

Axis 4 Factsheet: LITHUANIA

Geographical map: Lithuania



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

Lithuania is the most southerly of the Baltic States, bordering with Poland and the Russian exclave of Kaliningrad in the south, Belarus to the southeast and Latvia in the north. At 90 km long, its Baltic coastline is relatively short but Lithuania also has significant inland waters covering 2 621 km² or 4% of the total territory of the country. This includes a number of important rivers such as the Nemunas (475 km) and the Neris and numerous lakes and artificial water bodies.

Its population of 3.3 million inhabitants is a relatively low consumer of fisheries products with an annual consumption per capita in 2005 of just 15 kg, compared to the EU average of 21 kg¹.

And yet, despite relatively low demand for fisheries products, Lithuania's fresh fish catch from the Baltic Sea and inland waters is not adequate to meet consumer needs. Moreover, Lithuania's annual catch provided to processing

companies is about 12 000 tonnes, which covers only 20-25% of the demand. As such, the processing sector uses mostly imported raw fish from Norway, Holland, Germany, Russia and the US.

The production of the Lithuanian fisheries sector accounts for a very small part (less than 1%) of the Lithuanian GDP. However, fisheries activities have a long tradition in Lithuania and are regarded as very significant in the country. The export of fisheries products accounts for 1.5% of total national exports and about 1% of its imports. In 2007, the turnover of the fisheries sector amounted to €175.2 million.

At the beginning of 2006, the fisheries sector in Lithuania employed about 9 000 workers, that is, about 0.6% of the working-age population in the country.² The sector can be broken down into marine fisheries (Atlantic Ocean, the open Baltic Sea and coastal fisheries); inland fishing; aquaculture; and fish processing industry.

Marine fishing accounts for 97% of Lithuania's total catch of 190 874 tonnes³, made up largely of cod, Baltic herring and sprat. Lithuania's fleet is made up overwhelmingly of small coastal fishing boats of under 12 meters long, numbering 229 vessels in 2008. Inland fishing accounts for just 2% of Lithuania's total catch, the Curonian Lagoon being the most significant inland fishing area, and aquaculture just 1% of catches⁴. Lithuania has some 10 500 hectares aquaculture ponds in which mostly carp is farmed. Aquaculture companies are becoming increasingly focused on organic production with 25 fishpond enterprises certified as organic in 2008.

Overall there are 42 fish processing companies in Lithuania. These operate in almost all Lithuanian counties. However, given its coastal location, Klaipėda is the most significant county in terms of fisheries activities with over 80% of Lithuania's fisheries enterprises located in the area. Klaipėda has a developed network of marine fishing, fish processing and fishing in the Curonian Lagoon.

Other fisheries companies, both in aquaculture and fish processing, are unevenly scattered throughout Lithuania with some inland water bodies and aquaculture ponds located in protected nature areas, including the European network of protected areas *Natura 2000*.

¹ FAO 2005

² Fisheries sector economical and social status review 2008, 2009

³ 2007 figures, Eurostat 2008

⁴ 2007 figures, Eurostat 2008

2. The National Response in terms of Axis 4

A number of Lithuania's regions are, to a great extent, dependent on fisheries activities and are currently facing both economic and social difficulties due to shrinking capacity and the implementation of sustainable resource policy. Fisheries is becoming an increasingly less viable activity in Lithuania, often generating insufficient income for subsistence. Furthermore, there is extremely low interest in this activity by the younger generation, fisheries communities are weak and there is a lack of individual initiative in undertaking economic activity as well as within the fisheries sector itself. With this in mind, the implementation of activities under Axis 4 will pursue the following aims: diversification of economic activities, increasing the value added of fisheries and aquaculture products, the development of tourism, creation of new jobs and improvement of quality of life in fisheries areas.

