



PRIME MINISTER'S OFFICE



**FISHERIES OPERATIONAL PROGRAMME
OF HUNGARY
2007-2013**



3. modification

Budapest, September 2014

TABLE OF CONTENTS

1. TITLE OF THE OPEARTIONAL PROGRAMME, MEMBER STATE.....	4
2. GEOGRAPHICAL ELIGIBILITY	4
(1) 'CONVERGENCE OBJECTIVE' REGIONS	4
(2) 'NON-CONVERGENCE OBJECTIVE' REGIONS	4
3. ANALYSIS.....	4
3(A) GENERAL DESCRIPTION OF THE FISHERY SECTOR IN HUNGARY	5
3(a)1 <i>An analysis of national and local circumstances</i>	5
3(a)2 <i>An analysis of Convergence Regions and Non-Convergence Regions</i>	10
3(a)3 <i>Main lessons learned from the previous programming period - experience of the former Programme (measures co-financed under the FIFG)</i>	11
3(a)4 <i>Context indicators of the fisheries sector</i>	11
3(B) DRIVING FORCES AND DEVELOPMENT TENDENCIES OF THE FISHERIES SECTOR (SWOT)	12
3(C) DESCRIPTION OF:	16
3(c)1 <i>the environmental situation including the results of the Strategic Environmental Assessment</i>	16
3(c)2 <i>Description of the situation in terms of equality between men and women with regard to labour market opportunities, including constraints on specific groups</i>	37
3(D) MAIN OUTCOMES OF THE ANALYSIS.....	38
4. STRATEGY AT OPERATIONAL PROGRAMME LEVEL	39
4(1) STRATEGY CHOSEN TO MEET STRENGTHS AND WEAKNESSES INCLUDING OVERALL OBJECTIVE(S) OF THE FOP USING IMPACT INDICATORS	39
4(2) STRATEGY CHOSEN TO MEET STRENGTHS AND WEAKNESSES INCLUDING SPECIFIC OBJECTIVES WHICH THE FOP PRIORITY AXES AIM TO ACHIEVE, USING RESULT INDICATORS	40
4(3) CALENDAR AND INTERMEDIARY OBJECTIVES	41
5. SUMMARY OF THE EX ANTE EVALUATION	42
6. PRIORITY AXES OF THE FOP.....	43
6(A) COHERENCE AND JUSTIFICATION OF THE PRIORITY AXES	43
6(a)1 <i>The relevant part of the NFSP</i>	44
6(a)2 <i>Guiding principles of the operational programme (Art. 19 of the EFF Regulation)</i>	45
6(a)3 <i>Outcomes of the ex ante evaluation referred to in Article 48 of the EFF Regulation</i>	46
6(B) DESCRIPTION OF EACH PRIORITY AXIS	47
6(b)1 <i>Main objectives of the priority axes</i>	47
6(b)2 <i>Baseline and quantified targets</i>	47
6(b)3 <i>Justification of the average rate co-financing, target groups/sectors/areas and beneficiaries</i>	48
6(b)4 <i>Description and justification of the main measures for each priority axis</i>	49
6(b)5 <i>Information on demarcation with similar activities</i>	55
6(c) <i>Specific information required for the priority axes and measures</i>	57
7. FINANCIAL PROVISIONS.....	58
TABLE I: FINANCING PLAN OF THE FOP GIVING THE ANNUAL COMMITMENT OF THE EFF IN THE FOP SEPARATELY FOR THE REGIONS ELIGIBLE UNDER THE CONVERGENCE OBJECTIVE AND THE NON-CONVERGENCE OBJECTIVE.....	58
TABLE II: FINANCING PLAN OF THE FOP GIVING, SEPARATELY FOR THE WHOLE PROGRAMMING PERIOD, AND FOR EACH PRIORITY AXIS, AND SEPARATELY FOR REGIONS ELIGIBLE UNDER THE CONVERGENCE OBJECTIVE AND THE NON-CONVERGENCE OBJECTIVE, THE AMOUNT OF THE TOTAL FINANCIAL ALLOCATION OF THE EFF IN THE FOP, THE NATIONAL PUBLIC CONTRIBUTION AND THE RATE OF REIMBURSEMENT BY PRIORITY AXIS	59
8. IMPLEMENTING PROVISIONS.....	61
8(A) DESIGNATION BY HUNGARY OF THE ENTITIES PROVIDED FOR IN ARTICLE 58 OF REGULATION (EC) 1198/2006.....	61

8(B) THE BODY RESPONSIBLE FOR RECEIVING PAYMENTS MADE BY THE COMMISSION AND THE BODY RESPONSIBLE FOR MAKING PAYMENTS TO THE BENEFICIARIES.....	64
8(C) DESCRIPTION OF PROCEDURES FOR MOBILISATION AND CIRCULATION OF FINANCIAL FLOWS IN ORDER TO ENSURE THEIR TRANSPARENCY	66
8(E) THE ARRANGEMENTS AGREED BETWEEN THE COMMISSION AND HUNGARY FOR THE COMPUTERISED EXCHANGE OF DATA NEEDED TO FULFIL THE MANAGEMENT, MONITORING AND EVALUATION REQUIREMENTS	70
8(F) THE DESIGNATION OF THE PARTNERS REFERRED TO IN ARTICLE 8 OF THE EFF REGULATION AND THE RESULTS OF THEIR COOPERATION, LIST OF THE CONSULTED PARTNERS AND A SUMMARY OF THE RESULTS OF THE CONSULTATIONS	71
8(G) THE ELEMENTS AIMING AT ENSURING THE INFORMATION AND PUBLICITY OF THE FOP IN ACCORDANCE WITH THE RULES LAID DOWN IN ARTICLE 28 OF REGULATION 498/2007/EC	73
LIST OF ABBREVIATIONS.....	74
ANNEX I - CHARACTERISTICS OF THE REGIONS IN HUNGARY	76
ANNEX II - ORGANIGRAM OF AUTHORITIES IN PMO	77
ANNEX III - ORGANIGRAM OF AUTHORITIES IN MAG	78
ANNEX IV - ORGANIGRAM OF ARDA.....	79
ANNEX V – OFFICIAL STATEMENT OF MEWM (ARTICLE 9 OF DIRECTIVE 2001/42/EC)	80

1. TITLE OF THE OPERATIONAL PROGRAMME, MEMBER STATE

Title of the Operational Programme	Fisheries Operational Programme of Hungary 2007-2013
Member State	Hungary
Operational programme reference (CCI number):	2007 HU 14 FPO 001

2. GEOGRAPHICAL ELIGIBILITY

Hungary elaborated its own Fisheries Operational Programme (the FOP) that applies to the whole territory of the country including the Convergence and the non-Convergence regions. Annex I shows the main characteristics of these regions. The FOP is coherent with the National Fisheries Strategic Plan (NFSP) and is drawn up in line with Council Regulation (EC) No. 1198/2006 (the EFF Regulation) and Commission Regulation (EC) No. 498/2007 (the Implementing Regulation).

(1) 'Convergence objective' regions

- **North-Great Plain Region:** Szabolcs-Szatmár-Bereg County, Jász-Nagykun-Szolnok County, Hajdú-Bihar County;
- **North-Hungary Region:** Borsod-Abaúj-Zemplén County, Nógrád County, Heves County;
- **South-Great Plain Region:** Csongrád County, Békés County, Bács-Kiskun County;
- **South-Transdanubia Region:** Somogy County, Tolna County, Baranya County;
- **West-Transdanubia region:** Zala County, Vas County, Győr-Moson-Sopron County;
- **Central Transdanubian Region:** Veszprém County, Komárom-Esztergom County, Fejér County.

(2) 'Non-Convergence objective' regions

- Central Hungary Region: Budapest and Pest County.

3. ANALYSIS¹

Hungary is situated in a temperate zone of the Northern hemisphere in Central Europe, in the largest basin of the Danube valley, surrounded by the Carpathian mountains. The total area of the country belongs to the Danube watershed. The Danube River enters the country after draining precipitation from 131,000 km² relatively humid area. There are three main units of the Danube watershed: the direct local watershed of 40,000 km², while Tisza and Drava rivers drain water to the Danube from an area of 47,000 and 6,000 km², respectively. The Danube and the Tisza drain waters from additional 38,000 and 110,000 km² of the Carpathians outside Hungary and run in part through the Hungarian country.

There are only 4% of the surface waters borne within the country. The majority of the incoming waters are drained through the three large rivers: Danube, Tisza and Drava. Due to its basin-like property, the per capita amount of total water drained (120 billion m³/year) is the highest in Europe.

¹ Source of statistical data: MARD; HCSO.

3(a) General description of the fishery sector in Hungary

3(a)1 An analysis of national and local circumstances

In order to estimate the importance of the sector in the national economy the most commonly used indicator is the contribution to the outputs and the GDP. The contribution of the Hungarian agriculture sector was: 3.0% to GDP; 6.1% to the export; 4.6% to the investments; and 5.0% to the employment in 2005. Hungarian animal husbandry, crop production, agricultural services and the non-agricultural secondary activity accounted in turn for 36.0%; 54.2%; 6.9%; and 2.9% of the gross production value of agriculture.

At present, the Hungarian fisheries sector is about 2.5% of the gross production value of animal husbandry and about 1% of the total Hungarian agricultural production.

In 2006, the total value of the table size category products in the Hungarian fishery sector was 9.5 billion HUF (37.3 M EUR) (aquaculture: 6 billion HUF (23.5 M EUR), natural water fishery: 3.5 billion HUF (13.7 M EUR)), which gives a contribution of 0.04% to the GDP. However, the importance of the fishery sector is much higher than it is shown by this simple figure, as the existence and economic performance of several supplying and servicing sectors and also the entire recreational fishery and angling are based on this sector.

The average income level of the employees of the sector did not reach 75% of the national average in 2005.

Both the volume and value of the Hungarian fish and fish product import are significantly higher than the export (in volume it was 14 times, in value it was 13 times higher in 2006). Table 1 below shows the export-import data of year 2006 illustrating the current situation of import of the trade in fishery products.

Table 1

Export-import of fish and fishery products in Hungary (2006)

Designation	Net weight (tonnes)	Value (thousand EUR)
Export	1,316	3,433
Import	18,546	44,651
Export/Import %	7.1	7.7

The climatic and hydrological conditions in Hungary are favourable for fish production in fishponds, wherever the classical fishpond technologies are applied. 68 percent of the Hungarian fish production comes from fishponds, where mainly *common carp*, *herbivorous fish species as the bighead*, *silver carp* and *the grass carp*, and some predator fish (*wels*, *pike-perch*, *pike*) are produced.

The total fish production and catch in natural waters (fishpond production + intensive system production + fishing in natural waters + recreational purposes) in Hungary was 30,363 tonnes in 2006, out of which market-size products (for human consumption) added up to 21,859 tonnes (the difference comes from the production of brood-stock and restocking material for the next year)².

Table 2

Total Hungarian fish production (aquaculture and inland fisheries) (2006) in tonnes

² Detailed introduction of the most important statistical indicators of the Hungarian fishery sector for the period between 2000 and 2006 can be found in the NFSP.

Year	Fishpond Production		Intensive Production		Inland Fisheries		Total	
	Total	Table Size	Total	Table Size	Total	Table Size	Total	Table Size
2006	20,762	12,898	2,081	1,789	7,540	7,172	30,383	21,859

Economically, the most important fish is the common carp in Hungary; it represents 61% of the total annual catch and production. Its role is dominant not only in fishpond farms but also in the fish farming activity in water reservoirs, oxbow lakes and other natural waters. The second most important group of fish after common carp is the group of herbivorous fish species with a proportion of 15%, the share of predators is 13%, and the remaining 11% are breams and other low market value species.

Due to the favourable geographical and climatic conditions, the ratio of land areas suitable for fishpond production is quite high. The investments in the sector have increased compared to former years when support possibilities for developments played a very significant role (e.g. SAPARD, FIFG, etc.) despite the fact that the low profitability of the sector in comparison with other sectors of the national economy and the decrease of the income-disparity makes the fishery sector less attractive for financial investors.

The Hungarian fisheries production meets the freshwater fish demand of the population when the weather conditions permit it. Common carp, bighead and silver carp and African catfish all have a significant role. However, to meet the consumers' expectations and to provide a wide range of fish products, the sector definitely needs import of marine fishery products, the majority of which is conducted by enterprises involved in the sector.

In the market of domestic fisheries products, the situation concerning food safety is the same as in the more developed western states of the EU. Due to the liberalisation of international trade, import is increasing and at the same time, the related control activities put a burden on the Hungarian food safety system.

Aquaculture (fishpond and intensive production)

In Hungary, there are two main fields of aquaculture: fishpond production and intensive fish production. These two farming methods are connected to each other in several ways, so the same company carries out both activities. A significant difference is, however, that while one of them is exposed to weather conditions, the other one enables programmed production to a full extent. If we consider the aspects of environmental sustainability, fishpond production is an extremely environmentally friendly production method, while in the case of intensive fish farming the organic load of effluents could be extremely high. Therefore, in the case of intensive fish production, cleaning of water and repeated use of water is of great importance, nevertheless the utilisation of geothermal energy is significant in this area.

Fishpond production

In 2006, according to the statistical data, there were 361 fishpond farms (263 enterprises) in operation in Hungary. Based on the data from the HCSO, the total area used by the sector was 34,000 ha. According to the data provided, the total fishpond surface was 26,248 ha, of which 23,878 ha were in operation. The difference comes from the area of those fishponds that were kept dry for reconstruction works. The area of the fishponds, which fall under the scope of Natura 2000, is 15,615 ha (according to the MEWM data) and the total area of fishponds included in the Programme for extensive fishponds is 23,194 ha (578 fishponds) (according to the MARD data). 68% of the fishponds operating in Hungary is used to produce market size

fish for human consumption, 17% for the production of “two-summer-old” fish for restocking, 10% is used to produce fingerlings (“one-summer-old” fish) and the remaining 5% for other purposes. According to the survey of the Hungarian Fish Producers Association and Product Board (HFFAPB), about 40% of the fishponds are old and in principle, modernisation or reconstruction is needed.

The total amount of fish harvested from fishponds in 2006 was 20,762 tonnes, of which the amount of fish produced as market size fish was 12,898 tonnes. The amount of fish sold directly from fishpond farms by angling was 355 tonnes. The vast majority of fish produced as market fish was common carp with a share of 75% of the total production. The second most important group of fish after common carp is the group of herbivorous fish species with a proportion of 17%. The third group, the predators give 2%, while the remaining 6% consists of breams and other low market value species.

Table 3

Main data of the extensive aquaculture (fishpond production) (2006)

Year	Operating fishpond area (ha)	Restocking (tonnes)			
		Common carp	Herbivorous*	Others	Total
2006	23,878	6,218	1,092	305	7,614

Year	Harvesting (tonnes)					
	Common carp	Herbivorous	Other	Total	Table Size Fish	Net yield (kg/ha)
2006	15,980	3,162	1,620	20,762	12,898	551

*Herbivorous: Bighead carp, Silver carp, Grass carp

Intensive Production

In 2006, there were 10 intensive fish farms in Hungary, the majority of which utilise geothermal energy. In the same year, the amount of fish produced in intensive systems was 2,081 tonnes, out of which 1,789 tonnes were produced as market size fish for human consumption.

The total production of the intensive systems has been continuously increasing in the last few years. When comparing year 2006 to 2003, the total production volume increased by 67% in 2006, while the output of these increased by 22% in one year (between 2005 and 2006), which also proves a fast growth in the demand for not existing species in the domestic market. These numbers prove the increase in the demand for fisheries products; to which industrial intensive fish production plants could, and can react in the fastest and most flexible way. The most dominant fish species bred in Hungarian intensive fish production is the African catfish the market introduction of which is a success story in the Hungarian fishery sector. Of this species, producers have sold 75% more in 2006 compared to the year 2003. African catfish constitutes about 96% of the total volume of fish produced in intensive systems, and this ratio is expected to remain similar, because the other species are produced in the fraction of this output.

Table 4

Main data of the intensive aquaculture system (2006) in tonnes

Species	Brood stock	Restocking material	Table size fish	Total
African catfish	10.6	256.8	1,723.9	1,991.3

Trout	1.2	16.0	41.9	59.1
Sturgeons	0.1	0.5	21.0	21.6
Others	1,8	5.6	2.1	9.5
Total	13.7	278.9	1,788.9	2,081.4

The majority of the African catfish produced in Hungary is sold via hyper- and supermarket chains as fresh-on-ice or frozen, and only a little quantity as live fish, mainly in domestic markets. The success story of this fish is due to the Hungarian consumption habits. A market study on the consumer behaviour reveals that the people who refrain from eating fish are doing so mainly because of the bones, strong fishy odour or fattiness. African catfish is not directly competing with the other fish species produced in Hungary since it also meets the requirements of the consumers who rarely (or not at all) eat fish due to the features detailed before. Therefore, African catfish presents interesting perspectives for the future, in particular because of its more attractive consumer characteristics and price. Another reason for the success of this species is that it was introduced to the market at the same price as the carp. Because of the better filleting rate, the retail price of African catfish is around 1,200 HUF (4.7 EUR), while 1 kg carp fillet costs 1,500 HUF (5.9 EUR).

Inland Fisheries

The other production base of the fish production sector is the utilisation of natural waters (according to data from 2006, there were catches reported from 133,948 ha of water surface, of which 62,841 ha are covered by Lake Balaton and Small-Balaton Reservoir). It is exercised in two ways: commercial and recreational fisheries. The bigger segment of recreational fisheries is angling (more than 320 thousand persons) and the smaller segment is the so called “traditional-gear fisheries” (some 3 thousand persons). In 2006, the total catch of inland fisheries was 7,540 tonnes, out of which 7,172 tonnes was table size fish.

Commercial fishing captured 2,806 tonnes of fish in 2006 – around 37% of the total catch – 41% of which was common carp, 29% herbivorous fish, 9% predators and 21% other species.

In 2006, 4,744 tonnes originated from recreational fishing (mainly angling) – 63% of the total catch – 55% of which was carp, 7% herbivorous species, 11% predators and 27% other species.

Table 5

Production of inland fisheries (natural waters and water reservoirs) (2006)

Year	Reported area (ha)	Catch (tonnes)			Proportion of catch (tonnes)		
		High market value fish	Low market value fish	Total	Table size fish	Commercial fishing	Angling
2006	133,948	5,718	1,822	7,540	7,172	2,796	4,744

The area of natural waters is divided into 1500 administrative units – the so called “fisheries water areas”. A fishing right in these areas is issued for 15 years, it can be obtained through applications and includes the possibility of recreational fishing and angling.

In Hungary, commercial fishing is carried out on water reservoirs, partly by using traditional fishing techniques, partly by applying certain elements of fishpond farming (mainly in water reservoirs and oxbow lakes). With the exception of the latter, on the vast majority of natural waters commercial and recreational fishing practiced at the same time.

The equipment (fishing tools, open inland fishing boats without outboard engines, fish storage capacity) used by those involved in commercial fisheries got obsolete and their replacement is necessary in order to maintain jobs and to preserve traditions.

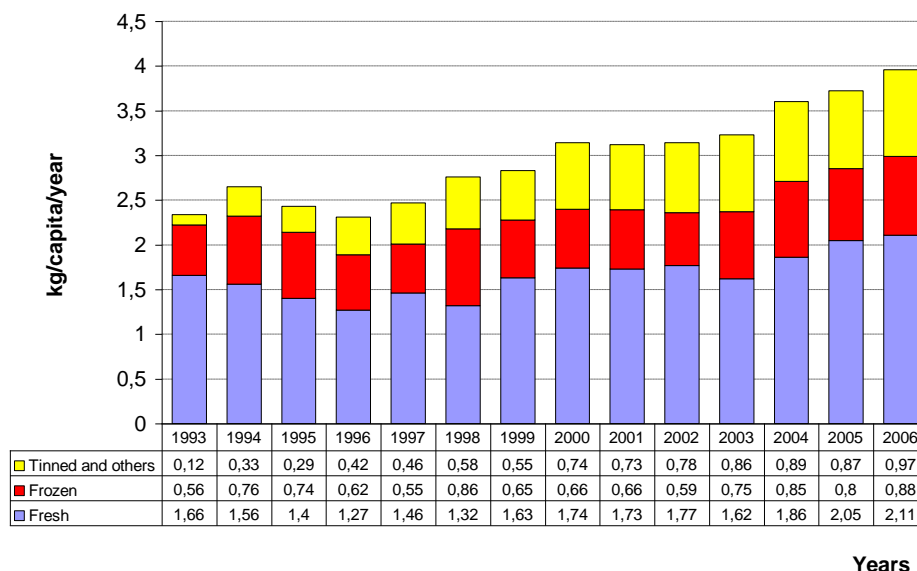
The maintenance of capture fishery in Hungary is well founded which is based on the fisheries culture and traditions, unique in Europe. However, the demands of the present period should be taken into consideration. Capture fishery has and always had an outstanding role in the utilisation of natural resources in the aquatic ecosystems and with its uniqueness and culture, it is able to apply a systematic, a so-called sound management approach in the utilisation of natural resources of a particular ecosystem. Reasonable natural water fishery management is the common task and responsibility of anglers and of the fishery sector.

