

Axis 4 Factsheet: PORTUGAL

Geographical map: Portugal



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

At the extreme southwest of Europe, Portugal has a coastline of approximately 2000km, the mainland accounting for 1 187 km with the islands of Madeira and the Azores adding a further 250km and 667km respectively. 76% of Portugal's 10.6 million inhabitants live in coastal areas and this relatively small country boasts the third largest EEZ¹ in Europe. The Portuguese are the EU's highest consumers of fisheries products (57kg/yr compared to the EU average of 22 kg/yr) and yet the fisheries sector represents only a small percentage of the national economy (0.3% of the national GVA in 2005)². Moreover, its annual production meets only half the demand of its population.

Around 0.6% of the active population (around 33 000 people), are employed in the fisheries sector, of which over 60% work in fishing, with processing and aquaculture activities each accounting for about 20% of jobs³.

Portugal's total production was around 260 000 tons in 2007 (value ca €284 million), 97% of which was from maritime fisheries. Aquaculture accounted for approximately 3% of production while inland fishery production is extremely limited - one ton recorded for 2007⁴.

In terms of tonnage, the Portuguese fishing fleet is the sixth largest in Europe. It is made up of some 8,600 vessels which are primarily local and coastal non-trawlers of under 12 meters. The distant water fleet,

accounting for less than 20% of vessels but about 90% of tonnage, operates off the coasts of countries such as Norway, Spain, Senegal and Cape Verde.

Aquaculture is mainly sea and estuary-based and in 2005 provided activities for around 1500 enterprises. Although it represents only around 3% of production, it accounts for approximately 15% of the value (ca €43 million)⁵. Its offshore opportunities offer potential yet to be fully exploited and Portugal has started planning the creation of aquaculture dedicated zones.

Processing activities have traditionally been led by SMEs based on artisanal techniques but the sector has become increasingly less profitable, due partly to decreased local landings.

The canning sub-sector (mainly tuna and sardine) has, however, shown recent increases in profitability since the intervention of the last FIG⁶ programme. Fish-salting and freezing, largely of cod imports, is also an important part of the processing sector.

Portugal's high dependence on external markets, coupled with its peripheral geographic position and high proportion of SMEs, means that modernization of these numerous small companies is essential if it is to remain profitable. An ageing fleet and low involvement of producers in the distribution of their goods all

¹ Exclusive Economic Zone

² FAO Fact Sheet, 2005

³ Employment in the fisheries sector: current situation (FISH/2004/4)

⁴ Eurostat 2008

⁵ Eurostat 2008

⁶ Financial Instrument for Fisheries Guidance

contribute to poor profitability of the fisheries sector as a whole and its unattractiveness to younger generations.

Coastal tourism on the other hand represents the most important Portuguese maritime activity. Tourism accounts for 11% of Portugal's GDP and approximately 10% of total employment. The coast attracts 90% of Portugal's foreign tourists⁷. One of the strengths of the Portuguese coastal tourism sector is its infrastructure base while the country also offers rich and diverse natural resources. These have increasingly been put under pressure from different uses (tourism, fishing, real estate etc.), calling for an urgent need for integrated zone management.

2. The National Response in terms of Axis 4

The Secretary of State for Agriculture and Fisheries (SSAF) has allocated approximately €17 million, or 7% of their EFF budget, to Axis 4. Projects in Portugal will address a variety of socio-economic challenges faced by coastal areas such as strengthening the local economy; addressing the conflicting demands on the coastal area; taking advantage of Portugal's strong cultural heritage; and diversifying economic activities in a way that valorises its environmental assets. The "territorial" objective is that such projects have a strong multiplier effect thus generating positive knock-on effects for other activities in the targeted areas. The "sectoral" objective will be to provide and secure long-term alternative activities for fishing communities.

