



“Marine Protected Areas in the Eastern Baltic Sea”

LIFE Project Number: LIFE05 NAT/LV/000100

PROGRESS REPORT No. 3



MINISTRY OF THE ENVIRONMENT



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Nordic Council of Ministers



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FINLAND

LIFE Project Number
LIFE05 NAT/LV/000100

PROGRESS REPORT No. 3
Covering the project activities from 01.03.2007 to 30.06.2008

Reporting Date
31/07/2008

LIFE PROJECT NAME
Marine Protected Areas in the Eastern Baltic Sea

Data Project

Project location	Estonia, Latvia, Lithuania (Russia)
Project start date:	01/08/2005
Project end date:	31/07/2009
Total Project duration (in months)	48 months
Total budget	3,111,316 €
EC contribution:	1,555,688 €
(%) of total costs	50%
(%) of eligible costs	50.36%

Data Beneficiary

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2. LISTS OF KEY-WORDS AND ABBREVIATIONS

In the following partner names and identification numbers as well as project area codes are listed:

Partners:

- P1: Baltic Environmental Forum - Estonia (BEF-Estonia) - *Estonia*
- P2: Baltic Environmental Forum - Lithuania (BEF-Lithuania) - *Lithuania*
- P3: Estonian Environment Information Centre (EEIC) – *Estonia*
- P4: Estonian Marine Institute (EMI) – *Estonia*
- P5: Estonian Ornithological Society (EOÜ) - *Estonia*
- P6: Marine and Inland Waters Administration (MIWA) –*Latvia*
- P7: Latvian National Armed Forces (NAF) - *Latvia*
- P8: Institute for Aquatic Ecology of Latvia (IAEL) – *Latvia*
- P9: Latvian Ornithological Society (LOB) – *Latvia*
- P10: Latvian Fish Resources Agency (LATFRA) – *Latvia*
- P11: SIA Vides Filmu Studija /Wildlife & Environmental Film Productions / (VFS)
- P12: SO Sociāli Orientētu Projektu Aģentūra /PO Socially Oriented Project Agency/ (SOPA) - *Latvia*
- P13: Institute of Ecology, Vilnius University (EKOI) – *Lithuania*
- P14: Coastal Research and Planning Institute, Klaipėda University (KUCORPI) – *Lithuania*
- P15: Centre of Marine Research (CMR) – *Lithuania*
- P16: PO Baltic Fund for Nature (BFFN-RU) – *St.Petersburg, Russia*
- P17: BirdLife International
- P18: Estonian State Nature Conservation Centre (ESNCC)- *Estonia*
- P19: Metsähallitus - Natural Heritage Services (Metsähallitus) – *Finland*
- P20: Federal Agency for Nature Conservation (BfN) – *Germany*

Project areas:

- 1EST: East Gulf of Finland
- 2EST: West Gulf of Finland
- 3EST: Väinameri
- 4EST: West Saaremaa
- 5EST: South Saaremaa
- 6EST: Irbe Strait
- 7LAT: Ainaži-Tūja
- 8LAT: West Cost Gulf of Riga
- 9LAT: Irbe Strait
- 10LAT: Akmeņrags - Pāvilosta
- 11LAT: Nida - Pērkone
- 12LIT: Palanga
- 13LIT: Neringa

3. EXECUTIVE SUMMARY

The project objectives as defined in the grant contract (Section C) are the following:

1. Complete the establishment of Natura 2000 in the marine territories of Estonia, Latvia and Lithuania (site selection, designation, protection, and management);
2. Assess and reduce the impact of fishery by-catch on target bird and mammal species;
3. Assess and address other threats to marine Natura 2000 sites (e.g., caused by construction/development, disturbance of species by economic or recreational activities, pollution);
4. Increase public and stakeholder awareness on Natura 2000, marine protected areas and biodiversity in general in Estonia, Latvia, Lithuania and Russia;
5. Promote transboundary networking and capacity building on marine protected areas between the Baltic States, other EU Member States and Russia.

The list of key deliverables and outputs as defined in the grant contract, (Section C) is indicated below. It contains those deliverables scheduled until reporting date 31 July 08.

Deliverable or Milestone	Number of the associated action	Deadline	👍
Project management structure established	F.1; F.2, F.3	2005.10.01	Previous reporting periods
Project website established to promote transboundary networking and establish project communication platform	E.2	2005.11.01	Previous reporting periods
Methodology, related to the inventories of species/habitats, harmonized	A.2; A.3; A.4; A.5	2006.01.01	Previous reporting periods
Production and distribution of 2 information flyers for stakeholders and fishermen	E.1	2006.01.01	Previous reporting periods
All partners and staff trained for their tasks	A.1	2006.06.01	Previous reporting periods
Concept for Management Plans developed	A.7	2006.06.01	Previous reporting periods
Alternative fishing gear provided to fishermen	D.1	2006.12.01	Previous reporting periods
Sites for management plans selected	A.7	2007.04.01	Previous reporting periods; amendments in Annex 2.1.7
IBA / SPA conference held established to promote transboundary networking	E.8	2007.07.01	Annex 2.3.2
Film produced to raise public awareness	E.3	2008.01.01	Annex 2.3/II
Inventories of species and habitats completed and final sites for designation proposed	A.2; A.3; A.4; A.5	2008.03.01	Annexes 2.1.2; 2.1.3; 2.1.4; 2.1.5
Methodology, related to the assessments, harmonised	C.1; C.2; C.3; C.4	2008.07.01	Annexes 2.2.2; 2.2.3; 2.2.4; 2.2.5
Experience exchange seminar on legal implications held	E.8	2008.07.01	Annex 2.3.3

Summarise each of the following chapters in 2-3 sentences.