Fish consumption and processing

In Hungary, the supply of fish and fish products per capita shows a slow but steady increase. In 2006, fish consumption per capita was 3,96 kg/year³, which is around 5% of the total meat consumption (Figure 1). This amount includes both the domestically produced and the imported products. The consumption of carp is 1,5 kg of the total yearly consumption and the consumption of African catfish is 0,17 kg of that. Domestic production is consumed mainly in the form of fresh fish, while the import is consumed in processed form (*canned, frozen ready-to-cook, frozen filet, pickled, smoked, etc.*). Third of the consumption is consumed around Christmas. Cooking and regular consumption of fish dishes vary significantly by region since there are counties and towns where fish is an everyday dish.

Figure 1

Evolution of the Hungarian fish consumption (1993-2006)



Currently, there are 24 important fish processing plants in Hungary, of which 18 are engaged in primary processing, the remaining 6 in special processing (e.g. marinating, smoking). In the majority of these plants, the repacking of imported frozen fish or fishery products is the main activity.

³ It is calculated in mixed weight: import in net weight, production in gross weight.

The total estimated amount of fish processed annually is around 5,000 tonnes. 40-50% of this is freshwater fish (about 1,700 tonnes of African catfish) and the rest comes from import. The most important products produced in the Hungarian processing plants, are frozen and chilled beheaded and gutted fish. Other products are fish slice, fresh or chilled fish filet, canned fish, instant fish soup, marinated fish, smoked fish, fish pulp and products used for making snack meals, like pâté and fish salads.

This sector has been significantly reorganised during the last ten years. A special situation in Hungary that those enterprises dealing mostly with fish production and fishery are the ones that also determine fish processing in spite of the fact that independent firms dealing solely with fish processing (canning, marinating, smoking etc.) and fish marketing are also present. This situation has evolved because of the size of the sector, of which both the advantages and disadvantages can be seen. In the present state of the fishery sector, the fact that in several cases production and processing are carried out within the same enterprise, can be considered favourable since the total separation of these would result in a decrease of the producers' fish price, and the existing vertical integration would disappear.

The main exporters are fish producers and traders and the main export item is live fish. In import activity (mainly trading of processed or primarily processed fish), supermarket chains also appear. Fish producers and wholesalers dominate in live fish import but it is not significant in quantity. There are no fishery auction halls in the country and it is not probable that they would appear in the future.

3(a)2 An analysis of Convergence Regions and Non-Convergence Regions

“Convergence Objective” Regions

A significant part of the Hungarian fish farming is located in rural areas, the vast majority of which is situated in the regions covered by the Convergence objective. 96.1% of the gross fishpond production (19,995 tonnes) and 96.3% (12,420 tonnes) of market size fish is produced there. More than 95% of the carp production, the most important fishpond cultured species also comes from these areas. According to the statistics (AERI, 2006) 100% of Hungary's intensive fish production is also located in these areas, the most significant representative of which is the African catfish (*Clarias sp.*).

“Non-Convergence Objective” Regions

In regions not covered by the Convergence objective, which include the capital city Budapest, and Pest County, fish farming activity is not as significant as in other regions of the country. However, recreational fishing and the high fish consumption originating from a high concentration of the population in this region have great significance here, so this Central Hungarian region is an important market of the fish produced and processed in other areas of the country.

In 2006, 3.9% (806 tonnes) of the total gross Hungarian fishpond production and 3.7% (478 tonnes) of the table size production of fish came from this region. By analysing the carp production, it can be established that the ratio of regions not covered by the Convergence objective in the total gross production is only 4.3% (679 tonnes) while the ratio of market size fish carp production is 4.4% (424 tonnes). The share of the region in the total fishpond area of the country is 3.7% (875 ha). This region does not have any share in the Hungarian intensive fish production and its contribution to inland fisheries is also negligible.

3(a)3 Main lessons learned from the previous programming period - experience of the former Programme (measures co-financed under the FIFG)

1. From the public debate and the consultation process with the stakeholders, it has been concluded that long-term strategies and necessity to think in project cycles instead of occasionally available support are important.
2. The implementation of FIFG measure within the ARDOP permitted to adjust the conditions and the size of the investments to be financed over the period 2004-2006. This allowed a full utilization of the available financial resources.
3. The selection criteria and the procedures put in place allowed the Managing Authority to select sound projects.
4. In view of the created budgetary envelope for the period 2007-2013, it will be essential to launch an adequate communication and information campaign in order to reach potential beneficiaries of the aquaculture and processing measures.

3(a)4 Context indicators of the fisheries sector

Table 6

The most important context indicators of the Hungarian fisheries sector

Context indicators (2006)	Unit	Value
Table size fish production of fishpond culture	tonnes	12,898
Table size fish value of fishpond culture	1000 EUR	23,503
Table size production of intensive culture	tonnes	1,789
Table size fish value of intensive culture	1000 EUR	3,373
Table size fish production of inland fisheries	tonnes	7,172
Table size fish value of inland fisheries	1000 EUR	13,600
Total production value of fisheries sector	1000 EUR	40,476
Total amount of fish and fisheries product export	tonnes	1,316
Total amount of fish and fisheries product export	1000 EUR	3,433
Total amount of fish and fisheries product import	tonnes	18,546
Total amount of fish and fisheries product import	1000 EUR	44,651
Export/Import index (by value)	-	7.7
Number of employees working in aquaculture	persons	1,353
- male	persons	1,160
- female	persons	193
Total fish consumption	kg/capita/year	3.96
Total fishpond area	ha	34,000
- fishponds in use	ha	23,878
- Natura 2000 area	ha	15,615
Number of fishpond farm units	pc	361
Number of intensive farm units	pc	10
Number of fish processing units	pc	24
Gross output of the fish processing sector	M EUR	12.3
Gross output of the fish processing sector	tonnes	3,700
Input of the fish processing sector	tonnes	5600
Share of fisheries in GDP	%	0.04

3(b) Driving forces and development tendencies of the fisheries sector (SWOT)

The SWOT analysis⁴ of the sector was made by dividing the sector into four main sub-sectors or areas of speciality, which are the following: aquaculture, natural water fishery, fish processing and trade, research, education and technical organisations.

AQUACULTURE

Strengths

Variability of the Hungarian natural water system resulted in a great diversity of the living environment, so the very rich biodiversity and multi-coloured landscape are typical features of the region. Very low environmental burden of our fish production and the fact that fish farming activity has been assisted by a century of technical experience have had a significant contribution to the preservation of these values.

The strength of the sector is that fish production is being done in line with the criteria of quality assurance systems guaranteeing a high level of food safety for the consumers. The advantage from the availability of water efficient and environmentally friendly fish production technologies should be stressed, as well as the technological base of certified organic fish production available in fishpond farms.

Weaknesses

One of the weak points of the sector is the present poor condition of general production infrastructure and the technical level (earth and concrete structures, machines, equipment, etc.). Compared to agricultural sector, the production is mechanised only to a small extent, so the technical efficiency is extremely low.

An additional problem is that the age structure of the employees is very unfavourable in certain regions; the rate of those who are close to the retirement age is high, while the technical qualification and the readiness for innovation among younger age groups are far from being ideal. In majority of the fishpond farms, the protection of private property is a constant problem necessitating significant additional capacities concerning both human resources and equipment.

Another stressed weakness is that a significant number of the Hungarian fish producers do not have fish storage facilities of necessary quality and capacity, so after the autumn harvest they have serious problems selling their products. They become exposed to traders, which results in sales under the potential market price.

Opportunities

Among the favourable tendencies determining the strategies of the sector, growing demand for fish species needed for the restocking of angling and natural waters should be emphasized, as well as the spreading of a healthy lifestyle in nutrition.

Threats

The most important threat is a cumulative damage caused by birds, which is mainly a result of the uncontrollably growing population of cormorants.

⁴ Detailed SWOT matrixes relating to the above listed can be found in the NFSP of Hungary for 2007-2013, here only the statements with greatest significance are stressed in line with the SWOT structure.

A long-term threat – the effects of which can be felt already nowadays – is the more frequent appearance of weather extremes caused by the global climatic change which decreases the profitability of the sector through the lack of water supply and additional expenditure (i.e. additional water supply etc.) arising from this.

Conclusions

There is a need for specific support of investments (development), in order to adequately promote a development of sustainable and competitive sector in the long run by giving preference to innovation, developments ensuring higher value added, to energy and cost saving, the use of renewable energy, high quality production and to the protection of natural environment.

By fostering environmentally friendly farming through applying environmentally sound fish producing technologies, aquaculture will contribute to the protection of natural values and to the improvement of the environmental conditions. This way it will be a very important task in the future to encourage the use of these technologies.

In order to benefit from market opportunities, cooperation between the main stakeholders needs to be strengthened. Fish producers should be encouraged to participate in food quality schemes, to fully comply with Community rules, to introduce information systems helping production and marketing, furthermore to encourage collective presence on the market through the formation of producer groups as provided for in the EU legislation.

To improve the age structure of employees working in fisheries, encouragement of young fish farmers to start enterprises is needed.

In order to enhance competitiveness and sustainability of aquaculture, it is important to expand the technical knowledge and innovative practical experience of fish farmers, who need improvement of extension services relating to information and management.

In fishpond and intensive farming, production and market introduction of other, new fish species with good market prospects should be encouraged. However, protection of the genetic material of the Hungarian carp breeds is not only of economic but also of social interest, since it is a part of the national and cultural heritage.

The most important elements of future aquaculture development can be summarised in the following way: improvement of human resources; expansion and quality improvement (reconstruction) of other necessary resources; restructuring; innovation and production of high-quality products.

The main objectives of the planned development are the establishment of diversified and at the same time multi-functional fish farms which do not have negative impact on the environment and which can offer jobs in rural areas both for lower educated and for well educated people.

Reasonable water management, fishponds, and relating water-managing facilities can be effective tools in the fight against growing aridity in the Carpathian basin.

INLAND FISHERIES

Strengths

One of the most important strengths is the excellent climatic and water conditions (Lake Balaton, Danube and Tisza rivers and the water systems of these), which is a good basis for carrying on with the fishing traditions that have a great past in Hungary. Activity of the

fishermen that formed producer groups or other organisations in the field of marketing is strength.

Weaknesses

The most significant problems concerning inland fisheries can be connected to a degradation of the living habitats, in consequence of which the catches are reduced in absolute value, while the proportion of fish species of higher value is also decreasing. The most important negative factors are the disappearance of spawning areas and “fish cradles”, sedimentation of waters, unpredictable water pollutions and constructions for water management taking improper account of the ecological criteria.

The estimation of catches coming from natural water fishing is very difficult, its quantity and distribution in time is highly dependent on fisherman’s luck, thus there are periodic difficulties in selling and storage. The possibilities of sales are also hindered by the fact that because of “a panic” caused by occasional pollutions, the sales of fish caught for consumption can be set back for several years, similarly as in other sectors (e.g. BSE).

A specific problem concerning natural water fishing is the protection of private property and of fish stocks.

Opportunities

Among the favourable tendencies determining the sectoral strategies, continuous popularity of angling as an active way of spending free time can be stressed. Another positive fact is that people who love and know water related environment (e.g. angling society) live a much more environmentally conscious life than the average, therefore this has a great social advantage.

Threats

One of the stressed threats is, similarly to fishpond farming, a rapid growth of fish-eating bird populations, of which cormorants are standing out both in the size of their populations and the volume of fish they consume. Another threat is the degradation of natural waters, which can become visible with the vanishing of natural spawning areas and fish cradles.

Conclusions

We need to preserve selective natural water fishing, to nourish the Hungarian fishing traditions and to renew the quality of worn out fishing devices. It is important to continue improving the selective fishing methods, so innovative developments need to be supported.

An additional requirement is to ensure a stressed role of the Hungarian aquaculture in supplying fish in order to provide the optimal proportion – from economic and ecological point of view - of fish species living in natural waters.

FISH PROCESSING AND MARKETING

Strengths

Strength of the sub-sector is the quality assurance system that has been introduced, and several companies operate a tracing system. An additional strength is that the most important fish processing units are directly connected to the fish production so intermediate trade can be eliminated.

Weaknesses

The majority of the Hungarian fish processing plants have a poor product range and typically, products with low value added are dominant. Utilization of capacity - except for a few plants - is critically low, and the same is true for the technical level, which means relatively high costs of energy in almost all of the cases. The processing plants rarely apply technologies and machines widespread in the neighbouring countries and the use of manual workforce is determining in every phase of the processing. For these reasons, the production costs are very high which is coupled with low value added.

The situation is even worse by the fact that the level of effluent treatment is not sufficient in many cases and the cost of investments made in order to solve this problem is hardly covered by the main activity. The other cardinal field is the constant demand for developing the hygienic standard of fish processing plants, since the external regulatory environment and the food safety requirements demand this.

From the consumers' point of view, it is a striking problem that the knowledge about fish products is very low. The vast majority of consumers still do not know any other way to prepare fish dishes apart from the conventional ones (fish soup and fried fish). The importance of promotion in this field is priceless. A lack of high standard marketing work is apparent on not only country level but also on a regional level, the responsibility for which lies with all the local participants of the product chain.

Opportunities

It should be emphasized, that although it is mainly typical in urban areas, the demand for fish and fisheries products is increasing and the popularity of related culinary events (e.g. fish soup contest) grows continuously.

Threats

The most important threat is that the additional costs emerging in connection with the strict requirements of animal welfare and food safety will increase significantly and cannot be included in the trading or end-user price.

Conclusions

Technical and technological modernisation and improvement of hygienic standards of the Hungarian fish processing plants are essential and should aim at the production of safe nutritious fish products with high value added. Furthermore, formation of wide-scale product range and introduction of those on the market should be encouraged, as well as the marketing efforts to keep them on the market.

In relation to the technical development of the fish processing plants, treatment of effluents and elimination of hazardous wastes should get emphasized attention.

RESEARCH AND EDUCATION

Strengths

The Hungarian fishery research work is internationally acknowledged and Hungarian fisheries experts are involved in international fishery research policy making. A further strength is that the country is represented in all the most important international fisheries organisations. It should be pointed out, that Hungarian fishery research is in conformity with the national strategic objectives and helps their achievement to a high extent. Strength of Hungarian fishery research is its participation in European research consortia, even as a coordinator (Eurocarp, Aquamax, SustainAqua).

The fact that the vast majority of the important stakeholders of the sector are members of the National Fish Producers Association is also a strong point.

Weaknesses

There are efforts to strengthen the partnership between research and practice and to utilize better research results in practice but, similarly to other regions of Europe, Hungary has difficulties with low level of willingness among the SMEs to participate in financing of research, development and extension.

Another weakness in the field of education is that, considering the relatively small size of the sector and the high regional variability in demand for fisheries education, in most of the educational institutes only a low number of students want to obtain qualification related to fisheries. This on the other hand threatens the profitability of the education especially where post-gradual trainings are concerned.

Opportunities

The most determining positive external factor in education and research is that the resources for education and research programmes are continuously expanding, which is based on international cooperation and the approach of the economic and academic sphere.

Threats

The most important threat concerning education is the fact that in the increasingly urbanized Hungarian society, fishing has lost its popularity, so in technical schools the number of students can become a problem in the future.

Conclusions

Research and development in cooperation with education and extension should concentrate on a responsible utilization and protection of our water resources in order to develop healthy food and improve the quality of life. It is essential to launch research, education (life long learning) and extension programmes based on the cooperation between the academic and the production sector.

The activity protecting interest of technical organisations will have an amplified role in the future both in economic and social terms. The price reducing policy of the multinational trading chains, which have very significant role in the market, and the governing political force have a great impact on the future of the sector.

3(c) Description of:

3(c)1 the environmental situation including the results of the Strategic Environmental Assessment

Fish processing

In Hungary, the fish-processing sector is not significant as regards its size and production; therefore its environmental burden is far behind that of other food processing sub-sectors. The treatment of dangerous waste produced here in every case meets the relevant regulations.

Intensive fish culture

Most of the intensive fish producing systems work with a water-saving recycling technology, the so-called closed system, therefore their environmental burden is limited. In the case of fish farms with flow-through technology, the environmental burden of the wastewater is higher than in the case of the closed systems but still meets the requirements set by the environmental legislation. The outlet waters of intensive systems are regularly checked and monitored.

Extensive fishpond culture

The diversity of the geographical features of the Hungarian fish farms resulted in a high degree of biodiversity and colourful landscape in the proximity of the fishponds. The fact that the level of environmental burden of the fishponds is very low and that the farming is based on centuries' experiences contributed to the sustainability of these values.

The fauna of Hungary consists of around 30,000 known and 8 - 12,000 unknown species. The number of the endangered species is around 400, of which the number of insects (272 species) and that of birds (83 species) is the largest. Survival of most of these species is bound to artificial and natural waters. Transforming of the wetlands into the areas of other agricultural activities, the misuse of fishponds and the ceasing of fish farming activities are causing significant damages and result in a drop of the number of species.

The ecological value of Hungarian fishponds is outstanding both on domestic and European level. These fishponds have a core position in the European ecological network (stepping stones). The population of nesting and migrating bird species is also of great importance on a European scale. The number of bird species observed on these fishponds exceeds 300, which is over 80% of the bird species occurring in Hungary. The number of nesting bird species on fishponds is more than 100. A very significant share of the population of waders and water linked bird species nest, feed or rest in the fishpond areas, so it is extremely remarkable not only from the point of view of number but also from the population size. Both nationally protected and SPA designating bird species are present at high numbers. The nesting species of European interest are the following: the fishpond populations of spoonbill (*Platalea leucorodia*), the ferruginous duck (*Aythya nyroca*) and pygmy cormorant (*Phalacrocorax pygmaeus*), among the migrating ones crane (*Grus grus*) and also white-fronted goose (*Anser erythropus*).

Beyond the increase of bird populations, population of the otter (*Lutra lutra*) has also expanded. The results of the population survey of the "Association for the Otters" (ongoing from 1995) show that 60% of the Hungarian otter population – which is outstanding even on a European scale – live at the fishponds. The reason behind this is that they find optimal environmental conditions (feed, resting and hiding place), inevitable for population establishment and its increase. The fishponds also play their role as habitats of amphibians and reptiles, both consisting of a number of protected species.

Ramsar Convention and its links with Hungarian fisheries sector

Since 2003, Hungary has designated in the Ramsar list 19 areas covering 154,147 ha. In 2003, the Upper-Tisza Ramsar area with 22,310.7 ha was designated, the Sós-tó of Csongrád-Bokros with 770 ha, and the Böddi-szék and the Sóséri-puszta with 2,734 ha. As defined in this Convention, wetlands are "areas of marsh, fen, peat land, or water, whether natural or artificial, permanent or temporary, with water that is static or flowing, fresh, brackish, or salty, including areas of marine water, the depth of which at low tide does not exceed six

meters". Presently, since autumn 2006, 26 wetland areas were inscribed on the Ramsar list in Hungary, with a surface of over 200,000 ha. The criteria of „regularly occurring 20,000 waterfowls” is met in half of the cases of Hungarian Ramsar areas, that is the Hortobágy, the Fehér-lake of Kardoskút, the Kis-Balaton, the Öreg-lake in Tata, the Fertő-lake, the Balaton, the Bodrogsziget, the Rétszilasi-lakes and the Biharugra Protected Area. More significant waterfowl groups consist of goose and duck species and of migrating crane populations. In the case of the Balaton Ramsar area, it has to be mentioned that the lake provides outstanding conditions to the migrating goose and ducks. However, in the summer months, it would meet the criteria of international significance, and for this reason, its international significance is seasonal, from 1 October until 30 April. In order to implement the domestic tasks on a high level, the Ministry of Environment and Water has created an international committee in 1995. This body consists of the representatives of all the ministries, authorities, research institutes, universities, nature protecting civil organisations and entrepreneurs interested in the protection and use of wetlands.

EU Water Framework Directive (WFD)

Aquaculture, and in particular fishpond farming, are closely interconnected with the programmes for the development of the environment and of rural areas, this way ensuring the maintenance of Natura 2000 network, the fulfilment of biodiversity relating obligations (Gothenburg) and meeting of the WFD and the Kyoto Protocol requirements. The measures related to agricultural environment protection and farming related payments contribute to the achievement of the Gothenburg requirements concerning the reversing of the decline in biodiversity by 2010 and the WFD requirements. With regard to biodiversity, maintenance of extensive farming systems is very important in the conservation of habitats of the protected or endangered bird and mammal species.

Hungarian fishery sector interlocks with the WFD in two ways: on the one hand through the water quality of rivers, on the other hand through the requirements of agricultural water management. In connection with fishery and water protection, among others, the following legal provisions should be respected:

- MEWM Decree 6/2002 (XI.5) on limit values and the control thereof concerning surface waters used for abstraction of drinking water, which are intended to be drinking water base and where life conditions of fish should be ensured, and
- Government Decree 220/2004 (VII.21) on the rules on quality required of surface waters (implementing regulation of the EU WFD).

In order to create a suitable habitat for fish through a good quality of river waters, a coordinated development of catchment basin is very important. If water has greater significance than a simple physical presence, then competent authorities should be appointed and ways of cooperation should be defined in order to manage and organise tasks (Article 3). This is important as well in the conservation of extensive production systems.