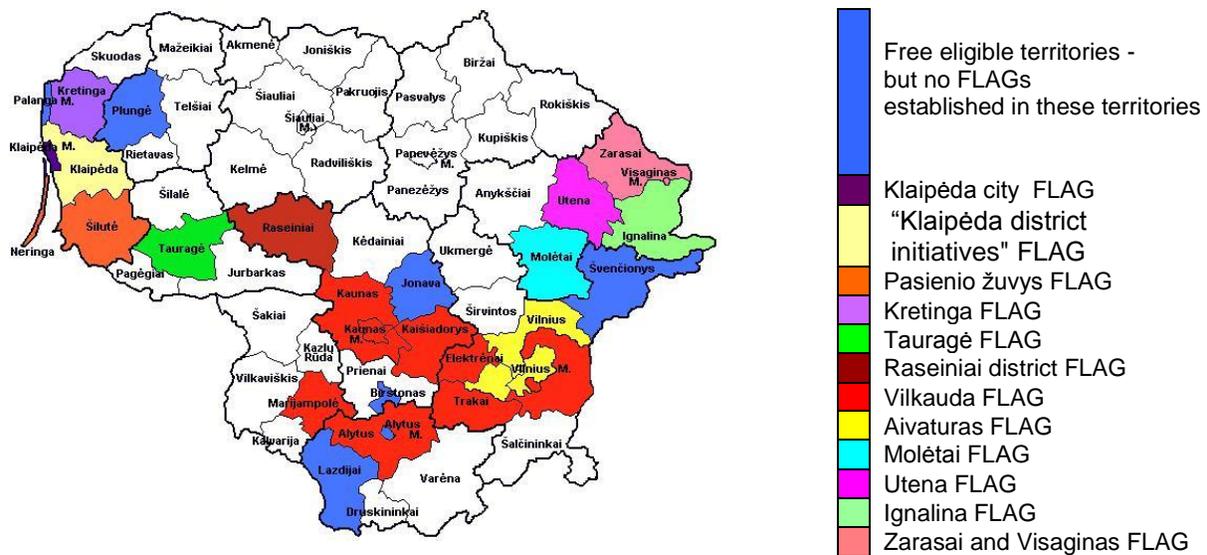
3. The areas

In 2007 the Fisheries Department under the Ministry of Agriculture defined which areas of Lithuania were eligible for Axis 4 funding. This was based on two criteria: the water area within the municipal territory had to exceed the Lithuanian average (i.e. it had to represent more than 4% of the territory) and more than 50 people had to be employed in the fisheries sector within the municipal territory. Based on these criteria, 27 municipal territories were identified for potential FLAG development. These territories account for almost 40% of Lithuania's territory and include the coastal areas as well as those areas with the mouth of a river, or significant lakes or ponds.

So far 12 potential FLAGs have been established and developed in these areas, located in the western, southern and eastern part of Lithuania. In 7 of the municipal territories recognized as eligible for Axis 4 funding, no FLAGs have been set up yet. The priority for allocating support funds under Axis 4 is provided to the FLAGs set up in the Klaipėda County.

Lithuanian fisheries areas are very diverse in terms of natural, cultural and social aspects as well as historical heritage. All these factors exert an influence on the development of the territories in question and the nature of problems faced by each FLAG. Some areas, such as the world heritage site, the Curonian spit, or those with protected *Natura 2000* status (the large majority of inland waters), struggle to find solutions to make this protected status economically viable in the face of restrictions on their fisheries activities or fish losses to protected bird species. Others, such as Klaipėda, face intense pressure from rapid development, for example in the harbour area which has led to increasing salinity levels in the Curonian lagoon, severely compromising fish resources.

Lithuanian areas eligible for Axis 4



Fisheries area

Area (km²)

Population

Pop.Density/

			<u>inhab/km²</u>
Klaipėda city	98	183 433	1872
Klaipėda district	1 336	51 875	39
Pasienio žuvys	1 796	56 187	31
Kretinga	989	45 790	46
Tauragė	1 179	50 326	43
Raseiniai district	1 573	41 305	26
Vilkauda	7 096	779 159	110
Zarasų ir Visagino	1 392	48 650	35
Molėtai	1 367	22 813	17
Utenos	1 230	47 611	39
Ignalina district	1 447	19 752	14
Aivaturas	2 151	486 057	226

4. The selection process

The selection process was conducted in two stages. Following the pre-selection of eligible areas in 2007, the Ministry of Agriculture (the Managing Authority) opened a call for the period of November 2008 until April 2009 to select local groups with the organizational capacity and relevant skills to develop local development strategies within the specified fisheries areas. 12 applications were submitted and, in September 2009, evaluated by the National Paying Agency (intermediate body) under the Ministry of Agriculture. During this evaluation procedure the National Paying Agency also verified the compliance of applications with eligibility criteria set for fisheries areas and FLAGs.