- A. Most of "A" actions are close to completion: A1, Training & education of project staff, is completed. A2 – A5 (Inventory actions) have finished most their seasonal field visits – some spot-wise checking still ongoing; methods are discussed and harmonised among partners. A6 - GIS data base in process of being filled; A7 - management plans for selected sites are under preparation.
- B. No "B" actions defined in the project.
- C. C1-C4 have finalised their methodological works and data collection works. Assessments have started according schedule.
- D. "D" action - alternative fishing methods is continuing among interested fishermen for pilot trial; surprising good echo from stakeholders, good perspectives for future replication, positive results from alternative fishing methods.

- E. Most of Actions have started their implementation as the project has produced some visible products, results and started to intensify its public relations.
- F. Project management scheme is working well; regular accounting/reporting of partners introduced and partner and steering group meetings held.

General evaluation

The project is ongoing well - no obvious signs that the objectives could not be reached. Most of actions are in their schedule; a few delays have been noted due to weather conditions, but actions are catching up; all partners highly motivated and the team is performing on high professional level; a new co-financer has been attracted; money is spent according to planned budget and regularly reported to the project lead party.

4. TECHNICAL DEVELOPMENT

In the following the activities under each action are summarised and highlights pointed out. The action lead partners report to the project leader regularly about state of development of the action; their detailed reports from the A-D actions are included in Annex 2.1 and 2.2. Meanwhile the inventories are finished and we have included summary reports from them besides the regular action reports. As requested after interim report we have also included maps of project activities to illustrate the works.

Most E actions have started and their products/concepts of publications are attached in the Annex 2.3.

The F actions are described in more details in the text below as they give core information about the project management; their Annexes are reports from management meetings in Annex 2.4. Activities that illustrate the involvement of the Russian partner are described in Annex 3. To illustrate project activities Annex 4 shows a few photos from different actions.

A PREPARATORY ACTIONS/MANAGEMENT PLAN PREPARATION

A1 Raising Capacity of project staff for project implementation

Action A1 has been completed already within the previous reporting cycle except the study visit to Russian marine territories and Russian partners, which was implemented in May 2008. Due to the fact that several marine territories could not be visited due to restriction from the Federal Secret Service (FSB) a smaller group of Baltic experts than originally planned has been travelling to Russia. Nevertheless, the travel was very fruitful and has led to new ideas of cooperation. A key finding of the visit and its preparation is, however, the issue of security as anticipated by the state authorities and the non-accessibility of marine areas for experts, no matter if national or international. Another key finding is that the Eastern parts of the Gulf of Finland are important for the eco system and biodiversity protection must be intensified, also including international cooperation.

During the study visit the project team has learned about following sites:

- **Berezovye Islands** (Regional complex sanctuaries and Ramsar site) – archipelago in the Gulf of Finland, near a town- Primorsk; established for protection of coastal shallow water areas as resting sites of waterfowl, seal breeding sites, spawning grounds of fish species as well as unique plant species communities on the islands.
- **Gladyshevsky** (Regional complex sanctuaries) – situated partly in the territory of the St. Petersburg; established for protection and reproduction of natural salmon population and endangered mollusc species (freshwater pearl mussel).
- **Nyzhnesvirsky State Nature Reserve** (also Ramsar site) – strictly protected area situated in the south-eastern coast of the Lake Ladoga; established to preserve the nature complex of the coastal zone and resting site of the migratory birds. The nature reserve includes also 5000 ha of the lake where same as in the terrestrial part no activities are allowed. Visiting of the area is possible only, if agreed with administration of the reserve and accompanied by guide.

A2 Benthic habitat inventory

During the previous reporting periods existing information was screened, exact survey sites have been selected, methodology harmonised and benthic habitat inventories in part of the sites carried out. Within this reporting period the inventories have been finalised and currently the results are processed, discussed, conclusions drawn. All project areas except area LAT10 have been fully inventorised and the distribution of Habitat Directive ANNEX I habitats is described and quantified. Full description of distribution of species and habitats per project area will be published in the final report.

In the course of the project it was decided to develop an own habitat classification as existing ones were evaluated as not sufficient and the distribution of identified habitats is described and mapped.

Two types of habitat classification systems were used in the project:

1. Habitat Directive Annex I habitat types were determined using Habitat Directive habitat Types interpretation manual and "Guidelines for establishment of the Natura 2000 network in the Marine Environment".
2. An own habitat classification system was created by project group to comply with principles of EUNIS habitat classification system.

The habitat definitions of the new classification system was discussed and agreed during the workshop on "Features and interpretation of Nature 2000 marine habitats in the Baltic countries" held on 13-16 May, 2007 and expert meeting held on 7 April, 2008 (see attached reports from events in Annex 2.1.2). The project group has come up to the following specifics of the new system:

1. Habitats classification is based on exposure, substrate and biological features. Salinity is not handled separately (one salinity class only).
2. 3 exposure classes have been agreed. "Exposed bottoms" are in Lithuanian and Latvian coast, in Estonian coast "moderately exposed" and "sheltered bottoms" are found.
3. Substrate is defined as hard or soft. No habitats based on mixed substrate are further distinguished as 1) there are no specific species on mixed habitats 2) it is mainly question of small-scale variation and 3) when the habitat descriptions are provided in detail, it covers the variance in substrate.
4. Aphotic and photic zone needs distinguishing only in hard bottoms due to vegetation growth. As algae can reach depth up to 20 m, the 20 m depth limit is set.

