 2017), three applications were received, of which one was withdrawn by the applicant and two were approved. No applications were submitted for the third tender (published on 16 February 2018), but one was submitted and approved at the fourth (published on 4 May 2018). Three projects are in implementation, for which EUR 1,117,012.14 of public funds were allocated (ESPR and national funding). This constitutes a good third of all funds available within the measure.

As all projects approved are still in implementation, their contribution to achieving result indicators cannot be evaluated. With respect to the defined objectives, investments are expected to contribute to production volumes and enterprise revenues provided the technological processes and workflow improve.

In the second half of 2018, the OU corrected the criteria for the selection of the operations due to the sector's limited absorption capacity. The criteria were approved at the 5th OzS session. With the

corrected criteria, access to funds was also made possible for large companies. Consequently, the maximum allocation of funds to one beneficiary increased (from 1 million to 2.5 million).

We believe that criteria correction and widening the scope of possible applicants are suitable steps towards achieving result indicators and fund absorption.

We propose that the OU repeats the public tender and reinforces the measure based on the corrected criteria and in line with the recommendations from Chapter 4.2.1 of this document. Upon publishing the tender, we suggest organising a conference/workshop, where the new criteria are presented to potential beneficiaries (subject to agreement with the SRRS, this workshop can be combined with communication of information on pre-financing).

In the event of fund reallocation from one measure to another, additional financial resources should be allocated to the measure Processing of fisheries and aquaculture products.

U 19	PNU 5 is not achieving the performance target values. This can be attributed to several reasons. Part of the Union Priority is not being implemented in the Republic of Slovenia as some of the measures are not needed (storage) or lack interest (creating producer organisations, traceability of fishery products). With regard to market analysis and promotional campaigns, mostly preparatory content has been prepared up to now, which is the basis for further activities. The financial target value has not been reached. This is mostly due to the approved projects within the measure of processing of fisheries and aquaculture products. For those projects, funds have been allocated and they reached the target value for 2018, but have not been paid out yet.
P 19	<p><u>Article 67</u> – The measure should be exempted from further implementation of the OP ESPR 2014–2020.</p> <p><u>Article 68 a</u> – The measure should be exempted from further implementation due to the absence of a producer organisation and the lack of interest in establishing such an organisation.</p> <p><u>Article 68 e</u> – The interest of potential applicants in the sector should be explored again through expert consultation with stakeholders. If no interest is detected, we recommend the discontinuation of the measure from the OP ESPR 2014–2020.</p> <p><u>Article 68 g</u> – In cooperation with the key stakeholders of all the three sectors, a comprehensive national promotion campaign should be created and adequate communication channels should be defined.</p> <p><u>Article 69</u> – Based on the corrected criteria and following the recommendations from Chapter 4.2.1 of this document, a new public tender should be published, thus reinforcing this measure.</p>

5.6 6TH UNION PRIORITY

The sixth Union Priority aims to facilitate the implementation of an integrated maritime policy. All three measures are implemented in the form of public procurement procedures and are contributing to the priority objective 1 – development and implementation of an integrated marine policy.

Table 19: Number of projects approved and financial realisation of the measures within PNU 6

PC	ARTICLE*	MEASURE	NO. OF PROJECTS	FUNDS ALLOCATED (EUR)	FUNDS PAID OUT (EUR)	SHARE** (%)	STATUS
1	80.1.a	Integrated maritime surveillance	1	48,690.20	48,690.20	14.6	Ongoing, approved projects
	80.1.b	Maritime environment protection and sustainable use of maritime and terrestrial resources	2	140,736.04	129,552.93	43.2	Ongoing, approved projects
	80.1.c	Improved knowledge about marine environment status	1	38,754.52	38,754.52	5.5	Ongoing, approved projects

*Regulation EU No. 508/2014, **share of funds paid out in relation to the funds defined in the OP ESPR 2014–2020, Data source: MKGP, January 2019, based on Infosys, ESPRA.

It is evident from Table 19 that all three measures are being implemented. All of them have been implemented through public procurement procedures, with funds already paid out.

Table 20: Achieving performance target values within PNU 6

PNU	INDICATOR	TARGET VALUE 2018	STATUS AS AT 31 DECEMBER 2018	REALISATION OF THE TARGET VALUE SET (%)
6	Financial (EUR)	156,806.00	216,997.65	138.4
	6.2 No. of projects on protection and improvement of marine environment knowledge	1	1	100 %

Data source: MKGP, January 2019, based on Infosys, ESPRA.

The table above shows the status of the PNU 6 measures in terms of achieving the performance target values. By the cut-off date of the evaluation, both target values have been reached, the project one fully, while the financial one was exceeded.

The PNU 6 measures are contributing to the realisation of TC 6 of the common strategic framework of the Union's strategy for smart, sustainable and inclusive growth – environmental conservation and protection and promoting sustainable resource use. Based on the intensity of implementation and descriptions of approved projects, we conclude that PNU 6 contributes to biodiversity conservation, the necessary prerequisites for the suitable status of species of the Natura 2000 areas, and combating invasive alien species.

Below, we provide a brief overview of the current state and future implementation of individual measures within PNU 6.

Integrated maritime surveillance (Article 80.1.a)

The measure contributes to objectives of maritime surveillance and especially to a common environment for information exchange. By the cut-off date, one project has been implemented through a public procurement procedure, namely the drawing up of the Study for Identification of Gaps in the Information Exchange in Maritime Surveillance, and Improvement of Connectivity of Existing Information Systems, which will contribute to integrated maritime surveillance.

The study identified directions for integration and mutual exchange of available data held by competent authorities, which implement maritime surveillance (police, maritime inspection, customs, etc.).

In future OU programme implementation, the Republic of Slovenia and the Slovenian Maritime Administration are preparing a public procurement procedure for the design of software, which will be used by the competent services.