From an ecological point of view, protection of oxbow rivers is of great importance. These waters are used in fishery and angling while they serve as a habitat for valuable flora and protected fauna. These are the expectations of the WFD, which pays special attention to the ecological state, and the potential of these water bodies. In connection with these issues, significant impact of human activities on the environment should be analysed (Article 5).

The surface of the Natura 2000 areas in Hungary designated by the Annex to the Government Decree No. 275/2004 (X.8) Govt., is 1,95 million ha, of which 15,000 ha is fishpond area.

Furthermore, 90% of the recent protected natural areas belong to the Natura 2000 network. The already protected areas cover almost 40% of the Natura 2000 network. The Natura 2000 legislation does not contain rules specified for fish farming.

Natura 2000 and its links with Hungarian fisheries sector

The legal base for the designation of the Natura 2000 areas was created by the Hungarian Parliament with the modification of the Law on nature conservation⁵, which came into force on 16 July 2004. This modification entitled the Government to issue its decree on the Natura 2000 network. Based on the entitlement provided for in Paragraph 85(a) and Paragraph 41/A. of Law on nature conservation, the Government issued a Government Directive 275/2004 (X. 8)⁶ on the “environmentally protected territories of the European Community interest”. Paragraph 6(2) provides that in order to fulfil the land usage requirements in the case of Natura 2000 areas, support can be granted under EU co-financed programmes. The MEWM in Decree 45/2006 published the list of Natura 2000 areas containing the topographical numbers of these areas. (XII.8).

Around 60% of the fishpond areas relevant to FOP (26,248 ha) are under the effect of Natura 2000 (15,615 ha), which means mainly bird protecting activities for the farmers.

Strategic Environmental Assessment (SEA)

The MARD, responsible for the elaboration of the NFSP of Hungary and the FOP based on it, officially initiated the preparation of the strategic environmental assessment (SEA)⁷ according to the SEA Directive (2001/42/EC) in January 2007.

Time schedule of the public consultation in 2007

5th February Agreement on the methods of public consultation with the SEA Working Group
9th February Start of the homepage
30th April Completion of the Environmental Report, publication
25th May Partnership Conference
29th May Deadline for comments of the public
25th September Submission of the final version of the Environmental Report to the MARD
15th October Feedback to the participants of the public consultation

The SEA workgroup was coordinated by Env-in-Cent Environment Consulting Services (EiC) and all the process has been made in consultation with the stakeholders and the public. The National Society of Conservationists (NSC) has organised the consultations⁸. The public debate on SEA report took place in October 2007. During the planning and conduction of the procedure, NSC proceeded in agreement with MARD and EiC.

According to the Government Decree No.2/2005. (I. 11.), the following authorities were involved in the assessment process:

- the Ministry of Environment and Water,
- the Chief Medical Sanitation Office,

⁵ Act No. LIII of 1996 on the 'conservation of nature'

⁶ This decree was modified 2 years later by Government Decree 201/2006 (X.2) Govt.

⁷ Based on the Government decree No. 2/2005 (issued on 11 January)

⁸ The SEA process is available at <http://www.mtvsh.hu/skv>

- the Ministry of Agriculture and Rural Development, and
- other institutions with national authority listed in the Annex 3 of the SEA Decree.
- neighbouring states were not involved, as the activity of Hungary in the field of fisheries is performed mostly far away from the borders, the area affected by FOP is not in contact with any of the neighbouring states.

The performance of the assessment process was personally negotiated by the SEA Working Group with the competent department of the MEWM, where the National Inspectorate of Environment, Nature and Water was assigned as competent environmental authority for the administrative issues of the assessment process.

The professional organizations were involved into the process of the environmental assessment by the means of public participation, such as active information, conferences, homepage and written comments. The documents of the Environmental Report and the draft FOP were submitted to the National Environmental Council for written comments with a 30-day deadline. Everyone had the opportunity to take part in the process through the homepage and the partnership conference.

Public stakeholders in general are nature conservation and environmental professional, interest representatives and public organisations, other organisations, institutions active in environmental and fisheries issues and general public.

The SEA homepage has been available since the beginning of the preparation of the SEA. The NSC informed the potential stakeholders on the launch of the homepage and the development of the SEA by direct contacts or mailing lists.

The homepage contained:

- Current information on the elaboration process of the SEA.
- The concentration methods of public communication that contains the elaboration process and the time-schedule of the SEA, as well as the methods to be engaged and submitting comments.
- Working documents of the SEA and its preliminary results.
- All comments made on the SEA, in full extent.
- All documents concerning the SEA elaborated by the MARD
- The draft FOP

By request, anyone could be informed by e-mail when a new document was uploaded to the homepage, the comments and questions were expected at skv@mtvsz.hu.

An open partnership forum was organised by the MARD on the documents of the Environmental Report where the environmental partners and the representatives of the fisheries sector were invited, but anyone could participate.

Comments/proposals for the SEA on the homepage

The comments and proposals to the document were processed by the Working Group and were released at the homepage. All comments were answered in written form after closing the process. During the elaboration process, 141 comments and proposals arrived from the authorities and the non-governmental organizations, 17 of which were concerned not to the SEA, but the Strategy, the Programme or other general Regulation issues. 55 comments did not contain new proposals. The majority (52 proposals) of the remaining 69 proposals were accepted by the SEA working group. See the way the relevant comments were taken on board below, in “Main results of SEA”.

Proposals to the Environmental Report made by authorities

The National Environmental Council, the NIENW, the Chief Medical Sanitation Office, the Ministry of Health and the under-secretary of State for nature conservation of the Ministry of Environment and Water have sent comments on the documents. 42 of the comments were concerned to the SEA documents, the SEA working group accepted 32 of them. 21 of the comments did not contain new proposals, or were not connected closely to the SEA. The results of the Environmental Assessment were accepted by the under-secretary of State for environmental management of the MEWM, the Ministry of Education and Culture, the Ministry of Economy and Transport, the Ministry of Local Government and Regional Development and the National Inspectorate for Disaster Protection, their approval was sent in writing.

The National Environmental Council emphasized the importance of the use of integrated methods for planning and analysis, as an important aspect of the SEA. The importance of situation analysis – based on up-to-date information – was also set off, and the increase of severity of the regulations was also proposed. The SEA working group left these questions within the competence of the team working on the strategy and the programme.

The proposals made by the NIENW amended the professional features and the interpretation of the document. The Inspectorate made comments on the regulations of hunting and the objectives of the NFSP.

The Chief Medical Sanitation Office drew the attention of the evaluators to the public sanitary regulations for the treatment of dead fish.

The Ministry of Health drew attention to the public health regulations related to the storage of manure, made comments in connection with sanitary questions regarding the collection of dead fish and the usage of manure, and, on the regulations of water leakage problems from animal farms situated near the fishponds.

The proposals of the under-secretary of State for nature conservation and environmental protection of the MEWM improved the professional level of the document and corrected the definitions.

The proposals of the social partners to the Environmental Report

8 social partners made proposals in written form to the SEA document. Most of the participants of the partnership conference sent their proposals presented there also in writing. 2 comments without written proposals were answered on the spot, and they were accepted and were taken into consideration during the final elaboration of the document. 27 of the written proposals were related to the Environmental Report, the SEA working group accepted all of them. Further 45 of the comments were not connected closely to the SEA.

The Hungarian Chamber of Commerce and Industry made a written notification of no comments on the document.

The Aranypony ZRt. insisted on measures for the stabilization of the fisheries sector at the conference. They made a proposal for the standardization of the technical terms used in the report and the harmonization of the phrases used in different strategic documents. These proposals are just partly connected to the competences of the SEA. The proposal for the protection of water bodies used by fish producers was accepted.

The representative of the National Association of Hungarian Farmer's Societies and Cooperatives (MAGOSZ) made a proposal on the analysis of the Strategic Plan and the FOP on the grounds of financial allocation plan.

In written notes, the proposals of the Working Group for Fisheries Development were connected to the interpretation of the EFF Regulation and its nomenclature. Their proposals

made on integrated planning methods; strategy development and demarcations are in the Ministry's competence.

On the proposal of the Hungarian National Chamber of Hunters and the Foundation for Otters, the subject of hunting was deleted from the Environmental Report. The Foundation made another proposal for the protection and maintenance of natural habitats, which was accepted.

The proposal of the Balaton Integration Public Non-profit Company on local distribution of local products was accepted. Other proposals were made on the conditions for anglers' permissions, the survey and improvement of supply and demand situation of fish consumption. These proposals should be decided at a higher strategic level.

The Hungarian National Association of Anglers made proposal on the use of technical terms. The Alliance of Angling Associations of Tolna County made comments on the regulations of angling activities, the involvement of the associations of anglers into the plan making process, the conditions for upkeeping fishponds and the possible improvement of working places by angling activities. These comments do not belong to the scope of the SEA.

Agrár Európa Ltd. noted the possibilities for using renewable energy sources, the need for minimizing waste, for the establishment of a unified water-protection system, and for the importance of a wide professional debate.

In general, the received comments and proposals were considered and the relevant ones were constructively integrated in the draft FOP.

The starting point of the elaboration of SEA is that the fishery relating measures financed by the Community resources should be useful from the perspective of environmental protection, and negative impacts on the different environmental elements and systems should be minimized. This way the mission of SEA for the NFSP and for the FOP was to improve the environmental performance of the fisheries policy, to promote the achievement of the environmental objectives and to help avoid the subsequent, normally quite expensive, corrections through deliberate decisions.

A statement pursuant to Article 9 (b) of the SEA Directive (Directive 2001/42/EC of the European Parliament and of the Council) has been prepared by the Ministry of Environment and Water (see in Annex IV).

Main results of the Strategic Environmental Assessment

The SEA evaluators have concluded that all the examined objectives (NFSP, FOP) are suitable for the requirements of sustainable development. Altogether, the FOP has positive effect on area usage and area structure. Because of fishing activity, significant landscape reformations will not take place in Hungary. The main conclusions were treated as follows:

CONCLUSION	ACCEPTED	MEASURE TAKEN
1. Trainings and equipment purchase serving the fight against poaching, water pollution and fish perdition should get particular support.	YES	Measure for trainings is envisaged under axis 3.
2. Before building new fishponds, environmental effect inspection should be done in order to establish new fishponds in areas suitable for this purpose.	YES	Environmental authorities issue their permission for every investment project in aquaculture in accordance with the relevant environmental

		registration.
3. The FOP must be harmonised with the environmental requirements.	YES	All the relevant EU environmental legislation including the provisions for the Natura 2000 areas has been taken into account during the programming of FOP.
4. During the development of physical infrastructure, material and energy saving devices and procedures should be favoured. The reduction of energy need for processing, the increase in energy efficiency and the usage of solar, wind and geothermal energy utilizing devices should be encouraged.	YES	Support for investments aiming to reduce negative impact on environment will be provided under axis 2.
5. When establishing and modernizing fish processing plants, technical conditions of processing and waste treatment should be created in a way that the recycling of the biological wastes becomes possible.	YES	In case of investment into the processing, an obligation of treatment of outlet water is compulsory but investment of the "wetland treatment" type will be favoured.
6. In implementation of FOP, attention must be paid to slowing down the habitat degradation of natural waters and avoiding the spreading of invasive fish species.	YES	Support for investments aiming to reduce negative impact on environment in case of invasive fish species will be provided under axis 2 and rehabilitation of inland waters under axis 3.

Measures decided for the monitoring of the environmental impact⁹

Listed below are environmental indicators helping to trace the environmental impact of the implementation of the FOP:

- Area of new aquatic habitat created by changing the mode of land usage in the case of new or renewed fishponds (*ha*);
- Population size and diversity of most important nesting and migrating bird species on fishpond area (*number/ha of wetland area*);
- Population size and diversity of mammal, amphibian, reptile and plant species on fishpond area (*number/ha of wetland area*);
- Inlet and outlet water quality in extensive fishponds (*chemical samples analysis on site at the beneficiaries*).

Non-technical summary of SEA

- An outline of the contents, main objectives of the programme and relationship with other relevant programmes

SEA was elaborated on the NFSPH and the FOP in an integrated way, with the same approach, unified methodology and through a common consultation and public participation. The ultimate objective of the SEA was to prepare an Environmental Report that provides

⁹ As proposed by the SEA evaluators.

feasible proposals in order to improve the environmental performance of the fisheries measures and to enforce sustainable development in the fisheries and aquaculture sector.

The evaluators examined the relations to the National Development Policy Concept (NDPC) and the National Regional Development Concept (NRDC). The NRDC insists on the improvement of capital interest and employment in the priorities of agricultural policy and agriculture and rural development in the areas of Lake Balaton, the Danube and the River Tisza. The Programme contributes to this objective by the diversification of fish production and establishment of multifunctional character of the fisheries sector. According to the NRDC, the sectoral planning process should be carried out with a regional dimension. The regional priorities of the NRDC connected to the agricultural policy contain sustainability and regional development approaches to the fisheries sector planning process. The different objectives of the FOP regarding natural waters and aquaculture systems are in compliance with this approach. To improve the compliance to strategic documents, four proposals were made by the Environmental Report.

The relations to the New Hungary Development Plan (NHDP) and the New Hungary Rural Development Programme (NHRDP) were also evaluated. The most important factor for ensuring the conformity is to establish the co-ordination and co-decision process during the implementation of the NHDP, the NHRDP and the FOP. In order to harmonize these factors, three proposals were made.

In addition, the evaluators reviewed the relations with the National Environmental Programme (NEP-II) and the National Waste Management Plan (NWMP). In order to establish the conformity with the NEP-II, the evaluators proposed concrete text versions to be inserted into the FOP. Regarding the NWMP, the proposals drew attention to the treatment and re-utilization of wastewater, biologically degradable organic matters and dangerous waste originated in the fish processing plants, and the minimizing of the packaging waste and the quantity of dangerous waste originated in the plants.

The evaluators described the correlations between the implementation of Natura 2000 directives and the fisheries activities in details. The interdependence of nature conservation and the fishery sector is at a very high level in Hungary: nearly 70 % of the area of fish-breeding ponds relevant to the FOP is situated in Natura 2000 areas, that means additional requirements and measures for the producers connected primarily to the protection of wild birds. General priorities of the NFSPH are connected to the Natura 2000 objectives. The priorities and objectives of the FOP are also in compliance with the Community objectives of Natura 2000 areas.

The evaluators also demonstrated the aspects connected to the implementation process of the WFD in details. The main objective of the WFD is the elaboration and implementation of an integrated and sustainable policy for water management. Fishery and aquaculture are connected to the WFD in two areas; the first is the quality of river basins, the second is the water management of agricultural production. The priorities of the Plan are entirely in compliance with the objectives of the WFD; the planned measures of the Programme render probable that the activities of the fisheries sector will significantly contribute to the Hungarian implementation of the WFD. In order to fulfil these objectives, the evaluators made two concrete proposals.

- b) The relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the programme

For the current state of the environment see p. 16-19 of this document.

One of the most important elements of the FOP is to support the implementation of the WFD. Without implementing the Programme, the conservation of the good ecological conditions of the fishponds may be jeopardized under the present Hungarian budgetary conditions, as a result of the lack of financial support.

The introduction and promotion of healthy nutrition and organic farming are key elements of the Programme. Without implementing the FOP, the prosperous process would be stopped, as a result of the lack of financial support, particularly in promoting the consumption of domestic fish products.

The conservation of fisheries traditions and culture is another important element of the Programme. Environmental advantages derived from the small-scale fishing activities would not be prevailed without implementing the FOP, which would increase the share of intensive fish farming methods with higher environmental burden. Traditional fishing and fish production activities are the part of the national heritage, which, without implementing the Programme, would be endangered.

- c) The environmental characteristics of areas likely to be significantly effected

The significantly affected areas are as follows:

- Area of Lake Balaton,
- Protected areas along the Danube and Tisza river,
- Smaller lakes, fishponds in Natura 2000 areas.

For the environmental characteristics of these waters see p. 16-19 of this document.

- d) Any existing environmental problems which are relevant to the Programme including, in particular, those relating to any areas of a particular importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC

The relevant (possible) environmental problems, which need particular attention in development and implementation of the FOP, are considered by the FOP SWOT analysis. The SWOT analysis of the aquaculture subsector (farming in fishponds and intensive production) indicates only the strengths of the sector in environmental aspects. It should be supplemented by weaknesses such as the low energy efficiency level of the machinery, equipment, technical devices and supplementary instalments used in the fisheries sector, and by threats (for example extreme water flows resulted by climate change, contamination originated in the neighbouring countries) as well.

The following elements are indicated in the Programme among the weaknesses of fishing activities in natural waters: the degradation of wetland habitats, the ceasing of hatching places and fish-cradles, the sedimentation of waterbeds, unforeseeable contaminations and certain developments of water management which only take technical aspects into consideration. The analysis does not explore the reasons of these facts and does not make any proposals on their

elimination. (Solving of these problems is not definitely financed by the FOP, but the reasons of these negative impacts and the alternative ways of accomplishment should be outlined in the FOP.) The evaluators proposed to supplement the analysis by the following threats: extreme water flows and flow rates resulted by climate change, contamination originated in the neighbouring countries and the environmental and economic damages caused by poaching.

In the SWOT analysis of angling activities, the very low environmental awareness level of the numerous and diverse community of anglers should be indicated among the weaknesses.

The extreme flows and flow rates resulted by climate change and the continuous contamination originated in the neighbouring countries should be indicated among initial reasons in the problem analysis tree. The environmental and economic damages caused by poaching in natural waters should be indicated as a problem with prominent significance.

In the SWOT analysis of the fish processing industry, the unsatisfactory level of the treatment of wastewater is indicated among weaknesses in the Programme; this statement is not mentioned in the NFSPH, so it should be supplemented by it. This statement is acceptable, thus, the problem should be solved: the treatment of wastewater should be taken into consideration in case of technical development processes of fish processing plants, the financial support of these objectives will be financed by FOP sources. The treatment of the hazardous and other wastes, which originate in the fish processing plants, also should be taken into account. These problems should be indicated among the weaknesses of the SWOT analysis of both the FOP and the NFSPH, namely the treatment of dangerous waste is only partially solved in the fish processing plants, and the problems are the same in case of packaging waste.

The environmental burden of increased transporting activities – derived from the increasing production capacity and overloading of the sustainable level of local economic connections and co-operations (local sales) – should also be mentioned among weaknesses.

The establishment of new fish processing plants can result in an increase of the quantity of wastewater with high content of organic matter and the quantity of biologically degradable organic matter; and, in addition, the share of hazardous components of the waste may also increase as a result of using special auxiliary materials during the processing.

- e) The environmental protection objectives, established at international, Community or Member State level, which are relevant to the programme and the way those objectives and any environmental considerations have been taken into account during its preparation

Presentation of the evaluation methodology applied

The methodology of evaluation is built on the approach – which is based on the formerly elaborated SEA approach applied in the Hungarian practice – that the strategic level of the fisheries policy (i.e. objectives and priorities) is compared to special value of order for sustainability, while the more detailed tools and measures of the Programme are examined in the context of an environmental performance evaluation scheme. In detail:

The value of order for sustainability (see below) was determined and debated with experts (with 34 criteria) and adapted to the domestic conditions regarding fish farming and the fisheries sector. The value of order for sustainability, of course, shall not be considered as the absolute declaration of sustainability, and one could not make any judgements on the sustainability of the NFSPH and the FOP by this. The evaluators consider the value of order for sustainability as a tool or a relative reference for the different priorities and objectives to compare with. The compliance of the priorities and objectives of the Plan and the Programme with the value of order for sustainability were analysed in separate evaluation matrixes.

The more concrete tools and measures of the Programme were examined in the context of an environmental performance evaluation scheme in order to get information on how the measures comply with the environment and environmental policy aspects that are based on the National Environmental Programme or other environmental strategic documents. (This set of objectives takes the environmental priorities of prevention, re-cycling (re-use) and disposal into account.) The measures of the Programme were compared to the environmental aspects – by a collective expert’s judgment – and the results of the environmental performance were detailed in an environmental evaluation matrix.

The evaluators note that this evaluation method does not want to put the priorities and objectives into the dimension of ‘sustainable – non-sustainable’, it shall be used as an analytical tool for decision-making that would like to provide clear guidelines for the priorities and objectives the evaluators propose to modify.

Value of order for sustainability

The objectives and priorities of the fisheries policy should contribute to the compliance with the following:

Holistic, overall and general values

H1 LOCAL AND REGIONAL SUSTAINABILITY

It should contribute to local sustainability by handling the unique fishery and natural endowments of the country as national heritage.

H2 GLOBAL SUSTAINABILITY

It should contribute to global sustainability, especially in the field of prevention of the negative impacts of climatic change, conservation of biodiversity and conservation of water supply and wetland habitats.

H3 ECO-SOCIAL RURAL DEVELOPMENT, ATTRACTIVE RURAL COMMUNITIES

It should promote the improvement of the quality of life in rural communities, strengthen the retention capacity and attractiveness of rural areas, promote the acquaintance of rural Hungary.

H4 VALUE PROTECTION, DIVERSIFICATION OF FISH FARMING

It should promote the preservation of rural lifestyle, the diversity of culture and traditions, ensure the sustenance of architectural, archaeological, ethnographical, settlement structural and landscape values, the conservation of the biodiversity and the relatively good state of the environment of the rural areas.