The habitat list is presented in Annex 2.1.2/V and an example of detailed habitat description is given in the habitat fact sheet (see example in Annex 2.1.2/VI).

A3 Waterbird inventory

At the previous reporting periods the methodology of the bird counts were discussed and agreed during series of meetings and trainings and the fieldworks started. In this reporting stage the field inventories has been finalized. Overall, the Waterbird inventory was carried out successfully – all the planned project areas were covered (See Annex 2.1.3), although the coverage somewhat varied between the areas, depending mostly on weather conditions. Due to adverse weather periods in the first season and some logistics issues, the surveys were extended for another wintering period (2007/2008), compared to the period planned in the project application. Because of this, data analysis and interpretation have been slightly delayed. Although the collection of data has already been finished, the analysis of the collected Waterbird inventory data and delineation of the most important sites continues, but will be finished in the coming few months.

Within the project four methods of bird inventories were used: aerial counts, ship counts, coastal counts and breeding bird inventories at small islands and islets (in Estonia only).

As the main conclusion so far it can be stated that some of the investigated areas are important bird areas of European respectively global importance where large numbers of waterbirds have been observed. Their sufficient protection and installation of suitable management regimes are now an important step further on.

A4 Marine mammal inventory

After the delays of the first reporting cycles due to lack of suitable equipment and changes in technologies, we can report that meanwhile the equipment for harbour porpoise telemetry as well as for grey seal tracing has been purchased and installed (see Annex 2.1.4), first results can be noted as follows:

The T-PODs for harbour porpoise detection have been purchased and programmed, later on deployed to first survey site for survey. So far, within the reporting year 2007/2008, no harbour porpoises were detected near deployment locations.

During reporting period ten grey seals were equipped with telemetry devices. First data show wide ranges of movements, as well as fidelity to certain feeding and resting areas. Obviously the offshore reefs are important

feeding places and must be investigated further as they are outside current LIFE project areas and have not yet been designated as N2000 sites.

The ringed seal counts are highly depending on ice conditions – both last winters 2007 and 2008 were with very low ice coverage respectively short duration of coverage. This has an impact on the seal population as well as the seal pups cannot survive alone when ice breaks too early. The experts do not state fatal situation with the population, but serious concerns about the climate influence on ice coverage and related ringed seal population decline in recent years.

The action leader furthermore reported success about the methods applied for aerial counts (ringed seals) and records better accuracy for determination of ringed seal lair systems, and as well possibilities to see seal pups from the aerial photographs.

Important areas for ringed seals were localized in Väinameri (3EST) project area. Animals are very sedentary for their favorite resting and molting sites in the Väinameri area and this requires special attention for the protection regime elaboration during A7 action.

The Russian partner was trained on data analysis and census planning methods and contributed to the success of the action with his man power.

A5 Fish community inventory

The main aim of the action was to collect data about most important fish species from the point of view of nature conservation (like species listed in the Habitat Directive Annex II, Bern Convention, IUCN Red Data Book etc.). These species are as follows:

Alosa fallax, *Aspius aspius*, *Cobitis taenia*, *Coregonus albula*, *Coregonus lavaretus*, *Petromyzon marinus*, *Cottus gobio*, *Lampetra fluviatilis*, *Misgurnus fossilis*, *Pelecus cultratus*, *Lumpenus lampetraeformis*, *Pholis gunnellus*, *Trigloporus quadricornis*, *Myoxocephalus scorpius*, *Taurulus bubalis*, *Liparis liparis*.

During previous reporting periods the collection and analyse of existing data was performed, methodology agreed and field works started. At this reporting period the inventory was successfully completed - field works are carried out in all 13 study areas at least twice: during the cold and warm water periods. A meeting was held in 20-21 February 2008 to analyse the results and to agree on data presentation format.

The action group has concluded that due to the geographical differences (more sheltered bays and peninsulas, archipelagos) coastal small scale fishery is more developed in Estonia than in Latvia and Lithuania. Due to this the knowledge on coastal littoral habitats and the fish species inhabiting such areas was higher if compared to other two project countries. Therefore the inventories didn't provide such striking news like in other two countries (like recordings of new species, first indications on locations of spawning areas etc.). In Latvia and Lithuania the project action provided first comprehensive data sets on fish species abundance at all and therefore a valuable input to biodiversity data base at national level.

Detailed information about the single species and their status can be obtained in Annex 2.1.5.

It is common and widespread view that fishery has a very negative impact on the coastal fish. However, the present study didn't confirm this. By compiling our inventory data, data about fishery, and facts about the local fish markets, we concluded that coastal fishery decreases in importance and has actually little if any impact on the fish species that need protection. Also, the national fishery legislation includes already a lot of measures that ensure the protection of fish so that the project team concludes that special protection at certain sites of the species of concern is not necessary.

Another conclusion emerging is that the most important tool of nature protection must be the protection of habitats. Our data shows that in order to preserve rare and endangered fish species it is needed to protect vulnerable coastal habitats – underwater rocky reefs and underwater meadows. Such areas are most important feeding and spawning grounds for most of fish species.

A6 Elaboration of National GIS Database / Digital Maps

Finalization of the unified database structure has taken longer time than expected because it required a lot of agreements between inventory experts of different countries on data and required results to be inserted into the database. Reaching those agreements needed a lot of discussion and communication, which has caused delays regarding finalization of the unified database structure. However, harmonization of data/results is

important and using a unified database structure in 3 countries is additional value of this project. The small delays with finalizing database structure will not influence the overall project progress because anyway most of the gathered data have to be analysed before inserting into the project database and this work is currently going on.