The implementation of the measure is contributing to enhanced navigation safety in the Slovenian sea, improved surveillance of the sea fishing sector and exchange of information between ARSO, the Police, and the Navy, which is consequently improving sea rescue efficiency.

It is expected that the indicators for the measure will be reached and the available funds will be fully spent.

Maritime environment protection and sustainable use of maritime and terrestrial resources (Article 80.1.b)

Activities within the measure are intended for maritime environment protection, especially conservation of biodiversity and protected maritime areas, such as Natura 2000 sites conservation. The measure is being implemented in close collaboration with the Ministry of the Environment and Spatial Planning.

By the cut-off date of this evaluation, one project has been completed and one is in the process of implementation. The purpose of the projects is to monitor species included in the EU directives on birds and habitats. The implementation of these and future studies will enable the MOP to acquire data for the current six-year cycle of reporting on the status of species and habitats. In future programme implementation, five more public procurement procedures are planned within this measure on the subject of monitoring the species and Natura 2000 sites mapping.

Based on the current temporal dynamics, we suggest implementation to continue at the same level of intensity as planned, and that the MOP prepares a selection of content topics based on the needs expressed in the Programme of Natura 2000 Sites Management (PUN).

Improved knowledge about the marine environment status (Article 80.1.c)

The measure aims to improve the knowledge of maritime environment in order to create monitoring programmes and programmes with measures for the Marine Strategy Framework Directive (Directive 2008/56/EC).

Like the preceding measure, this measure is also being implemented in the form of a public procurement procedure and in close collaboration with the MOP. In the first period of the OP ESPR 2014–2020, one public tender was implemented, namely a cartographic display and description of benthic habitat types in the Slovenian sea, including a cartographic display and identification of the most likely influences on habitat types. The objective was to merge the existing data, including the data on benthic habitat types, and to provide a graphical presentation of habitats and their spatial distribution, along with the data on activities taking place at the sea, and sea bottom damage.

The study is important from the aspect of the line ministry, as it provides a detailed description of the habitat. This will facilitate the implementation of the Plan for Maritime Environment Management (hereafter: NUMO). In the future programming period, the OU and the MOP will prepare the terms of reference and public procurement procedures for approximately five more studies. The target values are expected to be reached and the funds will be spent.

Based on the time schedule, we recommend that the MOP promptly prepares a selection of content topics for implementation based on the needs expressed in NUMO.

We estimate that the implementation of measures of Article points 80.1.b and 80.1.c is adequate and we welcome the high level of mutual coordination and collaboration among the individual ministries. The measure can serve as an example of achieving synergies between thematically different institutions aiming to achieve the objectives of mutual policies.

U 20	The implementation of PNU 6 is going well and is already exceeding the target values for 2018. Coordination between the MKGP and the MOP is successful and the cooperation is exemplary. There are no procedural problems. All funds are expected to be spent, and result indicators to be reached by the end of the programming period. Fund reallocation is not needed.
P 20	<p><u>Article 80.1.a</u> – The implementation should continue at the same intensity level as planned, or based on the needs expressed by the services involved and the competent ministry (MzI).</p> <p><u>Article 80.1.b</u> – The implementation should continue at the same intensity level as planned, the MOP should prepare a selection of topics for implementation based on the needs expressed in the Programme for Natura 2000 Sites Management (PUN).</p> <p><u>Article 80.1.c</u> – The MOP should promptly prepare a selection of content topics for implementation based on the needs expressed in the Marine Environment Management Plan (NUMO).</p>

6 CONCLUSION

The OP ESPR 2014–2020 includes measures that reflect the real needs of a particular fisheries sector (commercial marine fishing, aquaculture, and processing) and for which interest has been expressed in the preparation phase of the programme. The situation has slightly changed in the years between the adoption of the OP and the implementation of the mid-term evaluation. Certain indicators show that the situation has deteriorated when compared to the programming period. This is reflected also in the achievement of performance milestones. During the implementation of the OP ESPR 2014–2020, certain delays occurred with regard to the measures implemented through public tenders. The first delay occurred because no adequate methodology for calculating the value of the result indicators was available on time, which was reflected in the correction of the operational programme. It has transpired that the relevant European regulations do not assure sufficient legal certainty for the Member States. This proved to be the case with the OP ESPR 2014–2020 and has also happened in other Member States (as pointed out in the study entitled Implementation and Impact of Key EMFF Measures on the Common Fisheries Policy), the reason being fear of the audit at the EC level that could result in having to returning the funds paid out. The fear of incorrect implementation led to the formation of stricter internal mechanisms that create blocks and make implementation of the programme difficult. Therefore, the Member States initially paid greater attention to ensuring compliance with the EU rules. The implementation of the programme is also influenced by the targeted strategic implementation approach. This means that the target values of the result indicators are defined at the level of operation as well as at the level of the programme, and not only at the level of fund consumption without measurable results, as was the practice in the previous programming periods. For the first time, common indicators are defined at the level of the EU and apply to all 27 Member States. Due to delays and the required adoption of the supporting documents, the first public tenders were published as late as 2017.

Three different ways of selecting and monitoring the approved projects can be distinguished in the project cycle from application to completion:

- In the form of public procurement procedures – in measures where the MKGP acts as the beneficiary, prepares the terms of reference and carries out a public tender. A contract is then concluded with the chosen provider, and a payment of 100 % of the eligible cost is made after the service is performed.
- In the form of public tenders prepared by the MKGP and operatively executed (review and selection of applications, handling reimbursement claims and transfer of funds) by the ARSKTRP. Based on the selection of the applications received, a grant decision will be issued to the approved projects. After the investment is made (or parts of the investment), funds are paid out according to the submitted evidence. These are mostly, but not completely, measures under PNU 1, 2 and 5.
- In the form of support for the implementation of CLLD, where the implementation of the FLAG strategies is financed. In addition to the financing of FLAGs themselves, there is also the co-financing of projects selected through FLAGs' own public tenders, which are later reviewed and approved by the ARSKTRP. When the projects or their separate phases are completed, FLAGs

submit claims to the ARSKTRP, which reviews them, conducts an on-the-spot check and reimburses funds to the final beneficiaries. PNU 4 is being implemented in this manner.