H5 CAREFULNESS AND ALTRUISM

It should ensure the realization of the principle of 'diligence of the good keeper' without affecting the values and interests of other different communities (for example the surroundings of the affected region) and it could not result in the increase of regional differences.

H6 ETHICAL BEHAVIOUR

It should promote the production of healthy, safe and traceable products, animal welfare activities and the establishment of the framework of fair production and trade.

H7 CONSCIOUS FOOD PRODUCTION AND CONSUMPTION

It should promote the improvement of consumers' behaviour regarding food products and the spreading of the sustainable consumption patterns and the principles of environmentally conscious production and consumption.

2. Environmental and natural aspects and criteria

K1 NATURE CONSERVING FISH FARMING

It should definitely support the conservation of natural values, biodiversity and the flora and fauna of wetland habitats.

K2 ORGANIC FISH FARMING

The resource demand and the use of environment should take into account the limited capacity for maintenance and the local natural endowments in the course of fish farming activities, water use and landscape use.

K3 PREVENTION AND MINIMISING OF POLLUTION

It makes efforts for the prevention of the emission of different pollutants and wastes, or, where it is not possible, for minimising those emissions.

K4 MINIMISING FURTHER NEGATIVE IMPACTS

It should not lead to trade-offs between the different environmental media.

K5 DEMATERIALIZATION

The amount of the used industrial raw materials (for example fertilisers and other agrochemical materials) the quantity of the non-renewable energy resources, and, in addition, their storage and transportation demands should be minimised.

K6 RE-CYCLING AND RE-USE

The measures should promote the recycling and re-utilization of agricultural and food processing by-products.

K7 ECONOMICAL USE OF EXHAUSTING RESOURCES

The use of non-renewable natural resources and vital elements should be minimised.

K8 VALUE PROTECTING FISH FARMING METHODS BY USING RENEWABLE RESOURCES

The stocks, the state and the self-regulating capacity of conditionally renewable natural resources should be maintained and they should be used by taking their renewal capacity and rate into account.

K9 SECTORAL INTEGRATION

It should promote the realization of sustainable water management, multifunctional agriculture and ecological landscape management approach.

3. Economic aspects and criteria

G1 PROSPERING RURAL ECONOMY

It should promote farming results with high value added, the reduction of the lack of capital in the fisheries sector, the stability of farming and the calculableness of farming activities.

G2 INTEGRATED PRODUCT POLICY

It should promote the realization of the integrated product policy by the changes of production and consumption patterns, and, it should change from the material- and energy-intensive products and services towards the material- and energy-saving, knowledge- and culture-based production and consumption methods.

G3 'PRODUCE IN PLACE, CONSUME IN PLACE'

It should promote the access to local markets, the autarchy at community level, and the support of the local food production, processing and trade.

G4 'WORK IN PLACE'

It should promote local employment, development of local small and medium enterprises, spreading of family farming and small community farming forms, support the rural mode of life and living forms and possibilities based on traditions.

G5 QUALITY PRODUCTS, INNOVATIONS

It should promote innovation in fishing and fish production, spreading innovative fishing and fish farming technologies and the quality fish production.

G6 DIVERSIFIED RURAL PRODUCT SUPPLY

It should promote the manufacturing of products with special marketing possibilities and unique quality (e. g. organic products, Hungaricums, products of special geographical origin, or special regional products)

G7 REGIONAL CO-OPERATIONS FOR PRODUCTION

It should strengthen the development of product-processing chains within the regions and settlements and the improvement of the marketing and trading relationship between farmers and producers.

Social aspects and criteria

T1 LOCAL ECO-SOCIAL INTERESTS AND SOCIAL RESPONSIBILITY

It should ensure that the use of resources occurs under responsible conditions and serves the interests of local communities.

T2 SOCIAL JUSTICE AND COHESION

It should contribute to the improvement of the living circumstances of the rural population, the fight against poverty and the integration of socially disadvantaged groups.

T3 KNOWLEDGE-BASED RURAL DEVELOPMENT

It should promote the training and access to information and the knowledge of those working in the fisheries sector, the establishment of local intellectual capacity and the establishment of services supporting fishing and fish farming activities.

T4 SOLIDARITY AND REGIONAL COHESION

It should promote the recognition of the interdependence of fish producers and the consumers as well as the improvement of the relationship between farmers, fisheries communities and local society.

T5 INTERGENERATIONAL EQUITY AND SOCIAL EQUALITY

The protection and economic use of resources that keeps long-term aspects in view should be implemented in such a way where the equal opportunities for women, children, elderly and handicapped people are ensured.

e SOCIAL PARTICIPATION

It should promote the participation of fisheries communities and the affected local communities, in professional organizations and non-governmental organizations in decision-making processes, support self-organizing activities and the development of the rural civil society.

- f) The likely significant effects on the environment, including on issues such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors

The measures of the FOP have no significant impacts on the quality of air and greenhouse gas emissions, thus it can be considered as neutral.

Significant share of domestic fish production is conducted in fishponds. In environmental aspects, these ponds are more endangered than the natural waters used for fishing activities. In the course of the conditions of surface waters and groundwater the FOP renders that using modern technologies, the emission of water pollutants is not significant, thus it may not have significant effects on water quality. The criteria of good quantitative status of groundwater are determined by the WFD, which should be taken into consideration during the implementation process of the FOP. The implementation of the FOP may assure the harmonic environmental conditions, but the knowledge on hydro geological information and conditions of the fishponds should be ensured. In accordance with the requirements of the WFD, the local harmonization of flood protection, fishing activities and rural development activities assured by using complex rural environmental farming methods was proposed.

The increasing temperature and the earlier appearance of days with higher average temperature may cause a more intensive use of water stocks. The oxygen supply has greater importance for fish bred in fishponds. The increasing temperature – as a consequence of climate change – may lead to the loss of oxygen supply; therefore the role of management of aeration may increase in the future. In the case of closed intensive fish production systems and production technologies using geothermal water, the climate change may have favourable effects, since in this case the need of geothermal water is decreasing, thus, the environmental burden may be also reduced.

The role of fishponds has a great importance in the conservation of aquatic and wetland habitats. The fish production shall be managed by such methods, which can assure perfect living conditions for all protected populations of the protected wetland habitats. The fact, that fishponds and pond systems shall assure living, feeding and reproducing possibilities for wild birds and other protected animal species, should also be taken into consideration. The priorities and objectives of the Plan and the Programme, in general, have favourable effects on the conservation of areas under natural protection, environmentally sensitive areas and Natura 2000 areas. However, the nature conservation functions and measures of the fishing activities should also be applied not only in Natura 2000 areas but also in environmentally sensitive areas (ESA), areas of ecologic corridors and in all areas under natural protection. In

order to comply with these conditions, the evaluators proposed to establish new aspects for the conservation of habitats of those species, which are living in the neighbourhood of fishponds with extensive production and – by their feeding and nesting habits – may cause conflicts.

Wetland habitats are not only one of the most important habitats in biodiversity conservation aspects, but also those with the highest risks. The measures of the Plan and the Programme connected to fish production in fishponds using extensive methods may have positive effects on the conservation of wetland habitats and protection of biodiversity. The evaluators proposed that the stocking of new fish species, which are non-native in Hungary, should be restricted by legal rules, in order to decrease the probable harmful impacts on the domestic natural waters. It is also important to establish the conditions for the prevention and conservation of fish fauna and biodiversity in domestic natural waters.

The priorities, objectives and measures of the NFSPH and the FOP can contribute to the human health and quality of life in several aspects. One of the most important effects is to be reached is the increasing of domestic consumption of fish and fish products. As an important indirect effect of the measures, the sustainable management and operation of fishponds can contribute to the maintenance of the healthier living circumstances and the environment as well. Fishponds can be used also for the environmentally friendly utilization of organic manure originated in the animal husbandry, with the aim to avoid the negative impacts on the environment and human health derived from the release of manures. Before the release manures of animal origin into fishponds – in accordance with the objectives of the prevention of chemical and biological risks – the elaboration of a study on the evaluation and the management of possible risks is proposed.

In case of land use, the establishment of a mosaic pattern is a key objective in Hungary. It is supported by establishing the fishponds, but, on the contrary, unsuitable planning of water surfaces may cause significant changes in the environment and on the landscape. Therefore, it is desirable that the changes in land use should fit to the local or regional settlement plans, not to their modifications.

The connections made between natural land use patches have active beneficial impacts on spatial structure. In the course of establishment of water surfaces, the fitting into ecological corridors, the eliminating of ecologic barriers of wetland species and the development of corridors should be taken into account. The waterfront habitats as the location of the fishing activities in natural waters are common property.

Although the role of fishing activities on landscape management is not significant in Hungary, the symmetrical boundaries of artificial water surfaces and the symmetrical morphologic features of their establishments may in general, damage the appearance of landscape. This situation should be improved by the formation of ponds and reservoirs with nature-like coastline, with non-linear boundaries, indented by creeks and islands, or, by establishing living habitats. These places may also have tourist attraction. Overall, the FOP may have favourable effects on land use and spatial structure, but for reducing the possible negative impacts three proposals were made.

The evaporation processes of greater water surfaces may have mezoclimatic effects, which improve the e, as it can develop advantageous ecological conditions for the flora of the

neighbouring areas. Some part of the water body of fishponds moves sideways by lateral seepage, which means expressive sources of water for the vegetation.

The support of traditional fishing activities and its cultural heritage is an efficient supplementary tool for the establishment of water tourism and angling tourism; it also provides additional income opportunities for those working in the fisheries sector. The possible support for these activities should be indicated in the FOP not only among the objectives, but also in the form of concrete measures. These fisheries developments are also indicated in the Lake Balaton Regional Complex Programme that is connected to the NHDP.

The role of the fisheries and aquaculture sector in the rural economy can be improved by the implementation of the measures of the FOP, thus, the support of development and training in case of small-scale fishponds should be proposed. Certain dimensions of regional sustainability – such as economic (keeping income at the place) and social (building co-operation between certain groups of the society and improving community life) – could also be improved, if the employment of socially disadvantaged groups was preferred in case of developments of the fisheries sector. By these measures, the need or intention for poaching could be reduced. The production of trout has promising options in the aspect of organic farming.

- g) The measures envisaged to prevent, reduce and as fully as possible to offset any significant adverse effects on the environment of implementing the Programme

SEA proposals on the NFSPH

1. The evaluators propose to complete the concept of horizontal sustainability of the NFSPH: „In enforcing the horizontal policies, the principles of local sustainability and landscape approach should be a basic criterion.”
2. The conformity between the FOP and Regional Operational Programmes, which also play an important role in regional development, should be ensured.
3. The reasons of the negative impacts on the wetland ecosystems (i.e. foreign contaminations, climate change, poaching, over-catching) should be determined in the SWOT analysis and problem analysis trees of 'Fisheries activities in natural waters' and 'Hungarian aquaculture' and proposals should be taken for solving these problems within the framework of the FOP or apart from it.
4. The possible problems caused by dangerous waste of fish processing plants should be summarized and their results should be determined among the weaknesses of the SWOT analysis of fish processing (i.e. the types of dangerous waste, the share compared to other waste originated during the process and the quantity of packaging waste).
5. The environmental components of the SWOT analysis and the components of problem analysis tree should be harmonized both in the Plan and in the Programme.

SEA proposals on the measures of the FOP connected to Axis 2:

6. The presentation of traditional fishery activities and the fishery heritage should be supported.
7. The socially disadvantaged groups should be supported by employment possibilities during the development process of fisheries plants.

8. The developments for the use or re-use of waste and by-products of the plants or plant units of fishery or fish producing plants should be preferred, as the environmental burden and the use of natural resources can be reduced by them.
9. The use of geothermal energy sources in warm water aquaculture production should be preferred, as well as the fish production connected to reconstruction of water power stations.
10. The treatment of the wastewater, the biologically degradable organic matters and dangerous waste should be at the highest technical level in case of developments and investments accomplished in fish processing plants.
11. The treatment and the recovery of biologically degradable organic waste produced by fish processing plants should be ensured, new technologies should be installed for the minimising of the quantity of packaging and dangerous waste.
12. The collecting and removal of perished fish carcasses should be assured by methods without harmful effects and according to public sanitary regulations.
13. The limits of concentration of any pollutants should be determined for fishponds having legal permission for operation – both for the supply waters and drainage – which can be regional and special limits depending on the user; the value of these limits should be determined by the relevant authorities.
14. The general requirements should be kept in establishment of new packaging technologies to comply with the efforts on waste minimising and recycling, as it is laid down in Annex I. of the Government Decree No. 94/2002 (V.5.) Govt. on 'Specific rules on packaging and the treatment of packaging waste'.
15. The use of equipment and technologies with reduced material and energy use should be preferred at the purchasing of fisheries equipment and in the development process of physical infrastructure. Using energy saving technological methods in fish processing, the increase of energy efficiency and the installation of solar and geothermal energy systems and wind power systems should be supported.
16. The construction of nature-like fishponds or reservoirs and developments fitting into the ecological system should be preferred.
17. Supports should not be given for the establishment of fencing around natural waters, as the fencing for property protection should be realized in the scope of aquaculture measures, infrastructure development.
18. It is suggested, that prior to starting new projects for constructing fishponds, a strategic environmental assessment should be carried out in addition to the evaluation of environmental performance, for its significant effects on water management and landscape changes, in cases where the total area of the established water surface exceeds 300 hectares in the given region in a 7 year period.
19. The developments including landscape conservation aspects should be preferred in areas rich in natural values.

SEA proposals on the measures of the FOP connected to Axis 3:

20. The training activities and purchasing equipment for the prevention of poaching should be supported predominantly, as well as the installation of monitoring systems for water pollution and fish destruction.
21. The knowledge transfer of professional training measures should be developed in the related professions (such as tourism, catering trade, trade, agriculture and forestry).
22. The promotional campaigns and trading actions of fish producers should be supported.

23. The promotion of domestic fish production should be focused on domestic (freshwater) fish species.
24. The compliance with the requirements on food processing, food hygiene, quality assurance (ISO) and HACCP should be assured.
25. The improvement of the knowledge of the fishery experts on the WFD should be supported.
26. The evaluators propose the realization of the principle 'Produce in place, consume in place' which may promote the fish consumption based on locally produced fish and fish products.
27. The production and promotion of qualified organic fish products produced by organic farming methods should be supported predominantly.

SEA proposals on the measures of the FOP connected to Axis 5:

28. Guidelines should be prepared for the harmonization process of the FOP with other Operational Programmes and the NHRDP.
29. A study should be completed on the possible environmentally friendly technical and technological development of the enterprises of the fisheries sector.
30. Prior to the release of manures of animal origin into fishponds – in accordance with the objectives to prevent chemical and biological risks – the elaboration of a study on the evaluation and the management of possible risks is suggested.

Overall proposals to be taken into account for several measures and proposals improving implementation process:

31. Inland fishing in natural waters, fish production in fishponds and the synergic structure of sectoral developments connected to these activities should be developed significantly in the areas with national importance for integrated development (areas of the Lake Balaton, the Danube River and the Tisza River).
32. The experts delegated by the Managing Authorities and Consultative Bodies of the following organizations should participate – at least with consultative rights – in the monitoring and decision-making committees of the FOP: Environment and Energy OP (measures on water management, renewable energy sources and environmental awareness); NHRDP (measures on protection of aquatic and wetland habitats, water management, village tourism, training, rural development advisory measures and LEADER-actions) and ROPs (measures on tourism and water management).
33. The implementation bodies of the FOP should be represented in the monitoring committees of the Regional Operational Programmes, the Environment and Energy OP and the NHRDP.
34. The supplementary income facilities of fisheries production should be made possible for the actors of agricultural production and forestry.
35. In case of heavily modified and artificial water bodies and fishponds, the provisions regarding environmental objectives laid down in the WFD should be applied (Article 4).
36. The evaluators propose that the following priorities should be emphasized during the implementation of the FOP:

- Slowing down the degradation of natural aquatic and wetland habitats, restocking indigenous species and reducing the overpopulation of invasive fish species.
 - Ensuring the sustainable utilization and protection of fisheries resources.
 - Developing technical skills and encouraging partnership based on common programmes between researchers and the fisheries sector.
 - Increasing the social acceptance of the fisheries sector.
 - Increasing the consumption of organic fish products coming from domestic production.
 - Laying down the scientific foundations of the diversification and multifunctional character of fish production.
 - Ensuring the protection of domestic fish gene pools.
37. The evaluators propose the introduction and use of target-specific sustainability indicators for the following objectives during the implementation of the FOP:
- Expanding the possibilities of direct sales in fish producing farms.
 - Increasing the level of Hungarian fish consumption and thereby facilitating healthy human nourishment by producing and marketing healthy fish products with high biological value; increasing the product scale and added value of the processed fish products.
 - Increasing the productivity and effectiveness in the fish processing industry, primarily through improving the technical and technological standards.
 - Introducing new and new type freshwater fish species on the domestic market.
38. The evaluators propose to perform an environmental impact assessment – in accordance with the Government Decree No. 314/2005 – before the construction of new fishponds in order to fully comply with environmental aspects.
39. The local harmonization of flood protection, fishing activities and rural development activities should be assured by using complex environmental farming methods.
40. In fishponds, which are situated in protected, sensitive or Natura 2000 areas, the fish production should be managed by extensive methods; these activities should be supported predominantly. In accordance with the principles laid down in NFSPH, the evaluators propose to establish new aspects for the conservation of habitats of those species which are living in the neighbourhood of fishponds with extensive production and – by their feeding and nesting habits – may cause conflicts.
41. Supplementary Guidelines for Sustainability should be elaborated based on the Environmental Report of the SEA relating to the FOP.
42. The evaluators propose the elaboration of an integrating fishery planning and decision-making method which can consider the different sectoral, regional and social aspects (demands and anxiety), and to explore the favourable and unfavourable inter-relations as well.
43. The evaluators consider important to emphasize that the different aspects presented in the proposals should be consequently represented in calls for application, in judgement guidelines and in procedural orders, so on the basis of the SEA Environmental Report, supplementary Guidelines for Sustainability should be elaborated with relation to the FOP.

- h) An outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties encountered in compiling the required information

The expected overall effects of FOP were the main guiding principles in selecting among the possible alternatives. The major cumulative impacts are as follows:

1. The Plan can contribute to the national transition towards sustainable development, if the aspects proposed by the SEA are integrated in the course of the implementation process;
 2. The environmental performance of the Programme is acceptable, but it could be significantly improved if the improving and compensating measures proposed by the SEA are integrated. As a result of the implementation of the FOP, the Hungarian fisheries and aquaculture sector may be a special sector of the domestic food-industry, which besides the production of healthy and safe food products can also contribute to the conservation of biodiversity, the recreational activities related to water, the more efficient water management, the increasing of environmental and landscape values, the improvement of the quality of life in rural areas and the conservation of traditions and cultural values.
 3. The most significant positive impacts of the FOP can be in the following fields, i.e. in these areas - the Programme 'strengths':
 - i. promotion of organic farming systems; sustainable regional farming methods and complex environmental management systems;
 - ii. prevention against the impacts of extreme climatic situations and environmental disasters (adaptation ability);
 - iii. prevention of the quality of water (surface water and groundwater), conservation of good ecological conditions;
 - iv. reducing chemical and microbiological risks;
 - v. increasing health protection and food safety;
 - vi. increasing the environmental awareness of the population, promoting sustainable consumers' behaviour.
 4. In case of some measures – the environmental effects of which can be considered as negligible – negative impacts may be expected (for example air pollution at global and local level, increase of energy and material use). To strengthen the positive effects and to reduce the negative impacts, 26 proposals were elaborated in the Environmental Report. The evaluators note that the implementation process of the Programme should be organized and managed by considering the environmental aspects, in order to prevent the increase of the environmental burden during the allocation of the financial resources.
- i) Description of the measures envisaged concerning monitoring

The proposed environmental indicators in relation to the Programme are:

- Total area of new wetland habitats by changes in land use, in case of new fishponds and fishpond reconstruction [hectares],
- The number of purchased new machinery [pc],
- The number of old machinery replaced by new machinery [the number of old machinery put out of service due to the purchase of new machinery],
- Wastewater and waste production of fish processing plants,
- The proportion of indigenous fish species compared to the total fish production,
- The number of enterprises producing qualified organic products.

The evaluators note that our proposals on indicators cannot be considered as complete, so that, additional, axis-specific proposals should be taken within the frames of the Guideline for Sustainability to be elaborated.

It is essential that during the implementation of the measures, the relevant environmental effects (either at the level of the individual measures or at the level of sectors and regions) are monitored. In order to provide the relevant information, the evaluators suggest the following: After the final approval of the FOP, an Environmental Monitoring, Evaluation and Reporting Plan (EMERP) should be elaborated. The EMERP should be based on the indicators presented above and methodology used should be harmonized by similar procedures than those related to the NHRDP.

The EMERP should be an integrated part of the mid-term evaluation. The results should be presented to the social partners (i.e. owner's organizations, NGOs, agricultural chambers and science associations etc.)

The EMERP should provide information for the environmental authorities on a regular basis. In the case of application for environmental permission, the EMERP information may serve as a baseline or reference.

