

Axis 4 Factsheet: CYPRUS

Geographical map



1. Context in which Axis 4 is being developed and main challenges faced.

Cyprus is the third-largest island in the Mediterranean, with a total land area of 9 251 km². It is situated in the eastern part of the basin and measures 240km long and 100km across at its widest point.

The Cypriot fisheries sector (catch, aquaculture and processing) employs approximately 1 000 people and accounts for 0.3% of the country's GDP. Another 800 people work in activities linked to the fisheries sector (shipwrights, importers of fishing equipment and supplies, etc.). Consumption of fisheries products is low in Cyprus, with an annual consumption per capita in 2007 of just 19 kg¹.

In 2009, the total contribution of the sector was valued at €57 million. Aquaculture production was valued at €17 million (3 390 tons) and marine fisheries production at €12 million (1 900 tons). The processing sector contributed around €28 million.

The Cypriot fishing fleet included 1 240 vessels in 2009. These were mainly small-scale coastal fishing boats, trawlers and multipurpose vessels. The small scale coastal fishing vessels accounted for 93% of the fishing fleet. The catch is landed in all of the country's fishing ports, as well as in the three main harbours. The most important landing place is the harbour of Limassol, followed by the port of Pafos. Larnaca, Latchi, Paralimni and Peyia are also important fishing ports. Overall, there are ten fishing ports in Cyprus, however, there is a need to construct new ports and modernize the existing ones in order to improve safety standards within the sector.

Aquaculture in Cyprus is mainly sea based and the sector has been growing in recent years. In 2009, while representing 60% of production, it accounted for approximately 79% of the overall value of the fisheries sector, supporting 15 enterprises (three marine fish hatcheries, one land-based shrimp hatchery/farm, seven private offshore cage farms, mainly producing sea bass and sea bream, two offshore cage farms fattening blue fin tuna, and two companies producing ornamental fish).

The processing sector is relatively new in Cyprus and there are currently around 20 fish processing companies. Repackaging is the dominant activity, but smoking, fish salting, filleting and marinating are also important. The processing sector mainly supplies the local market, with the exception of blue fin tuna, which is exported. The sector relies almost exclusively on imported raw materials and, therefore, any change in prices has a large impact on production costs.

According to the current fish trading system, the prices of the various species and grades of fish are mostly fixed in Cyprus, where the majority of fishermen sell their catch to fish shops, which sell directly to consumers. Across Cyprus, the same species or category of fish are offered at the same price by all fish shops. There is no system of price negotiation, like an auction, or any other process that is based on the market forces of supply and demand. It is also uncommon for fishermen themselves to be engaged in the marketing of their catch.

The coastal areas that depend on fisheries activities face both economic and social difficulties. Incomes are falling due to shrinking capacity and the implementation of measures for sustainable resource management. International pressure to limit the commercialization of blue fin tuna also poses a threat to the Cypriot fisheries sector. The conservation of fisheries products and their supply to the market present further challenges.

2. The national response in terms of Axis 4

In Cyprus, 5% of the EFF budget (€1 million) has been allocated to Axis 4 for the sustainable development of fisheries areas for the 2007-2013 period. Projects in Cyprus are expected to focus on supporting small-scale fisheries, adding value to fisheries products and improving the competitiveness of the sector. The diversification of economic activities and the development of tourism and related

infrastructure and services, as well as protecting the environment, improving professional skills and promoting networking are also objectives of Axis 4 in Cyprus. The aim is to safeguard the economic and social benefits of the fisheries areas, provide and secure new jobs for fishing communities, improve the quality of the coastal environment, and promote cooperation between relevant actors.

3. The areas and their key characteristics

The Department of Fisheries and Marine Research in Cyprus defined 24 municipalities/communities that were considered eligible for Axis 4 funding. The main criteria used were: that the area should be on the sea and sufficiently coherent from a geographical, economic and social perspective, and that a substantial proportion of the population should be engaged in the fisheries sector or a significant amount of fisheries products should be produced locally. Exceptionally, certain inland communities (e.g. Troodos) were also considered eligible because of their aquaculture activities.