The following are the main findings in regard to the project selection method:

Public procurement procedures

- In the framework of public procurement procedures, operations are approved relatively quickly, and no extensive documentation needs to be submitted given the subject matter (mainly soft content).
- For the actual effects during the implementation of the OP ESPR 2014–2020, a very quick response is necessary in the preparation and implementation of the public procurement procedure. To a large extent, background documents and data collection help identify the needs of the sector or serve as supporting activities (e.g. promotional activities, etc.).

Public tenders

- All three sectors are small and economically weak in terms of key indicators (number of employees, added value) and thus very susceptible to external influences (economic situation, weather phenomena, etc.). The analysis has shown that the current values of both effect and result indicators are set too high. During the implementation, the real absorption capacities of the sectors turned out to be considerably lower.
- With the envisaged measures, the OP ESPR 2014–2020 addresses the key needs of all three sectors. The combination of many measures, which are actually intended for a small number of potential applicants, turned out to be very problematic in terms of absorption, insofar as there are problems with individual beneficiaries.
- The applicants are faced with time-consuming procedures and administrative burdens in the process of obtaining licenses and consents. Procedures for obtaining permits often change and new administrative burdens appear that are not the result of the ministry responsible for the implementation of the OP ESPR 2014–2020, but of other sectorial policies (environmental protection, spatial planning, water management, etc.).
- Among the beneficiaries, there were reservations about applying for public tenders for fear of sanctions due to failure to reach the target values of the result indicators that the applicants set in their business plans to prove that their project is relevant with regard to the tender criteria. Sanctions were introduced on the recommendation of the European Commission's audit. After the correction of the national regulation at the end of 2018, the sanction scale was significantly reduced. In addition, since its adoption, the national regulation has included a statutory provision of cases of force majeure and unforeseen circumstances. A mere 50 % financing rate (aquaculture, processing) also presents a problem given the economic weakness of the predominant part of the fisheries sector, while an 80 % financing scale is in place for the operations of small-scale coastal fishing and various co-financing rates are available for the

operations within CLLD in accordance with the provisions of Article 95 and Appendix 1 of Regulation EU No. 508/2014 (from 50 % to 100 %).

- The problem in the process of submitting applications is attaching the documents, submitting the application with annexes in electronic and physical form. The processing of an application can take 1.5 to 6 months. The applications are mostly supplemented via official mail correspondence. The implementation method based on the principle used in the PRP framework seems not to be effective.

CLLD

- Implementation of the CLLD mechanism is uniformed for all three funds, and not only for OP ESPR 2014–2020. The established system is too difficult for potential applicants.
- The application examination periods are the longest with the intermediate body, and involve applications for the support for running costs and animation of FLAGs and for the selection of operations within the FLAGs' strategies. The application resolution process exceeds 8 months. It is important that the time dynamics of examination of applications and claims for reimbursement, that was achieved by the end of the year 2018, is maintained also in future

According to the results of the implementation of the OP ESPR 2014–2020 by the end of 2018, it is evident that the OP needs to be brought closer to the beneficiaries, especially in the understanding that the OP ESPR 2014–2020 is based on the realisation of the target values of indicators and not on the subsidy system as in the Rural Development Program. It has to be pointed out that assumption of financial obligations should not impact the quality of operations. Simplification of procedures and pre-financing, which will allow applicants to provide a better financial flow, should be of key importance.

It is necessary to accelerate the preparation of background documents for the development of aquaculture in Slovenia. These should then serve as a basis for coordination between different departments and identification of potential locations for aquaculture, which will reduce procedures for obtaining the necessary administrative permits and consents.

To summarize, it is the programme should be revised as soon as possible and only the measures for which a real absorption capacity is present should be included in the future implementation of the programme. The fund absorption of planned non-refundable funds will thus support and preserve commercial marine fishing, aquaculture and processing sector, that definitely need it.

PART B:
GUIDANCE FOR FURTHER
PLANNING AND IMPLEMENTATION
OF THE ESPR 2014-2020 MEASURES

7 ANALYSIS OF POTENTIALS

The analysis of potentials of the commercial marine fishing, aquaculture and processing sectors is based on the key findings of the socio-economic analysis, which is described in more detail in Part A, Chapter 3.1 of this document. The purpose of this analysis is to identify the key potentials and challenges of the sectors involved, based on their current state. The potentials and challenges provide a fundamental direction for future planning and implementation of the OP ESPR 2014–2020 measures, as well as for planning the areas of support in the future programming period.

The Slovenian commercial marine fishing sector, which includes fish and molluscs, has been in constant decline since the beginning of 2012. This is indicated by selected socio-economic indicators related to the size of the fishing fleet and the amount of catch. The state of the sector can be summarised with the following key findings:

- The number and the capacity of the fishing fleet is decreasing (decrease by 10 vessels in 5 years).
- The number of enterprises and individuals in the sector is small, competitively weak and the fishermen are in a poor socio-economic position (reduction of the catch by 200 tons in the last 5 years).
- More and more individuals and companies engaged in commercial marine fishing decide for part-time or additional employment in other economic activities or sectors.
- The number of employees in commercial marine fishing and the gross added value have increased (as a result of diversification).
- The small fishing area, which is additionally limited by waterways and disregard of the arbitration agreement on the border between the Republic of Slovenia and the Republic of Croatia
- The decline of stocks, as the Adriatic Sea is overfished
- The decrease in the number of fishermen for whom commercial marine fishing is a basic economic activity, and an increase in the number of occasional fishermen

In the commercial marine fishing sector, we see potential in further diversification. Enterprises and employees are increasingly required to undertake supplementary economic activities such as gastronomy, tourism, and trade. Specialised enterprises focused exclusively on commercial marine fishing or breeding of molluscs will need to raise their added value by enhancing the visibility and development of innovative and high-quality products. The unfavourable prospects are also reflected in the demographic structure of the sector, as 40 % of employees in the maritime sector are over 50. Therefore, the potential includes incentives to attract young fishermen.