3(c)2 Description of the situation in terms of equality between men and women with regard to labour market opportunities, including constraints on specific groups

With regard to certain measures of the NFSP and the FOP, encouragement of employing women in the development of rural areas appears as a priority. In order to make it possible for the NFSP to contribute to the objectives of equal opportunities, and to provide for equal chances for men and women, the following aspects should be paid more attention:

- Promoting equal opportunities for men and women is essential to improve the growth of the economy and competitiveness;
- Similarly to other EU Member states, Hungary should strengthen its definite commitment to increase the number of employed women and the support of them in other fields as well (e.g. compatibility of family and working);
- In the case of every measure, the effect on the life of women and men should be considered (*gender mainstreaming*).

However, in connection with this matter, it should be pointed out that fishery and fish production in the traditional sense have been based on employment of men for many

thousands years. Nowadays and in the following period, there is a possibility of increasing the level of employment of women in intensive fish production and processing beyond fisheries related administration. We will make this incentive visible even in the application process (bonus points in connection with the above listed three areas) but extra attention will also be paid to it during the FOP implementation and monitoring.

3(d) Main outcomes of the analysis

Main outcomes of the analysis by sub-sectors:

AQUACULTURE

- infrastructure background of fishpond culture must be developed
- joint marketing efforts of producers must be encouraged
- infrastructure for fish storage must be improved
- priority must be given to energy and water saving production systems and the use of renewable energy sources
- life long education of personnel working in aquaculture is needed, as well as permanent extension services for them
- structural change in the sector and introduction of new species and technologies must be promoted

INLAND FISHING

- selective inland fisheries needs to be maintained
- infrastructure for fish storage must be developed
- poaching in the fishing grounds must be controlled
- spawning and nursery grounds in inland waters need to be prepared

FISH PROCESSING AND MARKETING

- technical, technological and hygienic conditions of the domestic fish processing plants need to be improved
- energy and water saving processing systems and use of renewable energy must be promoted
- development of wider range of products and their marketing should be promoted
- wastewater treatment facilities of the processing plants need to be modernised and developed
- marketing communication programme co-ordinated at a sectoral level must be launched for the improvement of domestic fish consumption
- market transparency must be secured and traceability of products must be ensured at the highest possible level

4. STRATEGY AT OPERATIONAL PROGRAMME LEVEL

The objectives of FOP are completely in conformity with the Common Fisheries Policy and other Community objectives (e.g. Gothenburg strategy of sustainable development and Lisbon strategy of competitiveness and employment).

The strategy proposed for the FOP stems from the NFSP (Hungarian Government adopted it in December 2007). It takes into account the results of the SWOT analysis and contributes to the achievement of the EFF objectives set out in Article 4 of the EFF Regulation.

4(1) Strategy chosen to meet strengths and weaknesses including overall objective(s) of the FOP using impact indicators

According to the strategic vision, sustainable development and modernisation of the Hungarian fisheries sector are the basic aims of the FOP. This will be achieved through the application of environmentally friendly production methods that will contribute to sustainable use of the natural resources, production of healthy, safe fish products, while contributing to the preservation of biodiversity. The promotion of the sector will improve the image and increase the consumption of fisheries and aquaculture products. While modernising the production and processing facilities and increasing the effectiveness, it is important to maintain the level of employment, as well as to improve the competitiveness of the sector. Finally, a better balance between supply and demand should be achieved, in particular through a close monitoring of the prices in the domestic and European market.

The main strategic vision of the Hungarian fisheries sector: **Competitive, as well as economically, socially and environmentally sustainable and modern fisheries sector via the modernisation of production installations and the construction of new facilities in aquaculture and processing.**

The FOP contributes to the achievement of this strategic vision through the available financial resources. For this, the following overall objectives were identified:

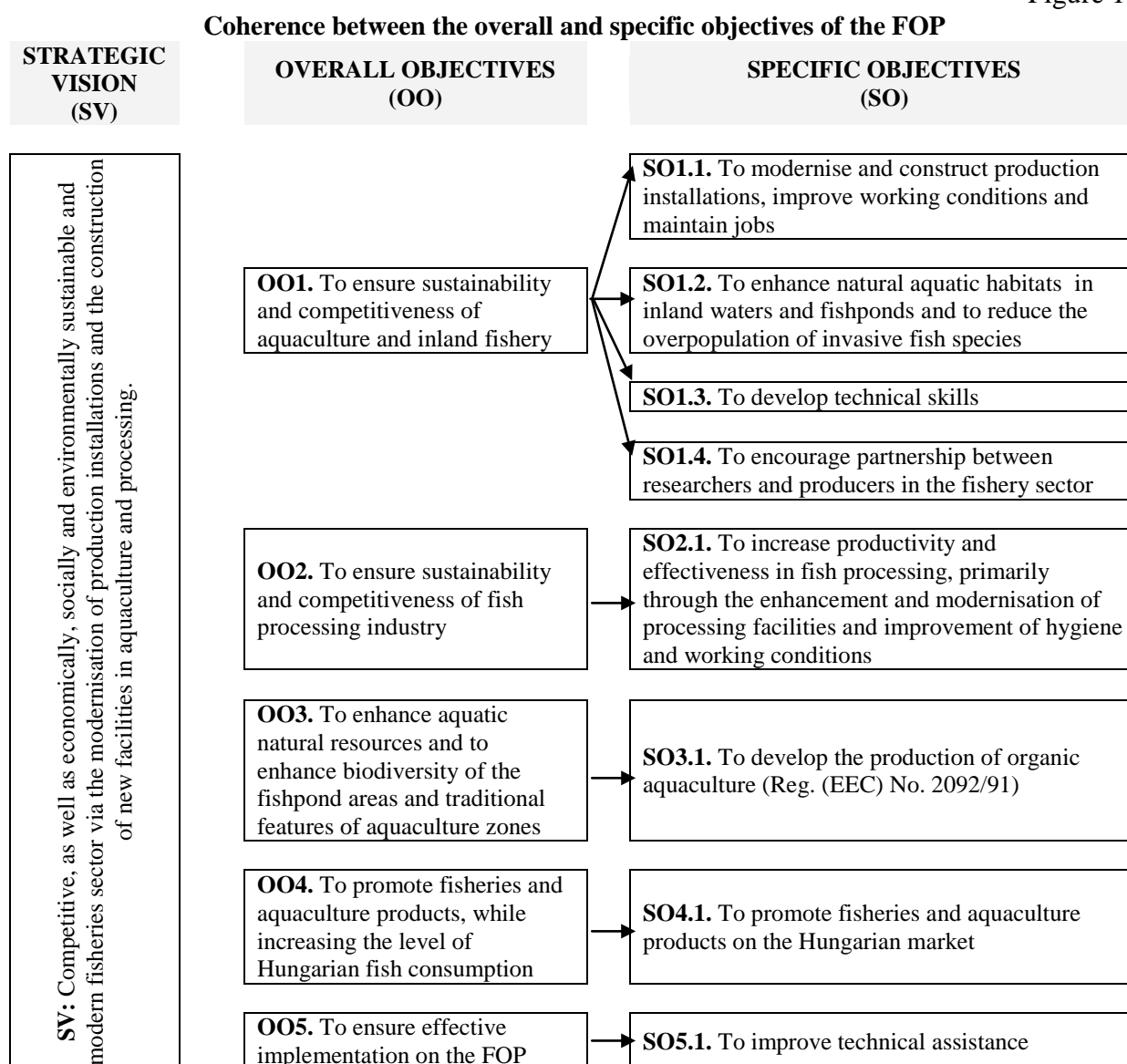
OVERALL OBJECTIVES - OO	IMPACT INDICATORS	Baseline (2006)	Objective (2015)
OO1. To ensure sustainability and competitiveness of aquaculture and inland fishery	Total production value of fisheries sector (<i>1000 EUR</i>)	40,476	44,524
	Export/Import index (by value)	7.7	7.7
	Productivity in aquaculture (<i>tonnes/ha</i>)	0.551	0.634
OO2. To ensure sustainability and competitiveness of fish processing industry	Gross output of the fish processing sector (<i>M EUR</i>)	12,3	13,53
OO3. To enhance aquatic natural resources and to enhance biodiversity of the fishpond areas and traditional features of aquaculture zones	Increase in biodiversity of the fishpond areas (%)	-	10
OO4. To promote fisheries and aquaculture products, while increasing the level of Hungarian fish consumption	Increase in fish consumption (%)	0	31
OO5. To ensure effective implementation of the FOP	Full documentation of all procedures (<i>Y/N</i>)	-	Y

They are presented in this section, together with the specific objectives that support them and, in that context, the expected results, illustrating more closely, what should be achieved. Achievement of these results should have the expected impacts in terms of competitiveness, job creation and sustainability of the sector.

4(2) Strategy chosen to meet strengths and weaknesses including specific objectives which the FOP priority axes aim to achieve, using result indicators

The specific objectives of FOP to be achieved within the overall objectives, in respect of the EFF Regulation and its Implementing Regulation are as follows:

Figure 1



The specific objectives and the result indicators by priority axis are the following:

SPECIFIC OBJECTIVES	RESULT INDICATORS
PRIORITY AXIS 2: AQUACULTURE, INLAND FISHING, PROCESSING AND MARKETING OF FISHERY AND AQUACULTURE PRODUCTS	
SO1.1. To modernise and construct production installations, improve working conditions and maintain jobs	New fishponds (<i>ha</i>) Modernised fishponds (<i>ha</i>) Maintained jobs in aquaculture (<i>persons</i>)
SO1.2. To enhance natural aquatic habitats in inland waters and fishponds and to reduce the overpopulation of invasive fish species	Proportion of fishponds participating in Aqua-environmental Programme (% of the total area of fishponds)
SO2.1. To increase productivity and effectiveness in fish processing, primarily through the enhancement and modernisation of processing facilities and improvement of hygiene and working conditions	New processing facilities (<i>capacity: tonnes</i>) Modernised processing facilities (<i>capacity: tonnes</i>) Number of projects aiming at improving working conditions and hygiene (<i>pc</i>)
SO3.1. To develop the production of organic aquaculture (Reg. (EEC) No. 2092/91)	Number of units that have put in place organic production (<i>pc</i>)
PRIORITY AXIS 3: MEASURES OF COMMON INTEREST	
SO1.2. To enhance natural aquatic habitats and to reduce the overpopulation of invasive fish species	Increase of native "high value" fish ratio (%)
SO1.3. To develop technical skills	Number of training activities (<i>pc</i>)
SO1.4. To encourage partnership between researchers and operators in the fishery sector	Increase of the average yield in aquaculture (<i>tonnes/ha</i>)
SO4.1. To promote fisheries and aquaculture products on the Hungarian market	Domestic fish consumption (<i>kg/capita/year</i>)
PRIORITY AXIS 5: TECHNICAL ASSISTANCE	
SO5.1. To improve technical assistance	Operations on communication actions (<i>pc</i>)

(See chapter 6 for more details and target values)

4(3) Calendar and intermediary objectives

The following table establishes the objectives to be achieved by 2010. The baseline year presented is 2006.

Table 7

RESULT INDICATORS	Baseline (2006)	Mid-term (2010)	Objective (2015)
Area of new fishponds (<i>ha</i>)	23,878	24,178	24,878
Area of reconstructed fishponds (<i>ha</i>)	0	1,000	4,000
Total aquaculture fish production (<i>tonnes</i>)	22,843	25,584	29,696
Per capita fish consumption (<i>kg/year</i>)	3.96	4.50	5,2

5. SUMMARY OF THE EX ANTE EVALUATION

The State Secretariat for EU Affairs of the MARD acting as the Managing Authority of ARDOP (which comprises FIFG co-financed measures) assigned Agrár Európa Ltd. to perform an ex ante evaluation of the draft FOP.

The evaluator stated that the draft FOP supports the selected priorities based on a detailed analysis of the strengths and weaknesses in accordance with the related rules and regulations; it describes the measures suggested within the priority axes. It assigns numeric values to the objectives and sets out target values; it contains a financing plan and determines the measures concerning the implementation of the FOP, including the description of the institutions for the monitoring and evaluation and the measures ensuring the publicity of the FOP.

The aim of the FOP is to implement the strategy proposed in the NFSP in order to achieve most efficiently the objectives set out in the EFF Regulation.

The ex ante evaluation and the drafting of the FOP were conducted in parallel.

Main outcomes of the ex ante evaluation and the way they were taken on board:

CONCLUSIONS AND RECOMMENDATIONS	ACCEPTED	MEASURE TAKEN
1. The sectoral vision is adequately straightforward, aim-oriented and ambitious	Partially	Improvement of sectoral vision
2. 40% of the fishponds are degraded and have to be modernised	Yes	In axis 2, the measure for investments in aquaculture puts emphasis on the modernisation of fishponds.
3. Taking into consideration the increasing market demand, intensive production has significant reserves	Yes	In axis 2, it is planned to increase the production capacities in intensive systems. In axis 3, promotion campaigns will be introduced.
4. To emphasize the importance of improving the image of fisheries and aquaculture products	Yes	Measure has been introduced in the FOP based on EFF Article 40.
5. The product range of the domestic processing plants is quite narrow and dominated by products with little value added	Yes	In axis 2, the measure dealing with investments in processing aims to extend the range on offer and add value to all products.
6. Professional knowledge and innovative practical skills of the personnel have to be increased	Yes	In axis 3, trainings and access to special information and exchange of best practice will be supported.

6. PRIORITY AXES OF THE FOP

For Hungary as a land-locked country, priority axes 2 and 3 are the most important ones. The investments were already focusing on aquaculture, inland fishing, processing and marketing. The most important areas of common interest are to develop the domestic market and technical skills and to enhance natural aquatic habitats. Priority axis 5 is important for programme implementation.

List of the FOP priority axes and measures

Priority axis 2	Code	Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products
	M2.1	Measure 2.1 Productive investments in aquaculture
	M2.2	Measure 2.2 Aqua-environmental measures
	M2.3	Measure 2.3 Inland fishing
	M2.4	Measure 2.4 Investments in processing and marketing
Priority axis 3	Measures of common interest	
	M3.1	Measure 3.1 Collective actions
	M3.2	Measure 3.2 Protection and development of aquatic fauna and flora
	M3.3	Measure 3.3 Development of new markets and promotional campaigns
	M3.4	Measure 3.4 Pilot projects
Priority axis 5	Technical assistance	
	M5.1	Measure 5.1 Technical assistance

6(a) Coherence and justification of the priority axes

As Hungary does not have seashore, or a sea fishing fleet, it will not implement axis 1 in the FOP. Axis 4 will neither be implemented due to the constraints of the criteria set by the EFF Regulation for setting up of groups in fisheries areas. The FOP will only support activities as provided for under the priority axes 2, 3 and 5 of the EFF Regulation.

The main issues of each priority axis were determined based on an overall sector analysis in the NFSP.

The main issues justifying the implementation of **priority axis 2** in the Hungarian FOP:

- technical and technological developments of fish production have not reached the required level for several decades;
- outdated facilities and equipment (fishponds, machines, infrastructure, etc.) complicate the production of high quality products and production costs and economic risks are also high;
- the number of financially healthy optimal-size farms using modern technologies is very low, the lack of capital is one of the biggest hindering factors in development and in increasing the value added in the fish processing sector.

The main issues justifying the implementation of **priority axis 3** in the Hungarian FOP:

- Community-level marketing activity, needed also to increase the Hungarian fish consumption, needs to be developed;

- cooperation between fish producers is not sufficient, the number and economic importance of producer groups are low;
- as a result of a limited funding, practical application and utilization of R&D results is difficult in farms which otherwise have low financial resources;
- no unified tracing system to trace back fishery products generates a need for an improvement in food safety;
- educational level of fish producers is not sufficient, particularly in the field of complex farming and EU related matters, which is not relieved even by the existing extension service system that should be more specialized.

The main issues justifying the implementation of **priority axis 5** in the Hungarian FOP:

- a great need to keep contact with the potential applicants, to generate projects and to promote the FOP during its implementation;
- statistics, evaluations and expert reports should be made during the implementation for which extensive data collection and analyses of data are needed;
- necessity to finance measures improving managing abilities including the technical training of those who participate in the implementation of the FOP.

6(a)1 The relevant part of the NFSP

The Hungarian NFSP is in coherence with the CFP and the Strategy for a Sustainable Development of European Aquaculture, which is well reflected by these main objectives:

- providing secure and healthy food for the population in order to increase fish consumption and improve the structure of food supply;
- developing environmentally friendly and water saving fish producing technologies, at the same time meeting the animal welfare criteria;
- promoting the competitiveness of fish producers on the domestic and EU market, and ensuring sustainability of the sector for future generations;
- contributing to the improvement of the ecology and fisheries management in the natural waters;
- contributing to the improvement of the quality of life and employment of rural population and to the preservation of fishing traditions.

PRIORITY AXIS 2

The main points demonstrating the coherence with the NFSP of the priority axis 2 are:

- although carp is and remains the basic product of Hungarian pond aquaculture, consideration should be given to the possibility to shift towards the production of other fish species (wels, pike-perch, pike, tench and other species with good market prospects) having good sales opportunities in the short run, in compliance with Council Regulation (EC) 708/2007¹⁰;
- fishponds are artificially built in areas unsuitable for profitable agriculture and provide conditions for biodiversity and other environmental and social values, therefore production methods helping to protect and improve the environment and conserve natural values are applied in these areas;
- most fishponds need modernizing or reconstruction and live fish container ponds to ensure stable supply and equilibrium on the market;

¹⁰ Council Regulation (EC) No 708/2007 of 11 June 2007 concerning use of alien and locally absent species in aquaculture

- intensive producers using alternative energy (geothermal etc.) should be encouraged to improve technological standards and to modernise their systems to meet the environment and animal welfare requirements, as well as to establish new production units to provide supply and to develop product range;
- in view of the importance of the fauna on the Hungarian fishponds and particular importance of these as a living environment of birds, the FOP will implement aqua-environmental measures;
- given the large surfaces of inland waters and the diversity of the species, it is desirable to preserve the traditional inland fishing, though not economically important, while providing for sustainable employment (in particular the establishment of selective catching techniques causing the least disturbance and damage to the aquatic environment and wild genetic heritage and the replacement of worn-out fishing gears used in commercial fishing);
- increase of the fish processing capacity, improvement of the utilization of available capacities and modernisation of the facilities with the latest technologies should help increase fish consumption;
- modern and innovative processing machines and equipment will replace manual workforce and make the production more effective, cost-efficient and with higher value added;
- establishment and operation of small facilities for preparation of fish will enable direct on-farm sale of the aquaculture production, while meeting food safety and animal welfare requirements.

PRIORITY AXIS 3

The main points demonstrating the coherence with the NFSP of the priority axis 3 are:

- a need to promote the use of new technologies in the Hungarian fisheries sector including pilot projects,
- quality production, certification and traceability should be promoted,
- better links between the sector and scientists should be established,
- better management of inland waters and rehabilitation and conservation of aquatic habitats should be achieved,
- better information and promotion of fisheries and aquaculture products will lead to an increase in fish consumption.

PRIORITY AXIS 5

For a smooth implementation of the FOP, certain activities, mainly administrative ones are necessary, for which a separate budget is available.

Measures related to the preparation, management, monitoring, evaluation, publicity and control of the FOP, and measures aiming at dissemination of information, encouragement of cooperation and the exchange of information within the Community can be supported. Measures aiming at the improvement of management abilities will also be supported.

6(a)2 Guiding principles of the operational programme (Art. 19 of the EFF Regulation)

CFP - NFSP

The priority axes are consistent with the principles of the CFP and the NFSP. Both of the relevant priority axes (2 and 3) aim at the enhancement of a harmonious, balanced and sustainable development of economic activities, jobs and human resources and contribute to the protection and the improvement of the environment.

Sustainable Development - Lisbon and Gothenburg Strategy

The principles of the Lisbon and Gothenburg Strategy are taken into account in the whole of the FOP, especially in measure groups I and III, which serve competitiveness, innovation and generation of employment. Among the threats and tasks revealed in the Gothenburg strategy, the following ones should be emphasized in connection with Hungarian fisheries:

- the ageing of the (rural) population,
- decline of biodiversity,
- issues of economical growth and the utilization of resources should be separated,
- sustainable rural development is the centre point of rural policy,
- in fish production, capture fisheries in natural waters and fish processing effectiveness and quality will be the priority instead of quantity, through encouraging environmentally friendly, energy saving technologies and farming methods, and through supporting the related innovations,
- fisheries have a very important role in protecting living habitats and natural ecosystems and also in the preservation of biodiversity,
- utilization of alternative energy and wider use of such technologies and methods reducing (directly or indirectly) the emission of greenhouse gases and the use of fossil energy.

To ensure environment protection and sustainability is an essential and horizontal objective.

Through the priority axes 2 and 3, the FOP contributes to the achievement of the Lisbon strategy by supporting interventions leading to maintenance or increase of employment in the fisheries sector. The innovative activities will be supported through the promotion of introducing new technologies and products.

Both priority axes contribute to the achievement of Gothenburg objectives. Priority axis 2 contains interventions enhancing the environmental dimension in the fisheries sector, aiming at the support of environmentally friendly aquaculture methods, investments in equipment improving wastewater treatment in industrial fish processing and at using recirculation systems. Axis 3 will support the protection and development of aquatic fauna and flora.