3. The areas and their key characteristics

Based on the criteria in the EFF regulation, Portugal preselected 45 municipalities which were considered eligible for Axis 4 funds (39 along Portugal's mainland coast and 6 in the Azores).⁸

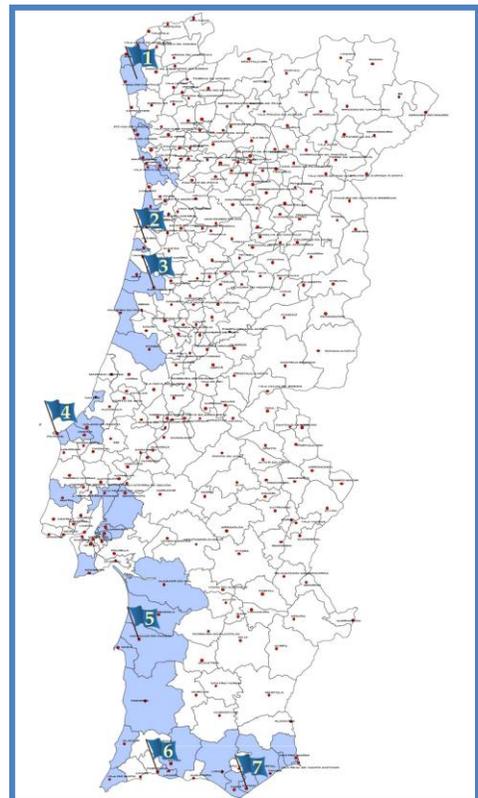
The threshold for low population density used was under 120 inhabitants /km², decline in fisheries activities was measured in terms of decreasing landings from 1999-2005 and dependence on fisheries activities was defined as 3% or more of the active population employed in the sector. Interestingly, this also included those working in Portugal's sea salt industry which is an important component of its maritime activities in certain areas.

These areas face a range of different economic, social and environmental challenges. Some of the northern fisheries areas are home to an ageing population, often with the additional challenge of a relatively low education and skills level. Job creation and diversification of economic activities is a real challenge in some of these areas, with dependency on fisheries activities rising to almost 20% of the active population in certain cases.

Southern areas on the other hand, such as the Algarve region, experience intensive tourism, seasonal overpopulation and concentration of activities linked with the tourism sector - but few alternative activities during the low season.

Environmental issues arise in most areas, with erosion of Portugal's sandy beaches along the northern and central coast and environmental pressure caused by tourism and industrial activities around the urbanised areas.

From the eligible areas along the Portuguese coast, Fisheries Local Action Groups (FLAGs) were approved in the following seven areas.



⁷ http://ec.europa.eu/maritimeaffairs/pdf/country_factsheets/portugal_en.pdf

⁸ Madeira will not implement Axis 4

<u>FLAG</u>	<u>District area (km²)</u>	<u>Population in FLAG area</u>	<u>Approximate pop. density (hab./km²)</u>
1. Litoral Norte	647,7	60 889	94
2. Região de Aveiro	638,7	101 575	159
3. Mondego mar	1 122,9	70 493	63
4. Oeste	1 080,4	97 138	90
5. Além Tejo	6 159,6	154 937	25
6. Barlavento do Algarve	1 807,7	125 960	70
7. Sotavento do Algarve	2 058,0	154 455	75

They are well distributed along the coast, representing the diversity of environmental and socio-economic characteristics: important landing ports of Peniche and Olhão, environmental hot spots such as the salt marshes and estuaries in the areas of Aveiro and Cantanhede, as well as growing urbanization of the sea-front in the northern and southern parts of the country. FLAGs in the Azores will be chosen in a subsequent selection round.

4. The selection process

Following the predefinition of the eligible areas by the SSAF, a single stage selection process took place for the mainland areas of Portugal⁹ with a call for tenders being published in August 2008. The deadline was the 31st of December, giving candidates around four months to form a partnership and draft a development strategy. The call was advertised in two newspapers and on the General Direction for Fisheries and Aquaculture's website and led to seven applications being presented.

Assessment of these applications was then undertaken in the period up to June 2009. Scores were attributed to each one and candidates were invited to react to the feedback on their applications, providing any necessary clarifications or amendments before final approval was given to all seven candidates at the end of June.