The aquaculture sector (which includes breeding freshwater and marine organisms) is on the rise. The volume (by approximately 600 t in 5 years) and the value of production, increased. Considering the size of the sector, part of this growth can be attributed to past investments within the previous programme (OP ESPR 2007–2013), which indicates that the impacts of the European Maritime and Fisheries Fund can be significant.

The main challenge for the sector in the future is its adaptation to climate change. Since the activity is (mainly) carried out outside and in direct dependence on groundwater, it is highly susceptible to

changes in the environment. Drought and poor water flow can limit production capacity considerably. The rise in temperature reduces the content of oxygen in the water, which means it has to be provided with adequate equipment for oxygen injection.

Considering the challenges, the greatest potential is seen in investments in re-circulation water systems and the support to the existing production facilities in their adaptation to the impacts of climate change.

The processing sector is today almost exclusively based on the import of fish and other freshwater and marine organisms. The sector is facing a decline in the number of employees and a low added value per employee. Considering the size of the sector, the withdrawal or restructuring of just one major food processing enterprise or the emergence of a new one can have a major impact on the state of the sector.

The key potential of the sector is seen in innovative and high-quality products that lead to an increase in consumption if backed up with adequate market support and the raising of awareness about fish products.

The CLLD mechanism represents a great potential and an area of support through which more funds can be distributed. Before allocating additional resources to this mechanism, however, two main objectives have to be achieved:

- Preservation of the current timeline of application checking and approval that was achieved in the last quarter of 2018 has to be maintained. Approved projects are the best encouragement for further project applications.
- Evaluations of all FLAGs' strategies in order to assess the absorption capacity of the local environment and to specify project ideas for additional financial resources.

Based on interviews with the FLAGs involved, we estimate that EUR 1 to 2 million of additional funds could be obtained for Community-led Development for projects that are in line with the objectives of the OP ESFR 2014–2020. The range is substantial because the time component should also be taken into account. This is related to the number of public calls that can be published by the end of the programming period. One could probably be published in the second half of 2019, and one in 2020.

Leading partners of FLAGs assess, that future CLLD projects will be increasingly investment-oriented. This derives from the fact that investment projects will have to be implemented in a local environment that will enable sustainable employment and enterprises if the FLAGs want to achieve the indicators stated in their strategies (new employment and enterprises).

Based on the findings above, the National Strategic Plan for the Development of Aquaculture in the Republic of Slovenia should be revised in cooperation with the sectors. An updated plan will serve as a basis and guideline for the preparation of the areas of support in the following programming period.

8 GUIDELINES FOR FURTHER IMPLEMENTATION

On the basis of the evaluation report described in Part A of this document, we hereby provide guidelines for further implementation of measures.

In the following table, we present guidelines for further implementation of each measure. Where relevant, the guidelines also include proposals for further implementation and whether the measure should be maintained, strengthened or exempted from the OP ESPR 2014–2020.

Table 21: Legend of symbols used
































CATEGORY	IMPLEMENTATION BY 31 DECEMBER 2018	IMPLEMENTATION 2019–2023
	The measure is not being implemented (no public tenders published or public procurement procedures carried out).	The measure is to be exempted from further implementation.
	The measure is being implemented. Public tenders were published, but no projects were approved.	The measure is to be maintained if the proposed guidelines and steps are implemented.
	The measure is being implemented. Public tenders were published or public procurement procedures were carried out, and projects are being implemented.	The measure is to be maintained and strengthened with proposed guidelines.











Table 22: Guidelines for further implementation of the measures within OP ESFR 2014–2020

PNU		ARTICLE	MEASURE	IMPLEMENTATION UNTIL 31 DECEMBER 2018	DIRECTIONS	IMPLEMENTATION 2019-2023
1		37	Support for the design and implementation of conservation measures and regional cooperation		<u>DECISION:</u> The measure is to be exempted from further implementation. <u>GUIDANCE:</u> /	
		40.1.b-g	Protection and restoration of marine biodiversity and ecosystems		<u>DECISION:</u> The measure is to be maintained and strengthened. <u>GUIDANCE:</u> The measure is to be extended so as to include Point 1.a of Article 40. If needed, additional funds can be allocated to this measure.	
		32	Health and safety		<u>DECISION:</u> The measure is to be maintained and strengthened. <u>GUIDANCE:</u> We recommend that a shortlist of potential projects is prepared and the interest of fishermen and their absorption capacity is explored before the publication of the tender.	
		33	Temporary cessation of fishing activities		<u>DECISION:</u> The measure is to be exempted from further implementation. <u>GUIDANCE:</u> /	
		42	Added value, product quality and use of unwanted catches		<u>DECISION:</u> The measure is to be maintained and implementation should begin. <u>GUIDANCE:</u> We recommend that a shortlist of potential projects is prepared and the interest of	

2					fishermen and their absorption capacity is explored before the publication of the tender.	
		43.1 + 3	Fishing ports, landing sites, auction halls and shelters		<p><u>DECISION:</u> The measure is to be maintained if there is a clear and realistic interest from the beneficiaries.</p> <p><u>GUIDANCE:</u> A meeting should be held between the OU and coastal municipalities. The capacity of the municipalities to submit a proposal is to be assessed. The stage in the project lifecycle should be assessed in terms of spatial planning permits obtained and consents needed. If there is a realistic chance of successful applications, a public tender can be held. If there is no realistic chance of successful application, funds should be reallocated to other measures of the OP ESFR 2014–2020 and this measure should be exempted.</p>	
		47	Innovation		<p><u>DECISION:</u> The measure is to be maintained and strengthened.</p> <p><u>GUIDANCE:</u> With revised criteria, another public tender should be announced. If there are no applications by the end of March, the measure should be exempted.</p>	
		48.1.a-d, f-h	Productive investments in aquaculture		<p><u>DECISION:</u> The measure is to be maintained and strengthened.</p> <p><u>GUIDANCE:</u> With revised criteria and recommendations made in Chapter 4.2.1 of Part A of this document, another public tender should be announced, thus reinforcing the implementation of the measure.</p>	