In the implementation of the NFSP, link to certain European Union level strategies can mean further possibilities or in some cases access to subsidies. Competitive fish production and fish processing, spreading of well-established environmentally friendly fish producing methods, encouragement of ecological farming and enhancing food safety fits consistently into the Action Plan for Organic Food and Farming (COM/2004/0415) and to the covenant encouraging the reinforcement in the use of renewable energy sources (COM/2004/0366).

6(a)3 Outcomes of the ex ante evaluation referred to in Article 48 of the EFF Regulation

The proposed programme objectives are in accordance with the EFF Regulation and with the needs of the sustainable development of the Common Fisheries Policy.

The selected strategy addresses the needs identified in the FOP and contains clear and measurable objectives with relevant indicators.

The proposed priority axes and measures correspond with the specific objectives and the main FOP objective. Operational objectives are coherent with the specific objectives of the FOP.

Because of a continuous consultation between the ex ante evaluators and the FOP developers, the proposals of the evaluation could be utilised simultaneously in the FOP. The final version of the FOP was assessed by the ex ante evaluators and its consistency was confirmed.

The ex ante evaluators have concluded that:

- ex ante evaluators identified coherence of the FOP with the CFP and the NFSP, therefore achievement of the objectives and indicators can be considered as realistic;
- the allocation of resources between priority axes is adequate and coherent with the proposed strategy.

6(b) Description of each priority axis

6(b)1 Main objectives of the priority axes

Each specific objective is linked with an overall FOP objective (Figure 1).

Priority axis 2 Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products

Code	Specific objective
SO1.1	To modernise and construct production installations, improve working conditions and maintain jobs
SO1.2.	To enhance natural aquatic habitats in inland waters and fishponds and to reduce the overpopulation of invasive fish species
SO2.1	To increase productivity and effectiveness in fish processing, primarily through the enhancement and modernisation of processing facilities and improvement of hygiene and working conditions
SO3.1	To develop the production of organic aquaculture (Council Reg.(EEC) 2092/91)

Priority axis 3 Measures of common interest

Code	Specific objective
SO1.2	To enhance natural aquatic habitats and to reduce the overpopulation of invasive fish species
SO1.3	To develop technical skills
SO1.4	To encourage partnership between researchers and producers in the fishery sector
SO4.1	To promote fisheries and aquaculture products on the Hungarian market

Priority axis 5 Technical assistance

Code	Specific objective
SO5.1.	To improve technical assistance

6(b)2 Baseline and quantified targets

The specific objectives have been derived from the overall objectives and the measures are integrally connected to these. Indicators presented in this chapter are necessary to quantify, where they lend themselves to quantification, the specific objectives of the priority axes.

Result indicators of the specific objectives under the priority axis 2

Code of objective	Name/Definition of the result indicator	Baseline (2006)	Target value (2015)	Source
SO1.1	New fishponds (<i>ha</i>)	0	1,000 ha	Monitoring report
	Modernised fishponds (<i>ha</i>)	0	4,000 ha	Monitoring report
	Maintained jobs in aquaculture (<i>persons</i>)	1,353	1,353	AERI
SO1.2.	Proportion of fishponds participating in aqua-environmental programme (% of the total area of fishponds)	0	50%	Ministry of Agriculture, AERI
SO3.2	Number of units that have put in place organic production (<i>pc</i>)	0	5	Monitoring report
SO2.1	New processing facilities (<i>capacity: tonnes</i>)	0	700	Monitoring report
	Modernised processing facilities (<i>capacity: tonnes</i>)	0	1,300	Monitoring report
	Number of projects aiming at improving working conditions and hygiene (<i>pc</i>)	0	5	Monitoring report

Result indicators of the specific objectives under the priority axis 3

Code of objective	Name/Definition of the result indicator	Baseline (2006)	Target value (2015)	Source
SO1.2	Increase of native “high value” fish ratio (%)	60.4	63.05	Ministry of Agriculture
SO1.3	Number of training activities (<i>pc</i>)	0	9	Monitoring report
SO1.4	Increase of the average yield in aquaculture (<i>tonnes/ha</i>)	0.551	0.62	HCSO/ AERI
SO4.1	Domestic fish consumption (<i>kg/capita/year</i>)	3.96	5.2	HCSO

Result indicators of the specific objectives under the priority axis 5

Code of objective	Name/Definition of the result indicator	Baseline (2006)	Target value (2015)	Source
SO5.1	Operations on communication actions (<i>pc</i>)	0	15	Monitoring report

6(b)3 Justification of the average rate co-financing, target groups/sectors/areas and beneficiaries

Hungary decided to apply the maximum levels of aid intensity set up in Annex II to the EFF Regulation.

Maximum rates of Community contribution provided for in Article 53(3) of the EFF Regulation will be used in both the Convergence and the non-Convergence objective regions.

Target groups and main beneficiaries in the FOP are:

Axis 2.	– Individual entrepreneurs registered in Hungary, natural persons and legal entities engaged in aquaculture and/or fisheries and/or fish processing industry (meas. 2.1, 2.2, 2.3, 2.4)
Axis 3.*	– Groups/associations/organisations of fish producers or inland fishermen or fish processors – Organisations of fisheries producers with a licence issued under the terms of Council Regulation (EC) No. 104/2000 – Science, research institutions, universities and institutions of further training in the field of fisheries
Axis 5.**	– Prime Minister's Office (PMO) as MA – Agricultural and Rural Development Agency (ARDA) as IB – Experts

*In case of public procurement in Axis 3 Prime Minister's Office is the announcer (not the beneficiary) of the public procurement. According to the 1198/2006/EC regulation a natural or legal person who is the ultimate recipient of public aid is the beneficiary. The PMO announces the public procurement according to the national law on public procurement (CVIII/2011 law) and signs a contract with the final beneficiary. It should be stated that the Hungarian law interprets differently the expression "beneficiary". In this law the beneficiary is the announcer and could receive the final invoice. After that, the PMO pays to the final beneficiary. However, the ultimate recipients of the aid in all cases of Axis 3 are bodies mentioned in the above table.

** In case of Axis 5, when the Prime Minister's Office is the final beneficiary, the Managing Authority has strictly separated rules for submission and authorization to prevent any conflict of interest.

6(b)4 Description and justification of the main measures for each priority axis

PRIORITY AXIS 2

Measure 2.1 Productive investments in aquaculture

Legal basis: Article 28 and 29 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to ensure the production base and appropriate conditions for fish production;
- to expand the possibilities of direct sales on fish farms;
- to diversify towards new species and production of species with good market prospects;
- to implement aquaculture methods substantially reducing negative impact or enhancing positive effects on the environment when compared with normal practice in the aquaculture sub-sector;

- to maintain jobs and to improve the working and safety conditions of aquaculture workers.

Eligible activities

- Activity 1:** Construction of new production facilities for aquaculture
Activity 2: Reconstruction and modernisation of existing production facilities
Activity 3: Building, reconstructing and modernizing fish hatcheries
Activity 4: Investments improving social and working conditions
Activity 5: Establishing the infrastructure of direct sales on fish farms

Co-financing rate

The average rate of public contribution will be limited to 60% of total eligible expenditure in the Convergence Objective regions (75% EU, 25% national contribution), and 40% in non-Convergence regions (50% EU, 50% national contribution).

Measure 2.2 Aqua-environmental measures

Legal basis: Article 30 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to protect and improve the environment, natural resources and genetic diversity;
- to manage the landscape and the traditional features of aquaculture areas;

Eligible activities

- Activity 1:** Applying forms of aquaculture comprising protection and enhancement of the environment, natural resources, genetic diversity, and management of the landscape and traditional features of extensive aquaculture zones (Art. 30(2)(a))
Activity 2: Converting to organic aquaculture production within the meaning of Regulation (EEC) No 2092/91, especially in the Natura 2000 areas (Art. 30(2)(c))

In order to receive a one-off compensation, beneficiaries must commit themselves to aqua-environmental requirements for a minimum of five years, which go beyond the mere application of normal good aquaculture practice. All the applicable provisions are contained in the EFF regulation and will be described in the national manual for applicants.

Co-financing rate

The public contribution will be 100% (75% EU, 25% national contribution in the Convergence objective regions, 50% EU, 50% national contribution in non-Convergence objective regions).

Measure 2.3 Inland fishing

Legal basis: Article 33 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to improve safety, working conditions, hygiene and product quality or to reduce negative or having positive impact on the aquatic environment.

Eligible activities

- Activity 1:** Investments in inland fishing fleet aiming to improve the safety on board, working conditions, hygiene and quality of the products and to modernise the inland fishing boats
- Activity 2:** Modernisation of inland fishing facilities through investments aiming to improve the equipment of existing or new landing sites – storage facilities, refrigerating warehouse and ice machines

Co-financing rate

The average rate of public contribution will be 60% of total eligible expenditure in the Convergence Objective regions (75% EU, 25% national contribution in Convergence objective regions). The inland fishing measure is not relevant in the non-Convergence regions.

Measure 2.4 Investments in processing and marketing

Legal basis: Article 34, 35 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to improve the utilization of existing processing capacity;
- to improve the hygienic and working conditions and reduce the negative impact on the environment;
- to produce high quality products for niche markets;
- to develop the product range and increase the value added of the processed fisheries and aquacultures products;
- to improve the reuse of by-products and waste;
- to apply new technologies or develop innovative production methods.

Eligible activities

- Activity 1:** Construction of new fish processing facilities including the facilities that will reduce the negative impact on the environment especially improving the use of sub-products and waste
- Activity 2:** Reconstruction and modernisation of existing fish processing facilities including the facilities that will reduce the negative impact on the environment, especially improving the use of sub-products and waste
- Activity 3:** Investments to improve working conditions and hygiene
- Activity 4:** Life long learning to improve the knowledge and technical skills in the field of fish processing (training activities and information exchange activities)

Co-financing rate

The average rate of public contribution will be limited to 60% of total eligible expenditure in the Convergence Objective regions (75% EU, 25% national contribution), and 40% in non-Convergence regions (50% EU, 50% national contribution).

PRIORITY AXIS 3

Measure 3.1 Collective actions

Legal basis: Article 37 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to contribute sustainably to better management or conservation of resources;
- to contribute to the transparency of markets in fisheries and aquaculture products including traceability;
- to improve quality and food safety in the fisheries sector;
- networking and exchange of experience and best practice among stakeholders;
- to upgrade professional skills, or develop new training methods and tools;
- to promote partnership between scientists and operators in the fisheries sector;
- to promote the creation of producer organisations;
- to establish and build partnerships with third countries in the fisheries sector.

Eligible activities

- Activity 1:** Improvement of the quality and food safety of aquaculture and fisheries products and development, as well as testing, of traceability systems
- Activity 2:** Creation of the network of Fisheries Cooperation Knowledge and Technology Transfer
- Activity 3:** Upgrading of professional skills and developing new training methods and tools
- Activity 4:** Development of research partnerships between research institutes, fisheries sector and stakeholders: active participation to research programmes on subjects related to the fisheries sector (e.g. resource management, aquaculture techniques, control of products quality, energy saving, etc.) developed by research institutes
- Activity 5:** Creation and restructuring of producer organisations recognised under Council Regulation (EC) No. 104/2000
- Activity 6:** Establishment of an electronic auction place
- Activity 7:** Carrying out feasibility studies aiming at promoting the partnership with third countries in the fisheries sector

Co-financing rate

The public contribution can be maximum 100% (75% EU, 25% national contribution in the Convergence Objective regions and 50% EU, 50% national contribution in non-Convergence regions).

Measure 3.2 Protection and development of aquatic fauna and flora

Legal basis: Article 38 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to protect and develop aquatic fauna and flora while enhancing the aquatic environment;
- to slow down the degradation of natural aquatic habitats and to reduce the overpopulation of invasive fish species.

Eligible activities

Activity 1: Construction or installation of static or movable facilities intended to protect and develop aquatic fauna and flora

Activity 2: Rehabilitation of inland waters, including spawning grounds and migration routes for migratory species

Co-financing rate

The public contribution can be maximum 100% (75% EU, 25% national contribution in the Convergence Objective regions; 50% EU 50% national contribution in non-Convergence regions..

Measure 3.3 Development of new markets and promotional campaigns

Legal basis: Article 40 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to implement a policy of quality and increase the value added of the products;
- to inform the consumer and develop new markets through promotional campaigns for fisheries and aquaculture products;
- to examine the consumer behaviour in relation to fish consumption as well as monitor the real situation and perspectives of the market in fisheries and aquaculture products;
- to create new market opportunities outside of the Community.

Eligible activities

Activity 1: Implementation of a quality policy for fisheries and aquaculture products

Activity 2: Quality certification, including label creation and the certification of products caught or farmed using environmentally friendly production methods

Activity 3: Conducting promotional campaigns to stimulate fish consumption, and to promote traditional and organic fisheries and aquaculture products

Activity 4: Participation in, and organisation of fishery products exhibitions

Activity 5: Launching market surveys and market studies for the promotion of products in the EU and outside of the EU

Co-financing rate

The public contribution can be maximum 100% (75% EU, 25% national contribution in the Convergence Objective regions and 50% EU, 50% national contribution in non-Convergence regions).

Measure 3.4 Pilot projects

Legal basis: Article 41 of Council Regulation (EC) No. 1198/2006

Main objectives:

- to acquire and disseminate new technical knowledge and methods with more economical and biological effectiveness and less negative environmental impact.

Eligible activities

Activity 1: Testing innovative technologies

Activity 2: Testing fisheries management plans, if necessary, establishment of areas where fishing is prohibited, for the purpose of evaluating the biologic and financial consequences

Activity 3: Testing of alternative fishing management techniques especially those aiming at reducing environmental impact

A pilot project shall always include an adequate scientific follow-up in order to yield significant results. The results of pilot projects must be publicised in technical reports.

Co-financing rate

The public contribution can be maximum 100% (75% EU, 25% national contribution in the Convergence Objective regions; 50% EU 50% national contribution in non-Convergence regions.

PRIORITY AXIS 5

Measure 5.1 Technical assistance

Legal basis: Article 46 of Council Regulation (EC) No. 1198/2006

The Hungarian administration needs to improve its administrative capacity at all levels. In particular, the administrative capacity of MA should be improved in order to efficiently implement the EFF and to meet the requirement of the implementation of the CFP.

Main objectives:

- to provide support for the implementation of the FOP;
- to improve the administrative capacity;
- to elaborate all necessary documents for the FOP preparation and implementation;
- to inform potential beneficiaries of the possibilities offered by the FOP.

Content of the Measure

Under the priority Axis 5, eligible actions will cover in particular:

- a) Preparatory studies to assist the implementation of various priority axes/measures, such as a communication action plan or market studies;
- b) Communication actions may include:
 - Information towards potential beneficiaries of the possibilities for funding offered by the different measures of the FOP, according to the specification of Article 51 of the EFF Regulation,
 - Communication towards the general public on the role played by the Community in the FOP and the results achieved;
- c) Expenditure for the management of the FOP, including operational costs covering the functioning of the management, monitoring and control system under the responsibility of the MA. Furthermore it is intended to provide adequate offices and equipment serving the FOP implementation, as well as a contribution to the salaries of the officials and fees of the experts concerned;
- d) Setting-up and the running costs for a permanent Observatory in order to monitor the prices of the market for aquaculture products and assess tendencies in the market;

- e) Evaluation and other horizontal studies as required by the Regulation:
 - interim evaluation will be organised in time for the strategic debate that will be organised by the Commission on the implementation of the NFSP foreseen for 2011,
 - other studies identified so far have been presented in the relevant section of the FOP. Other studies might need to be undertaken during the course of the FOP;
- f) Training of the officials involved in the implementation of the FOP, and of those working in the area of the CFP;
- g) Preparation for the next programming period (2014-2020).

Co-financing rate

The intensity of aid under this priority axis is 100% (75% EU, 25% national contribution) in the Convergence Objective regions. The activities will only be implemented in Convergence Objective regions. All actions under this axis will cover the entire territory of the country.

6(b)5 Information on demarcation with similar activities

According to EFF Article 5, the FOP supports activities contributing to the achievement of the general objectives defined in Article 33 of the EC Treaty, and the CFP objectives in accordance with the Community priorities for sustainable development of fisheries and aquaculture. Thereby they complement the Common Agricultural Policy and the Cohesion Policy.

When drafting the NFSP, all the relevant aspects of the CFP have been considered, except for the issues concerning maritime aquaculture, and the NFSP content has been adapted to accommodate the objectives and priority axes provided for in the EFF.

In drafting the FOP, particular attention was paid to the need to ensure complementarity with the measures financed by the Structural Funds and the measures of the New Hungary Rural Development Programme (NHRDP) co-financed by the EAFRD. The measures related to the aquatic habitat protection, economic diversification, water management and rural tourism contained in the priorities and measures of NHRDP have an indirect connection with FOP. However, the NHRDP does not contain measures related to the development of the fishery sector.

The FOP has the strongest linkage with the measures of the NHRDP financed under the EAFRD, since the measures concerning fisheries were part of the Agriculture and Rural Development Operational Programme (ARDOP) between 2004 and 2006. However, significant amount of resources were committed there with regard to fisheries in the scheme of “aquatic habitat objective” within the agro-environmental measures of the National Rural Development Plan 2004-2006.

The goals of the FOP and of the NHRDP are similar, concerning the protection of the environment and sustainability. Accordingly, they ensure the fulfilment of the goals formulated in the strategies, complementing each other but from distinct financial resources. Overlapping between the two Programmes should be avoided through a clear demarcation and organisation of management. There are several other linkages with the NHRDP. There are linkages in technical training¹¹ and extension, moreover the beneficiaries of the fisheries

¹¹ The FOP supports vocational training and retraining in the fisheries sector only outside the elementary, secondary and high school educational programmes. The NHRDP will finance under its Axis III technical training and extension.

Programme – as they are part of the rural population - may become the beneficiaries of the measures of Axis III of the NHRDP, too. The fact that the same administration manages both the FOP and the NHRDP ensures no overlaps and complementarity between them.

The EAFRD can support the aqua-environmental engagements in the following cases:

- in agricultural/aquaculture mixed companies, where aquaculture represents only a minor share of the activities of the company;
- the engagements in the farms where the activity of aquaculture is not carried out on a commercial basis as defined by national legislation;
- the environmental engagements on the surrounding cultivable land which can improve the environmental quality of aquaculture ponds;
- the engagements for the environment relating to the ponds (and other wetlands) which are not used for aquaculture.

Mixed holdings meeting the abovementioned requirements can only be financed through the EAFRD.

On the other hand, for the utilization of resources of the Structural Funds and the Cohesion Fund, the New Hungary Development Plan (NHDP) constitutes a strategic framework document. The NHDP foresees implementation of Operational Programmes contributing to the Cohesion Policy, economy development, water management and water quality protection related aspects but it does not cover measures for the development of the fishery sector.

Demarcation with similar activities co-financed by other resources

Name of the OP	Areas of activity	Risk of overlapping
Regional Operational Programmes (ROPs)	ROPs finance the development of angling and water-tourism; they support regional water management actions and serve water quality enhancement and the construction of small sewage and rainwater treatment plants	NO
Environment and Energy Operational Programme (EEOP)	Water management (Danube, Tisza, Balaton), renewable energy, nature conservation and environmental awareness (sustainable consumption)	NO*
The Complex Programme of Balaton Region (“Flagship Project”) of NHDP	Measures not related to fisheries aiming at the conservation of non-economical habitat and of native fauna (recreational ports, tourism, sailing etc.)	NO
Economic Development Operational Programme (EDOP)	“Strengthening the long-term sustainability of the competitiveness of the productive sector”	NO
Environment and Energy Operational Programme (EEOP)	Contributes to the conservation of natural values protected by laws and to the realization of an optimal environment protecting activity	NO
State Reform Operational Programme (SROP)	To enhance the administrative capacity of the public administration	NO
Social Renewal Operational Programme (SOROP)	Contributes to the achievement of the expansion of employment primarily through the development of human resources, apart from providing training for those employed in the fisheries sector	NO

* A potential overlap might be between Measures 2.2 Aqua-environmental measures and 3.2 Protection and development of aquatic fauna and flora (FOP) and the intervention area Complex river catchment development under the priority axis Wise management of waters priority axis (EEOP), especially the actions relating to the

preservation of the ecological potential of the lakes, which might include also fish. The two FOP measures will finance solely activities in relation to fish.

6(c) *Specific information required for the priority axes and measures*

Priority to micro and small enterprises in priority axis 2 for measures 2.1 and 2.4 will be ensured by allocating extra points to them when ranking the projects.

Projects submitted by women will also receive additional points under the measure 2.4.

