

Axis 4 Country Factsheet: LATVIA

Geographical Map: Latvia



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

Latvia has 498 km of coastline and 2 363 km² of inland waters (3.6% of the country's total surface area). The capital, Riga, is situated in the Gulf of Riga, at the mouth of river Daugava. This is a shallow part of the Baltic Sea, covering an area of 18 000 km², and almost closed to the northwest by the Estonian island of Saareema.

In 2008, Latvia's fishing fleet consisted of 841 fishing vessels, with more than 700 of these fishing in the coastal waters of the Baltic Sea and the Gulf of Riga¹. Half of the boats fishing in coastal waters are under 5 metres and have no engines. In 2005, the total catch in the coastal waters was just 2 664 tonnes, on average of 3.57 tonnes per unit of fleet, highlighting a low efficiency.

The remainder of the fleet fish in the Baltic Sea and the Gulf of Riga beyond offshore waters, targeting

sprat, herring, cod and flounder. A limited number of vessels operate off the coasts of Mauritania and Morocco, as well as in the Northwest Atlantic and the Northeast Atlantic. Although limited in numbers (10 units in 2006), these vessels represent around 58.6% of the fleet's tonnage and 35.2% in terms of power.

Latvia's total production in 2007 was 156 000 tonnes (with a value of €18.5 million) of which 91.3% was generated by landings and 8.7% by aquaculture. Cod is among the most marketable of the fish caught in the Baltic Sea. Although it only represents 3.9% of total production, almost 59% of the total fleet in the Baltic Sea specifically target the species. Recent quota allocations for the Baltic have seen a 15% increase in the allowance for cod. Herring and sprat make up almost half of the total catch of all vessels fishing in the Baltic Sea and the Gulf of Riga. These species have seen their quota allocations decrease by 12% and 5% respectively.

Almost 90% of the total fish production is exported (worth €119 million in 2005). Indeed, the fisheries sector is one of the few sectors in Latvia to have a positive external trade balance. In 2005, the export market expanded, giving a positive trade balance of €74 million. Trade with non EU markets is important for Latvia, which ranks 3rd in terms of trade with non EU countries and 2nd regarding exports to non EU countries.

The aquaculture sector focuses mainly on carp production which, although limited (729 tonnes in 2007), has been growing steadily since 2004. Fish production from inland waters accounts for less than 1% of total fish production (just 310 tonnes in 2007).

Around 6 000 people are employed in coastal and marine recreation and tourism in Latvia, and around 10600² people in the fisheries sector. Indeed, with 1.1% of the county's active population employed in the fisheries sector, Latvia has a higher employment dependency on fisheries than any other country in the EU. The sector is, therefore, an important contributor to regional development. In coastal areas, sea fishing and fish processing are important business activities and in certain regions, where local inhabitants have few other opportunities, employment in the fisheries sector can be as high as 21% of total employment. In inland rural areas, aquaculture has developed as an alternative to agriculture.

Latvia has a longstanding tradition and considerable experience in fish processing. Producer organisations are in place and public authorities, private sector organisations and non-governmental organisations already engage in cooperation. The main weaknesses within the fisheries sector are

¹ EuroStat 2008

² The role of Maritime Clusters in European maritime sectors, Latvia 2008

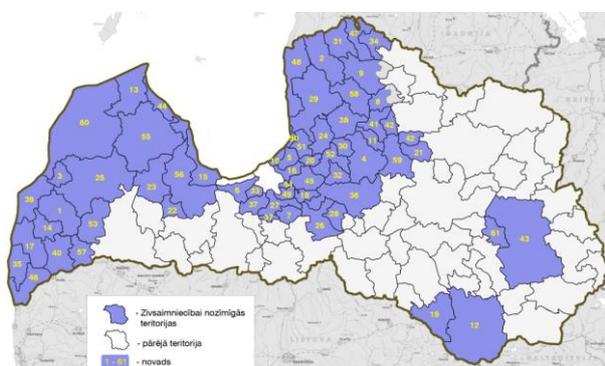
linked to inadequate port infrastructure, a lack of cooperation between fishermen and fish processing companies, and a lack of experience in planning economically sustainable fisheries projects.³

From an environmental perspective, Latvia has participated in a LIFE project with Estonia and Lithuania to develop a network of Natura 2000 Marine Protected Areas (MPAs) in the eastern Baltic. In Latvia, the territories along the West and East coast of the Gulf of Riga, the Irbes strait, Akmeņrags – Pāvilosta and Nida – Pērkone territories underwent research and seven new MPAs were proposed. Coastal fishing communities were involved in the stakeholder process of this exercise, which will have an impact on the planned off-shore wind farm projects announced in the Baltic State.

2. The national response in terms of Axis 4

According to the Operational Programme, the allocation of EFF funding to Axis 4 in Latvia is 23% (€28.9 million) of the country's total EFF funding. This is one of the highest percentage allocations of all EU Member States. Investments will focus primarily on improving small-scale infrastructure, including infrastructure related to fisheries, and the diversification of employment in fisheries areas in order to preserve local populations and the attractiveness of fisheries areas. Axis 4 is seen as a good opportunity to promote collaboration between different types of stakeholders, creating new and viable partnerships.