	48.1.e, i, j	Productive investments in closed aquaculture systems		<p><u>DECISION:</u> The measure is to be maintained and strengthened.</p> <p><u>GUIDANCE:</u> With revised criteria and recommendations made in Chapter 4.2.1 of Part A of this document, another public tender should be announced, thus reinforcing the implementation of the measure.</p>	
	51	Increasing the potential of aquaculture sites		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> /</p>	
	53	Conversion to eco-management and audit schemes and organic aquaculture		<p><u>DECISION:</u> The measure is to be exempted from further implementation.</p> <p><u>GUIDANCE:</u> /</p>	
	54	Aquaculture providing environmental services		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> With revised criteria, another public tender should be announced.</p>	
	55	Public health measures		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> The measure is to be activated in the event of a situation that allows the payment of compensation. However, there is a possibility of not reaching the indicators. If the measure is exempted, the compensation (if such a situation occurs) must be paid out of national funds.</p>	
	50	Promotion of human capital and networking		<p><u>DECISION:</u> The measure is to be exempted from further implementation.</p>	

					<u>GUIDANCE:</u> We suggest that the OU finds a way to address the needs of the sector and thereby contribute to enhancing the human capital in the aquaculture sector.	
3		77	Data collection	●	<u>DECISION:</u> The measure is to be maintained. <u>GUIDANCE:</u> /	●
		76	Control and enforcement	●	<u>DECISION:</u> The measure is to be maintained. <u>GUIDANCE:</u> /	●
4		62.1.a	Preparatory support	●	<u>DECISION:</u> The measure is concluded. <u>GUIDANCE:</u> /	●
		63	Implementation of local development strategies	●	<u>DECISION:</u> The measure is to be maintained and strengthened. <u>GUIDANCE:</u> It is crucial that the current time dynamics of examination of applications and claims for reimbursement, which is now within three months, is maintained also in future. Mid-term evaluation of FLAGS' SLRs should be implemented and possibilities for additional fund absorption defined. In line with the findings of evaluations, SLRs should be adapted and, as one of the last measures, identification of the projects for the next perspective should be provided.	●
		64	Cooperation activities	●	<u>DECISION:</u> The measure is to be maintained and strengthened. <u>GUIDANCE:</u> If additional funds will be allocated to FLAGS, we suggest that the strategies of local development are corrected and additional funds	●

					allocated for implementation of a transnational project.	
5		67	Storage aid		<u>DECISION:</u> The measure is to be exempted from further implementation. <u>GUIDANCE:</u> /	
		68 a	Creating producer organisations		<u>DECISION:</u> The measure is to be exempted from further implementation. <u>GUIDANCE:</u> /	
		68 d	Contributing to the transparency of production and the markets, and conducting market surveys		<u>DECISION:</u> The measure is to be maintained. <u>GUIDANCE:</u> /	
		68 e	Contributing to the traceability of fishery products		<u>DECISION:</u> The measure is to be maintained and implementation should start. <u>GUIDANCE:</u> The interest of potential applicants in the sector should be explored again through expert consultation with stakeholders. If no interest is detected, we recommend discontinuing the measure from the implementation of the OP ESPR 2014–2020, and allocating the funds to other projects within the marketing measures (Article 68).	
		68 g	Conducting national and promotional campaigns		<u>DECISION:</u> The measure is to be maintained and strengthened. <u>GUIDANCE:</u> A comprehensive national promotion campaign should be created and adequate communication channels should be defined in cooperation with the key stakeholders of all the three sectors.	












		69	Processing of fisheries and aquaculture products		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> On the basis of the corrected criteria and following the recommendations from Chapter 4.2.1 of this document, a public tender should be published, thus reinforcing the implementation of the measure.</p>	
6		80.1.a	Integrated maritime surveillance		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> The intensity of implementation should continue as planned or based on the needs expressed by the services involved and the competent ministry (MzI).</p>	
		80.1.b	Maritime environment protection and sustainable use of maritime and terrestrial resources		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> The intensity of implementation should continue as planned, the MOP should prepare a selection of topics for implementation based on the needs expressed in the Programme for Natura 2000 Sites Management (PUN).</p>	
		80.1.c	Improved knowledge about marine environment status		<p><u>DECISION:</u> The measure is to be maintained.</p> <p><u>GUIDANCE:</u> The MOP should promptly prepare a selection of content topics for implementation based on the needs expressed in the Marine Environment Management Plan (NUMO).</p>	

Table 23: Sum of the implementation status of the measures by categories.

CATEGORY	IMPLEMENTATION BY 31 DECEMBER 2018	IMPLEMENTATION 2019–2023
	9	6
	4	5
	15	17

As evident from the tables above, we propose six measures to be exempted from further implementation of the OP ESPR 2014–2020. For five measures, we have given guidelines on how to re-examine the interest for the implementation of the measures among beneficiaries. For 17 measures or sub-measures, we have given guidelines for strengthening their implementation where relevant.

Within PNU 1, we propose two measures to be exempted. This means that the OP will not contribute to the reduction of the impact of fisheries on the marine environment, including the maximum possible avoidance and reduction of unwanted catches (PC1). Potential contribution to the enhancement of competitiveness and viability of fisheries enterprises, including the small-scale coastal fleet, and the improvement of safety or working conditions (PC4), will also be reduced. Two measures will still be contributing to this Specific Objective. If the proposed guidelines are taken into account, the implementation of these two measures will be strengthened.