7. FINANCIAL PROVISIONS

Table I: Financing plan of the FOP giving the annual commitment of the EFF in the FOP separately for the regions eligible under the Convergence objective and the Non-Convergence objective

Commitments shall be made on an annual basis according to the following plan:

Operational programme reference (CCI number): **2007 HU 14 FPO 001**

Year by source for the programme, in EUR:

CONVERGENCE OBJECTIVE REGIONS	
Year	EFF
2007	0
2008	5,456,086
2009	5,145,790
2010	5,256,028
2011	5,856,938
2012	6,141,144
2013	6,435,371
Total EFF	34,291,357

(in current prices)

NON-CONVERGENCE OBJECTIVE REGIONS	
Year	EFF
2007	0
2008	89,023
2009	2,673
2010	85,758
2011	95,563
2012	100,199
2013	104,999
Total EFF	478,215

(in current prices)

Table II: Financing plan of the FOP giving, separately for the whole programming period, and for each priority axis, and separately for regions eligible under the Convergence objective and the non-Convergence objective, the amount of the total financial allocation of the EFF in the FOP, the national public contribution and the rate of reimbursement by priority axis

Operational programme reference (CCI number): **2007 HU 14 FPO 001**

Priority axes in EUR:

CONVERGENCE OBJECTIVE REGIONS				
Priority Axis	Total support a=(b+c)	EFF contribution (b)	National contribution (c)	EFF co-financing rate (%) (d)=(b)/(a)*100
Priority axis 1	0	0	0	0
Priority axis 2	40,000,000	30,000,000	10,000,000	75.00
Priority axis 3	3,000,000	2,250,000	750,000	75.00
Priority axis 4	0	0	0	0
Priority axis 5	2,721,811	2,041,357	680,454	75.00
Total	45,721,811	34,291,357	11,430,454	75.00

(in current prices)

NON CONVERGENCE OBJECTIVE REGIONS				
Priority Axis	Total support a=(b+c)	EFF contribution (b)	National contribution (c)	EFF co-financing rate (%) (d)=(b)/(a)*100
Priority axis 1	0	0	0	0
Priority axis 2	393 780	196 890	196 890	50.00
Priority axis 3	562 650	281 325	281 325	50.00
Priority axis 4	0	0	0	0
Priority axis 5	0	0	0	0
Total	956 430	478 215	478 215	50.00

--

(in current prices)

8. IMPLEMENTING PROVISIONS

8(a) Designation by Hungary of the entities provided for in Article 58 of Regulation (EC) 1198/2006

The general implementation framework of the FOP for 2007-2013 consists of the following bodies that will perform the functions of the bodies provided for in the EFF Regulation.

The detailed, actual tasks of the Authorities and the Intermediate Body can be found in the Description of the Management and Control Systems, Cooperation Agreements and Manuals, which are regularly updated.

MANAGING AUTHORITY

According to paragraph 9 § d) of Law XVII 2007 on the matters relating to the support and other measures for agriculture, rural development and fisheries, the head of the Managing Authority (MA) is the Minister of the Prime Minister's Office. The Minister delegated the fulfilment of the tasks to the Deputy State Secretariat for Agriculture and Rural Development Programmes. The actual tasks are performed by the Unit of EU Fisheries Funds, which operates under the Department of Managing Authorities.

Pursuant to Article 59 of the EFF Regulation, the MA functions will be as follows:

- Preparation of the FOP, in compliance with the NFSP priorities,
- Implementation of the FOP in accordance with the EFF Regulation, Community principles and policies, recommendations of the Monitoring Committee (MC) in the monitoring of fisheries, competition and public procurement, environment and gender equality,
- Setting up of the MC for the FOP in principle of partnership,
- Implementation of the FOP measures in order to achieve the objectives of the CFP and of other Community policies,
- Drawing up of the implementing procedures for the measures and relevant national guidelines for the implementation of the FOP,
- Preparation of the proposal of selection criteria for the projects and ensuring its approval by the MC which will include in particular:
 - Eligibility checks of the beneficiary and expenditures,
 - Elaboration of the proposal for the selection of the projects,
 - Chairing the work of the MC.

In addition, the MA will perform the following tasks:

- Coordinates the administration of the structures involved in implementation of the FOP and develops and strengthens the administrative capacity to assure implementation of the FOP;
- Develops and promotes partnership at the central, regional and local level including public-private partnership;
- Monitors the results and impact of the measures implemented under the FOP;
- Analyzes and proposes amendments to FOP as well as proposals for re-allocations of the EFF contribution to the MC for approval;
- Responsible for the sound management of the FOP in line with the EFF objectives;

- Ensures publicity and dissemination of information to potential beneficiaries of the FOP and informs about the role of EU in the FOP;
- Makes budget allocations among the measures and submits annual payment application forecasts to the Commission;
- Takes active part in annual examination meetings of the FOP with the Commission
- Drawing up and, after approval by the monitoring committee, submitting to the Commission the annual and final reports on implementation.

According to Article 58(2) of the EFF Regulation and in compliance with Article 38(1) of the Implementing Regulation, the MA may delegate some of its tasks while at the same time retaining the responsibility for the overall FOP implementation. Tasks which should be delegated are those specified in Art 59(b), (c), (d), (e), (f) and (g) of the EFF Regulation.

The Secretariat of the Monitoring Committee operates in the Unit of EU Fisheries Funds , The position of the Authorities in the organisation structure of PMO is illustrated in Annex II.

Address: Prime Minister's Office (

Kossuth Lajos tér 11. Budapest, 1055 Hungary

Phone: +36-1-795-2042

E-mail: szilvia.mihalffy@me.gov.hu

CERTIFYING AUTHORITY

The head of the Certifying Authority (CA) is the Minister of Agriculture. The Minister delegated the actual fulfilment of the tasks to the Department for Authorities of Agriculture and Fisheries Funds, Unit of Certifying Authority of the MA. The functions of the CA are thereby fully separated from the MA functions.

..

The Certifying Authority is responsible for:

- preparation and submission to the Commission of certified statements of expenditure and applications for payment based on detailed statements of payments to the beneficiaries executed by the ARDA;
- submitting the annual statement on withdrawn, recovered amounts, pending recoveries and irrecoverable amounts to the Commission based on statements executed by ARDA and approved by the MA;
- certification, that the expenditure is based on verifiable supporting documents and results from reliable accounting systems;
- certification, that the expenditure declared has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the FOP and complying with the relevant national and Community rules;
- request information with regard to the procedures and verifications carried out in relation to expenditure included in statements. It reviews whether this provides an adequate basis for certification;
- taking account for the certification purposes of the results of all audits carried out by or under the responsibility of the AA;
- maintaining accounting records in computerised form of expenditure declared to the Commission;

- recording of amounts recoverable and amounts withdrawn (following partial or total cancellation of the contribution for an operation)

Address: Ministry of Agriculture (MAg)
**Department for Authorities of Agricultural and Fisheries Funds, Unit of
Certifying Authority**
Kossuth Lajos tér 11. Budapest, 1055 Hungary

Phone: +36-1-795-2080

E-mail: Maria.Szucs@fm.gov.hu

AUDIT AUTHORITY

The head of the Audit Authority (AA) is the Minister of Agriculture. The Minister delegated the actual fulfilment of the tasks to the **Department for Authorities of Agricultural and Fisheries Funds, Unit of Audit Authority** of MAg. The functions of the AA are separated fully from the functions of the MA. According to EFF Article 58(4), the certifying and audit authority may be part of the same body. However, CA and AA are functionally independent from each other. Compliance with the principle of separation of functions between and within these three bodies is ensured.

Hungary opts for derogations with regard to the control arrangements under Art. 51 of Reg. 498/2007/EC.

The functions of the AA are detailed in Article 61 of the EFF Regulation. According to this, the Accreditation Unit will be responsible for:

- a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme;
- b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- c) ensuring that the managing authority and the certifying authority receive all necessary information on the audits and controls carried out;
- d) by 31 December each year from 2008 up to 2015:
 - i. submitting to the Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The information concerning the audits carried out in the period after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in point (f);
 - ii. issuing an opinion based on the controls and audits that have been carried out under its responsibility as to whether the management and control system functions effectively, so as to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular;
 - iii. submitting, where applicable under Article 85, a declaration for partial closure assessing the legality and the regularity of the expenditure concerned;

- e) submitting to the Commission at the latest by 31 March 2017, a closure declaration assessing the validity of the application for payment of the balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.

Not all audit work is to be carried out by the AA. It is foreseen that some of the tasks are to be sub-delegated to other bodies while the responsibility for the audit trail will remain with the Accreditation Unit. The potential Audit Body in this relation is a company that has international experience in audit and accounting.

The AA will draw up and submit to the EC a report referred to in EFF Art. 71 on the results of an assessment of the setting up of management and control systems.

The position of the Authorities in the organisation structure of MAg is illustrated in Annex III.

Address: Ministry of Agriculture
**Department for Authorities of Agricultural and Fisheries Funds, Unit of
Audit Authority**
Kossuth Lajos tér 11. Budapest, 1055 Hungary
Tel.: +36-1-795-9468
E-mail: orsolya.dorko@fm.gov.hu

8(b) The body responsible for receiving payments made by the Commission and the body responsible for making payments to the beneficiaries

Evaluation of applications

In line with Article 58(2) of the EFF Regulation, the MA designates an Intermediate Body for carrying out the tasks described in paragraph b, c, d, f and g of Art. 59 of the EFF Regulation:

1. Processes and evaluates applications/claims and takes into consideration the opinion of the Evaluation Committee and of the MA, issues a decision on the granting of aid;
2. Controls the execution of the tasks related to the application and use of the aid;
3. Ensures opening of the accounts needed to fulfil the financial transaction tasks, publishes account numbers, prepares the documents necessary for applying for and receiving the aid and for accomplishing other duties;
4. Grants the aid;
5. Enters the data into the monitoring systems related to the assistance, ensures a computerised registration system in connection with the implementation of the FOP.

Agricultural and Rural Development Agency (ARDA) was assigned to perform the role of the Intermediate Body (IB) and takes over the responsibilities after signing a delegation contract with the MA.

ARDA is a central budget organisation consisting of a central office and 19 county offices, including 7 representative offices with regional competence in respect of rural development support. The internal organisational hierarchy of ARDA (see Annex III) ensures an appropriate separation of duties related to the approval, execution and bookkeeping of the payments. There is an independent internal audit unit directly subordinated to the President.

ARDA has drawn up implementing rules for each measure with a detailed description concerning the receipt, recording and processing of the applications and each administrator performing control tasks has a detailed checklist of the tasks to be done. The duties of the civil servants carrying out on-the spot controls, including the description of the requirements on the controllers' reports, are contained in a control manual of procedure and each controller disposes of a control checklist containing the control tasks to be carried out.

The internal ARDA procedures ensure an effective and sound implementation of the four-eye principle.

The main tasks of the ARDA besides acting as the IB for the MA of the FOP include:

- EAFRD, EAGF Paying Agency,
- ARDOP/EAGGF Guidance Fund and FIFG IB,
- SAPARD Agency,
- execution of payments related to other national support.

The Unit of Processing Industry and Fishing Investments (UPFI) within the Directorate for Rural Development Support Measures (DRDSM) in the central office of ARDA performs receiving, supervising, evaluating the investment claims and then submits them to the Pre-Selection Committee (PSC). The head of the MA makes the financial allocation decision on the granting of aid based on the recommendation of the PSC. On-the-spot controls are carried out by the Rural Development Supports Physical Control Unit in the Central Physical Control Department

The reason for centralised execution is a relatively low number of claims and a need for technical fishery knowledge important for achieving an effective use of the financial resources.

Authorization of Payments Unit within the DRDSM manages technical assistance (TA) of the FOP. This body also manages TA of the NHRDP co-financed from the EAFRD.

The Financial Directorate is responsible for the payments towards the beneficiaries and for the receipt of payments made by the Commission.

Management of payments in FOP

The Financial Directorate of the ARDA is responsible for receiving of payments executed by the Commission and for making payments to the beneficiaries.

The Financial Directorate of the ARDA carries out resource management, payment, accounting, securities- and claim handling and reporting tasks in connection with the aid.

The Financial Directorate is responsible for the preparation of the balance sheet of the ARDA, for the provision of data with regard to the EU support and for keeping the date up-to-date.

The units in ARDA in charge of the financial implementation of the FOP are the:

1. Unit for Processing Industry and Fishing Investments (Directorate for Rural Development Support Measures)
2. EAFRD Payment Unit (Financial Directorate)
3. EAFRD Accounting Unit (Financial Directorate)
4. Securities- and Debt Management Unit (Financial Directorate)

The Financial Directorate of the ARDA is responsible for the:

- operates the bank accounts in relation with the EFF assistance in order to receive the payments made by the Commission and also to execute payments to the beneficiaries;
- processing the beneficiaries' payment claims;
- Bank transfers to the beneficiaries debiting the EFF accounts (national and EU liability accounts) based on the approved payment claims;
- recovery of amounts unduly paid from the beneficiaries;
- setting-up and operating of the accounting system which registers the expenditure based on verifiable supporting documents;
- summarising payments to the beneficiaries and the recoveries by the beneficiaries and sending the summaries to the CA through the MA. The summaries are a basis for the certified statements of expenditure and summary payment applications;
- Operation of the handling system for claims and securities.

Address: Agricultural and Rural Development Agency (ARDA)
Directorate for Rural Development Support Measures, Unit of Processing
Industry and Fishing Investments
Soroksári út 22-24. Budapest, 1054 Hungary

Phone: Tel.: +36-1-301-2485

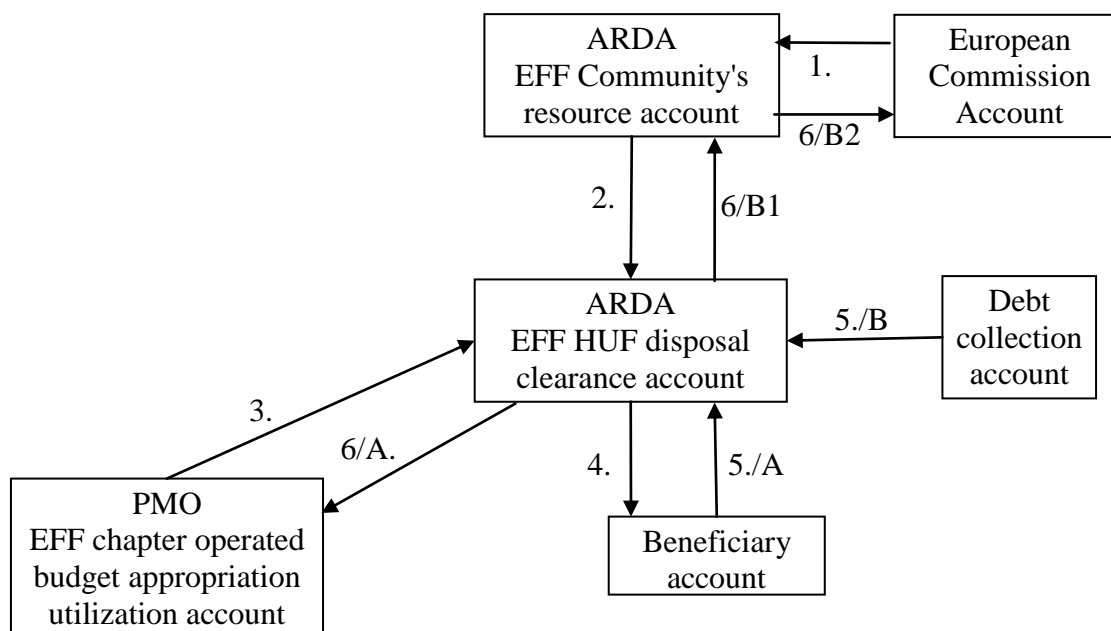
E-mail: Juhasz.Zsolt@mvh.gov.hu

8(c) Description of procedures for mobilisation and circulation of financial flows in order to ensure their transparency

Detailed rules of financial implementation are laid down in Government Decree No. 82/2007 (IV.25) Govt. on the creation of the financial, accounting and control system of the programmes co-financed by the EAFRD, the EAGF and the EFF, and the implementing rules of the programmes.

In accordance with Government Decree 82/2007 (IV. 25) Govt., and on the initiative of the ARDA, the Hungarian State Treasury opened a bank account for FOP needed for the financial operations concerning the FOP.

Bank account operations:



1. The Commission transfers an advance payment or reimburses its share of the already paid assistance
2. ARDA draws the EU resources needed for payments
3. ARDA draws the national resources needed for payments
4. ARDA disburses the payment to the beneficiary
5. In case of need, beneficiary has to reimburse an unauthorized sum of the subsidy (5/A) or the sum collected by the national bodies must be transferred (5/B)
- 6./A The state of national resources of the payments requested that were not authorized must be cleared
- 6./B The state of EU resources of the payments requested that were not authorized must be cleared

ARDA is responsible for managing of the incoming transfers from the Commission and for the payments to the beneficiaries. Payments to the beneficiaries shall be made only via bank transfers.

Specific national provisions concerning payments for particular measures will be developed.

8(d) Description of the monitoring and evaluation system as well as the composition of the Monitoring Committee

ROLE OF THE MONITORING COMMITTEE (MC)

MC is the main monitoring tool in implementing the FOP. It will be set up by the MA within three months from the approval of the FOP by the Commission, and will draw up its own rules of procedure.

In accordance with EFF Article 65, the MC will carry out tasks such as:

- It will consider and approve the criteria for selecting the operations within six months of the approval of the FOP;
- It will approve any revision of the selection criteria according to the programming needs;
- It will review progress made in achieving the specific objectives on the basis of documents submitted by the MA;
- It will examine the results of implementation of each of the priority axes and the interim evaluation of FOP;
- It will examine and approve the annual and final reports on implementation of the FOP before they are sent to the Commission;
- It will be informed of the annual control report and of any relevant Commission comments in relation to this report;
- It may be informed of the written information that can be submitted to the Commission in accordance with the EFF Article 16(1);
- It may propose any revision or examination of the FOP to the MA if it deems necessary;
- It will consider and approve any proposal to amend the content of the Commission decision on the contribution from the EFF.

To fulfil monitoring and evaluating activities, a secretariat works within the MA (PMO Deputy State Secretariat for Agricultural and Rural Development Programmes, Department of Managing Authority, EU Fisheries Funds Unit). The Unit is responsible for the comparison of the achieved results with the aimed results during the FOP implementation and for the preparation of annual reports and the organisation of MC meetings.

In order to fulfil its monitoring tasks, the MA will:

- Build up an appropriate monitoring capacity and train the necessary workforce;
- Supervise the tasks arising in connection with the operation and development of the information system handling the support claims (IACS);
- Organise trainings for the employees responsible for the monitoring activity;
- Transmit the information from the Commission to the appropriate institutions and the collected and analysed monitoring data to the Commission.

Additionally, the MA will ensure that regional, local and other authorities, economic and social partners, representatives of civil population, NGOs, environment protecting organisations and organisations promoting equal opportunities for women and men will participate actively in the work of the FOP MC.

Representatives of the Commission will participate in the MC meetings in an advisory capacity at their own initiative.

ARDA informs the beneficiaries about their obligations in connection with monitoring, collects and stores data supplied systematically or occasionally by the beneficiaries.

The information system (IACS) needed for the monitoring activity is operated by the IB; the MA contributes to its upgrading.

The data provided for the collection of data (mostly at the submission of the application for support, then once a year and then at the completion of the project) are contained in the operational manual of the IB.

COMPOSITION OF THE FOP MONITORING COMMITTEE

Members with voting right

- Chairman – appointed by the Head of the Managing Authority

Prime Minister's Office (PMO):

- Department of EARDF Strategy
- Department of Managing Authorities, Unit of EU Fisheries Funds
- Department of Managing Authorities, Unit of the EARDF Managing Authority
- Department of EU Chapters

Ministry of Agriculture:

- Department for Recreational Fishing and Fisheries Management, Unit for Recreational Fishing and Fisheries Management
- Department for Recreational Fishing and Fisheries Management, Unit for Aquaculture
- State Secretary for Environmental Affairs, Agricultural Development and Hungaricums

Intermediate body:

- Agricultural and Rural Development Agency

Ministries and other bodies of national competence:

- Ministry for National Economy
- National Agricultural Research and Innovation Centre - Research Institute for Fisheries, Aquaculture and Irrigation

Representations of interest:

- Hungarian Chamber of Agriculture
- National Association of Hungarian Farmers' Societies
- Hungarian National Farmers' and Cooperatives' Association
- National Union of Water Management Associations
- Hungarian Aquaculture Association
- Fisheries Scientific Council
- Hungarian Fishfarmers' Association
- National Federation of Hungarian Anglers

Horizontal issues and equal opportunities

- Federation of Agriculture Employment

Members with consultative rights

- Representative of the European Commission
- Research Institute of Agricultural Economics
- Prime Minister's Office – **Department of Monitoring and Evaluation**
- National Food Chain Safety Office
- Certifying Authority of the FOP
- Audit Authority of the FOP
- Pest County Government
- Agricultural and Rural Development Agency – representatives of the organizations dealing with FOP

EVALUATION OF THE FOP

The evaluation of FOP will be performed in accordance with Articles 47 to 49 of the EFF Regulation. The FOP is subject to three types of evaluation: ex-ante evaluation, interim evaluation and ex-post evaluation. The ex ante and interim evaluations will be managed under the responsibility of the MA.

Ex-ante evaluation has been carried out by external experts.

Interim evaluation will take place by mid 2011 and will aim to improve the quality of implementation of FOP. It aims mainly to give some solutions to the problems that occur during the implementation process.

Ex-post evaluation will be carried out at the initiative and under the responsibility of the Commission according to Article 50 of the EFF Regulation, in close cooperation with the MA, which will provide the necessary data.