As current results can be reported that first data have been received and preliminary testing of the databases has been implemented. Valuable work on harmonization of data/results between 3 countries has been done and a unified database structure is finalized and agreed. Necessary maps for management planning process have been provided and exchanged among all experts. Inserting fieldwork data into the data base has started and will be continued until end of 2008.

A7 Development of management plan concept for MPAs and elaboration of management plans and individual protection proposals for selected project sites

The A7 action is the core of the project. The concept of the management plans was elaborated and discussed during the international workshop and several expert meetings within the previous reporting periods. At this reporting period the action has reached in the its peak: data and information from the other actions are giving background information for management plan development and assessment of threats, basic information about the localities has been collected and a broad stakeholder involvement process has started in all three countries. Legislation has been amended where necessary (Latvia) on appeal of the project to support the process of site designation.

Activity 1 – Study of background literature and defining information needs for management plans

In all countries, different information sources relevant to development of management plans have been studied.

Activity 2 – Concept development of the Baltic marine management plans

The Coastal Planning and Research Institute of Klaipeda University developed a habitat sensitivity assessment protocol that will help to evaluate species and habitats as well as prepare threat assessment for sites.

On 23 October, 2007 the 3rd expert meeting of actions A6/A7 was held to discuss management plan development progress in general and by project area, co-operation with the other actions in management plan development, and stakeholder involvement in management plan development.

On 11-12 June, 2008 a round table discussion “Experience exchange on possible legal implications at future Marine Natura 2000 sites in the Baltic States and evaluation of findings from the site inventories 2005-2008” was held in Jurmala. At the workshop, 4 experts from the European Commission, Germany and the United Kingdom shared experience and advice on different issues related to designation and management of marine protected areas (national legal bases, transboundary sites, marine protected areas (MPAs) in Exclusive Economic Zone, instruments for protection and management of MPAs) (see Annex 2.3.3 for Action E8).

Activity 3 – National co-ordination of management plan development

In all three countries, series of national partner meetings have been held that included assessing progress and planning further management plan development. In the meetings, project partners agreed on the structure of the management plans and shared responsibilities for writing management plan chapters, as well as discussed the prepared chapters.

Activity 4 – Stakeholders involvement in the process of the management plan development

In all countries, stakeholder mapping was carried out and stakeholder communication on management plan development has been facilitated constantly. At international level two meetings were held to screen and understand deeper the problem of co-existence of off shore wind parks in direct vicinity of N2000 sites as very actual issue for the Baltic States where wind park developers place first applications for permits while the marine sites are not yet designated (See Annex 2.1.7)

Activity 5 – Elaboration of the texts of management plans

On the bases of the obtained background information, the experts prepared the introductory chapters of the management plans describing natural, social and economic conditions of the chosen sites. Species and habitats assessment and threat evaluation for sites is currently being carried out.

The sites selected for the management plan elaboration in Latvia was reduced from 3 to 2 (the project application foreseen management plan development for 2-3 sites in Latvia), due to insufficient data from the field inventories in the project site 9 LAT Irbe Strait. An additional project with EEA (Norwegian) funding was developed and granted for the elaboration of additional management plans in Latvia, so that the LIFE project

goal can be reached, although with external funding – and even above - 4 more management plans are being elaborated after LIFE project action ends.

In parallel to elaboration of the management plans the proposals on borders for new MPAs and supplementary information necessary for initiation of the site designation is being prepared in Latvia. At the present stage the final decisions on borders have to be made and proposals submitted to responsible state authorities by October 2008. After that official site designation procedure can be started and finalised with approval of borders in the Cabinet of Ministers.

B LAND PURCHASE

No land purchase activities in this project.

C NON-RECURRING BIOTOPE MANAGEMENT

C1 Assessing and reducing impact of fishery by-catch on species of Community interest

Prior to this reporting period the methodology for collecting the by-catch data were agreed at the meeting in October 2005; collection of background information on fisheries carried out; fishermen or fisheries enterprises subcontracted to provide information on by-catch; special forums prepared for fisherman to log the information on fishing and by-catch.

At this reporting period field data collection for the by-catch assessment action was completed. By-catch data continued to be collected from co-operating fishermen in all the three countries, particularly in areas, where some data gaps existed. Collection of this data was completed in May 2008 (preliminary – information on up to 600 bird by-catch events will be available for the analysis in all the three countries). All the collected information was gradually computerised into databases for further analysis.

Collection of fishing intensity/fishing effort data also continued as did computerisation of this data. The data was collected both from the co-operating fishermen and from official data sources.

Summarisation of the collected data and preliminary analysis of by-catch rates in different fishing gear and in different areas is the next step in the by-catch assessment, and this activity was started to a various degree in all the three countries during the reporting period.

Experimental fishing was also completed during the reporting period in Lithuania and Estonia (such activity was not foreseen in Latvia). No additional bird by-catch was observed during this period in the experimentally used fishing gear. It should be pointed out, that by-catch of birds remained very low during the experimental fishing in both Lithuania and Estonia. Data of the experimental fishing was being computerised into a database for further by-catch assessment analysis in conjunction with the fishing intensity/fishing effort data and by-catch data provided by the co-operating fishermen.

C2 Assessment of possible impact of constructions and dumping of dredged material on habitats of Community importance

Activity 1 - Gathering relevant information

During the previous reporting periods the information from the existing dumping sites within the project areas has been collected and analysed. The distribution of biological communities and habitats in the vicinity of dumping sites has been studied by the action A2 of the project. Currently distribution of Annex I habitat types of Habitat Directive, habitats according classification system developed in the framework of the current project and also distribution of biological communities is mapped and analysed.