3. The areas and their key characteristics



The Strategic Plan for the Fisheries Sector in Latvia for 2007-2013 identifies the areas that are important to the fisheries sector and where the local development strategies will be implemented. These areas were selected on the basis of the number of fisheries companies operating in the area and the number of people employed in the fisheries sector.

The total area selected covers 49.5% (59 agglomerated areas) of the total territory of the country, and is located mostly around the

Kurzeme and Vidzeme coasts as well as including 4 inland areas in the Latgale region.

As well as being important to the fisheries sector, the eligible areas also had to meet other criteria: they had to be smaller than NUTS 3, homogeneous, and have between 5 000 and 65 000 inhabitants. Cities with populations of more than 15 000 were excluded.

Eligible NUTS 3 areas in Latvia – from which 24 groups presented local development strategies

Fishery area/ selected groups	Area in km ²	Population	Est. Pop. Density
NUTS 3 "Kurzeme"	11 413	138 945	12.17
NUTS 3 "Pierīga"	8 893	232 113	26.10
NUTS 3 "Vidzeme"	6 062	83 058	13.70
NUTS 3 "Latgale"	5 337	78 358	14.68
LATVIA	31 706	532 474	16.79

4. The selection process

The call for local development strategies was launched in the 3rd quarter of 2009. Twenty-four local development strategies were received from 24 existing Leader local action groups (LAGs). The eligibility of the groups and the quality of the local development strategies were evaluated at the same

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time. In February 2010, the strategies were all approved in accordance with the criteria specified in the Operational Programme and in the national laws and regulations.

5. The strategies

The aims of the strategies are consistent with the measure for the “Implementation of territorial development strategies”, defined in the Operational Programme (to stimulate improvement of small-scale infrastructure, including the quality of infrastructure related to fisheries, and diversify employment in the fisheries areas to preserve the population and attractiveness of the territories). The measures contained in the local development strategies are linked to one or more of the following activities:

- The recovery and development of villages where fisheries activities are being performed (included in 23 strategies);
- The development of small-scale infrastructure and services related to fisheries and tourism (included in 23 strategies);
- The restructuring and re-directing of economic activities and diversification of activities (included in 12 strategies);
- The re-establishment of the production potential of the fisheries sector where damaged by natural or industrial disasters (included in 1 strategy).

The budget of the groups depends on the number of inhabitants in the respective areas. The budget per group is calculated on the basis of the amount available for the measure, divided by the total number of inhabitants in the selected areas, multiplied by the total number of inhabitants in the Fisheries local action group's (FLAG) area.

6. The groups

All 24 groups selected to implement local development strategies under Axis 4 are also implementing local development strategies under the Leader Axis of the Rural Development Programme.

The general rules for the eligibility of a group are:

- to be registered as an association or foundation;
- to have no more than 50% of its decision-making body (decision-making body is responsible for the implementation of the development strategy) comprised of representatives from state and municipal institutions and to have at least 50% of the representatives from economic and social partners (including representatives of fisheries sector);
- to have a management structure that is separate from the decision-making body;
- to have a separate project evaluation committee.

In order to be eligible to implement a strategy with EFF support, at least 1/3 of the economic and social partner representatives on the decision-making body must be from the fisheries sector.

Groups applying for funds from the EFF and also from the European Agricultural Fund for Rural Development (EAFRD) must have separate decision-making bodies for each fund as well as separate project evaluation committees.

7. Key features of administrative and financial systems

EFF Budget 2007-2013 and funding from National level

% of EFF Budget for Axis 4	EFF Budget for Axis 4 /€	National funding /€	Total budget/€	Average budget per group/€	Number of groups planned
13.7%	17 172 786	5 724 262	22 897 048	954 044	24

- FLAGs are selected by the Paying Agency (Rural Support Service – an institution operating under the supervision of the Ministry of Agriculture).
- The individual projects are submitted by local actors (potential beneficiaries) to the FLAGs.
- The FLAG evaluation committee selects projects that are in line with the local development strategy.
- The FLAG present the evaluated applications to the Paying Agency.
- The Paying Agency will check the eligibility of selected projects, perform the financial control and make the payment to the final beneficiary.

8. Networking, training and capacity building.

All 24 groups are selected to implement local development strategies with both EFF and EAFRD support. Some groups also have experience of implementing Leader type measures during the period 2004-2006, but almost half were established at the beginning of the planning period 2007-2013. Capacity building and the transfer of experience to newly established FLAGs are therefore important priorities and the Ministry of Agriculture, assisted by the National Rural Development Network, has provided some training to groups. However, most of the training and capacity building has taken place as part of the implementation of the Leader Axis of the Rural Development Programme.

Financed by the EFF's Technical Assistance budget, a National Fisheries Network was set up in April 2010 for FLAGs and other fisheries stakeholders. It works on similar principles as the National Rural Development Network and is managed by the Latvian Rural Advisory and Information Centre. The Fisheries Network's main task is to promote the exchange of knowledge and experience at national and EU level, arrange meetings and training, involving FLAGs, potential beneficiaries and other interested parties.

There is no separate network, specifically for FLAGs in Latvia, but informal networking does occur within the Latvian Rural Forum, which also acts as a non-formal network of LAGs and already involves most of FLAGs.

9. Contacts and links

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