Within PNU 2, we propose one measure to be exempted. This means that the OP will not contribute to the protection and restoration of aquatic biodiversity and enhancement of ecosystems related to aquaculture, or promotion of resource-efficient aquaculture (PC3). We believe the contribution will not be drastically reduced as the two measures currently being implemented are contributing to this Specific Objective. If the proposed guidelines are taken into account, the implementation of these two measures will be strengthened. Additionally, they are both financially stronger.

Within PNU 5, we propose one measure and one sub-measure to be exempted. This will reduce the contribution of the programme to the improvement of market arrangement for fishery and aquaculture products. Nevertheless, we estimate that the strengthening of other sub-measures within Article 68 will be reflected adequately in the improvement of marketing.

The exemption of these measures will decrease the contribution of the OP ESPR 2014–2020 to Thematic Objectives (TC) of the common strategic framework for smart, sustainable and inclusive growth as defined in Article 9 of Regulation (EC) No. 1303/2013.

Two of the exempted measures will reduce the contribution to TC 6 – preserving and protecting the environment and promoting resource efficiency. As numerous and financially stronger measures are contributing to this Thematic Objective and can achieve greater impacts, we estimate that contribution to TC 6 will not be drastically reduced due to the exemption of these two measures.

Three of the exempted measures will reduce the contribution of the programme to TC 3 – enhancing the competitiveness of MSPs and of the fishery and aquaculture sectors. Implementation of two out of these three measures (one measure and one sub-measure) is not realistic. The exemption will not cause a significant reduction of the contribution to achieving the TC 3.

Despite the reduction of potential contribution of the OP ESPR 2014–2020 to achieving Specific and Thematic Objectives of the EC, we estimate that the proposed corrections and guidelines would increase the programme's efficiency. Strengthening the implementation of the other measures will lead to easier (and more feasible) achievement of objectives, reduction of administrative burdens and faster absorption of available funds. This is essential as is evident from the status of output indicators and financial realisation as at 31 December 2018.

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Annex 2: Comparison of the documentation between programe period 2017-2013 and 2014-2020, that has to be provided by the applicants

OP ESR 2007-2013	OP ESFR 2014-2020	SOURCE
An applicant needs to fulfill all financial obligations to the state.	An applicant needs to fulfill all fiscal obligations to the state.	It is the same, but has a better term – Office of the Government of the Republic of Slovenia for Legislation
A fish farm needs to be registered at the Central register for aquaculture facilities and commercial ponds, managed by relevant ministry, except new constructions, which have to be registered before the finalization of an investment. A proof of registration needs to be enclosed to the last submitted request.	An aquaculture facility, which is an object of an investment is registered at the Central register for aquaculture facilities and commercial ponds (hereinafter CRA), managed by The administration of the Republic of Slovenia for food safety, veterinary and plant protection (hereinafter UVHVVR); except new constructions, which need to be registered at the CRA before an investment finalization.	
An applicant has to be an owner of a water permit for indirect water use for aquatic organisms breeding, which is referring to a farm that is an object of the investment. An applicant need to settle all obligations regarding the payment of water compensation and concession or water permit for indirect water use for aquatic organisms breeding, based on the water-related legislation.	An applicant is an owner of a water permit for aquaculture facility, which is an object of an investment, based on a water-related legislation.	
In a case of new constructions, an applicant must own a final building permit, while in other cases an applicant must own a final operating permit or a final operating permit must be acquired by the owner of the facility. If objects concerned are intended for aquaculture activities, facilities must be built according to the construction legislation. Floating objects at	For an implementation of operation, which requires acquisition of building permission, the applicant acquires final building permit with identified intended use, which has to be suitable for the activity of the declared operation. In a case of an investment in an equipment or renovation, building permit or operating permit has to be final no later than on a day of submitting the	

<p>the sea or terrestrial waters do not need building permit. In this case, they need to be established according to conditions, arising from a concession contract or water permit.</p>	<p>application for a public call. Operating permit in a case of new construction has to be final no later than on a day of submission of the final request.</p> <p>An applicant has acquired a final operating permit or final building permit in a case of new construction and renovation, according to the regulation, which regulates construction works.</p> <p>For floating facilities at the sea and terrestrial waters, the above-mentioned permits are not needed; however, they need to be established according to the requirements arising from the water permit.</p> <p>For a commercial pond, which is an object of an investment, an applicant receives a water permit based on a water-related regulation.</p>	<p>Since recently, a commercial pond is also justifiable;</p>
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		therefore, this condition was added.
A fish farm needs to have a status of authorized establishment at The administration of the Republic of Slovenia for food safety, veterinary and plant protection, except new constructions, for which a status of authorized establishment at The administration of the Republic of Slovenia for food safety, veterinary and plant protection has to be acquired before the finalization of an investment.	A facility for aquaculture, which is a subject of an investment, has a status of authorized establishment at UVHVVR, except of new constructions, for which a status of authorized establishment has to be acquired before the finalization of an investment.	
For investments, all prescribed administrative permits, opinions and consents have to be acquired, according to the legislation.	For implementation of an operation, all prescribed administrative authorizations are acquired.	
<p>An investment has to be economically justified, which is checked with the internal rate of return, which has to be positive.</p> <p>A business plan has to be made according to prescriptions, which are published on websites of MKO www.mko.gov.si and the Agency of the Republic of Slovenia for Agricultural Markets and Rural (hereinafter ARSKTRP) www.arsktrp.gov.si.</p>	<p>A business plan with which an applicant shows economic justification of an operation, has to be based on comparable market based revenues and costs. Economic justification is checked with the internal rate of return, which has to be positive.</p> <p>On an application, baseline situation shows the full number of employees in the equivalent of full time employment (hereinafter FTE) in the last calendar year, for which AJ PES data has been sent. Additionally an expected number of employees is recorded, which are divided into preserved and newly created positions due to acquired support by the European Maritime and Fisheries Fund. If full value of an operation sums up to more than 500.000 euros without VAT or more, an applicant has to create at least 1 FTE. A business plan has to be made for an economic life of</p>	