Towards the end of September 2009, the Ministry of Agriculture selected 10 of the 12 applications to receive funding and support for strategy development. Each group received approximately €20 000 (70 000 LT) for this strategy development phase which could be used to pay for consultancy and training. Moreover, the Managing Authority used their technical assistance to organize joint training sessions for the members of the potential FLAGs. The two groups that did not receive funding for strategy development (Vilkauda and Moletai) are nevertheless continuing to prepare strategies but at their own expense.

The Managing Authority plans to launch the call for submitting the strategies for evaluation between April and May 2010. The evaluation of strategies will be conducted by the National Paying Agency in conjunction with independent experts. The strategies meeting relevant eligibility criteria will be forwarded to the Ministry of Agriculture for final approval. Funding will then be allocated according to a formula that takes into account the number of fisheries companies in the area, the number of employees in the fisheries sector, and the amount of territory covered by water. Priority is given in particular to coastal zones.

5. The groups

Lithuanian FLAGs are registered as associations or public institutions, the governing body of which has the right to take decisions and can thus represent the interests of various representatives of the fishing community. The composition of the governing body is as follows: no less than 50% of its members should represent the fishing community, up to 25% of members should come from the business sector and up to 25% should represent local authorities.

All FLAGs represent a clearly defined territory which generally corresponds to an established municipal unit - the exception being the *Vilkauda* FLAG, which covers 8 municipalities. Bearing in mind more than 90% of Lithuanian territory is covered by Leader local action groups (LAGs), the territories of several fisheries areas coincide with the territories established under Leader. In these cases some members who act in Leader LAGs also belong to a potential FLAG. Legally, however, no FLAGs are established on the basis of Leader local action groups in Lithuania.

The number of board members in the Lithuanian FLAGs ranges from 6 to 12. Membership within the partnership, however, is not restricted – an unlimited number of persons related to fishing activities or companies operating within the FLAG territory can become involved.

6. The strategies

The process of strategy development is still underway in Lithuania. However, there are already clear themes that are emerging from this work.

The strategies developed by the potential FLAGs in the central and eastern part of Lithuania (inland fisheries areas) tend to focus in particular on restoring the cultural and culinary heritage of fishing, promoting fishing tourism as well as establishing recreational sites adjusted for ecological fishing. Given a steep decrease in fish populations in inland waters, the strategies being developed by FLAGs are reported to also pursue priorities such as a more effective utilization of fish resources and fish breeding.

The FLAGs located in the coastal area are focusing more on improving the quality of life for fishermen who are no longer employed in the fisheries sector and developing alternative businesses. Furthermore, emphasis will be placed on the following objectives: upgrading the skills of persons employed in the fisheries sector, applying scientific and technological innovations to environmental projects as well as development and marketing of small businesses.

7. Key features of administrative and financial systems

EFF Budget 2007-2013 and funding from National level

% of EFF Budget on Axis 4	EFF Budget on Axis 4 / €	National Funding /€	Total public funding / €	Average Budget per group / €	Number of Groups
12.23	6 693 770	2 231 257	8 925 027	892 502	10

The selection of projects and the support payments are made in following way:

- Potential beneficiaries present projects to FLAG
- FLAG evaluates whether the projects are in line with the development strategy
- FLAG makes the decision on allocating the support
- FLAG submits recommendation to the National Paying Agency (NPA) regarding the approval of the decision
- NPA conducts eligibility check
- NPA transmits funds directly to final beneficiaries

8. Networking and capacity building

On top of the significant capacity building support Lithuania has given to the FLAGs in the strategy development phase, the Managing Authority is currently in the process of developing a national FLAG network. The precise role of the network will be established following a period of consultation with the FLAGs.

9. Resources or ideas that may be of interest to other countries

Lithuania shares a large water body with Russia's exclave, Kaliningrad - the Curonian Lagoon. As such, Lithuania has gained significant experience in the cooperation with non-Member States and in implementing international projects (INTERREG Twinning projects, etc.) in the sphere of fish resource renewal and fish breeding. This experience could be shared with other countries.

10. Contacts and links

Managing Authority

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