Official recognition of the seven FLAGs by the managing authority, and signature on the budget distribution to the groups by the Associated Secretary of State for Agriculture and Fisheries, was then given between 10th and 15th of July 2009. A subsequent capacity building and final competence check by the Regional Departments for fisheries and aquaculture was performed with Technical assistance.

5. The groups

With a total public budget of approximately €3 million each, the Portuguese FLAGs have been set up around different types of existing organisations such as associations, municipalities or platforms of municipalities. As such, they take on the legal status of the lead partner. Several groups have also included LEADER LAGs in their partnerships, and in two cases, Litoral Norte and Baixo Mondego, the lead partner is in fact a LEADER LAG.

Public and semi-public sector actors must make up 50% of FLAG partnerships in Portugal and so local authorities are well represented as are public institutes for professional education in maritime jobs and entities such as Docapesca (a partly state funded distribution company supplying the Portuguese fish market, running auctions and handling data on fresh fish sales). The private sector must account for the remaining 50% of each partnership and 60% of these private actors must come from the fisheries sector – including shipbuilding and salt works. The remaining private actors include tourism actors and local sports clubs. Interestingly, there is very little information on the involvement of environmental agencies and NGOs.

Partnerships tend to have between 13 and 27 members and around 5 people on the board – each representing one of the FLAG partner organisations.

This board also acts as the selection committee although it is the lead partner that holds the final decision with regards to selecting projects. Each FLAG counts on a salaried team of three.

6. The strategies

Diversification towards other economic activities figures as the top priority for Portuguese strategies, followed by improving the competitiveness of the fisheries sector and environmental management.

⁹ The Azores will proceed with the selection process in 2010.

A National Strategy for fisheries was issued in 2007, providing a framework to groups to help them develop their own strategies. A subsequent national report, *Hyper-cluster of the sea-based economy. Strategic potential for the Portuguese economy*, produced by the Society for Risk and Strategy Assessment and Commercial Association of Lisbon¹⁰, provides complementary guidelines for future actions.

Initial analysis of Portuguese strategies show that activities they hope to promote include: diversification and restructuring of local economic and social activities; bringing together different actors as represented in the local community and fisheries sector; training and research; as well as better valorisation of fisheries products and of the coastal environment.

7. Key features of administrative and financial systems

EFF budget 2007-2013 and funding from national level

% of EFF Funding on Axis 4	EFF Funding on Axis 4 /€	National Funding /€	Total Funding /€	Average Budget per group/€	Number of Groups
6	16 732 965	4 780 063	21 513 028	3 million	7

- Potential beneficiaries present projects to the FLAG
- Selection committee of FLAG analyses projects
- The managing partner selects projects and transmits to Managing Authority
- Managing Authority checks eligibility of selected projects and submits them to the Manager
- Projects presented by the FLAG themselves will be analysed by the DRAP¹¹ (Regional Department for Agriculture and Fisheries)
- IFAP¹² makes the payment to the beneficiaries
- Public funding is limited to € 200 000 for projects presented by profit-making organizations and € 500 000 for non-profit organisations.

8. Networking and capacity building

There is currently no specific fisheries network in Portugal however FLAGs have been invited to join the national rural network and take advantage of the networking and exchange of information opportunities that this offers. *Minha Terra*, the Portuguese Federation for Local Development Associations, also acts as a network for Leader LAGs and, bearing in mind the connections that some FLAGs have with Leader groups, constitutes a valuable source of experience.

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

Portugal has benefitted from having implemented past EU demonstration programmes (LIFE) in Integrated Coastal Zone Management (ICZM). Moreover, guidelines on good practices for coastal land use have been issued in an attempt to reduce the pressure from human activity along the Portuguese coastline. These could offer some interesting ideas to countries facing similar coastal pressures from tourism, industry and natural erosion.

10. Contacts and links

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¹⁰ "Hypercluster of the sea-based economy. Strategic potential for the Portuguese economy"  <http://www.port-chambers.com/Files/Documents/Hypercluster%20da%20Economia%20do%20Mar.pdf>

¹¹ Departamento Regional Agricultura e Pescas

¹² Instituto de Financiamento da Agricultura e Pescas