	operation, which in no case can be shorter than five years after the finalization of an operation.	
Construction works have to be implemented according to the applicable regulation on construction works, spatial planning, cultural heritage protection and environmental protection or water permit or concession contract for indirect water use for aquatic organisms breeding.	Construction works have to be implemented according to the applicable regulation on construction works, spatial planning, cultural heritage protection and environmental protection or water permit or concession contract for indirect water use for aquatic organisms breeding.	
In a case of an investment in new species breeding, an applicant has to submit a study of market options for these species and a suitable breeding permit, in case of non-indigenous species of fish, which is issued by a competent authority.	In a case of investments in breeding non-indigenous species of fish, an applicant acquires suitable permit for breeding.	
	An applicant needs to provide a permit for aquatic organisms breeding, according to the regulation in the field of nature conservation, when this is needed.	THE NATURE CONSERVATION ACT
<p>If an applicant applies for funds for investments in new construction or renovation of properties (aquaculture facilities and other facilities, intended for aquaculture purposes and purchase of aquaculture equipment), which are not owned by him/her, the following conditions have to be fulfilled:</p> <ul style="list-style-type: none"> - an applicant has a certified contract on rental property for a period of at least ten years after the date of application submission, and - an applicant has certified consent by the owner or potential co-owners of the investment. 	<p>If an applicant applies for funds for investments in new construction or renovation of properties, which are not owned by him/her, the following conditions have to be fulfilled:</p> <ul style="list-style-type: none"> - an applicant has a certified contract on rental property for a period of at least ten years after the date of application submission, and - an applicant has certified consent by the owner or potential co-owners of the investment. 	

	<p>If an applicant applies for funds for operations of investment in management of objects which are not in his/her ownership, the following conditions have to be fulfilled in addition to those from the previous section:</p> <ul style="list-style-type: none"> - an applicant has a certified consent of the owner or co-owner, and - an applicant has a proved right for construction. 	
	<p>If an applicant is not an owner or co-owner of a property, which is a subject of an operation, he/she has a long-term contract on rental right, lease or building right for a period of at least ten years after the day of submission of an application.</p>	
	<p>If an applicant applies for funds for operations of investment in maintenance works in facilities, which are not in his/her possession, the following conditions have to be fulfilled in addition to those from the previous section:</p> <ul style="list-style-type: none"> - an applicant has a certified consent of the owner or co-owner to an investment, and - has a valid final judicial operating license for a property, which is a subject of maintenance works. 	
An applicant needs to have a closed financial construction for granted and non-granted part of an investment. The data has	From documents, enclosed to the public call, confinement of financial construction with bank statement is apparent.	

to be visible in a Table: "Financial construction of full investment in an aquaculture facility" on an application form.		
If an applicant applies for funds for investments in new construction or renovation of facilities and a purchase of degraded equipment, which will take place in facilities, also built for other purposes; from all costs of a purchase, construction or renovation of a whole facility (common areas, roof, façade etc.) only costs in a proportion based on a useful floor area of a facility or other transparent way of breakdown, are considered as justified costs.	If an applicant applies for funds for investments in new construction or renovation of facilities and a purchase of degraded equipment, which will take place in facilities, also built for other purposes; from all costs of a purchase, construction or renovation of a whole facility (common areas, roof, façade etc.) only costs in proportionate proportion based on a net useful floor area of a facility or other transparent way of breakdown, are considered as justified costs.	
When aquaculture is included as a supplementary activity to agricultural economy, the size of aquaculture activity has to be at least in size of half of the full working time, which needs to be apparent in a business plan.	The size of aquaculture activity is at least in a size of 0,5 FTE, which is apparent from the business plan.	THIS CONDITION WAS ADDED AS THE PERSON INVOLVED IN THE ACTIVITY SHOULD BE IMPLEMENTING IT AT LEAST 0,5 FTE
<p>An applicant should not have any financial problems:</p> <ul style="list-style-type: none"> - If an applicant is a legal entity or individual entrepreneur, he/she should not be in bankruptcy proceedings, proceeding of debt settlement or liquidation. - If an applicant is a farm with a supplementary activity of aquaculture, the carrier of the farm needs to have settled all obligations to the state and cannot be in a personal bankruptcy. 	<p>If an applicant is a legal entity or individual entrepreneur, he/she cannot be in a winding-up proceedings, proceedings of debt settlement, bankruptcy, prohibition of operation, judicial liquidation or deletion from the register.</p> <p>If an applicant is a natural person, except individual entrepreneur, he/she cannot be in personal bankruptcy.</p>	
In case of an equipment purchase or other hardware for facilities, the bought equipment has to be new. This has to be evident from the papers: original receipts and copies of guarantee and technical papers, which belong to the	In case of a purchase of equipment in facilities or other hardware, the bought equipment has to be new.	

equipment. The equipment has to be located at a registered location of an investment.	This has to be evident from the papers: original receipts and copies of guarantee and technical papers, which belong to the equipment. The equipment has to be located at the registered location of an investment.	
An applicant has to have an open transaction account in Republic of Slovenia.	For a remittance of granted funds, an applicant has to have a transaction account according to the law for regulation of the agriculture.	
Investments need to be implemented on an area of Republic of Slovenia.	Operation will be implemented on an area of Republic of Slovenia.	
A purchase of land for a fish farm does not exceed 10 percent of recognized value of an investment.	<p>A purchase of a land needs to fulfill the following conditions:</p> <ol style="list-style-type: none"> 1. A purchase of land is connected to an investment in aquaculture; 2. In a case of purchasing a build-up or empty areas, an investment is implemented on an area, which is the subject of a purchase; 3. A contract on land purchase or decision on approval of a legal deal in case a contract has not been concluded, and 4. Eligible is the cost of land purchase until the generalized value of market value of a property, as it is evident in a property market register according to the regulations, regulating mass evaluation of properties, at which a cost of purchase of empty land should not exceed 10 percent of common eligible costs or fifteen percent of common eligible costs in a case of degraded locations or past industrial locations according to the Act 69 of the Regulation (EU) No 1303/2013. 	
Land, which is a subject of an enforcement – UNJUSTIFIED COSTS	A property on which an enforcement is being implemented according to the regulation, regulating enforcement and insurance; cannot be a subject of support after the public call.	