Activity 2 - Meetings to discuss the methodology of the assessment

Altogether three meetings have been held to discuss the methodology and agree the workplan of the activities. First meeting was held in January 2006 during the previous reporting cycle and the main directions

and methodology were discussed there. Second meeting took place in Riga on March 20, 2007 and third meeting was held in Riga on April 08 2008.

During the last meeting the detailed methodology of assessment was discussed and agreed. This methodology (see annex 2.2.2/I) will be based on Habitat Sensitivity Matrix developed based on the data collected during the A2 activity of the project (see annex 2.2.2/II).

Activity 3 - Computer modelling

Computer modelling on sediment transport for Latvian and Lithuanian coastal waters was performed during previous reporting period where the main patterns of sediment transport for the whole coastal areas were described. This activity was carried out separately by two different methods. Available result show the main patterns of sediment transport from the known dumping sites.

Activity 4 - Meeting to discuss modelling results and drawing the conclusions

Activity has not started yet.

C3 Assessment of the impact of disturbances on waterbird and seal species of Community interest

In agreement with the project timetable, this action started only in the second half of 2007.

In the first half year of the reporting period, the main attention in this action was paid to identification of potential waterbird disturbance sources in the project areas. The priority was given to those project areas, which were selected for the preparation of management plans and to some areas of special concern (e.g. Irbe Strait).

In the first half year of 2008 the collection and compilation of information on disturbance sources continued. This included screening of literature for the publications dealing with the effects of various disturbance sources on marine wildlife, birds in particular. Collection of information on existing and planned economic developments, potential sources of disturbance, also continued with the special focus on areas, for which management plans are prepared, and certain problematic areas, identified previously. Data collection also involved interviewing and visiting regional authorities and some stakeholders, dealing with economic developments at sea.

On 15 March 2008, a meeting of project partners, involved in the implementation of this action in Latvia, Lithuania and Estonia, took place in Riga. The previously identified main sources of disturbance were discussed along with the concrete ways of identifying them and assessing their potential impacts on different species of waterbirds. A preliminary disturbance assessment form was discussed.

It was also agreed to draw up a list of identified important literature sources and exchange them among the three countries in an electronic format. Furthermore a paper on the harmonised methods of assessment was elaborated (Annex 2.2.3)

The collected spatial data on the disturbance sources/existing or potential economic developments was computerised – entered into a GIS database

The most important potential disturbance sources, identified so far, include shipping, recreation, military activities, port development and, as future threat: wind parks.

C4 ASSESSMENT OF THE IMPACT OF TRANSBOUNDARY AND LOCAL POLLUTION ON HABITATS AND SPECIES OF COMMUNITY IMPORTANCE

Many of the project areas are located in the proximity to the potential pollution sources such as oil transfer terminals, ports or shipping routes. Intensive ship traffic endangers marine Natura 2000 sites both via discharge of ballast waters and with waste liquids from engine rooms. Most of discharged hazardous substances enter the food chain and can cause survival problems for marine organisms. Although this threat is well recognized, the actual impact on marine Natura 2000 sites is poorly known and quantified. That being the case, there is a clear need to evaluate risk factor by pollution on the project areas.

For that purpose sampling of mollusks and sediments was performed by scuba diving within the frame of Activity A2 to reduce costs, except for project areas 12LIT and 13LIT, where separate cruises were carried

out, and sampling was planned by dredge and grab sampler. Further analyses of heavy metals in sampled molluscs (*Mytilus edulis* sampled from hard bottoms and *Macoma balthica* sampled from sandy bottoms) and analyses of selected congeners of PAHs as well as total oil in sediments was carried out.

Sampling: Prior to this reporting period sampling of mollusks, sea grass and sediments has been completed in Lithuanian sites as well as 11 LAT in Latvia. In this reporting period sampling has been completed in all Estonian sites and in Latvian site 8LAT. In 7LAT sampling still has to be completed in field season 2008. Analyses of heavy metals, PAH and total oil in the sampled material is completed in Lithuanian and Estonian sites as well as in 11LAT and 8LAT. Samples from 7LAT shall be analysed by November 2008.

The methodology for assessment of sampled material is attached in Annex 2.2.4/1

As preliminary result of the action we can state that concentrations of all pollutants in most of the sampled material are low and no real difference between the locations was possible to detect.

D RECURRING BIOTOPE MANAGEMENT

D1 Use of by-catch safe fishing gear in pilot project areas and regular reporting

Main content of the action is the use of modified fishing methods by commercial fishermen aiming at behaviour change and positive attitude towards "seal- and bird-safe fishing gear".

Three different types of gears have been or are still in use: A: long-lines, B: herring traps in Lithuania, and C: seal-safe fyke nets in Estonia.

- a) Long-lines were used by ichthyologists for two seasons and will be used by fishermen during the season 2007/2008. Aim: replace gill nets causing by-catch of birds.
- b) Herring traps aiming to reduce bird by-catch when catching herring and possibly smelt are presently tested in Lithuania (year 2008).
- c) Seal-safe fyke nets (catching many different coastal fish species) have been tested in Estonia since spring 2006 and are still in use. Aim: to reduce seal by-catch and increase profitability of fishery through reducing seal damage to gear.

Main steps of the action D1 fulfilled until today have been:

- Selection of private fishermen or fishing enterprises (carried out in previous reporting period).
- Purchase/construction of equipment for field works including traditional fishing gears and construction of modified fishing gears (sub-action A and C) – started in previous reporting period. Existing agreement concerning the sub-action B.
- Data collection and achievement of good results in the sub-action A and C.