8(e) The arrangements agreed between the Commission and Hungary for the computerised exchange of data needed to fulfil the management, monitoring and evaluation requirements

For the 2007-2013 programming period, the European Commission has set up a new information system SFC2007 (System for Fund management in the European Community 2007-2013), a web-based application to collect data on programme implementation by Member States. The application is intended to ensure a secure exchange of data in the common interest between the Commission and individual Member States. In the new financial perspective, SFC2007 will fully replace the old (paper) form of communication between the Commission and Member States. The Commission has produced the new application to standardise and speed up reporting procedures and to reduce the possibility of error. The system supports electronic exchange of data between the Commission and the Member States, on OPs for all EU funds, as well as manually inputting the data via web application.

SFC2007 will primarily be used for the exchange of the following document types:

- National strategic plans and their updates,
- Operational programmes and their modifications,
- Summary reports,
- Annual implementation reports, and final implementation report,
- Payment applications,
- Payment forecast,
- Annual statement on withdrawn, recovered amounts, pending recoveries and irrecoverable amounts,
- Annual control report and opinion,
- Monitoring Committee documents,
- Commission decisions and other relevant documents and correspondence.

Hungary uploads all the data needed for the implementation of FOP, i.e. the data necessary to fulfil the requirements of the administration, monitoring and evaluation, to the national computerised database, the Integrated Administration and Control System (IACS). The data gained from the IACS are uploaded to SFC2007, ensuring this way a proper exchange of data.

In line with Article 66(2) of the Implementing Regulation, the persons managing centrally safe access rights to the database created by the Commission (i.e. the national liaison and his deputy) are appointed.

Access is ensured for the officers of the MA and other bodies designated by the MA. The data exchange with the Commission complying with Article 65 of the Implementing Regulation via the SFC2007 is the responsibility of the MA.

8(f) The designation of the partners referred to in Article 8 of the EFF Regulation and the results of their cooperation, list of the consulted partners and a summary of the results of the consultations

During the elaboration of the FOP, the principles of partnership and transparency had to be reflected as basic requirements. To ensure this a special procedure mechanism was set up. Since the FOP could not be logically separated from the NFSP, the consultation on the two documents was made in parallel, except for the adoption of the documents.

The MA managing the implementation of the FIFG in the programming period 2004-2006 has concluded a contract with the Research Institute for Aquaculture, Fisheries and Irrigation (RIAFI) for the elaboration of the NFSPH and the FOP.

To assist this process, a Committee for Fisheries Strategy Coordination (CFSC) was formed that consisted of representatives of the MARD Department of Natural Resources, ARDA, RIAFI, Centre for Agricultural Sciences, Debrecen University and the Hungarian Fish Farmers Association and Product Board. The common feature of all the members is their extensive knowledge of fisheries, economics and technical management in fisheries. The composition of the Committee (with wide-range of administrative and professional representation) granted a continuous consultation in partnership and created conditions for a consensus-based acceptance of the amendments and modifications.

Based on the experiences with the national subsidies and the FIFG, the NFSPH and broad technical consultations, the CFSC prepared a draft FOP according to the given template.

The strategy that was construed for the first draft FOP, has been discussed at a technical

expert forum of fisheries. The draft and the financial plan of the NFSP had already contained the planned measures to be supported by the EFF and the objectives of the measures based on the allocated amounts. The below listed organisations were represented at this forum:

- Section of Hunting, Fishery and Water Management, Department of Natural Resources (MARD);
- Hungarian Fish Farmers Association and Product Board (HFFAPB);
- National Federation of Hungarian Anglers (NFHA) representing some 320,000 anglers;
- Balaton Fishery Company;
- The largest state-owned fish farm, the Hortobágy Fish Farm Company;
- Szegedfish Ltd. as the representative of one of the largest fish farms;
- Aranypony Ltd., the largest multi-functional fishpond farm;
- Körös Fishery Cooperative as a representative of natural water fishery;
- Szarvas-Fish Ltd. as a representative of intensive production of African catfish;
- Tógazda Fishery Ltd., one of the largest private producers;
- University of Debrecen (Debrecen) and Szent István University (Gödöllő);
- Euconsult Foundation as a representative of fishery extended education;
- CFSC as the author of the material and of the further documents.

Procedure followed during the consultations

- In December 2006, the ex ante evaluation of the draft FOP was finished.
- In February 2007, the FOP Strategic Environmental Assessment was launched.
- In the framework of the consultation with the Commission, the draft proposal for the FOP was sent in February 2007 to DG Fisheries and Maritime Affairs.
- The comments and recommendations have been summarised and discussed and the modifications have been incorporated into a new version. Thereafter, the FOP was restructured and completed according to Annex I to the Implementing Regulation.
- The public debate provided for by the SEA Directive offered a possibility of consultations. A webpage was set up in MARD for this purpose where relevant opinions both on the content of the FOP and the SEA report were expressed. The final version of the SEA was finished in September 2007. Additional websites presenting the results of the SEA process were also created.
- The final version of the ex ante evaluation, taking into consideration also the SEA results was revised and redrafted in October 2007.
- The government has approved the FOP on 12 December 2007.

Important comments received during the consultation process:

The most representative association of producers (HFFAPB) has asked on behalf of its members that new fishponds be built only by those producers who already possess fishponds; and that the extension should not reach more than 10% per holding.	Accepted in order to exclude discrimination. Nevertheless, the existing fishing holdings will be favoured through inadequate weighting during the evaluation process of the applications for new fishponds.
Several comments relating to the eligibility of infrastructures outside the holdings	Not taken into consideration in view of the constraints of the EFF Regulation
The Ministry of Environment and Water suggested that outstanding attention should	Taken on board through the support of investments aiming at promoting the use of

be paid to the use of alternative energy and water saving aquaculture technologies.	alternative energy
The MEWM along with the anglers' associations suggested financing of fish restocking in natural waters.	Rejected in view of the constraints of the EFF Regulation

8(g) The elements aiming at ensuring the information and publicity of the FOP in accordance with the rules laid down in Article 28 of Regulation 498/2007/EC

Managing Authority shall publicise the FOP, operations and the Community contribution and address this information to the general public and the potential beneficiaries through the Communication Plan of FOP. Each year, it will notify the Commission on the initiatives undertaken for these purposes in the framework of the annual and final reports on implementation referred to in Article 67 of the EFF Regulation.

Potential beneficiaries will be provided with clear and detailed information on at least the following:

- (a) the conditions of eligibility to be met in order to qualify for financing under the FOP;
- (b) description of the procedures for examining applications for funding and of the time periods involved;
- (c) the criteria for selecting the operations to be financed;
- (d) the contacts at national, regional or local level who can provide information on the FOP.

For the **general public**, at least the following information and publicity measures shall be carried out:

- a) a major information activity publicising the launch of the FOP;
- b) at least one major information activity a year, presenting the achievements of the FOP;
- c) flying the flag of the European Union during one week starting on 9 May, in front of the premises of the MA;
- d) the publication, electronically or otherwise, of the list of beneficiaries, the names of the operations and the amount of public funding allocated to the operations.

For the publicity, the widest possible media coverage, such as newspapers, television, radio and internet with targeted addressing using product and image advertisements. Audiovisual works, printed publicity and information materials shall be created and promotional objects distributed. Seminars and conferences shall be carried out within the information activities. All these activities shall be implemented in accordance with the principle of proportionality.

The MA intends to outsource the implementation of the information and communication activities to specialized private companies.

Specialized companies will carry out evaluation of the effectiveness of the information and communication campaigns.

The MA will make a report annually to the EC on the measures and their results throughout the whole duration of the FOP. This report will be a part of the annual implementation report approved by the MC.

LIST OF ABBREVIATIONS

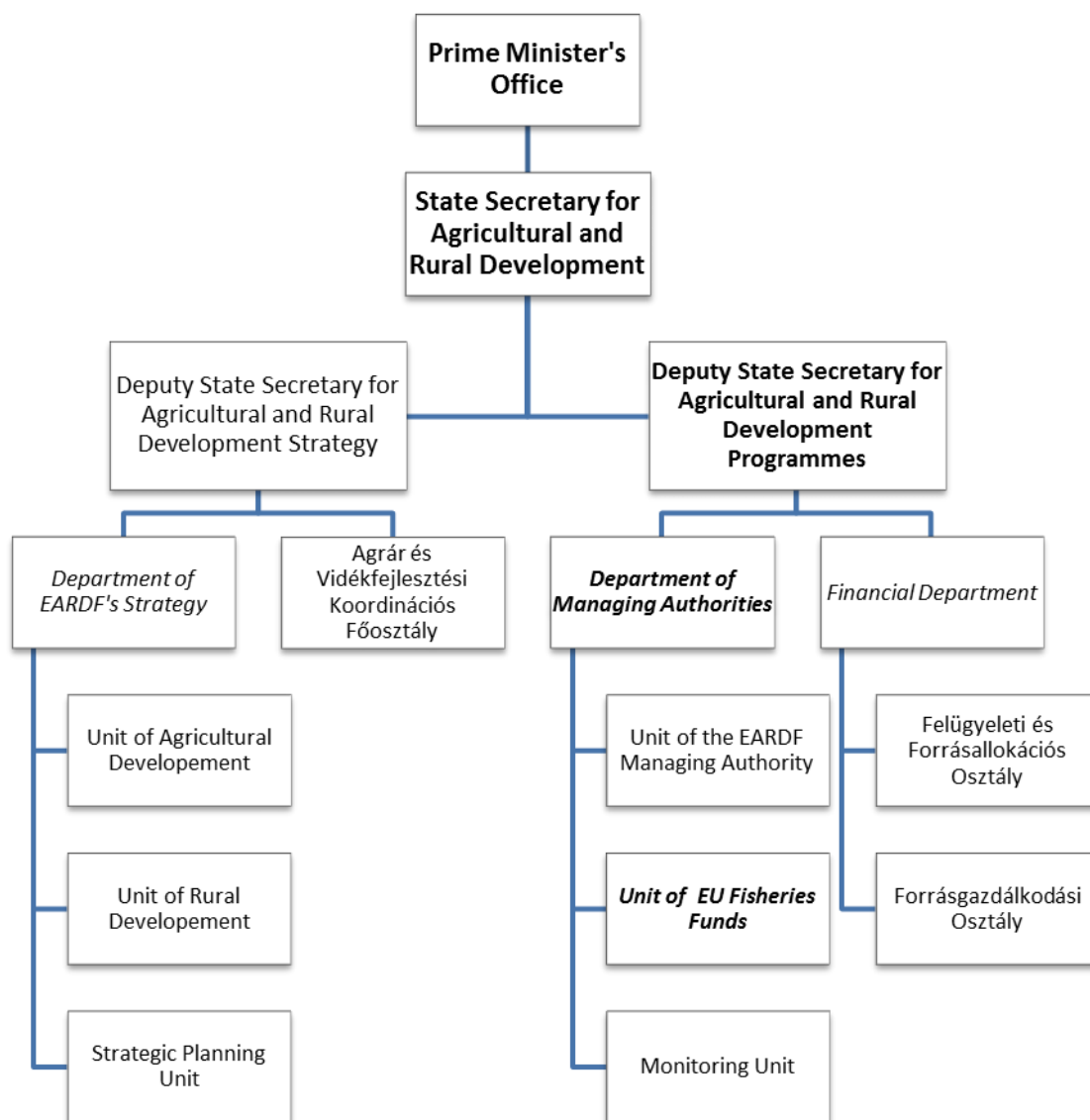
English	APPELLATION
AA	Audit Authority
AERI	Agricultural Economics Research Institute
ARDA	Agriculture and Rural Development Agency
ARDOP	Agriculture and Rural Development Operational Programme
CA	Certifying Authority
CFP	Common Fisheries Policy
CFSC	Committee for Fisheries Strategy Coordination
DRDSM	Directorate for Rural Development Support Measures
EAFRD	European Agricultural Fund for Rural Development
EFF	European Fisheries Fund
EiC	Env-in-Cent Environment Consulting Services
FD	Financial Directorate
FIFG	Financial Instrument for Fisheries Guidance
FOP	Fisheries Operational Programme
HAS	Hungarian Academy of Sciences
HCSO	Hungarian Central Statistical Office
HDBF	Hungarian Data Bank of Fisheries
HFFAPB	Hungarian Fish Farmers Association and Product Board
HST	Hungarian State Treasury
IACS	Integrated Administration and Control System
Govt.	Korm. (abbreviation used after Government decrees)
MA	Managing Authority
MAg	Ministry of Agriculture
MARD	Ministry of Agriculture and Rural Development
MRD	Ministry of Rural Development
MC	Monitoring Committee
MEWM	Ministry for Environment and Water Management
NACE	Statistical Classification of Economic Activities in the European Community
NFHA	National Federation of Hungarian Anglers
NFSP	National Fisheries Strategic Plan of Hungary
NGO	Non-governmental organisation
NHDP	New Hungary Development Plan
NHRDP	New Hungary Rural Development Programme
NHRDSP	New Hungary Rural Development Strategic Plan
NIENW	National Inspectorate for Environment, Nature and Water
NPSC	National Development Policy Concept
NRDP	National Rural Development Plan
NSC	National Society of Conservationists
NSRF	National Strategic Reference Framework
OPED	Operational Programme for Economic Development
OPEE	Operational Programme for Environment and Energy

OPSR	Operational Programme for State Reform
PSC	Pre-Selection Committee
PMO	Prime Minister's Office
RIAFI	Research Institute for Aquaculture, Fisheries and Irrigation
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEA	Strategic Environmental Assessment
TA	Technical Assistance
UPFI	Unit of Processing and Fisheries Investments
WFD	Water Framework Directive

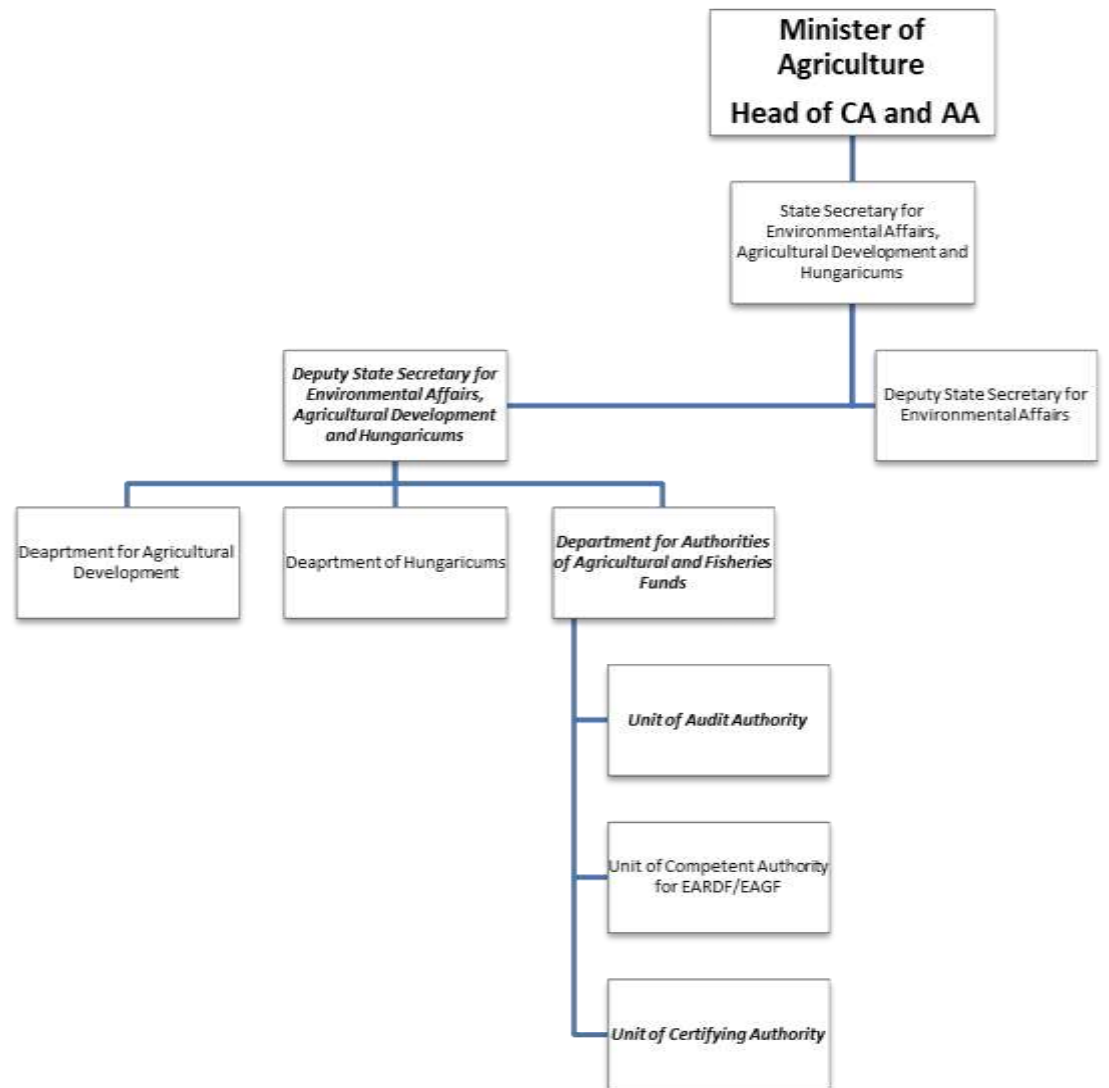
ANNEX I - CHARACTERISTICS OF THE REGIONS IN HUNGARY

Regions	Size	Population	Fishpond surface	Number of fishery enterprises	Table fish production
	(km ²)	(person)	(ha)	(number)	(t/year)
REGIONS COVERED BY THE CONVERGENCE OBJECTIVE:					
North-Great Plain Region	17 729	1 533 162	7 161	30	3 702
North-Hungary Region	13 429	1 261 489	478	12	314
South-Great Plain Region	18 339	1 347 294	5 881	41	3 622
South-Transdanubian Region	14 226	970 700	4 480	108	3 348
West-Transdanubian Region	11 183	1 000 142	1 270	14	511
Central-Transdanubian Region	11 235	1 108 124	2 955	53	1 694
Total:	86 141	7 220 911	22 225	258	13 191
REGIONS NOT COVERED BY THE CONVERGENCE OBJECTIVE :					
Central-Hungary Region	6 919	3 125 670	853	5	470
Total:	6 919	3 125 670	853	5	470
Overall:	93 060	10 346 581	23 078	263	13 661

ANNEX II - ORGANIGRAM OF AUTHORITIES IN PMO



ANNEX III - ORGANIGRAM OF AUTHORITIES IN MAG



ANNEX V – OFFICIAL STATEMENT OF MEWM (ARTICLE 9 OF DIRECTIVE 2001/42/EC)

Nyilatkozat


A Környezetvédelmi és Vízügyi Minisztérium, mint az Európai Unió társfinanszírozásával megvalósuló programok Stratégiai Környezeti Vizsgálatainak lefolytatását felügyelő hatóság kijelenti, hogy a Magyar Köztársaság Halászati Operatív Programja 2007-2013 környezetre gyakorolt hatásairól az Európai Parlament és a Tanács 2001/42/EK irányelve (2001. június 27.) szerinti vizsgálatot a Földművelésügyi és Vidékfejlesztési Minisztérium lefolytatta.

Az irányelv 5. cikke értelmében készített környezeti jelentést (SKV jelentés), és a 6. cikke értelmében kifejtett véleményeket a Program készítése során figyelembe vették. Az elkészített környezeti jelentést az érintett hatóságok, illetve a nyilvánosság rendelkezésére bocsátották.

A hatóságok és a nyilvánosság részére korai és hathatós lehetőséget biztosítottak arra, hogy megfelelő határidőn belül kifejtessék véleményüket a programtervezet és az ahhoz mellékelt környezeti jelentést illetően, azt megelőzően, hogy a tervet vagy programot elfogadják, illetve jogalkotási eljárásra terjesztenék be.

A 7. cikk értelmében vett határokon átnyúló konzultációkat nem kellett lefolytatni, tekintve, hogy a Program tevékenységi területe a szomszédos országok területével nem érintkezik. A Programba a környezeti szempontok ezáltal megfelelő mértékben beillesztésre kerültek.

A jelentés megállapításait figyelembe véve az elkészült programot megvalósításra javasoljuk.


Dr. Oláh Lajos
államtitkár

Környezetvédelmi és Vízügyi Minisztérium



Statement


The Ministry of Environment and Water, as the authority supervising the performance of the Strategic Environmental Assessments of the programmes co-financed by the European Union states, that the Ministry of Agriculture and Rural Development performed the assessment of the environmental effects of the Fisheries Operational Programme of the Republic of Hungary 2007-2013, pursuant to the directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001.

The environmental report prepared pursuant to Article 5 (SEA report), and the opinions expressed pursuant to Article 6 of the Directive have been taken into account during the preparation of the Programme. The draft programme and the environmental report have been made available to the relevant authorities and the public.

The authorities and the public have been given an early and effective opportunity within appropriate time frames to express their opinion on the draft plan or programme and the accompanying environmental report before the adoption of the plan or programme or its submission to the legislative procedure.

Transboundary consultations pursuant to Article 7 of the Directive have not taken place, since the area of the activity of the Programme does not touch the area of neighbouring states. As a consequence the environmental considerations were taken into account in the Programme in an appropriate way.

Taking into consideration the results summarized in the Report we propose the Programme for implementation.


Dr. Lajos Oláh
secretary of state

Ministry of Environment and Water