Project's documentation – a part of call's documentation	When dealing with an operation, for which a subject is building facilities, an applicant has to have acquired a project and investment documentation and facilities or infrastructure building permit according to the regulation, regulating construction works.	
Project's documentation – a part of call's documentation	An applicant has to ensure a description of the state, photos, layout of technological improvement of facilities after the investment and description of technological improvements, substitution of equipment and installations, when the operation is referred to management of objects, for which no administrative documents are needed.	
The credit assessment of an applicant is defined in the frame of a call's documentation	An applicant has to be economically and financially capable, which is inspected with credit assessment, except in a case of a newly established company, which does not have a credit assessment yet.	
NOVELTIES		
	Receipts and budgets, enclosed to an application, need to refer to an applicant/beneficiary. Proofs and administrative acts, which are indirectly connected to an operation, need to refer to an applicant, except in a case when this is not feasible (e.g. operating license for an object, which is referred to a previous owner). In those cases, an applicant encloses appropriate proofs and administrative acts.	ARSKTRP
	An applicant agrees that an operation description and the amount of decided and spent funds, are published on the website of the fishing fund, according to a Section 3.2 of the Appendix V of the Regulation (EU) 508/2014.	REGULATION (EU) NO 508/2014

	An operation cannot be finished before submission of an application for funds.	REGULATION (EU) NO 1303/2013
	Receipts and budgets for potential past costs need to refer to an applicant.	ARSKTRP
	An application and submitted documents have to be in Slovenian language. Documents, submitted in a foreign language, should be translated at an expense of an applicant.	ARSKTRP
	From CRA evident data on stock and aquaculture production, at least since 2014 or the beginning of the production, providing it started after the year 2014.	MKGP OBLIGATION TO THE STATE!
	In a case of an interference with space, which could permanently or temporary impact water regime or water state, an applicant has to acquire a water consent or opinion, according to the water right and regulation on waters. If water consent or opinion is a subject of water right, an applicant has to enclose it to the application; otherwise, it has to be enclosed at the first request for fund disbursement.	WATERS ACT
	An applicant is committed to preserve or increase the number of employees, as expressed at FTE, due to acquired support from the European Maritime and Fisheries Fund.	MKGP: EU GOAL
	If investment interferes with space, an application to a public call needs to have enclosed environmental consent or a decision, that environmental impact assessment is not needed. In a case of interference with space for which a decision in preliminary procedure according to environmental regulation is needed, it has to be submitted to an application.	ENVIRONMENTAL REPORT ENVIRONMENTAL LEGISLATION

	If predicted works or interferences in nature will be implemented in an area, which has a special status according to a nature conservation regulation, an applicant needs to enclose environmental opinion or consent. In a case it is not needed, an applicant submits a decision on a rejection.	ENVIRONMENTAL REPORT THE NATURE CONSERVATION ACT
	An applicant, just starting to practice aquaculture, when a value of investment exceeds 50.000 euros excluding VAT, has to submit a feasibility study, which includes an environmental impact assessment according to the regulation, regulating environmental impact assessment.	REGULATION (EU) NO 508/2014
SPECIFIC INVESTMENTS, WHICH WERE NOT PRESENT IN THE PERSPECTIVE	An aquaculture facility for breeding cold-water fish, which is a subject of an investment, has ensured at least physical cleaning of water or sedimentation pool, or this kind of cleaning is predicted in the investment.	ENVIRONMENTAL REPORT
SPECIFIC INVESTMENTS, WHICH WERE NOT PRESENT IN THE PERSPECTIVE	An aquaculture facility at which fish are caught at the same time as it is being emptied, and is a subject of an investment, has a cave or a pool from which fish cannot exit into open waters during emptying, or it has to be predicted as a part of the investment.	ENVIRONMENTAL REPORT
SPECIFIC INVESTMENTS, WHICH WERE NOT PRESENT IN THE PERSPECTIVE	An aquaculture facility for breeding cold-water fish species or a case for breeding marine fish species has an ensured protection against natural predators or is predicted in a frame of the investment.	ENVIRONMENTAL REPORT
SPECIFIC INVESTMENTS, WHICH WERE NOT PRESENT IN THE PERSPECTIVE	An applicant implementing an investment in existing ponds or aquaculture lagoon renovation has acquired an expert opinion by the Fisheries Research Institute of Slovenia based on the time and approach to pond renovation and handling the catch. In a	ENVIRONMENTAL REPORT

	case of mud removal, suitable permit of a competent authority is required for mud transfer to another location.	
SPECIFIC INVESTMENTS, WHICH WERE NOT PRESENT IN THE PERSPECTIVE	In a case of an investment in diversification of aquaculture company's income through development of supplementary activities, the support is provided only to applicants, practicing aquaculture, providing that supplementary activities are connected with a basic operation of a company, such as touristic angling. This is proved by a water right for indirect water use for sports fishing in a commercial pond, environmental services of aquaculture or educational activities in the field of aquaculture.	REGULATION (EU) NO 508/2014
	If applicant implements the investment in equipment or infrastructure, which ensure compliance with requests regarding environment, human or animal health, hygiene or animal welfare according to the regulation regulating these fields, the support can be provided until the date when these requests become binding for companies, practicing aquaculture.	REGULATION (EU) NO 508/2014