Main result of the action is the data on performance of the longlines (LIT) and seal-safe fyke nets (EST). Additionally, interest of the non-contracted fishermen in the tested methods (especially fyke nets in Estonia), and the purchase of their own gears can be seen too as a very positive outcome of the project.

Special findings in Lithuania

During the 2007 season the seriousness of seal-fishery conflict in Lithuania has grown remarkably. According to one local fisherman in Palanga area half of his cod gillnets were destroyed by seals during the spring 2007. This problem didn't exist during the preparation of the project as seal abundance was recorded as low in Lithuania still 4 years ago but has grown significantly in the recent years. One conclusion from project activities is that grey seals presence seems to be related to the cod abundance, i.e. they are most abundant during winter and spring time in the northern part of Lithuania' coastal waters.

Special findings in Latvia

Originally this activity was not planned for Latvia. However, already in summer 2006 information was received that the seal attacks to fishing gear and by-catch of seals has considerably increased in Latvian waters, especially in Daugava river mouth area. Therefore, in September 2006 seal-safe fishing material (with mesh size 30mm) was given also to one fishermen catching salmon in this area (contact person of the study: Atis Minde). However, due to the very low profitability of fisheries in year 2007 the collected data on efficiency of modified fyke nets in Latvia was scarce. Therefore the data collection period was prolonged until end of 2008.

The records of more by-catch of seals in Latvian and Lithuanian waters leads to the conclusion that seal abundance is further increasing in the Baltic Sea and seals are moving southwards.

E PUBLIC AWARENESS AND DISSEMINATION OF INFORMATION

E1 Production and distribution of information flyer for stakeholders

The action has been completed in previous reporting period.

E2 Development and maintenance of the project website “The Baltic Sea portal”

Since last reporting period, the project website has been revised according to comments from visitors and project evaluators. A separate section has been created for downloads, where project reports and other files are accessible for the public. The news section is regularly being updated following events and other project activities and is translated into national languages (Estonian, Latvian and Lithuania); the Russian version of the website is updated as well according to relevance of the topics of concern for Russian audience.

During past 12 month, the project website was visited 32 835 times. Average statistics is 120-140 visits per day, 3500-4000 visits per month (statistics available at <http://www.ocean.lv/bspstats/>).

The interactive-educational part of the portal for youth is partly launched (panoramic pictures of the project areas), a more advanced version of educational tool is in final stage of development and will be updated for the new season of school-year. Its draft layout is presented in the Annex 2.3.1/I.

E3 Production of Film/DVD material “The Eastern Baltic Marine Environment”

During the reporting period, the project film team has been intensively gathering materials for the films following to the developed concept in early stages of the project. All 20 film stories were filmed and produced in the studio. The film is attached in DVD disk to the report (Annex 2.3.1/II) – it is still a raw versions as its production has taken loner time due to weather conditions and testing out of several concepts. The final version of the film will include also translations into national languages. Broadcasting/distribution is planned for autumn 2008.

E4 Work with media

A number of the press releases are distributed according to the events of the project. The project was illustrated as short informative stories in national TV, as well as number of articles are published in different media (internet news portals, national and regional newspapers) of the region. During the reporting period app. 59 news entries were published in different media sources (28 printed articles, 7 appearances on TV, 24 appearances on electronic media such as websites). In addition, press releases and information about the project were also presented on the websites of BEF Group. Detailed list of the project appearance in media is listed in the Annex 2.3.1/III to the report.

E5 Production and setting up information boards at strategic places accessible for the public

Locations of the information stands have been identified; currently the team is gathering information, such as permitting procedures from the authorities, needed for placement of the information stands. In some areas preliminary agreements with relevant authorities have already been made. The concept of info-stands is prepared (Annex 2.3.1, IV) listing information what has to be presented. Design of the information stands will be following to standard layout of such stands in local protected areas. In Latvia there is expected delay in implementation of this action since the Ministry of Environment has recommended to postpone the setting up of the info-stands until the borders of MPAs are approved.

E6 Production and distribution of a book “Marine protected areas in the Eastern Baltic Sea”

The concept of the book is ready (Annex 2.3.1/ V); drafting of the texts and gathering illustrations is ongoing.

E7 Organisation of public events in Estonia, Latvia and Lithuania

During reporting period the project was presented in different stakeholder meeting in the region (see Annex 2.3.1/VI). At such meetings a wide target group was reached. Nature enthusiast got information about project activities and major findings in international festival of ornithologists called “Birds Rally” in late 2007 in Lithuania. The project has been also presented to academic community and local authorities during scientific conference “Marine researches 2008”, which was held in April 2008 where project was presented in the poster session and with presentation in the plenary. The Latvian project team members have also taken part in meeting of Pape Nature Park Advisory Board in August 2007 and meeting of Union of Coastal municipalities in December 2007, where the stakeholders were introduced to the project as well as establishment of MPAs. Local communities were accessed during series of stakeholders meetings in Latvia and Estonia, organised within Action A7, where the concept of the management plans were presented and discussed (see annex 2.1.7).

E8 Organisation of international experience exchange on preliminary project results

The conference "Bird conservation in the marine environment: Identification, designation and protection of marine protected areas for birds in the Baltic Sea and beyond" has been organized in 4-6 October 2007 in Latvia. 50 participants have been participating in the event from most of the European countries: Lithuania, Latvia, Estonia, Russia, Spain, Portugal, Malta, Greece, Germany, Netherlands, Slovenia, Denmark, UK. In this conference also representatives of other LIFE projects were taking part, thus insuring information exchange among participants of the LIFE Nature program. Report of the conference is attached in Annex 2.3.2. of the report.