<u>Eligible areas</u>	<u>Population</u>
1 - Municipality of Paralimni, Municipality of Ayia Napa & Region Agia Thekla, Liopetri (Liopetri river), Xylotymbou (Incl.Dekelia), Ormidia, Xylofagou	29 976
2 - Municipality of Larnaca	46 666
3 - Zigi, Mari (Incl.Vasiliko), Pentakomo, Moni	1 142
4 - Municipality of Limassol, Akrotiri & Monastery of Agios Nikolaos	94 934
5 - Kouklia, Pissouri	1 702
6 - Municipality of Paphos, Municipality of Peyia & Agios Georgios of Peyia	28 892
7 - Kato Pyrgos, Pomos (Incl.Paliampela)	1 715
8 - Prodromi (Incl.Latsi)	585
9 - Kakopetria -Platania, Ag.Nik.St.-Galata, Pano Platres (incl. Troodos), Foini (Incl. Trooditissa Monastery)	2 497

Although tourism is important in most of the areas, and small fishing communities are still widespread, conditions are very different between the areas. North-western areas are far away from the capital and less developed, with ageing populations and less job opportunities. Southern areas on the other hand are experiencing intensive tourism development and growing urbanisation. The important landings and fishing ports are situated in these areas.

4. The selection process

In September 2008, the Department of Fisheries and Marine Research launched a preliminary call for expressions of interest in Axis 4. In March 2009, there was a meeting with the interested bodies where the needs of their fisheries areas, the intervention priorities and the target sectors were discussed. Three Leader groups expressed an interest in developing an Axis 4 strategy and partnership.

The Department then published the call, in May 2010, to select the local groups that would implement Axis 4. The call closed in August 2010. Three candidate groups were registered but only one group was selected. Selection criteria took account of the following: i) the group structure, ii) the characteristics of the proposed area and iii) the objectives and the content of the local strategy. The selected FLAG area differed from the eligible areas initially foreseen and brought together eight local administrative bodies from the three candidate areas.ⁱ

5. The strategies

The strategy developed by the FLAG and focuses on the themes listed in the call. In April 2007 a national strategy for fisheries was published, providing a framework on which to base the local FLAG strategy.

In this context, there are already certain themes on which the potential FLAG will be required to focus, such as: improving the quality of life for fishermen, developing alternative business opportunities, and improving the competitiveness of the fisheries sector.

6. The group

The FLAG has been set up around an existing Leader local action group. The Larnaca District Development Agency is an approved Fisheries Local Action Group (FLAG) under Priority Axis 4 of the Operational Programme for Fisheries (OPF) 2007-2013, charged with responsibility for the implementation of the Local Plan for Fishery Areas of the Districts of Larnaca and Famagusta. The area of intervention of the local programme includes three municipalities (Larnaca, Paralimni, and Ayia Napa) and the five communities of Larnaca and Famagusta (Mari, Zygi, Ormidia, Xylotymbou and Liopetri). The total population of the intervention area, which covers around 255 square kilometres, is 72,367 people (census 2001). The local developmental strategy is based around a central rallying theme, aimed at building on the inherent potential of the area, to improve its attractiveness and the quality of life of local residents, and to upgrade the quality of local services.



7. Key features of administrative and financial systems

EFF budget 2007-2013

% of EFF Funding for Axis 4	EFF Funding for Axis 4 / €	National Funding /€	Total Funding / €	Average Budget per group / €	Number of groups
5%	1 000 000	1 000 000	2 000 000	2 000 000	1

The total public expenditure for Priority Axis 4 comes to €2 million, with EU and national co-financing of 50% respectively. For this public expenditure, the total cost of the programme is expected to reach € 2 871 000. The procedure for selecting local projects in Cyprus is as follows:

- FLAG drafts a call for project proposals and sends it to the technical committee of the intermediate body for approval;
- FLAG publishes the call for proposals;
- FLAG receives and evaluates applications for projects from potential beneficiaries;
- FLAG sends the project proposals to the technical evaluation committee of the intermediate body for formal approval or rejection and communicates decision to the candidate beneficiaries who can then implement approved projects;
- FLAG checks eligibility of expenditure made by the beneficiary, certifies the expenses and sends the request for payment to the technical committee of the intermediate body;
- The technical committee of the intermediate body executes the payment directly to the beneficiary and informs the FLAG.

8. Any resources or ideas that may be of interest to other countries

Under the Rural Development Plan (2004-2006), co-financed by the EAGGF, assistance was provided to rural communities to support the acquisition of experience in the Leader method. The following actions were carried out: studies of the situation in disadvantaged areas, taking into consideration both the needs and aspirations of the local population; information and training to encourage the active participation of those living in rural areas in future development initiatives; and the preparation of an action plan for Leader activities in the period 2007-2013.

9. Contacts and links

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[FLAG factsheet](#)

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