On 11-12 June, 2008 a round table discussion "Experience exchange on possible legal implications at future Marine Natura 2000 sites in the Baltic States and evaluation of findings from the site inventories 2005-2008" was held in Jurmala. At the workshop, 4 experts from the European Commission, Germany and the United Kingdom shared experience and advice on different issues related to designation and management of marine protected areas (national legal bases, transboundary sites, marine protected areas (MPAs) in Exclusive Economic Zone, instruments for protection and management of MPAs) (see Annex 2.3.3). Baltic experts presented findings from selected sites.

E9 Production and dissemination of the Layman's report

This activity is foreseen to be implemented in the next reporting period as foreseen in the project application.

E10 Final project presentation

This activity is foreseen to be implemented in the next reporting period as foreseen in the project application.

F OVERALL PROJECT MANAGEMENT

F1 Establishment and meetings of the Project Steering Group, monitoring of project progress

During the reporting period one steering group meeting has been held on 6 November 2007 in Riga. The action leaders reported to the representatives of the steering group about the project progress. No major concern was named and the steering group was satisfied with the project progress. It again was stated that the project provides an important contribution to the countries' development of system for protection of marine Natura 2000 territories. The report of the meeting is to be found in Annex 2.4.1.

The next steering group meeting shall be held in autumn 2008 and will be chaired by Lithuanian MoE.

F2 Overall project management and administration

The project continued to operate the project budget through the special account at *AS Hansabanka*, Latvia, the only bank, which was willing to issue the required bank guarantee for the first rate of the Commission grant. As already reported earlier, the bank guarantee determines the bank operation and related costs, the account is operated like a "frozen" account, which the beneficiary can access once a month and order payments to partners or to its own operating account to reimburse project spending. This functions well and no complaints or restrictions can be noted.

Also in the 3rd project operation year the financial management functions as follows: the common budget is divided according to activities & involvement of all partners. According to their budget all partners receive a share of the overheads. Partners are made responsible for their budget in terms of pre-payments and reporting in the EU format. Except for some partners' equipment purchase and one external contract no prepayments were made; most partners are accounting with beneficiary quarterly, some less frequent; partners are regularly submitting time sheets, expenditure reports and copies of all receipts/invoices. The beneficiary's bookkeeper controls all documentation, agrees on revisions if needed and reimburses the invoiced sum taking into account partners' own contribution. At the end of each reporting cycle the bookkeeper merges the expenditure reports and produces one joint balance.

Although the financial reporting seems to be tough for the partners, the beneficiary set up such scheme to keep tight control over such a large amount of partners (20) from 7 different countries. After challenging first reporting cycles one can state that the project financial system has been set up efficiently and is working well. The Interim report was prepared and accepted and the 2nd rate was received quickly – we see this as proof that the mechanism is functioning well.

The organisation of action implementation is still taking place in "cross-country setting" with ONE action leader from one of the countries and relevant counter parts for action implementation in the other two Baltic

States. The role of the Russian partner is the one of an observer and trainee learning the methods and comparing to theirs. Experts from the other partners act as resource persons and visit project events. This scheme has been continued and proved fine also during 3rd reporting cycle of the project.

As up-to-date communication tool for project management, the interactive web site with its partner log-in function is used actively.

The project manager, the three country coordinators and the assistants from the BEF offices in Estonia, Latvia and Lithuania are meeting frequently to feedback on project progress, administration challenges and undertake project planning jointly. The coordinator at the Russian partner is in close contact to communicate the participation of its experts in the actions.

The project financial management scheme functions well and is implemented according to its design.

Last but not least the project manager is in close contact with the external monitoring team and received good support from the monitoring expert in all questions asked so far.

F3 Establishment and meetings of the Project Management Board

The project management board is the decision making organ of the LIFE project, while the steering group gives advice and brings in donor interests. Big partners meetings are organised twice a year, in-between smaller partners meetings are held during project events, e.g. seminars, and give opportunity to discuss a few topics, but not the complex project setting obligatory for all partners to participate.

During the current reporting periods two meetings have been held in Riga: 5 – 6 November, 2007 and 17 – 18 March, 2008. The reports of these meetings are attached in Annex 2.4.2

The project management board meetings are taken serious by all partners and are visited by nearly all parties, if possible. The partners take joint decision on conceptual level and agree on reporting formats, deadlines, deliverable illustration and harmonised approached. Publication concepts are introduced by the relevant partners, discussed and further procedures agreed.

This part of the project management functions well and is continuing further without changes.

F4 Country Co-ordination Meetings

Another management level of the project is the country level in Estonia, Latvia and Lithuania where the actions are targeted. For this purpose all partners of one relevant country meet frequently under the leadership of the relevant BEF office. Exempted from the national meetings are the two Latvian partners P11 and P12 (film and web maker) who rather serve cross-national project actions.

In the current reporting period several country coordination meetings have been held: 3 meetings each in Lithuania and Estonia and 2 meetings in Latvia – this means that up to know in Lithuania 7 national coordination meetings were held in total, in Estonia 8 meetings and in Latvia 9 meetings. The reports of these meetings are attached in Annex 2.4.3.

Of course, a large part of the agenda of these meetings in the recent reporting period was dedicated to the elaboration of management plans within in the project, e.g. to legal implications as it has been topic in Latvia for quite some time. However, these meetings are not to be mixed with the management plan stakeholder meetings – the latter ones are site related, the country coordination meetings are at national level and more conceptual. They also discuss other topics than management plans.

The system of bringing back the transboundary project to national level is functioning well and the national authorities are well aware of the project.

F5 Project monitoring (effects of measures)

The action is scheduled for 4th reporting cycle 2008/2009.

F6 Independent audit

Although the LIFE grant requires the audit only at the end of the project, the bank, "Hansabanka", which gives the bank guarantee and operates the project account, has set the rule that the project account has to be audited twice a year to supervise correct financial management continuously. For the European Commission only the final Audit report following CP format will be attached, however, we would like to notify that frequent payment rates are agreed with the auditor to cover the single working steps. These invoices will be classified as advance payment rates, the final invoice will be declared as final payment. Based on best price offer, the company BDO Invest was selected out of three companies and is contracted for the project auditing according to the requirements of the European Commission. According to the ongoing audit reports produced for the bank, the auditor found all financial operations as according to rules and had no objections to the beneficiary's financial management.

F7 After-LIFE Conservation Plan

The action is scheduled for 2009.

5. PROBLEMS ENCOUNTERED

So far no serious problems have been encountered during the 3rd reporting period. Project management is working, project activities show results, most delays have been caught up and did not cause any negative effect on the overall project implementation and the final stage of the project has started.

It proved true that the idea to demand quarterly reporting by most of partners (except those with small contributions) is a good one and guarantees the project lead party to follow partners' activities and spending timely. The partners have learned how to report and the lead party as well, especially after the exercise of the Interim report. This has improved our reporting system and we continue to follow it carefully.

Currently the project manager cannot any serious obstacles that could hinder successful continuation of the project.

6. FINANCIAL ISSUES

PROJECT COSTS INCURRED (in ca 73% of project duration)

Budget position	Applied budget	Revised budget	by 1st prog. report	by interim report	by 3rd prog. report	% of realis. of revised budget
Personnel	1,152,863	1,210,877	172,008	412,122	881,457	72.79
Travel	417,865	405,400	58,781	107,923	273,693	67.51
External assistance	611,391	574,059	87,910	167,734	378,328	65.90
Equipment: total cost	339,215	322,478	134,527	170,149	267,806	83.05
Land purchase	-	-	-	-	-	-
Consumables	219,346	221,566	19,106	49,573	153,979	69.50
Other costs	168,636	152,636	16,498	40,063	78,949	51.72
Overheads	202,000	202,000	32,760	65,218	140,739	69.67
total eligible costs	3,089,016	3,089,016	521,590	1,012,782	2,174,950	70.41
total real costs	3,111,316	3,111,316		1,014,757	2,191,241	

To submit the project progress report by 31 July 2008, the partners submitted accounting to the beneficiary dating 31 May and the beneficiary closed its account on 30 June. Consequently partners reported on 34 and beneficiary on 35 months of spending, ca. 73 % of project duration.

The budget spent so far is 2,174,950 EUR, which stands for ca. 70 % of the total budget. This means that the spending of budget for activities is in harmony with spent time.

The only position which is spent more than project time passed is "equipment" - by its nature this position shall be exhausted at early project time to use the equipment for action implementation. By now the position has been nearly exhausted; some minor spare parts are to be purchased. The positions might not become 100% realised at project end.

"Other costs" are mostly bank guarantee and audit; naturally the major audit costs will occur towards project end, although constantly progress audits are undertaken to monitor spending process, and consequently the position will be absorbed.

In general the money is being spent constantly, partners are reporting regularly and no major delays or disturbances are monitored. The revised budget was accepted after Interim report and the project is fine with the budget position proportions.

One major issue for the budget has been the **acquisition of additional funds to the project to release the beneficiary from its high rate of co-financing**. During the current reporting period **the Lithuanian Ministry of Environment** as approved co-funding to the project (co-financing statement is signed, however, after current reporting date) and is currently trying to find legal mechanisms to channel the money as this is the first time that a co-funding will be given to a LIFE project in Lithuania by the Ministry of Environment. The agreed co-funding is approximately 43,000 EUR.

This means in legal terms that a new donor will have to be introduced to the project, as the funds are for project outputs at the end of the project – naturally project publications and the donor wishes to see its logo on them. As this action will fall into the time after the 3rd progress report, the project manager will take contact with the LIFE Unit at EC to negotiate the exact procedure. Until the legal mechanism in Lithuania is not clear it is too early to discuss.

At the same time some of the partners have given the commitment to raise their own contributions due to additional funds available at their institutions and the beneficiary would consequently withdraw from its high contribution which at time of project application was committed due to a nearly approved GEF contribution, which at the end failed.

The total budget would be maintained, but the proportion among the partners slightly changed and the co-financing commitments would have to be changed in the same procedure as when introducing the new donor. We guarantee that no budget position would be affected by the 10% rule and total project co-funding would proportionally remain the same – under condition that all funds will be spent. As these funds cannot be noted at the beneficiary's account, the contract must be amended.

7. PLANNED PROJECT PROGRESS

In the last project year all actions will have to be finished:

The Inventory actions will come up with their final conclusions. The project data base will be filled and the management plans prepared and submitted to the state authorities.

The threat assessment actions will come up with the judgement about the threats and the alternative fishing action with an analysis of future possibilities using the methods.

The public relation actions will have produced the agreed outputs – films will have been broadcasted, the book published, events hold.

Project management actions (F) will continue on regular basis.

As a sequence of the current LIFE project the project team in the different countries will start (Latvia) respectively has started (Estonia) more projects on marine issues as result of the current project, which has clearly show the needs and the topics where more action will have to be implemented and funds to be applied.

The project team also plans in the coming project period to submit a new LIFE + application to continue the started work and extend it to the off shore areas as urgently needed.

*Report by: Heidrun Fammler, Project Manager & Inga Ludzeniece, Project Assistant
Financial information: Maija Vitjazkova, Project Accountant
With support of the BEF country coordinators and project action leaders*

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